

LendInvest Finance No.3 Limited

Financial statements for the year ending 31 March 2018

Company registration no: 09925462



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LendInvest Finance No.3 Limited

For the year ending 31 March 2018

Officers and Professional Advisors

Directors

Christian Faes
Ian Thomas

Company number

09925462

Registered Office

8 Mortimer Street
London
England
W1T 3JJ

Auditors

BDO LLP

Bankers

Barclays Bank Plc

For the year ending 31 March 2018

Directors' Report for the year ending 31 March 2018

The directors present their report together with the annual financial statements of LendInvest Finance No. 3 Limited (the "Company") for the year ending 31 March 2018. The directors have taken advantage of the small companies' exemption from preparing a strategic report.

Principal Activities

The principal activity of the Company is to provide secured lending to third party borrowers. Finance income for the current financial period was £1.8m (2017: £1.3m).

Political Donations

The Company made no political donations in the current or prior financial periods.

Going Concern

The Company was in a net liability position at the year end however post year end the Company transferred its loans and advances to other group entities, repaid its liabilities to third parties and ceased to trade. The intra-group balance that the Company owed to its immediate parent company, LendInvest Warehouse Limited was also forgiven.

The Company reduced its share capital from £5,000,000 to £1 by extinguishing the shares held by its immediate parent company and crediting the amount by which its share capital was reduced to the profit and loss account to increase the distributable reserves. The Company then paid a dividend its immediate parent company. The Company has not traded since this point and as at reporting date, has a balance sheet consisting of £1 of ordinary share capital.

Directors

The directors of the Company during the period and subsequently were:

Christian Faes

Ian Thomas

The Company has arranged qualifying third party indemnity insurance for all its directors through the ultimate parent company, LendInvest Limited.

Auditors

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

- so far as the director is aware, there is no relevant audit information which the Company's auditors is unaware; and
- the director has taken all the necessary steps that he should have taken as a director to make himself aware of any relevant audit information and to established that the Company's auditor is aware of that information.

BDO LLP has expressed their willingness to continue appointment as auditor.

In preparing the directors' report, the directors have taken advantage of the small companies' exemption, under section 444 of the Companies Act 2006.

Approved by the board of directors and signed on their behalf by:



I Thomas

Director

Date: 21 December 2018

Directors' Responsibility Statement

The directors are responsible for preparing the 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 period. 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), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 - Reduced Disclosure Framework; subject to any material departures disclosed and explained in the financial statements;
- prepare Company financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LENDINVEST FINANCE NO. 3 LIMITED

Opinion

We have audited the financial statements of LendInvest Finance No.3 Limited ("the Company") for the year ended 31 March 2018 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related 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 101 Reduced Disclosure Framework (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 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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.

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.

For the year ending 31 March 2018

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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Director's 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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.

For the year ending 31 March 2018

A further description of our responsibilities for the audit of the financial statements is located at 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

Date

21 December 2018

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

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ending 31 March 2018

	Note	31 March 2018 £'000	Period from 22 Dec 2015 to 31 March 2017 £'000
Finance income	3	1,802	1,310
Finance expense		(1,441)	(964)
Gross profit		361	346
Administrative expenses		(502)	(340)
(Loss)/profit from operations	4	(141)	6
Tax credit/(charge)	5	-	(1)
(Loss)/profit for the financial period		(141)	5
Other comprehensive income for the financial period		-	-
Total comprehensive (loss)/income for the period		(141)	5

All of the above amounts are derived from continuing operations.

The Company has not recognised gains or losses other than the results for the year and period since inception as set out above.

The notes on pages 11 to 21 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

At 31 March 2018

	Note	31 March 2018 £'000	31 March 2017 <i>Restated</i> £'000
Current assets			
Cash and cash equivalents	6	886	1,914
Trade and other receivables	7	919	298
Loans and advances	9	24,650	20,204
		<u>26,455</u>	<u>22,416</u>
Current liabilities: amounts falling due within one year	10	(21,591)	(17,411)
Net current assets		<u>4,864</u>	<u>5,005</u>
Total assets less current liabilities		<u>4,864</u>	<u>5,005</u>
Net assets		<u>4,864</u>	<u>5,005</u>
Capital and reserves			
Share capital	11	5,000	5,000
Profit and loss account	12	(136)	5
Shareholders' funds		<u>4,864</u>	<u>5,005</u>

The notes on pages 12 to 21 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 21 December 2018.

