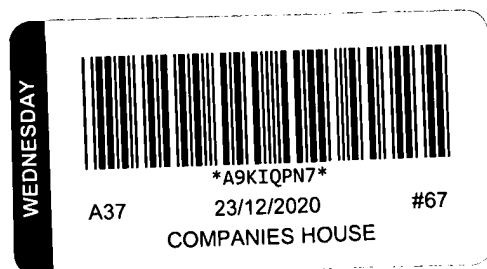


COMPANY REGISTRATION NUMBER: 09444444

Liberis BCA Ltd
Financial Statements
Year ended 31 December 2019



Liberis BCA Ltd
Financial Statements
Year ended 31 December 2019

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Liberis BCA Ltd

Officers and Professional Advisers

The board of directors

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

Registered office

11th Floor 1 Lyric Square
London
United Kingdom
W6 0NB

Auditor

BDO LLP
55 Baker St
Marylebone
London
United Kingdom
W1U 7EU

Liberis BCA Ltd

Strategic Report

Year ended 31 December 2019

Principal 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 revenue of the company increased significantly from £21,697k to £29,888k, with a loss before taxation of £923k compared to a profit in the prior year of £494k. This was in line with our expectations.

The significant rise in revenue is a result of the increased advances book before provisions from £62,528k to £73,696k.

Key financial indicators

	2019	2018 (restated)
	£'000s	£'000s
Revenue	29,888	21,697
Gross Profit	12,540	9,530
Profit/ (loss) before taxation	(923)	494
EBITDA	2,804	3,058
Net assets/(liabilities)	(1,673)	(749)

Key performance indicators

	2019 No.	2019 £'000s	2018 No.	2018 £'000s
UK advances	8,662	126,140	6,240	90,273

Future developments

We expect to continue to grow our advances book throughout 2020 subject to the impact of the COVID-19 pandemic and believe that the company will manage its costs and remain at a break even position.

Going concern

The financial statements are prepared on a going concern basis, noting that the Company has reported an operating profit of £2,804k for the year to 31 December 2019 (2018: £3,058k).

The far reaching spread of the COVID-19 pandemic has caused economic and business disruption around the globe, including forcing many companies, including Liberis BCA Limited, to utilise business continuity plans, including limiting travel and employ remote working, to allow continued operations with minimal disruptions. In this context, the directors have evaluated the going concern status of the Company and concluded that, although current circumstances indicate the Company should be able to continue operations as a going concern, the overall breadth of the COVID-19 pandemic has raised enough indeterminable variables that could potentially impact the continuity of the business.

The directors have prepared cash flow forecasts for the period to December 2022 which indicate that, taking account of reasonably possible downside scenarios, the Company will have sufficient funds through repayments expected from the existing loan advances given to clients, its existing funding from its investors and the Group's senior facility, to meet its liabilities as they fall due for that period. The Company is party to the senior facility with its assets provided as security. The directors have applied reasonably possible downsides to their base case cash flow forecasts to assess the possible impact of reduced forecast income streams and not renewing the loan facility. The forecasts took in to account the directors' plans to mitigate the effect of the events and conditions, for example through reducing its cost based to reflect the lower transaction volumes.

Liberis BCA Ltd
Strategic Report *(continued)*
Year ended 31 December 2019

Going concern *(continued)*

Those forecasts also assume that the Group's lender will renew the Group's senior loan facility on 6 December 2020 of which 90% had been utilised at year end. The directors are confident that the loan facility will be renewed. As with any company placing reliance on continued financial support, the directors acknowledge that there can be no certainty that this facility will be renewed although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. For this reason and based on forecasts prepared, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

However, should the facility not be renewed, the Group will enter into a run-off scenario whereby the current loan facility will need to be repaid within six months of expiry requiring the Group to seek alternative funding.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

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 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 to mitigating risk is to ensure internal controls are robust 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.

Employment risk

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

Information technology and 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.

Liberis BCA Ltd

Strategic Report *(continued)*

Year ended 31 December 2019

Working capital and banking facility and borrowings

The company utilises 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 on04/12/20..... and signed on behalf of the board by:



Mr T P Bason
Director

Registered office:
11th Floor 1 Lyric Square
London
United Kingdom
W6 0NB

Liberis BCA Ltd

Directors' Report

Year ended 31 December 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

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.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 18 to the financial statements.

