

COMPANY REGISTRATION NUMBER: 12565535

Liberis Funding Limited
Financial Statements
Year ended 31 December 2020



Liberis Funding Limited

Financial Statements

Year ended 31 December 2020

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Liberis Funding Limited
Officers and Professional Advisers

The board of directors

Mr T P Bason
Mr R A Straathof

Registered office

Scale Space
58 Wood Lane
London
United Kingdom
W12 7RZ

Auditor

BDO LLP
Chartered accountants & statutory auditor
55 Baker St
Marylebone
London
United Kingdom
W1U 7EU

Liberis Funding Limited

Strategic Report

Year ended 31 December 2020

Principal activities and business review

During the year the group undertook a restructure which has meant that the company has become part of a medium sized group and therefore consolidated accounts are required.

The group has applied merger accounting for its consolidation and therefore has presented the consolidated statement of changes in equity with the comparative entries for the subsidiary companies as though they have always been part of the group, even though the company was incorporated on 21 April 2020.

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 group decreased from £31,683k to £24,337k due to the reduction in advances in the year partly as a result of the global pandemic, resulting in an increase in the loss before taxation from £5,937k to £13,370k.

Lower advances have resulted in a smaller advances book before provisions, reducing from £84,834k to £54,345k.

Key financial indicators

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Revenue | 24,337 | 31,683 |
| Gross profit | 17,565 | 19,561 |
| Loss before taxation | (13,370) | (5,937) |
| Earnings before interest, tax, depreciation and amortisation | (7,505) | (466) |
| Operating loss | (9,005) | (1,629) |
| Net liabilities | (34,727) | (15,761) |

Key performance indicators

| | 2020 No. | 2020 £ | 2019 No. | 2019 £ |
|-------------------|----------|-----------|----------|-----------|
| UK advances | 3,534 | 58,922 | 8,662 | 126,140 |
| Overseas advances | 1,050 | 16,179 | 141 | 426 |
| Total advances | 4,584 | 75,101 | 8,803 | 126,566 |

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

Key activities

During the year the group continues to expand its overseas market share with an increase in overseas advances in the US, Sweden, Finland, Czech and Slovak markets. Whilst continuing to advance throughout the COVID pandemic the group has closely managed cashflows generating £7m operating cash in the financial year. Cash generated has been used to settle £29m legacy debt in the year and a new £70m finance facility agreed in December 2020 sets the business up for growth in FY21.

Future developments

We expect to continue to grow the debtors book throughout 2021 and believe that the company will manage its costs and move towards a break even position.

Liberis Funding Limited

Strategic Report *(continued)*

Year ended 31 December 2020

Going concern

The financial statements are prepared on a going concern basis, notwithstanding that the Group has reported an operating loss of £9,005k for the year to 31 December 2020 (2019: £1,629k loss).

The far reaching spread of the COVID-19 pandemic has caused economic and business disruption around the globe, including forcing many companies, including Liberis Holdings 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 Group and Company and concluded that the Group and Company should be able to continue operations as a going concern in particular given the completion of our refinancing in December 2019, securing a £70m financing facility and the securing an additional £7.5m facility in April 2021 to support further expansion of the European advances book. However the directors acknowledge that the overall breadth of the COVID-19 pandemic has raised enough indeterminable variables that could potentially impact the continuity of the business given the impact of government mandated lock down restrictions on the ability of the business to cash advance and collect on the advances book.

The directors have prepared cash flow forecasts for the period to July 2022 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 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 reasonable possible downsides to their base case cash flow forecasts to assess the possible impact of reduced forecast income streams due to lower transaction volumes particularly given the COVID 19 pandemic. The forecasts took into 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.

Given the uncertainty in relation to future government mandated lockdowns as a response to the pandemic a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern and therefore their ability to realise their 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 a strong underwriting process. This allows the directors and credit committee to have an informed knowledge of the level of exposure at any given time and the way those risks are managed in order to mitigate the likely impact on the company's financial assets and liabilities. By implementing various levels of internal control within the organisation, the inherent risks can be reduced to an acceptable level.

