

COMPANY REGISTRATION NUMBER: 09444444

**REGISTRAR OF  
COMPANIES**

**Liberis BCA Ltd**  
**Financial Statements**  
**31 December 2022**



**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 2022**

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## **Liberis BCA Ltd**

### **Officers and Professional Advisers**

**The board of directors**

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

**Company secretary**

Ms A Alexander

**Registered office**

Scale Space  
58 Wood Lane  
London  
United Kingdom  
W12 7RZ

**Auditor**

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

# Liberis BCA Ltd

## Strategic Report

Year ended 31 December 2022

### 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 from £14,743k to £19,422k due to the ramp up in advances in the first half of the year. In the second half of the year the Liberis group underwent a re-financing where a significant proportion of the debt book was transferred to Liberis Limited. Due to this transfer the company's advances book before provisions reduced from £49,572k to £11,104k.

### Key financial indicators

	2022	2021
	£000	£000
Revenue	19,422	14,743
Gross profit	5,932	3,954
Profit/(loss) before taxation	7	8
EBITDA/Operating profit	2,157	2,380
Net liabilities	1,651	1,658

### Key performance indicators

	2022 No.	2022 £000	2021 No.	2021 £000
UK advances – BCA	3,571	100,385	3,373	67,272

During the year, 2,552 deals funded with an advanced amount of £76,099k was transferred to a group entity.

UK advances includes both Business Cash Advances and advances made under the Coronavirus Business Interruption Loan Scheme (CBILS).

### Future developments

We expect to continue to grow the UK advances book throughout 2023 and believe that the company will manage its costs and move towards 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 £2,157k for the year to 31 December 2022 (2021: £2,380k).

The far reaching spread of the COVID-19 pandemic caused economic and business disruption around the globe, including forcing many companies, including Liberis BCA Limited, to utilise business continuity plans, to allow continued operations with minimal disruptions. During 2022 we have seen the business successfully recover from the pandemic, since July 22 group monthly advance levels have continued to trend above pre pandemic levels and operating costs remain in line with our expectations.

In this context, the directors have evaluated the going concern status of the Group and Company and concluded that the Group and Company should be able to continue operations as a going concern in particular the Group benefits from its £170m financing facility to support future expansion of the Group advances book (which has grown 91% year on year). The group also benefited from £13m equity raised in 2022 and an additional £4m received in April 2023.

# **Liberis BCA Ltd**

## **Strategic Report** *(continued)*

### **Year ended 31 December 2022**

The directors have prepared cash flow forecasts for the period to April 2024 which indicate that, taking account of reasonable possible downside scenarios, the Group and Company will have sufficient funds through repayments expected from the existing cash advances given to customers, its existing funding from its investors and the Group's debt facility, to meet its liabilities as they fall due for that period. The Company is party to the Group senior facility with its assets provided as security. The directors have applied reasonable possible downsides to their base case cash flow forecasts to assess the possible impact of reduced forecast revenue streams due to lower transaction volumes. These forecasts took into account the directors' plans to mitigate effect of the events and conditions, for example through reducing its cost based to reflect the lower transaction volumes.

#### **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 & 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 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.

# **Liberis BCA Ltd**

## **Strategic Report** *(continued)*

**Year ended 31 December 2022**

4/28/2023

This report was approved by the board of directors on ..... and signed on behalf of the board by:

DocuSigned by:

*Tom Bason*

99BE51AED1DC45A...

Mr T P Bason  
Director

Registered office:  
Scale Space  
58 Wood Lane  
London  
United Kingdom  
W12 7RZ

# **Liberis BCA Ltd**

## **Directors' Report**

### **Year ended 31 December 2022**

The directors present their report and the financial statements of the company for the year ended 31 December 2022.

#### **Directors**

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

Mr M K Badale  
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 2022**

This report was approved by the board of directors on 4/28/2023 and signed on behalf of the board by:

DocuSigned by:

  
99BE51AED1DC45A...

Mr T P Bason  
Director

Registered office:  
Scale Space  
58 Wood Lane  
London  
United Kingdom  
W12 7RZ



# Liberis BCA Ltd

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

**Year ended 31 December 2022**

### Opinion

We have audited the financial statements of Liberis BCA Ltd (the 'company') for the year ended 31 December 2022 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 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### 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.

## **Liberis BCA Ltd**

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

#### **Year ended 31 December 2022**

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.

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Liberis BCA Ltd**

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

#### **Year ended 31 December 2022**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered; the nature of the industry, control environment and business performance with particular reference to the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets.

We also consider the results of our enquiries of management, relating to their own identification and assessment of the risks of irregularities and possible related fraud. This includes reviewing available documentation on their policies and procedures and performing tests of controls to evidence their effectiveness.

