

Registration number: 06011377

The Business Lending Exchange Limited

Annual Report and Financial Statements

for the Year Ended 31 May 2022

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The Business Lending Exchange Limited

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The Business Lending Exchange Limited

Company Information

Directors	CD Allan
	D H Grant
	H A Mclean
	J B A Smeed
	K Hunter
Company secretary	C D Allan
Registered office	St George's House George Street Huntingdon Cambridgeshire PE29 3GH
Auditors	Peters, Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA

The Business Lending Exchange Limited

(Registration number: 06011377)
Balance Sheet as at 31 May 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	-	1,027
Current assets			
Debtors	5	7,320,611	6,930,995
Cash at bank and in hand		845,614	515,547
		8,166,225	7,446,542
Creditors: Amounts falling due within one year	6	(1,021,054)	(904,917)
Net current assets		7,145,171	6,541,625
Total assets less current liabilities		7,145,171	6,542,652
Creditors: Amounts falling due after more than one year	6	(6,510,416)	(6,189,211)
Net assets		634,755	353,441
Capital and reserves			
Called up share capital	8	39,000	39,000
Retained earnings		595,755	314,441
Shareholders' funds		634,755	353,441

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 26/01/2023 and signed on its behalf by:

Christopher Allan

CD Allan
Director

The Business Lending Exchange Limited

Notes to the Financial Statements for the Year Ended 31 May 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

St George's House
George Street
Huntingdon
Cambridgeshire
PE29 3GH
England

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in pound sterling because that is the currency of the primary economic environment in which the company operates.

Going concern

The financial statements have been prepared on a going concern basis. The directors have prepared monthly forecasts which demonstrate that, taking account of potential and realistic changes in trading performance, the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

In making their assessment the directors have considered the extent to which the business has been affected by the pandemic and the ongoing potential for the pandemic, or its aftereffects, to impact financial performance. The rapid outbreak of COVID-19 in 2020, and ensuing measures taken by both the UK and foreign governments to contain the spread of the virus had a major impact on the world economy.

Having considered the working capital of the business, the directors are satisfied that it is sufficient for its needs and therefore continue to adopt the going concern basis in their preparation of the financial statements.

Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts. Turnover includes interest charged to customers on loans and is calculated as a constant rate on the carrying amount over the term of the loan. Turnover also includes commission added to the principal of a loan and is recognised in the year the loan is made.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

The Business Lending Exchange Limited

Notes to the Financial Statements for the Year Ended 31 May 2022

Government grants

Grants are accounted under the accruals model as permitted by FRS102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss account in the same period as the related expenditure.

Finance income and costs policy

Interest income is recognised in profit or loss using the effective interest method.

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	25% straight line basis
Computer equipment	20% straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

The Business Lending Exchange Limited

Notes to the Financial Statements for the Year Ended 31 May 2022

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 6 (2021 - 8).

The Business Lending Exchange Limited

Notes to the Financial Statements for the Year Ended 31 May 2022

4 Tangible assets

	Computer equipment £	Office equipment £	Total £
Cost or valuation			
At 1 June 2021	13,880	2,073	15,953
At 31 May 2022	13,880	2,073	15,953
Depreciation			
At 1 June 2021	12,853	2,073	14,926
Charge for the year	1,027	-	1,027
At 31 May 2022	13,880	2,073	15,953
Carrying amount			
At 31 May 2022	-	-	-
At 31 May 2021	1,027	-	1,027

5 Debtors

	2022 £	2021 £
Trade debtors	7,318,261	6,911,551
Other debtors	2,350	19,444
	<u>7,320,611</u>	<u>6,930,995</u>

Included in trade debtors are £3,644,535 (2021 - £3,421,627) of debts that fall due after more than one year.

The Business Lending Exchange Limited

Notes to the Financial Statements for the Year Ended 31 May 2022

6 Creditors

Creditors: amounts falling due within one year

		2022 £	2021 £
Due within one year			
Loans and borrowings	7	57,072	92,579
Taxation and social security		30,954	-
Other creditors and deferred income		866,800	787,924
Corporation tax		66,228	24,414
		<u>1,021,054</u>	<u>904,917</u>

Other creditors include contributions of £0 (2021 - £128) payable to the Company's defined contribution pension scheme at the balance sheet date.

Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings	7	5,448,365	5,212,286
Deferred income		<u>1,062,051</u>	<u>976,925</u>
		<u>6,510,416</u>	<u>6,189,211</u>

The Business Lending Exchange Limited

Notes to the Financial Statements for the Year Ended 31 May 2022

7 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Bank borrowings	5,448,365	5,193,425
Other borrowings	<u>-</u>	<u>18,861</u>
	<u>5,448,365</u>	<u>5,212,286</u>
	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	38,211	34,934
Other borrowings	<u>18,861</u>	<u>57,645</u>
	<u>57,072</u>	<u>92,579</u>

Bank borrowings

The main bank loan is denominated in sterling with a nominal interest rate of 10%, and the final instalment is due on 1 June 2024. The carrying amount at year end is £5,293,151 (2021 - £5,000,000).

Conister Bank Limited hold a fixed and floating charge over the assets of the Company.

The Coronavirus Business Interruption Loan Scheme (CBILS) is denominated in sterling with a nominal interest rate of 2%, and the final instalment is due on 15 September 2026. The carrying amount at year end is £193,425 (2021 - £228,359).

The CBILS loan is 100% guaranteed by the Government and there are no fees or interest payable in the first 12 months.

Other borrowings

Private investor loan is denominated in sterling with a nominal interest rate of 10%. The carrying amount at year end is £18,861 (2021 - £76,506).

The private investor loans are unsecured.

8 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.50 each	<u>78,000</u>	<u>39,000</u>	<u>78,000</u>	<u>39,000</u>

The Business Lending Exchange Limited

Notes to the Financial Statements for the Year Ended 31 May 2022

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £19,617 (2021 - £24,261).

10 Related party transactions

Summary of transactions with entities with joint control or significant interest

D H Grant is a director of The Business Lending Exchange Limited and Conister Bank Ltd. During the year Conister Bank Ltd loaned £250,000 (2021 - £750,000) to The Business Lending Exchange Limited under normal commercial terms. The amount outstanding at 31st May 2022 is £5,486,576 (2021 - £5,228,359). The Business Lending Exchange Limited paid interest of £567,756 (2021 - £434,041) to Conister Bank Ltd during the year. During the year The Business Lending Exchange Limited deposited £7,500 (2021 - £30,000) which is held as a security deposit by Conister Bank Ltd. The total amount held as a security deposit by Conister Bank Ltd at 31st May 2022 is £157,500 (2021 - £150,000).

11 Relationship between entity and parents

On 8th October 2021 100% of the Company's issued share capital was purchased by Bradburn Limited, a company registered in the Isle of Man.

The parent of the largest group in which these financial statements are consolidated is The Manx Financial Group, incorporated in the Isle of Man.

The address of The Manx Financial Group is:

Clarendon House
Victoria Street
Douglas
Isle of Man
IM1 2LN

12 Auditors' Information

The auditors' report on the financial statements for the year ended 31 May 2022 was unqualified.

The audit report was signed on 30 January 2023 by Sean McCann (Senior Statutory Auditor) on behalf of Peters Elworthy & Moore.