The 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 the organisation.

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

Liberis Funding Limited

Strategic Report *(continued)*

Year ended 31 December 2020

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. The priority is to ensure the operation of the 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 the operation.

Working capital and banking facility and borrowings

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

This report was approved by the board of directors on09/07/2021..... and signed on behalf of the board by:



Mr T P Bason
Director

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

Liberis Funding Limited

Directors' Report

Year ended 31 December 2020

The directors present their report and the financial statements of the group for the year ended 31 December 2020.

Directors

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

| | |
|------------------|---------------------------|
| Mr T P Bason | (Appointed 21 April 2020) |
| Mr R A Straathof | (Appointed 21 April 2020) |

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 group and the company and the profit or loss of the group 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;
- prepare the 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.

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 group and 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 group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Liberis Funding Limited

Directors' Report *(continued)*

Year ended 31 December 2020

This report was approved by the board of directors on09/07/2021..... and signed on behalf of the board by:



Mr T P Bason
Director

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

Liberis Funding Limited

Independent Auditor's Report to the Members of Liberis Funding Limited

Year ended 31 December 2020

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's 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.

We have audited the financial statements of Liberis Funding Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent 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.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which identifies the impact on the group and its customers of government-imposed restrictions and other uncertainties related to the Covid-19 pandemic across the multiple jurisdictions in which the group operates.

As of the date of the auditor's report, there remains uncertainty as to the impact and period over which restrictions will remain for certain sectors and when those borrowers of the group that are most impacted will be able to fully resume activities. The ongoing uncertainty in respect of the impact of Covid-19 and the likelihood of a severe contraction in the UK economy leads to a heightened risk in respect of going concern.

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 Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Liberis Funding Limited

Independent Auditor's Report to the Members of Liberis Funding Limited (continued)

Year ended 31 December 2020

Other information

The directors are responsible for the other information. The other information comprises the information included in the financial statements and reports 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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.

In the light of the knowledge and understanding of the Group and Parent 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Liberis Funding Limited

Independent Auditor's Report to the Members of Liberis Funding Limited (continued)

Year ended 31 December 2020

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We gained an understanding of the legal and regulatory framework applicable to the Group and Parent Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006 and United Kingdom Accounting Standards.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and directors; and
- review of minutes of board meetings throughout the period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.


Liberis Funding Limited

Independent Auditor's Report to the Members of Liberis Funding Limited *(continued)*

Year ended 31 December 2020

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

3A3C0AA9DC9943D...

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

09 July 2021

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

Liberis Funding Limited
Consolidated Statement of Comprehensive Income
Year ended 31 December 2020

| | Note | 2020 £000 | 2019 £000 |
|---|-----------|------------------------|-----------------------|
| Revenue | 4 | 24,337 | 31,683 |
| Cost of sales | | <u>(6,772)</u> | (12,122) |
| Gross profit | | 17,565 | 19,561 |
| Administrative expenses | | <u>(26,968)</u> | (21,190) |
| Other operating income | 5 | 398 | – |
| Operating loss | 6 | (9,005) | (1,629) |
| Interest payable and similar expenses | 10 | <u>(4,365)</u> | (4,308) |
| Loss before taxation | | (13,370) | (5,937) |
| Tax on loss | 11 | <u>624</u> | 412 |
| Loss for the financial year | | <u>(12,746)</u> | <u>(5,525)</u> |
| Foreign currency retranslation | | 165 | 214 |
| Merger reserve | | <u>(6,385)</u> | 2,500 |
| Other comprehensive income/(loss) for the year | | <u>(6,220)</u> | <u>2,714</u> |
| Total comprehensive loss for the year | | <u>(18,966)</u> | <u>(2,811)</u> |

All the activities of the group are from continuing operations.