Throughout the audit testing we are considering the incentives that may exist within the organisation for fraud. Key areas include timing of recognising income around the year end, posting of unusual journals and manipulating the Company's performance measures to meet remuneration targets and bank covenants. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We ensure we have an understanding of the relevant laws and regulations and remain alert to possible non-compliance throughout the audit.

Despite proper planning and audit work in accordance with auditing standards there are inherent limitations and unavoidable risk that we may not detect some irregularities and material misstatements in the financial statements. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 2022**

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.

DocuSigned by:

*Burgess Hodgson LLP* 4/28/2023

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Andrew Collyer (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

# Liberis BCA Ltd

## Statement of Income and Retained Earnings

Year ended 31 December 2022

	Note	2022 £000	2021 £000
Revenue	4	19,422	14,743
Cost of sales		(13,490)	(10,789)
<b>Gross profit</b>		<u>5,932</u>	<u>3,954</u>
Administrative expenses		(3,775)	(1,574)
<b>Operating profit</b>	5	2,157	2,380
Interest payable and similar expenses		(2,150)	(2,372)
<b>(Loss)/profit before taxation</b>		<u>7</u>	<u>8</u>
Tax on (loss)/profit	8	—	—
<b>(Loss)/profit for the financial year and total comprehensive income</b>		<u>7</u>	<u>8</u>
<b>Retained losses at the start of the year</b>		<u>(1,658)</u>	<u>(1,666)</u>
<b>Retained losses at the end of the year</b>		<u>(1,651)</u>	<u>(1,658)</u>

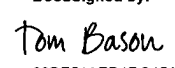
All the activities of the company are from continuing operations.

The notes on pages 14 to 18 form part of these financial statements.

**Liberis BCA Ltd****Statement of Financial Position****31 December 2022**

	Note	£000	2022 £000	2021 £000
<b>Current assets</b>				
Debtors	9	3,899		40,972
Cash at bank and in hand		66		2,127
		<u>3,965</u>		<u>43,099</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(5,616)</u>		<u>(15,817)</u>
<b>Net current (liabilities)/assets</b>			<u>(1,651)</u>	<u>27,282</u>
<b>Total assets less current liabilities</b>			<u>(1,651)</u>	<u>27,282</u>
<b>Creditors: amounts falling due after more than one year</b>	11		—	(28,940)
<b>Net liabilities</b>			<u>(1,651)</u>	<u>(1,658)</u>
<b>Capital and reserves</b>				
Profit and loss account	12		<u>(1,651)</u>	<u>(1,658)</u>
<b>Shareholders deficit</b>			<u>(1,651)</u>	<u>(1,658)</u>

These financial statements were approved by the board of directors and authorised for issue on 4/28/2023....., and are signed on behalf of the board by:

DocuSigned by:  
  
 99BE51AED1DC45A...

Mr T P Bason  
 Director

Company registration number: 09444444

The notes on pages 14 to 18 form part of these financial statements.

# Liberis BCA Ltd

## Statement of Cash Flows

Year ended 31 December 2022

	2022 £000	2021 £000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	7	8
<i>Adjustments for:</i>		
Impairment of advances	3,381	1,566
Interest payable and similar expenses	2,150	2,372
Accrued income	(30)	(1,069)
<i>Changes in:</i>		
Advances and other debtors	33,692	(6,157)
Trade and other creditors	(102)	122
Cash generated from operations	39,097	(3,158)
Interest paid	(1,874)	(1,965)
Net cash from/(used in) operating activities	<u>37,223</u>	<u>(5,123)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	—	1,873
Repayments of borrowings	(29,216)	—
Proceeds from loans from group undertakings	(10,068)	(1,454)
Net cash (used in)/from financing activities	<u>(39,284)</u>	<u>419</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,061)</b>	<b>(4,704)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,127</b>	<b>6,831</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>66</u></b>	<b><u>2,127</u></b>

The notes on pages 14 to 18 form part of these financial statements.

# **Liberis BCA Ltd**

## **Notes to the Financial Statements**

**Year ended 31 December 2022**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Scale Space, 58 Wood Lane, London, W12 7RZ, United Kingdom.

The principal activity information is disclosed within the strategic report.

### **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**

The financial statements are prepared on a going concern basis, noting that the Company has reported an operating profit of £2,157k for the year to 31 December 2022 (2021: £2,380k).

The far reaching spread of the COVID-19 pandemic caused economic and business disruption around the globe, including forcing many companies, including Liberis BCA Limited, to utilise business continuity plans, to allow continued operations with minimal disruptions. During 2022 we have seen the business successfully recover from the pandemic, since July 22 group monthly advance levels have continued to trend above pre pandemic levels and operating costs remain in line with our expectations.