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 2019

This report was approved by the board of directors on04/12/20..... and signed on behalf of the board by:



Mr T P Bason
Director

Registered office:
11th Floor 1 Lyric Square
London
United Kingdom
W6 0NB

Liberis BCA Ltd

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

Year ended 31 December 2019

Opinion

We have audited the financial statements of Liberis BCA Limited ("the Company") for the year ended 31 December 2019, which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the notes to the financial statements, 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 Financial Reporting Standard 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 2019 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the financial statements, which indicates that the Groups senior loan facility, which the Company is party to and reliant on, is due for renewal within the next 12 months. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Liberis BCA Ltd

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

Year ended 31 December 2019

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 and 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 by the Company, 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.

Liberis BCA Ltd

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

Year ended 31 December 2019

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Matthew Hopkins (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
7 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Liberis BCA Ltd

Statement of Income and Retained Earnings

Year ended 31 December 2019

		2019	2018 (restated)
	Note	£'000s	£'000s
Revenue	4	29,888	21,697
Cost of sales		<u>(17,348)</u>	<u>(12,167)</u>
Gross profit		12,540	9,530
Administrative expenses		<u>(9,736)</u>	<u>(6,473)</u>
Operating profit	5	2,804	3,058
Interest payable and similar expenses	8	<u>(3,727)</u>	<u>(2,564)</u>
(Loss)/profit before taxation		(923)	494
Tax on (loss)/profit	9	<u>—</u>	<u>—</u>
(Loss)/profit for the financial year and total comprehensive income		<u>(923)</u>	<u>494</u>
Retained losses at the start of the year		<u>(749)</u>	<u>(1,243)</u>
Retained losses at the end of the year		<u>(1,673)</u>	<u>(749)</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 19 form part of these financial statements.

Liberis BCA Ltd
Statement of Financial Position
31 December 2019

		2019	2018
	Note	£'000s	(restated) £'000s
Current assets			
Debtors	10	68,208	48,709
Cash at bank and in hand		1,711	581
		<u>69,918</u>	<u>49,290</u>
Creditors: amounts falling due within one year	11	<u>(49,911)</u>	<u>(1,726)</u>
Net current assets		<u>20,007</u>	<u>47,564</u>
Total assets less current liabilities		<u>20,007</u>	<u>47,564</u>
Creditors: amounts falling due after more than one year	12	<u>(21,680)</u>	<u>(48,313)</u>
Net liabilities		<u>(1,673)</u>	<u>(749)</u>
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account	16	<u>(1,673)</u>	<u>(749)</u>
Shareholders deficit		<u>(1,673)</u>	<u>(749)</u>

These financial statements were approved by the board of directors and authorised for issue on 04/12/20, and are signed on behalf of the board by:



Mr T P Bason
Director

Company registration number: 09444444

The notes on pages 13 to 19 form part of these financial statements.

Liberis BCA Ltd
Statement of Cash Flows
Year ended 31 December 2019

	2019	2018 <i>(restated)</i>
	£'000s	£'000s
Cash flows from operating activities		
(Loss)/profit for the financial year	(923)	494
<i>Adjustments for:</i>		
Interest payable and similar expenses	3,727	2,564
Accrued expenses/(income)	1,479	(4,555)
<i>Changes in:</i>		
Trade and other debtors	(19,499)	(12,017)
Trade and other creditors	26	(1,018)
Cash generated from operations	(15,189)	(14,532)
Interest paid	(3,727)	(2,564)
Net cash used in operating activities	<u>(18,916)</u>	<u>(17,096)</u>
Cash flows from financing activities		
Proceeds from borrowings	18,107	15,344
Proceeds from loans from group undertakings	1,939	884
Net cash from financing activities	<u>20,046</u>	<u>16,227</u>
Net increase/(decrease) in cash and cash equivalents	1,130	(868)
Cash and cash equivalents at beginning of year	581	1,449
Cash and cash equivalents at end of year	<u>1,711</u>	<u>581</u>

The notes on pages 13 to 19 form part of these financial statements.

Liberis BCA Ltd

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 11th Floor 1 Lyric Square, London, W6 0NB, United Kingdom.

