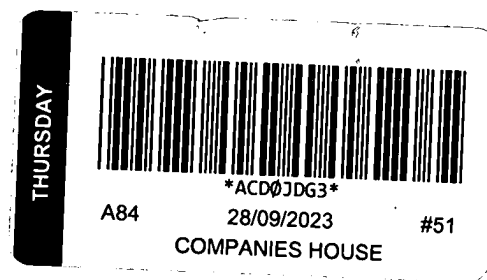


COMPANY REGISTRATION NUMBER: 12565633

**REGISTRAR OF
COMPANIES**

Liberis Group Holdings Limited
Financial Statements
31 December 2022



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

Liberis Group Holdings Limited

Financial Statements

Year ended 31 December 2022

Contents	Page
Officers and professional advisers	1
Directors' report	2 – 3
Independent auditor's report to the members	4 – 7
Statement of income and retained earnings	8
Statement of financial position	9
Notes to the financial statements	10 – 14

Liberis Group Holdings Limited

Officers and Professional Advisers

The board of directors

Mr T P Bason
Mr R A Straathof

Company secretary

Ms A Alexander

Registered office

Scale Space
58 Wood Lane
London
United Kingdom
W12 7RZ

Auditor

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

Liberis Group Holdings Limited

Directors' Report

Year ended 31 December 2022

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

Directors

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

Mr T P Bason
Mr R A Straathof

Other matters

Going concern

The financial statements are prepared on a going concern basis given that the company has reported an operating loss of £13,891 (2021: profit of £286,881).

The far reaching spread of the COVID-19 pandemic 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 employing remote working, to allow continued operations with minimal disruptions. During 2022 we have seen the business successfully recover from the pandemic, since July 2022 monthly advance levels have continued to trend above pre-pandemic levels and operating costs remain in line with our expectations.

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

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

Directors' responsibilities 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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

Liberis Group Holdings Limited

Directors' Report *(continued)*

Year ended 31 December 2022

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 company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.


Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

4/28/2023

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

DocuSigned by:


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Mr T P Bason
Director

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

Liberis Group Holdings Limited

Independent Auditor's Report to the Members of Liberis Group Holdings Limited

Year ended 31 December 2022

Opinion

We have audited the financial statements of Liberis Group Holdings Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Liberis Group Holdings Limited

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

Year ended 31 December 2022

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year 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 directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Liberis Group Holdings Limited

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

Year ended 31 December 2022

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Liberis Group Holdings Limited

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

Year ended 31 December 2022

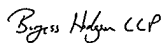
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Andrew Collyer (Senior Statutory Auditor)

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

Liberis Group Holdings Limited

Statement of Income and Retained Earnings

Year ended 31 December 2022

	Note	2022 £	2021 £
Administrative expenses		(13,891)	(111)
Other operating income		<u>—</u>	<u>286,992</u>
Operating (loss)/profit		(13,891)	286,881
Interest payable and similar expenses	6	<u>(26,356)</u>	<u>(406,824)</u>
Loss before taxation		(40,247)	(119,943)
Tax on loss		<u>—</u>	<u>—</u>
Loss for the financial year and total comprehensive income		<u>(40,247)</u>	<u>(119,943)</u>
Retained losses at the start of the year		(128,883)	(8,940)
Retained losses at the end of the year		<u>(169,130)</u>	<u>(128,883)</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

Liberis Group Holdings Limited

Statement of Financial Position


31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	7	6,384,628	6,384,628
Current assets			
Debtors	8	—	67,157,593
Cash at bank and in hand		110	835,047
		<u>110</u>	<u>67,992,640</u>
Creditors: amounts falling due within one year	9	<u>(6,553,861)</u>	<u>(72,252,444)</u>
Net current liabilities		<u>(6,553,751)</u>	<u>(4,259,804)</u>
Total assets less current liabilities		<u>(169,123)</u>	<u>2,124,824</u>
Creditors: amounts falling due after more than one year	10	—	(2,253,700)
Net liabilities		<u>(169,123)</u>	<u>(128,876)</u>
Capital and reserves			
Called up share capital		7	7
Profit and loss account		<u>(169,130)</u>	<u>(128,883)</u>
Shareholders deficit		<u>(169,123)</u>	<u>(128,876)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

DocuSigned by:


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Mr T P Bason
Director

Company registration number: 12565633

The notes on pages 10 to 14 form part of these financial statements.

Liberis Group Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

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

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of 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 given that the company has reported an operating loss of £13,891 (2021: profit of £286,881).

The far reaching spread of the COVID-19 pandemic 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 employing remote working, to allow continued operations with minimal disruptions. During 2022 we have seen the business successfully recover from the pandemic, since July 2022 monthly advance levels have continued to trend above pre-pandemic levels and operating costs remain in line with our expectations.

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

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

Liberis Group Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of any part of the United Kingdom.

The company is included in the consolidated financial statements prepared by Liberis Funding Limited, a company registered in the United Kingdom. The company number is 12565535.

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. 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.

In the opinion of the directors, there are no material judgements or key sources of estimation uncertainty.

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.

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 Group Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Financial instruments

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

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

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

4. Auditor's remuneration

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

5. Employee numbers

The average number of persons employed by the company during the year including directors amounted to 2 (2021: 2). There were no payroll costs incurred during the year.

No director received remuneration during the year.

6. Interest payable and similar expenses

	2022	2021
	£	£
Interest on banks loans and overdrafts	<u>26,356</u>	<u>406,824</u>

7. Investments

	Shares in group undertakings £
Cost	
At 1 January 2022 and 31 December 2022	<u>6,384,628</u>
Impairment	
At 1 January 2022 and 31 December 2022	<u>—</u>

Liberis Group Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

7. Investments *(continued)*

	Shares in group undertakings £
Carrying amount	
At 31 December 2022	6,384,628
At 31 December 2021	6,384,628

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 Limited	Ordinary £0.01	100
Liberis BCA Ltd (Indirect)	Ordinary £1	100
Liberis Loans Limited	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	Ordinary £1	100

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

The registered office for Liberis Inc is Northwest Registered Agent Service Inc. 8 The Green, Suite B, Dover, Delaware 19901, County of Kent.

The registered office for Liberis Sweden AB is Artillerigatan 8 114 51 Stockholm, Sweden.

8. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	–	67,157,593

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	–	2,310,576
Amounts owed to group undertakings	6,553,861	69,941,182
Other creditors	–	686
	93,307,123	72,252,444

Liberis Group Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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

	2022	2021
	£	£
Bank loans and overdrafts	–	2,253,700

£nil (2021: £4,562k) of creditors are guaranteed, by way of a fixed and floating charge against assets, by other group companies including Liberis Group Holdings Limited. £nil (2021: £2,311k) of these creditors are due within one year, with £nil (2021: £2,254k) falling due after more than one year.

11. Related party transactions

At the year end the company was owed £nil (2021: £67,158k) by group companies.

At the year end the company owed £6,554k (2021: £69,941k) to group companies.

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

12. Controlling party

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

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