In this context, the directors have evaluated the going concern status of the Group and Company and concluded that the Group and Company should be able to continue operations as a going concern in particular the Group benefits from its £170m financing facility to support future expansion of the Group advances book (which has grown 91% year on year). The group also benefited from £13m equity raised in 2022 and an additional £4m received in April 2023.

The directors have prepared cash flow forecasts for the period to April 2024 which indicate that, taking account of reasonable possible downside scenarios, the Group and Company will have sufficient funds through repayments expected from the existing cash advances given to customers, its existing funding from its investors and the Group's debt facility, to meet its liabilities as they fall due for that period. The Company is party to the Group senior facility with its assets provided as security. The directors have applied reasonable possible downsides to their base case cash flow forecasts to assess the possible impact of reduced forecast revenue streams due to lower transaction volumes. These forecasts took into account the directors' plans to mitigate effect of the events and conditions, for example through reducing its cost based to reflect the lower transaction volumes.



**Liberis BCA Ltd****Notes to the Financial Statements** *(continued)***Year ended 31 December 2022****3. Accounting policies** *(continued)***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:

- Significant judgement are made by the directors in relation to expected collection periods which impacts revenue recognition on an effective interest rate.
- The company regularly monitors debtors for indication of impairment, or non-compliance with the contractual terms of the purchase of revenue 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 recognition**

The company's revenue is derived from purchasing a future revenue stream from merchants at a discount. As the related debtors are collectable over extended periods of time, the company recognises the revenue 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.

**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.

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 it is probable the expenses recognised will be recovered.

# Liberis BCA Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2022

#### 3. Accounting policies *(continued)*

##### 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 measure 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:

	2022	2021
	£000	£000
Margin on purchased revenue streams	<u>19,422</u>	<u>14,743</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:

	2022	2021
	£000	£000
Impairment of advances	<u>3,381</u>	<u>1,566</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 (2021: £nil)

#### 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 (2021: 4 management staff). There were no payroll costs incurred during the year.

No directors received remuneration during the year.

# Liberis BCA Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2022

#### 8. Tax on (loss)/profit

##### Reconciliation of tax income

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £000	2021 £000
(Loss)/profit on ordinary activities before taxation	7	8
(Loss)/profit on ordinary activities by rate of tax	1	1
Unused tax losses	—	(904)
Group loss relief	(1)	452
Corporate interest restriction	—	451
Tax on (loss)/profit	—	—

#### 9. Debtors

	2022 £000	2021 £000
Advances	3,899	40,320
Prepayments and accrued income	—	652
	<u>3,899</u>	<u>40,972</u>

During the year the company transferred an advances book to a group company, Liberis Limited which was then sold to a special purpose company, Product 1 Receivables Limited.

The advances balance includes all sums due to the company in accordance with the agreements in place. The balance is stated net of any bad debt provisions, with the gross trade debtor balance and total provisions being as follows:

	2022 £000	2021 £000
Gross trade debtors	11,104	49,572
Provisions	(7,205)	(9,252)
	<u>3,899</u>	<u>40,320</u>

Debtor repayment periods are based on revenue collection rates by clients. Although we intend for this to be less than one year, our modelling has shown, on average, there is an expectation that some will be repaid after 1 year. For the year ended 31 December 2022 this amounts to £nil (2022: £1,893).

#### 10. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	—	132
Amounts owed to group undertakings	5,586	15,655
Accruals and deferred income	30	30
	<u>5,616</u>	<u>15,817</u>

# Liberis BCA Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2022

#### 11. Creditors: amounts falling due after more than one year

	2022	2021
	£000	£000
Bank loans and overdrafts	—	28,940

#### 11. Creditors: amounts falling due after more than one year *(continued)*

£nil (2021: £28,940k) of creditors are secured against the assets of the company and are guaranteed, by way of a fixed and floating charge against assets, by other group companies including Liberis BCA Limited.

#### 12. Called up share capital

##### Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

#### 13. Reserves

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

#### 14. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
	£000	£000	£000
Cash at bank and in hand	2,127	(2,061)	66
Debt due within one year	(15,655)	10,069	(5,586)
Debt due after one year	(28,940)	28,940	—
	(42,468)	36,948	(5,520)

#### 15. Related party transactions

At the year end the company owed £5,586k (2021: £15,655k) to group companies.

£104,260k (2021: £52,669k) of the creditors in group companies are secured or guaranteed by assets across the group, including Liberis BCA Ltd, by way of a fixed and floating charge.

#### 16. Controlling party

At the balance sheet date the company's immediate parent company was Liberis Asset Holdings Limited, a company registered in the United Kingdom. The address of the registered office is Scale Space, 58 Wood Lane, London, United Kingdom, W12 7RZ.

At the balance sheet date the company's 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.