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 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

The financial statements are prepared on a going concern basis, noting that the Company has reported an operating profit of £2,804k for the year to 31 December 2019 (2018: £3,058k).

The far reaching spread of the COVID-19 pandemic has caused economic and business disruption around the globe, including forcing many companies, including Liberis BCA Limited, to utilise business continuity plans, including limiting travel and employ remote working, to allow continued operations with minimal disruptions. In this context, the directors have evaluated the going concern status of the Company and concluded that, although current circumstances indicate the Company should be able to continue operations as a going concern, the overall breadth of the COVID-19 pandemic has raised enough indeterminable variables that could potentially impact the continuity of the business.

The directors have prepared cash flow forecasts for the period to December 2022 which indicate that, taking account of reasonably possible downside scenarios, the Company will have sufficient funds through repayments expected from the existing loan advances given to clients, its existing funding from its investors and the Group's senior facility, to meet its liabilities as they fall due for that period. The Company is party to the senior facility with its assets provided as security. The directors have applied reasonably possible downsides to their base case cash flow forecasts to assess the possible impact of reduced forecast income streams and not renewing the loan facility. The forecasts took in to account the directors' plans to mitigate the effect of the events and conditions, for example through reducing its cost based to reflect the lower transaction volumes.

Those forecasts also assume that the Group's lender will renew the Group's senior loan facility on 6 December 2020 of which 90% had been utilised at year end. The directors are confident that the loan facility will be renewed. As with any company placing reliance on continued financial support, the directors acknowledge that there can be no certainty that this facility will be renewed although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. For this reason and based on forecasts prepared, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

However, should the facility not be renewed, the Group will enter into a run-off scenario whereby the current loan facility will need to be repaid within six months of expiry requiring the Group to seek alternative funding.

Liberis BCA Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Going concern *(continued)*

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

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.

The following are considered significant judgements made by the directors:

-Intangibles have been capitalised where the directors believe the development stage in line with section 18.8A of FRS102 has been met. The directors make judgements on when they believe this stage has been met.

-The value of share options has been measured using the Black-Scholes option pricing model taking into consideration the terms and conditions upon which the instruments were granted. Costs are subsequently measure in line with the vesting period of each option. The directors make judgement for the variables input into the Black Scholes formula based on other similar industries and current market conditions.

-The directors deem all subsidiaries to be carried at the lower of cost less amortisation and fair value. The directors make judgements on whether an impairment is required based on the value obtained from recent share issues.

-Intangibles are reviewed annually for impairment where the value is considered to be lower than the cost less amortisation. The directors make judgements on impairments based on the future cash generation from the developed items.

-Significant judgement are made by the directors in relation to expected collection periods which impacts revenue recognition on an effective interest rate.

Revenue recognition

The company's revenue is derived from purchasing a future income stream from merchants at a discount. As the related advances are collectable over extended periods of time, the company recognises the income earned from financial assets held at amortised cost on an effective interest rate method basis using the discount factor as the interest rate with a period consistent with the expected amortisation of the debtor balances.

Debtors and provision for impairment

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 advances.

Liberis BCA Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Financial instruments

Basic financial instruments including financial assets and liabilities are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Subsequent measurement is at amortised cost.

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.

4. Revenue

Revenue arises from:

	2019	2018 <i>(restated)</i>
	£'000s	£'000s
Margin on purchased income streams	<u>29,888</u>	<u>21,697</u>

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

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018 <i>(restated)</i>
	£'000s	£'000s
Impairment of advances	7,737	4,907
Foreign exchange differences	<u>(3)</u>	<u>–</u>

6. Auditor's remuneration

The audit fee has been borne by Liberis Limited, 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 £nil (2018: £3k)

Liberis BCA Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

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 (2018: 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

	2019	2018 <i>(restated)</i>
	£'000s	£'000s
Interest on banks loans and overdrafts	2,108	1,375
Other interest payable and similar charges	1,620	1,189
	<u>3,727</u>	<u>2,564</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 (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019	2018 <i>(restated)</i>
	£'000s	£'000s
(Loss)/profit on ordinary activities before taxation	(923)	494
(Loss)/profit on ordinary activities by rate of tax	(175)	94
Utilisation of tax losses	(131)	(94)
Corporate interest restriction	306	–
Tax on (loss)/profit	<u>–</u>	<u>–</u>

Deferred tax in respect of unused losses will only be recognised when the entity is certain of utilisation, demonstrated by way of group profitability. As at the year end the deferred tax asset not recognised is £120,000. Deferred tax has been measured at 17%, the effective rate from 01 April 2020, in line with government announcements as at the year end date.