The group has applied merger accounting for its consolidation and therefore has presented the consolidated statement of comprehensive income with the comparative entries for the subsidiary companies as though they have always been part of the group.

The notes on pages 17 to 31 form part of these financial statements.

Liberis Funding Limited

Consolidated Statement of Financial Position

31 December 2020

| | Note | 2020 £000 | 2019 £000 |
|--|------|-----------------|-----------------|
| Fixed assets | | | |
| Intangible assets | 12 | 4,222 | 4,089 |
| Tangible assets | 13 | 146 | 186 |
| | | <u>4,368</u> | <u>4,275</u> |
| Current assets | | | |
| Debtors | 15 | 56,480 | 79,568 |
| Cash at bank and in hand | | 12,657 | 8,372 |
| | | <u>69,137</u> | <u>87,940</u> |
| Creditors: amounts falling due within one year | 16 | <u>(62,552)</u> | <u>(77,796)</u> |
| Net current assets | | <u>6,585</u> | <u>10,144</u> |
| Total assets less current liabilities | | <u>10,953</u> | <u>14,419</u> |
| Creditors: amounts falling due after more than one year | 17 | <u>(45,680)</u> | <u>(30,180)</u> |
| Net liabilities | | <u>(34,727)</u> | <u>(15,761)</u> |
| Capital and reserves | | | |
| Share capital | 20 | – | – |
| Merger reserve | 21 | (4,699) | 1,686 |
| Profit and loss account | 21 | (30,028) | (17,447) |
| Shareholders deficit | | <u>(34,727)</u> | <u>(15,761)</u> |

The group has applied merger accounting for its consolidation and therefore has presented the consolidated statement of financial position with the comparative entries for the subsidiary companies as though they have always been part of the group.

These financial statements were approved by the board of directors and authorised for issue on ...09/07/2021..., and are signed on behalf of the board by:



Mr T P Bason
Director

Company registration number: 12565535

The notes on pages 17 to 31 form part of these financial statements.

Liberis Funding Limited
Company Statement of Financial Position
31 December 2020

| | Note | 2020 £000 | 2019 £000 |
|--|------|---------------|--------------|
| Fixed assets | | | |
| Investments | 14 | — | — |
| | | <u>—</u> | <u>—</u> |
| | | — | — |
| Current assets | | | |
| Debtors | 15 | 12,444 | — |
| Creditors: amounts falling due within one year | 16 | (253) | — |
| Net current assets | | <u>12,191</u> | <u>—</u> |
| Total assets less current liabilities | | 12,191 | — |
| Creditors: amounts falling due after more than one year | 17 | (12,270) | — |
| Net liabilities | | <u>(79)</u> | <u>—</u> |
| Capital and reserves | | | |
| Share capital | 20 | — | — |
| Profit and loss account | 21 | (79) | — |
| Shareholders deficit | | <u>(79)</u> | <u>—</u> |

The loss for the financial year of the parent company was £79,000 (2019: £Nil).

These financial statements were approved by the board of directors and authorised for issue on ...09/07/2021..., and are signed on behalf of the board by:



Mr T P Bason
Director

Company registration number: 12565535

Liberis Funding Limited
Consolidated Statement of Changes in Equity
Year ended 31 December 2020

| | Share capital £000 | Merger reserve £000 | Profit and loss account £000 | Total £000 |
|---|--------------------------|---------------------------|---------------------------------------|-----------------------|
| At 1 January 2019 | – | (814) | (12,136) | (12,950) |
| Loss for the year | | | (5,525) | (5,525) |
| Other comprehensive income for the year: | | | | |
| Foreign currency retranslation | – | – | 214 | 214 |
| Merger reserve | – | 2,500 | – | 2,500 |
| Total comprehensive income/(loss) for the year | – | 2,500 | (5,311) | (2,811) |
| At 31 December 2019 | – | 1,686 | (17,447) | (15,761) |
| Loss for the year | | | (12,746) | (12,746) |
| Other comprehensive income/(loss) for the year: | | | | |
| Foreign currency retranslation | – | – | 165 | 165 |
| Merger reserve | – | (6,385) | – | (6,385) |
| Total comprehensive income/(loss) for the year | – | (6,385) | (12,581) | (18,966) |
| At 31 December 2020 | – | (4,699) | (30,028) | (34,727) |

The group has applied merger accounting for its consolidation and therefore has presented the consolidated statement of changes in equity with the comparative entries for the subsidiary companies as though they have always been part of the group.