Signed on behalf of the board of directors:



I Thomas
Director

STATEMENT OF CHANGES IN EQUITY

For the year ending 31 March 2018

	Called-up share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 22 Deceber 2015	5,000	-	5,000
Profit for the period	-	5	5
Other comprehensive income	-	-	-
At 31 March 2017	5,000	5	5,005
Loss for the period	-	(141)	(141)
Other comprehensive income	-	-	-
At 31 March 2018	5,000	(136)	4,864

The notes on pages 12 to 21 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

1 Company information

LendInvest Finance No. 3 Limited is a private company incorporated on the 22 December 2015 in the United Kingdom under the Companies Act. The address of its registered office is given on page 3. The principal activity of the Company is to provide secured lending to third party borrowers.

2 Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the period unless otherwise stated. The financial statements are presented in Sterling (£).

2.2 Going concern and post balance sheet events

The Company was in a net liability position at the year end however post year end the Company transferred its loans and advances to other group entities, repaid its liabilities to third parties and ceased to trade. The intra-group balance that the Company owed to its immediate parent company, LendInvest Warehouse Limited (formerly LendInvest Finance No. 3 HoldCo. Limited) was also forgiven.

The Company reduced its share capital from £5,000,000 to £1 by extinguishing the shares held by its immediate parent company and crediting the amount by which its share capital was reduced to the profit and loss account to increase the distributable reserves. The Company then paid a dividend its immediate parent company. The Company has not traded since this point and as at reporting date, has a balance sheet consisting of £1 of ordinary share capital.

2.3 Parent Company

The Company is a wholly owned subsidiary of LendInvest Warehouse Limited (formerly LendInvest Finance No 3 Hold Co. Limited) a company incorporated in the United Kingdom and registered in England and Wales. LendInvest Warehouse Limited is a wholly owned subsidiary of LendInvest Limited a company incorporated in the United Kingdom and registered in England and Wales. The directors regard LendInvest Limited as the ultimate parent company. The directors do not believe there to be an ultimate controlling party of the Company.

LendInvest Limited prepares publicly available consolidated financial statements in accordance with IFRS. This Company is included in the consolidated financial statements of LendInvest Limited for the period ended 31 March 2018. These accounts available on the LendInvest website.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

2.4 Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- 1 A statement of cash flows and related notes
- 2 Non-current asset held for sale and discontinued operation net cash flow disclosure
- 3 The requirements of IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of the Group as they are wholly owned within the Group
- 4 Presentation of comparative reconciliations for property, plant and equipment, intangible assets, investment properties and agriculture
- 5 Disclosure of key management personnel compensation
- 6 Presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period
- 7 The effect of future accounting standards not adopted
- 8 Fair value measurement disclosures (other than disclosures required as a result of recording financial instruments at fair value)

2.5 Financial assets

Financial assets are categorised under IAS 39 as financial assets at fair value through profit or loss, loans and receivables financial assets, at amortised cost and available-for sale financial assets as appropriate. The Company determines the classification of its financial assets at initial recognition.

Financial assets recognised in the statement of financial position as trade and other receivables, and loans and advances are classified as loans and receivables. Loans and advances are amounts lent to third party borrowers for short term secured lending. Loans and advances, and trade and other receivables are recognised at fair value and subsequently measured at amortised cost less provision for impairment. Financial assets are derecognised only when the contractual rights to the cash flows from the financial assets expire or the Company transfers substantially all risks and rewards of ownership.

The Company assesses at each financial position date whether there is objective evidence that a financial asset is impaired. A provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the contract. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred).

Cash and cash equivalents are also classified as financial assets. Cash and cash equivalents includes cash in hand and deposits held at call with banks. The carrying amount of these assets approximates their fair value.

2.6 Financial liabilities

Financial liabilities included in trade and other payables and loans and borrowings are recognised initially at fair value and subsequently at amortised. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

The Company's financial assets and financial liabilities are disclosed in note 8

2.7 Cash and cash equivalents

Cash comprise cash on hand and demand deposits which is presented as cash at bank and in hand in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

2.8 Equity and reserves

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

Capital management

The Company uses external debt to finance its principal activity. Its objective when maintaining capital is to safeguard its ability to continue as a going concern.

The Company sets the amount of debt it requires in proportion to risk and lending requirements. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

2.9 Finance income

Finance income is recognised to the extent that it is probable that economic benefits will flow to the Company and the turnover can be reliably measured. Finance income represents interest income and other fees from borrowers for the provision of finance.

Interest income is recognised in the statement of comprehensive income for all instruments measured at amortised cost using the effective interest method inclusive of directly attributable incremental transaction costs and fees including arrangement and broker fees, valuation and solicitor costs, discounts and premiums where appropriate. The effective interest method spreads the interest income over the expected life of each instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the instrument but does not consider assets' future credit losses except for assets acquired at a deep discount.