10. Debtors

	2019	2018 <i>(restated)</i>
	£'000s	£'000s
Advances	67,269	47,978
Amounts owed by group undertakings	322	–
Prepayments and accrued income	517	732
Other debtors	100	–
	<u>68,208</u>	<u>48,709</u>

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

Liberis BCA Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

11. Creditors: amounts falling due within one year

	2019	2018 <i>(restated)</i>
	£'000s	£'000s
Bank loans and overdrafts	44,740	–
Trade creditors	42	16
Amounts owed to group undertakings	3,324	1,385
Accruals and deferred income	1,805	326
	<u>49,911</u>	<u>1,726</u>

Within bank loans is a finance facility of £44,740k due for renewal in December 2020. The directors are confident that the financing facility will be renewed and no amounts in respect of this will become payable in within one year. There is a fixed and floating charge in respect of this amount secured against the assets of all of the group companies.

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

	2019	2018 <i>(restated)</i>
	£'000s	£'000s
Bank loans and overdrafts	<u>21,680</u>	<u>48,313</u>

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:

	2019	2018 <i>(restated)</i>
	£'000s	£'000s
Financial assets that are debt instruments measured at amortised cost		
Advances	67,269	47,978
Amounts owed by group undertakings	322	–
Other debtors	100	–
	<u>67,691</u>	<u>47,978</u>
 Financial liabilities measured at amortised cost		
Trade creditors	42	16
Amounts owed to group companies	3,324	1,385
Accruals	1,805	326
	<u>5,171</u>	<u>1,726</u>

Liberis BCA Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

14. Prior period adjustments

Historically income had been recognised by way of spreading the discount on a purchase of future cashflows on a straight line basis over an estimated collection period. This has been corrected as the substance of the transaction is such that it's a financing transaction. This implies that the time value of money applies and should be taken into account. Therefore revenue is now recognised as the income at amortised cost on an effective interest rate method basis using the discount factor as the interest rate with a period consistent with the expected amortisation of the debtor balances.

This is a correction of a prior period error, thus last year's revenue figure are required to be restated in the financial statements - this will also impact opening reserves, as a restatement of the opening profit and loss account balance in the current year is required.

The effect on the respective balances in the financial statements is as follows:

	2018 as previously stated £'000s	Prior year adjustment £'000s	2018 restated £'000s
Revenue	21,054	643	21,697
Advances	55,040	(7,062)	47,978
Accruals and deferred revenue	8,031	(7,705)	326

The effect on profit/loss and net assets is as follows:

	2018 as previously stated £'000s	Prior year adjustment £'000s	2018 restated £'000s
Profit/ (loss)	(149)	643	494
Net assets/ (liabilities)	(1,393)	643	(749)

15. Called up share capital

Issued, called up and fully paid

	2019		2018 <i>(restated)</i>	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

16. Reserves

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

Liberis BCA Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

17. Analysis of changes in net debt

	At 1 Jan 2019 £'000s	Cash flows £'000s	At 31 Dec 2019 £'000s
Cash at bank and in hand	581	1,130	1,711
Debt due within one year	(1,385)	(46,679)	(48,064)
Debt due after one year	(48,313)	26,633	(21,680)
	<u>(49,117)</u>	<u>(18,916)</u>	<u>(68,033)</u>

18. Events after the end of the reporting period

The far reaching spread of the COVID-19 pandemic has caused economic and business disruption around the globe, including forcing many companies, including Liberis BCA Limited, to utilise business continuity plans, including limiting travel and employ remote working, to allow continued operations with minimal disruptions. In this context, the directors have evaluated the going concern status of the Company and concluded that, although current circumstances indicate the Company should be able to continue operations as a going concern, the overall breadth of the COVID-19 pandemic has raised enough indeterminable variables that could potentially impact the continuity of the business.

19. Related party transactions

At the year end the company was owed £322k (2018: £nil) from group companies.

At the year end the company owed £3,324k (2018: £1,385k) to group companies.

20. 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.