The notes on pages 17 to 31 form part of these financial statements.

Liberis Funding Limited
Company Statement of Changes in Equity
9 month period ended 31 December 2020

| | Share capital £000 | Profit and loss account £000 |
|--|--------------------------|---------------------------------------|
| At 21 April 2020 | — | — |
| Loss for the year | — | (79) |
| Total comprehensive loss for the year | — | (79) |
| At 31 December 2020 | <u>—</u> | <u>(79)</u> |

The notes on pages 17 to 31 form part of these financial statements.

Liberis Funding Limited
Consolidated Statement of Cash Flows
Year ended 31 December 2020

| | 2020 £000 | 2019 £000 |
|---|----------------------|---------------------|
| Cash flows from operating activities | | |
| Loss for the financial year | (12,746) | (5,525) |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible assets | 112 | 109 |
| Amortisation of intangible assets | 1,387 | 1,054 |
| Government grant income | (398) | – |
| Interest payable and similar expenses | 4,365 | 4,308 |
| Gains on disposal of tangible assets | – | (400) |
| Unrealised foreign currency loss | 165 | 214 |
| Tax on loss | (624) | (412) |
| Accrued (income)/expenses | (4,821) | 5,492 |
| <i>Changes in:</i> | | |
| Trade and other debtors | 23,300 | (29,646) |
| Trade and other creditors | 405 | (2,558) |
| Cash generated from/(used in) operations | 11,145 | (27,364) |
| Interest paid | (4,365) | (4,308) |
| Tax received | 412 | 412 |
| Net cash from/(used in) operating activities | <u>7,192</u> | <u>(31,260)</u> |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (72) | (99) |
| Proceeds from sale of tangible assets | – | 400 |
| Purchase of intangible assets | (1,585) | (4,946) |
| FX revaluation of intangible assets | 66 | – |
| Non cash merger relief adjustment | (6,385) | 2,500 |
| Net cash used in investing activities | <u>(7,976)</u> | <u>(2,145)</u> |
| Cash flows from financing activities | | |
| Proceeds from borrowings | (29,240) | 26,607 |
| Proceeds from loans from group undertakings | 33,911 | 13,110 |
| Government grant income | 398 | – |
| Net cash from financing activities | <u>5,069</u> | <u>39,717</u> |
| Net increase in cash and cash equivalents | 4,285 | 6,312 |
| Cash and cash equivalents at beginning of year | 8,372 | 2,060 |
| Cash and cash equivalents at end of year | <u>12,657</u> | <u>8,372</u> |

The notes on pages 17 to 31 form part of these financial statements.

Liberis Funding Limited
Notes to the Financial Statements
Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in United Kingdom. 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, notwithstanding that the Group has reported an operating loss of £9,005k for the year to 31 December 2020 (2019: £1,629k loss).

The far reaching spread of the COVID-19 pandemic has caused economic and business disruption around the globe, including forcing many companies, including Liberis Holdings 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 Group and Company and concluded that the Group and Company should be able to continue operations as a going concern in particular given the completion of our refinancing in December 2019, securing a £70m financing facility and the securing an additional £7.5m facility in April 2021 to support further expansion of the European advances book. However the directors acknowledge that the overall breadth of the COVID-19 pandemic has raised enough indeterminable variables that could potentially impact the continuity of the business given the impact of government mandated lock down restrictions on the ability of the business to cash advance and collect on the advances book.

