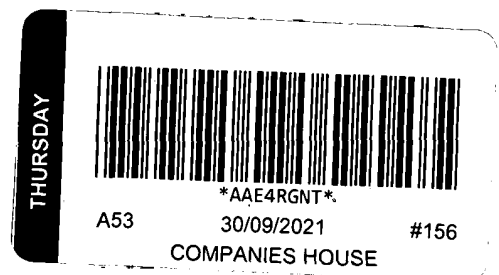


COMPANY REGISTRATION NUMBER: 12565633

Liberis Guarantee Limited
Financial Statements
9 month period ended 31 December 2020



Liberis Guarantee Limited

Financial Statements

9 month period ended 31 December 2020

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Liberis Guarantee 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 Guarantee Limited

Directors' Report

9 month period ended 31 December 2020

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

Incorporation

This is the first period of accounts from the incorporation date of 21 April 2020.

Directors

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

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

Going concern

The financial statements are prepared on a going concern basis, noting that the company has reported an operating loss of £9k for the year to 31 December 2020.

The far reaching spread of the COVID-19 pandemic has caused economic and business disruption around the globe, including forcing many companies, including Liberis Guarantee 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 April 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.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Liberis Guarantee Limited

Directors' Report *(continued)*

9 month period ended 31 December 2020

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

This report was approved by the board of directors on 30/04/2021 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 Guarantee Limited

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

9 month period ended 31 December 2020

Opinion

We have audited the financial statements of Liberis Guarantee Limited ("the Company") for the period ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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)

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which identifies the impact on the Company and its customers of government-imposed restrictions and other uncertainties related to the Covid-19 pandemic across the jurisdictions in which the Company 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 Company 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 Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Liberis Guarantee Limited

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

9 month period ended 31 December 2020

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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.

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.

Liberis Guarantee Limited

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

9 month period 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.

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 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.

Liberis Guarantee Limited

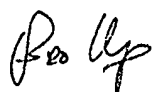
Independent Auditor's Report to the Members of Liberis Guarantee Limited (continued)

9 month period ended 31 December 2020

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

Use of our report

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



Matthew Hopkins (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London

W1U 7EU

30 April 2021

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

Liberis Guarantee Limited
Statement of Comprehensive Income
9 month period ended 31 December 2020

	Period from 21 Apr 20 to 31 Dec 20 £
Note	
Administrative expenses	(8,940)
Operating loss	(8,940)
Loss before taxation	(8,940)
Tax on loss	—
Loss for the financial period and total comprehensive loss	<u>(8,940)</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the period as set out above.

The notes on pages 11 to 14 form part of these financial statements.

Liberis Guarantee Limited

Statement of Financial Position

31 December 2020

	Note	£	2020 £
Fixed assets			
Investments	6		6,384,628
Current assets			
Cash at bank and in hand		2,500,001	
Creditors: amounts falling due within one year	7	<u>(3,893,562)</u>	
Net current liabilities			<u>(1,393,561)</u>
Total assets less current liabilities			<u>4,991,067</u>
Creditors: amounts falling due after more than one year	8		<u>(5,000,000)</u>
Net liabilities			<u><u>(8,933)</u></u>
Capital and reserves			
Called up share capital			7
Profit and loss account			<u>(8,940)</u>
Shareholders deficit			<u><u>(8,933)</u></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 30/04/2021....., and are signed on behalf of the board by:



Mr T P Bason
Director

Company registration number: 12565633

The notes on pages 11 to 14 form part of these financial statements.

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

	Called up share capital £	Profit and loss account £	Total £
At 21 April 2020	—	—	—
Loss for the period	—	(8,940)	(8,940)
Total comprehensive loss for the period	—	(8,940)	(8,940)
Issue of shares	7	—	7
Total investments by and distributions to owners	7	—	7
At 31 December 2020	<u>7</u>	<u>(8,940)</u>	<u>(8,933)</u>

The notes on pages 11 to 14 form part of these financial statements.

Liberis Guarantee Limited

Notes to the Financial Statements

9 month period ended 31 December 2020

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.

This is the first period of accounts from the incorporation date of 21 April 2020.

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, noting that the company has reported an operating loss of £9k for the year to 31 December 2020.

The far reaching spread of the COVID-19 pandemic has caused economic and business disruption around the globe, including forcing many companies, including Liberis Guarantee 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 April 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 Guarantee Limited

Notes to the Financial Statements *(continued)*

9 month period 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.

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.

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.

Liberis Guarantee Limited

Notes to the Financial Statements *(continued)*

9 month period ended 31 December 2020

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. There were no payroll costs incurred during the year.

No director received remuneration during the year.

6. Investments

	Shares in group undertakings £
Cost	
At 21 April 2020	—
Additions	6
Transfer of investment from parent company	6,384,622
At 31 December 2020	<u>6,384,628</u>
Impairment	
At 21 April 2020 and 31 December 2020	<u>—</u>
Carrying amount	
At 31 December 2020	<u>6,384,628</u>

Liberis Guarantee Limited

Notes to the Financial Statements *(continued)*

9 month period ended 31 December 2020

6. Investments *(continued)*

During the year as part of a group restructure Liberis Guarantee Limited obtained investment totalling £6 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.

The movement in investments includes a £6,384,622 transfer of subsidiary entities from Liberis Holdings Limited as a result of a group restructure.

7. Creditors: amounts falling due within one year

	31 Dec 20 £
Amounts owed to group undertakings and undertakings in which the company has a participating interest	3,884,622
Other creditors	8,940
	<u>3,893,562</u>

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

	31 Dec 20 £
Bank loans and overdrafts	<u>5,000,000</u>

£5,000k of creditors are guaranteed, by way of a fixed and floating charge against assets, by other group companies including Liberis Holdings Limited.

9. Related party transactions

At the year end the company owed £3,884,622 to group companies.

10. Controlling party

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