All revenue recorded in the financial statements is generated in the UK and sourced from transactions relating to property loans. Fees on these transactions are calculated based on the above revenue recognition policy.

The Company considers its provisioning policy in accordance with IAS 39 – Financial instruments: Recognition and Measurement on a specific and collective basis based on the incurred loss history of the Company or the transferred/acquired portfolio.

2.10 Finance expense

Finance expense, comprising of interest expense on financial liabilities held at amortised cost, are calculated using the effective interest method which allocates interest, and direct and incremental fees and costs, over the expected lives of the financial liabilities.

2.11 Administrative expenses

Expenses are recognised in the statement of comprehensive income in the period in which they are incurred (on an accruals basis).

2.12 Critical accounting estimates and judgements

The preparation of financial statements in accordance with FRS 101 requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies. The judgements and assumptions that are considered to be the most important to the portrayal of the Company's financial condition are those relating to loan impairment provisions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

Loan provisioning

The Company provides for expected credit losses on loans where it does not expect to recover the outstanding loan balance in full. Individual assessment on loans and advances are calculated based on an assessment of the expected cash flows and underlying collateral.

For the purpose of a collective impairment provision, financial assets are grouped on the basis of product type. The assumptions used in calculating the provision makes reference to historical loss rate, emergence periods and forbearance factors and are monitored to ensure the impairment allowance is reflective of the current portfolio.

2.13 Current tax

The tax expense for the period comprises current and deferred tax. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the period end date.

2.14 Changes in prior year figures

Previously the Company accounted for fees and costs paid in advance for funding lines as prepayments and therefore included these fees in the asset balance. During the year the Group made the decision to account for these fees as a debit against each funding line liability rather than a prepayment.

The effect of this change is to reduce prepayments within trade and other receivables for the year ended 31 March 2017 by £364,000 from £364,000 to £nil and loans and borrowings to reduce from £17,300,000 to £16,936,000.

3 Finance income

	31 March 2018 £'000	Period from 22 Dec 2015 to 31 March 2017 £'000
Finance income	1,802	1,310
	1,802	1,310

4 (Loss)/profit on ordinary activities before taxation

The (loss)/profit on ordinary activities before taxation is stated after:

	31 March 2018 £'000	Period from 22 Dec 2015 to 31 March 2017 £'000
Auditor's remuneration - Fees payable to the Company's auditor for the audit of the Company's annual accounts	-	-

All fees payable to the Company's auditor for audit services for the current and prior financial period are borne by the Company's ultimate parent company, Lendinvest Limited and disclosed in note 8 of the financial statements of the LendInvest Limited group.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

The Company employed no staff during the period. The directors are remunerated through the Company's ultimate parent company, LendInvest Limited.

5 Tax on profit on ordinary activities

The tax (credit)/charge is based on the profit for the period and represents:

	31 March 2018 £000	Period from 22 Dec 2015 to 31 March 2017 £000
Loss/(Profit) before tax	(141)	6
Income tax (credit)/expense calculated at standard UK corporation tax rate of 19% (2017: 20%)	(27)	1
Effects of:		
Losses surrendered for group relief	27	-
Total income tax charge	-	1
Total current tax charge	-	1

6 Cash and cash equivalents

	31 March 2018 £'000	31 March 2017 £'000
Cash and cash equivalents	886	1,914
	886	1,914

7 Trade and other receivables

	31 March 2018 £'000	31 March 2017 <i>Restated</i> £'000
Amounts owed from group undertakings	919	298
	919	298

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

8 Financial instruments

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are: trade and other receivables, loans and advances, cash, current liabilities and loans and borrowings.

Categorisation of financial assets and financial liabilities

All financial assets of the Company are carried at amortised cost as at 31 March 2018 due to the nature of the asset.

All financial liabilities of the Company are carried at amortised cost as at 31 March 2018 due to the nature of the liability.

All financial assets and financial liabilities are carried at amortised cost therefore there is no fair value hierarchy disclosed below.

Financial instruments not measured at fair value

Financial instruments measured at amortised cost, rather than fair value, include cash and cash equivalents, trade and other receivables, loans and advances, trade and other payables and loans and borrowings. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, loans and advances, trade and other payables and loans and borrowings approximates their fair value.