The directors have prepared cash flow forecasts for the period to July 2022 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 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 reasonable possible downsides to their base case cash flow forecasts to assess the possible impact of reduced forecast income streams due to lower transaction volumes particularly given the COVID 19 pandemic. The forecasts took into 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 Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Going concern *(continued)*

Given the uncertainty in relation to future government mandated lockdowns as a response to the pandemic a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern and therefore their ability to realise their 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.

Basis of consolidation

The consolidated financial statements present the results of Liberis Funding Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Liberis Funding Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Merger accounting has been adopted for the consolidated financial information. As a result the comparative information has been presented as if the companies were always part of the same group, and the merger reserve has been created to account for the balancing entries on consolidation when investments, share capital and share premium are eliminated, in line with FRS 102.

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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

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 the period of revenue recognition based on the historic average collection periods.
- The group regularly monitors debtors for indication of impairment, or non-compliance with the contractual terms of the purchase of income streams. The group records a specific provision for the full outstanding amounts, less expected recoveries, which the group 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 group's revenue is derived from purchasing a future income stream from merchants at a discount. As the related debtors are collectable over extended periods of time, the group 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.

Liberis Funding Limited
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

3. Accounting policies *(continued)*

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

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

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.

On consolidation P&L items of foreign entities are translated using the average spot rate for the period with the balance sheet items using the exchange rate ruling at the reporting date, with any gains or losses being taken to the other comprehensive income.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Internally generated development costs are recorded when the relevant development criteria has been met. The intangible is recorded at cost, and is subsequently stated at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

| | | |
|----------------------------|---|-------------------|
| Software Development costs | - | 20% straight line |
| Customer lists | - | 25% straight line |

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | |
|---------------------|---------------------|
| Leasehold Property | - 20% straight line |
| Improvements | |
| Fixtures & fittings | - 33% straight line |
| Computers | - 33% straight line |

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Government grants

Government grants are recognised using the accrual model.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Share based payments

The group issues equity-settled and cash-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the group's estimate of the shares that will eventually vest.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Long term debt

Long term debtors are recognised at the present value of the future payments discounted at a market rate of interest.

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

4. Revenue

Revenue arises from:

| | 2020 | 2019 |
|-----------------------|---------------|---------------|
| | £000 | £000 |
| Rendering of services | <u>24,337</u> | <u>31,683</u> |

The revenue is attributable to the one principal activity of the group. An analysis of revenue by the geographical markets that substantially differ from each other is given below:

| | 2020 | 2019 |
|-------------------|---------------|---------------|
| | £000 | £000 |
| United Kingdom | 20,837 | 29,888 |
| Europe | 1,112 | 499 |
| Rest of the world | <u>2,388</u> | <u>1,296</u> |
| | <u>24,337</u> | <u>31,683</u> |

5. Other operating income

| | 2020 | 2019 |
|-------------------------|------------|----------|
| | £000 | £000 |
| Government grant income | <u>398</u> | <u>—</u> |

Other operating income in the period relates to government grants received in relation to the furlough scheme (Coronavirus Job Retention Scheme).

6. Operating loss

Operating profit or loss is stated after charging/crediting:

| | 2020 | 2019 |
|--------------------------------------|--------------|------------|
| | £000 | £000 |
| Amortisation of intangible assets | 1,387 | 1,054 |
| Depreciation of tangible assets | 112 | 109 |
| Gains on disposal of tangible assets | — | (400) |
| Impairment of trade debtors | 12,252 | 8,444 |
| Foreign exchange differences | 344 | (82) |
| Operating lease charge | <u>1,393</u> | <u>756</u> |

7. Auditor's remuneration

| | 2020 | 2019 |
|--|-----------|-----------|
| | £000 | £000 |
| Fees payable for the audit of the financial statements | <u>73</u> | <u>54</u> |
| | <u>73</u> | <u>54</u> |

The auditor's remuneration for the statutory audit of these financial statements is borne by a group company member.

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

| | 2020 | 2019 |
|----------------------|-------------------|------------|
| | No. | No. |
| Administrative staff | 130 | 131 |
| Management staff | 7 | 4 |
| | <u>137</u> | <u>135</u> |

The aggregate payroll costs incurred during the year, relating to the above, were:

| | 2020 | 2019 |
|-----------------------|---------------------|--------------|
| | £000 | £000 |
| Wages and salaries | 7,705 | 6,970 |
| Social security costs | 869 | 810 |
| Other pension costs | 282 | 133 |
| | <u>8,856</u> | <u>7,913</u> |

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

| | 2020 | 2019 |
|---|-------------------|------------|
| | £000 | £000 |
| Remuneration | 307 | 352 |
| Company contributions to defined contribution pension plans | 39 | 9 |
| | <u>346</u> | <u>361</u> |

Remuneration of the highest paid director in respect of qualifying services:

| | 2020 | 2019 |
|---|-------------------|------------|
| | £000 | £000 |
| Aggregate remuneration | 185 | 221 |
| Company contributions to defined contribution pension plans | 28 | 5 |
| | <u>213</u> | <u>226</u> |

10. Interest payable and similar expenses

| | 2020 | 2019 |
|--|---------------------|--------------|
| | £000 | £000 |
| Interest on banks loans and overdrafts | 2,388 | 2,687 |
| Other interest payable and similar charges | 1,977 | 1,621 |
| | <u>4,365</u> | <u>4,308</u> |

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

11. Tax on loss

Major components of tax income

| | 2020 | 2019 |
|-----------------------|---------------------|--------------|
| | £000 | £000 |
| Current tax: | | |
| UK current tax income | (624) | (412) |
| Tax on loss | <u>(624)</u> | <u>(412)</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 £5,488k. Deferred tax has been measured at 19%, the substantially enacted rate as at the year end date.

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

| | 2020 | 2019 |
|--|------------------------|----------------|
| | £000 | £000 |
| Loss on ordinary activities before taxation | <u>(13,370)</u> | <u>(5,937)</u> |
| Loss on ordinary activities by rate of tax | (2,540) | (1,128) |
| Effect of expenses not deductible for tax purposes | 351 | 67 |
| Effect of capital allowances and depreciation | 8 | 7 |
| Effect of revenue exempt from tax | (301) | (367) |
| Unused tax losses | 2,482 | 1,421 |
| Prior year R&D credit | <u>(624)</u> | <u>(412)</u> |
| Tax on loss | <u>(624)</u> | <u>(412)</u> |

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

12. Intangible assets

| Group | Software Development costs £000 | Customer lists £000 | Total £000 |
|----------------------------|--|---------------------------|---------------|
| Cost | | | |
| At 1 January 2020 | 2,386 | 3,015 | 5,401 |
| Additions | 1,585 | – | 1,585 |
| Revaluations | – | (87) | (87) |
| At 31 December 2020 | 3,971 | 2,928 | 6,899 |
| Amortisation | | | |
| At 1 January 2020 | 558 | 754 | 1,312 |
| Charge for the year | 655 | 732 | 1,387 |
| Revaluations | – | (22) | (22) |
| At 31 December 2020 | 1,213 | 1,464 | 2,677 |
| Carrying amount | | | |
| At 31 December 2020 | 2,758 | 1,464 | 4,222 |
| At 31 December 2019 | 1,828 | 2,261 | 4,089 |

The company has no intangible assets.

All development costs are internally developed.

13. Tangible assets

| Group | Leasehold Property improvements £000 | Fixtures and fittings £000 | Equipment £000 | Total £000 |
|----------------------------|---|----------------------------------|-------------------|---------------|
| Cost | | | | |
| At 1 January 2020 | 68 | 49 | 467 | 584 |
| Additions | – | 3 | 69 | 72 |
| At 31 December 2020 | 68 | 52 | 536 | 656 |
| Depreciation | | | | |
| At 1 January 2020 | 27 | 43 | 328 | 398 |
| Charge for the year | 13 | 7 | 92 | 112 |
| At 31 December 2020 | 40 | 50 | 420 | 510 |
| Carrying amount | | | | |
| At 31 December 2020 | 28 | 2 | 116 | 146 |
| At 31 December 2019 | 41 | 6 | 139 | 186 |

The company has no tangible assets.