Financial risk management

The board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and ensure any limits are adhered to. The Company's activities are reviewed regularly, and potential risks are considered.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the business's competitiveness and flexibility.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents held at banks. The Company's maximum credit risk by class of financial asset is as follows;

	31 March 2018 £'000	31 March 2017 £'000
Loans and advances	24,666	20,204
Trade and other receivables	919	298
Cash and cash equivalents	886	1,914
	26,471	22,416

The Company manages its exposure to credit losses by assessing borrower's affordability of repayment of loans and advances, borrowers risk profile, and stability during our underwriting process. The credit policy is designed to ensure that the credit process is efficient for the applicant while providing the Company with the necessary details to make an informed credit decision. Credit risk exposure is mitigated through properties held as collateral.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

	31 March 2018 £'000	31 March 2017 £'000
Maximum exposure to credit losses of loans and advances	24,666	20,204
Specifically related to:		
- Impaired financial assets	-	-
- Financial assets past due but not specifically impaired	835	325
- Financial assets neither past due nor impaired	23,831	19,879
	24,666	20,204
Credit risk exposure is mitigated through properties held as collateral. The aggregate achievable resale value less costs to sell of collateral held is:	51,072	31,938
Credit risk exposure on 'financial assets past due but not specifically impaired' is mitigated through properties held as collateral. The aggregate achievable resale values less cost to sell of collateral held is:	1,650	500

The risk of movements in the price of the underlying collateral secured by the Company against loans to borrowers is actively managed by the Company. Security over the property is registered with the Land Registry, and only properties within England and Wales are suitable for security. Loan advances are capped at 75% of the open market value of the property against which security is held, and minimum loan period interest is retained on completion. As a result, the Company has limited exposure to collateral price risk.

Financial assets that are past due but not specifically impaired

These are assets where contractual interest or principal payments are past due, but the Company believes that impairment is not appropriate. Recent payment history is a key consideration in determining whether an asset is impaired.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity position is monitored and reviewed on an ongoing basis by the directors.

The amounts disclosed in the below tables are the contractual undiscounted cash flows. The maturity analysis of financial assets and liabilities at 31 March 2018 is as follows:

	31 March 2018	31 March 2017 <i>Restated</i>
	£'000	£'000
Financial assets due within one year		
Loans and advances	24,650	20,204
Trade and other receivables	919	298
Cash and cash equivalents	886	1,914
Financial liabilities due within one year		
Current liabilities	21,591	17,411

Interest rate risk management**a) Interest rate risk**

The Company is exposed to market risk with respect to financial instruments when retained by the Company. All interest rates on loans are fixed and matched with fixed borrowings from investors or banks. The Company does not use interest rate swaps.

b) Sensitivity analysis

FRS requires disclosure of sensitivity analysis for each type of market risk to which the entity is exposed at the report date showing how profit or loss and equity would have been affected by changing the relevant risk variables that were reasonably possible at that date. As discussed above, the Company does not have significant exposure to credit, liquidity or market risk and therefore no sensitivity analysis for those risks has been disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

9 Loans and advances

	31 March 2018	31 March 2017
	£'000	£'000
Loans and advances	24,666	20,204
Allowance for impairment	(16)	-
	24,650	20,204

Management have assessed the carrying value of loans and advances to approximate their fair value.

10 Current liabilities: amounts falling due within one year

	31 March 2018	31 March 2017
	£'000	<i>Restated</i> £'000
Loans and borrowings	19,971	16,936
Amounts owed to group undertakings	1,311	311
Other creditors	269	2
Accruals and deferred income	40	162
	21,591	17,411

Loans and borrowings are secured by charges over all the property or undertaking of the Company.

11 Share capital

	31 March 2018	31 March 2017
	£'000	£'000
Authorised, allotted and fully paid: 5,000,000 Ordinary shares of £1 each	5,000	5,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

12 Reserves

Share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses

13 Related party disclosures

Transactions with Group Companies

As permitted by FRS 101 related party transactions with wholly owned members of the LendInvest Limited group have not been disclosed.

14 Ultimate parent company and control

The Company is controlled by its immediate parent company LendInvest Warehouse Limited (formerly LendInvest Finance No.3 HoldCo. Limited), a company incorporated in England and Wales. LendInvest Warehouse Limited, is a wholly owned subsidiary of LendInvest Limited.

15 Post balance sheet events

On 13 April 2018 the Company ceased its existing trade of the provision of secured lending to third party borrowers. All assets were recovered without impairment and all liabilities were repaid.

The Company was in a net liability position at the year end however post year end the Company transferred its loans and advances to other group entities, repaid its liabilities to third parties and ceased to trade. The intra-group balance that the Company owed to its immediate parent company, LendInvest Warehouse Limited was also forgiven.

The Company reduced its share capital from £5,000,000 to £1 by extinguishing the shares held by its immediate parent company and crediting the amount by which its share capital was reduced to the profit and loss account to increase the distributable reserves. The Company then paid a dividend its immediate parent company. The Company has not traded since this point and as at reporting date, has a balance sheet consisting of £1 of ordinary share capital.

As at the date the directors' report, the Company was not trading.