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

14. Investments

The group has no investments.

During the year as part of a group restructure Liberis Funding Limited obtained £2 investment in group companies by way of share for share exchange. Merger relief was applied to measure the investment at the nominal value of shares issued.

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

| | Class of share | Percentage of shares held |
|---|-----------------|---------------------------|
| Subsidiary undertakings | | |
| Liberis Guarantee Limited | Ordinary £1 | 100 |
| Liberis Limited (Indirect) | Ordinary £0.01 | 100 |
| Liberis BCA Limited (Indirect) | Ordinary £1 | 100 |
| Liberis Loans Limited (Indirect) | Ordinary £1 | 100 |
| Liberis Finance Limited (Indirect) | Ordinary £1 | 100 |
| Liberis Inc (Indirect) | Ordinary \$0.01 | 100 |
| Liberis Sweden AB (Indirect) | Ordinary | 100 |
| Liberis Asset Holdings Limited (Indirect) | Ordinary £1 | 100 |

The registered office for Liberis Limited, Liberis BCA Limited, Liberis Loans Limited, Liberis Finance Limited, Liberis Guarantee Limited and Liberis Asset Holdings Limited is Scale Space, 58 Wood Lane, London, United Kingdom, W12 7RZ.

The registered office for Liberis Inc is Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

The registered office for Liberis Sweden AB is Birger Jarisgatan 18 114 34 Stockholm, Sweden.

15. Debtors

| | Group | | Company | |
|------------------------------------|---------------|---------------|---------------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Advances | 42,076 | 77,709 | – | – |
| Amounts owed by group undertakings | 12,115 | 202 | 12,115 | – |
| Prepayments and accrued income | 1,566 | 1,027 | 329 | – |
| Corporation tax repayable | 624 | 412 | – | – |
| Directors loan account | 38 | 38 | – | – |
| Other debtors | 61 | 180 | – | – |
| | <u>56,480</u> | <u>79,568</u> | <u>12,444</u> | <u>–</u> |

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

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

16. Creditors: amounts falling due within one year

| | Group | | Company | |
|------------------------------------|---------------|---------------|------------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Bank loans and overdrafts | – | 44,740 | – | – |
| Trade creditors | 997 | 1,166 | – | – |
| Amounts owed to group undertakings | 58,407 | 24,495 | – | – |
| Accruals and deferred income | 2,294 | 7,115 | 253 | – |
| Social security and other taxes | 840 | 242 | – | – |
| Other creditors | 14 | 38 | – | – |
| | <u>62,552</u> | <u>77,796</u> | <u>253</u> | <u>–</u> |

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

| | Group | | Company | |
|---------------------------|---------------|---------------|---------------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Bank loans and overdrafts | <u>45,680</u> | <u>30,180</u> | <u>12,270</u> | <u>–</u> |

£26,660k (2019: £66,420k including £44,740k disclosed as current liabilities) of creditors in Liberis BCA Limited and £12,270k in Liberis Funding Limited are secured against the assets of Liberis BCA Limited.

The £26,660k of creditors in Liberis BCA Limited, £1,750k in Liberis Loans Limited and £5,000k in Liberis Guarantee Limited have a guarantee, by way of a fixed and floating charge against assets, from Liberis Holdings Limited.

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £13k (2019: £9k).

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

19. Share-based payments

The group has share option schemes for senior employees where they are granted share options in the holding company. The directors believe the value of the services received is equal to the fair value of the share equity-settled options granted and therefore, is measured at the grant date using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The model assumes the government gilt rate at the time of issue as the risk free rate, and has used 30% as its volatility.

All share options can only be exercised to the extent it has been vested under their individual vesting schedule. There are no performance-related conditions of exercise applying to these options. A summary of the grant dates and vesting conditions for the equity-settled share options are as follows:

| Grant Date | No. issued | No. remaining | Date fully vested |
|------------|----------------|----------------|-------------------|
| Oct-14 | 20,000 | 20,000 | Oct-17 |
| Jul-15 | 91,280 | 91,280 | Jul-15 |
| Sep-15 | 68,853 | 68,853 | Jun-19 |
| Jan-16 | 222,082 | 222,082 | Jan-20 |
| Apr-16 | 136,500 | 71,874 | Apr-20 |
| May-16 | 4,000 | 1,000 | May-20 |
| Jan-17 | 57,410 | 57,410 | Jan-17 |
| Sep-17 | 14,000 | 14,000 | Sep-21 |
| Jan-18 | 76,323 | 49,120 | Jan-18 |
| Jan-18 | 115,710 | 99,634 | Jan-22 |
| Oct-18 | 24,500 | - | Oct-19 |
| Apr-19 | 34,500 | 33,500 | Jan-22 |
| Apr-19 | 21,690 | 21,690 | Apr-19 |
| May-19 | 12,000 | 12,000 | May-23 |
| Jul-20 | 12,217 | 12,217 | Jul-20 |
| Jul-20 | 8,000 | 8,000 | Jul-24 |
| Jul-20 | 15,000 | 15,000 | Jul-24 |
| | 934,065 | 797,660 | |

No options were exercised during the period.

The total expense recognised in profit or loss for the period was £nil (2019: £nil).

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year.

| | 2020 No. | 2020 WAEP £ | 2019 No. | 2019 WAEP £ |
|---------------------------|----------|----------------|----------|----------------|
| Outstanding b/forward | 791,063 | 3.87 | 673,496 | 3.87 |
| Granted during the year | 40,568 | 8.00 | 183,970 | 5.18 |
| Exercised during the year | - | - | - | - |
| Expired during the year | (33,971) | 7.46 | (66,403) | 4.82 |
| Outstanding c/forward | 797,660 | 4.01 | 791,063 | 3.87 |

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

20. Called up share capital

Issued, called up and fully paid

| | 2020 | |
|----------------------------|----------|----------|
| | No. | £ |
| Ordinary shares of £1 each | <u>3</u> | <u>3</u> |

During the period the company issued 1 £1 ordinary share at par for cash. There was also a share for share exchange whereby 2 £1 shares were issued in exchange for shares in Liberis Guarantee Limited.

21. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

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

Merger reserve - This reserve records the difference between the investment and shares in group companies on consolidation.

22. Analysis of changes in net debt

| | At 1 Jan 2020 | Cash flows | At 31 Dec 2020 |
|--------------------------|------------------|--------------|-------------------|
| | £000 | £000 | £000 |
| Cash at bank and in hand | 8,372 | 4,285 | 12,657 |
| Debt due within one year | (69,235) | 10,828 | (58,407) |
| Debt due after one year | (30,180) | (15,500) | (45,680) |
| | <u>(91,043)</u> | <u>(387)</u> | <u>(91,430)</u> |

23. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | Group | | Company | |
|-----------------------|------------|------------|----------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Not later than 1 year | <u>125</u> | <u>924</u> | <u>-</u> | <u>-</u> |

24. Directors' advances, credits and guarantees

During the period directors were advanced £nil (2019: £nil) and at the year end owed the group £38k (2019: £38k). There is no interest charged on this balance.

Liberis Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

25. Related party transactions

Company

At the period end the company was owed £12,115k from group companies.

Group

At the year end the group owed £38k (2019: £18k) to companies associated through common control and directorship.

£45,680k (2019: £66,420k) of the creditors in group companies are secured against the assets across the group by way of a fixed and floating charge.

26. Controlling party

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