

# The Business Lending Exchange Limited

Annual Report and Financial Statements  
for the Year Ended 31 May 2021

# **The Business Lending Exchange Limited**

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# **The Business Lending Exchange Limited**

## **Company Information**

<b>Directors</b>	CD Allan D H Grant H A Mclean
<b>Company secretary</b>	CD Allan
<b>Registered office</b>	St George's House George Street Huntingdon Cambridgeshire PE29 3GH
<b>Auditors</b>	Peters, Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA

# **The Business Lending Exchange Limited**

## **Chairman's Report for the Year Ended 31 May 2021**

The year was obviously overshadowed by the Covid-19 pandemic and its effect on small businesses sector, along with the wider community. Accordingly, the company adopted a prudent approach to lending and included an additional Covid bad debt provision for the second year running. BLX took the early decision to continue lending throughout the year in order to maintain continuity and also to help support the small business sector as much as possible.

The company put in place government recommended Covid protocols including instructing the majority of staff to work from home for a sustained period. BLX continued to provide a high level of essential flexibility toward customers' payment frequencies and amounts to help them work through the unprecedented effects of the pandemic.

Despite national restrictions and adverse effects on the Micro Business and SME market sectors, lending activity was sustained through the worst of the pandemic and the company managed an increase in turnover of over 32% from the last year, producing an increased pre-tax profit of over £120,000. Once again, it is due to the dedicated BLX team's hard work that has allowed such an impressive performance to be achieved under these circumstances.

BLX has enjoyed a long term relationship with Mansell & Co, its firm of accountants who also conducted annual audits. During the year, the decision was taken in conjunction with Mansell & Co to cease their auditing function and pass this instead to a new firm. Accordingly, PEM of Cambridge was appointed in March 2021. The combination of a long-term relationship with BLX accountants coupled with the increased discipline of 3rd party auditors can only enhance the level reporting and transparency for BLX shareholders.

In line with my previously stated ambitions, the decision was made to prepare the business for a sale and, accordingly, I and my co-founder Marion started the process of handing over more functions to the BLX management team to ensure a seamless takeover whenever a sale happened. I am satisfied that we leave a robust lending model and increasingly profitable business for future new owners.

**JDG Stickley**

**Chairman**

# The Business Lending Exchange Limited

(Registration number: 06011377)

## Balance Sheet as at 31 May 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	1,027	2,573
<b>Current assets</b>			
Debtors	<u>5</u>	6,930,995	5,104,038
Cash at bank and in hand		515,547	584,963
		7,446,542	5,689,001
<b>Creditors: Amounts falling due within one year</b>	<u>6</u>	(904,917)	(620,070)
<b>Net current assets</b>		6,541,625	5,068,931
<b>Total assets less current liabilities</b>		6,542,652	5,071,504
<b>Creditors: Amounts falling due after more than one year</b>	<u>6</u>	(6,189,211)	(4,824,067)
<b>Net assets</b>		353,441	247,437
<b>Capital and reserves</b>			
Called up share capital	<u>10</u>	39,000	39,000
Profit and loss account		314,441	208,437
Shareholders' funds		353,441	247,437

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 14 December 2021 and signed on its behalf by:

.....  
CD Allan  
Company secretary and director

# **The Business Lending Exchange Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2021**

### **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

These financial statements were authorised for issue by the Board on 14 December 2021.

### **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.

#### **Audit report**

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 14 December 2021 was Scan McCann, who signed for and on behalf of Peters, Elworthy & Moore.

# **The Business Lending Exchange Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2021**

### **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.

### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Office equipment	25% straight line basis
Computer equipment	20% straight line basis

# **The Business Lending Exchange Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2021**

### **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.

### **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.



# The Business Lending Exchange Limited

## Notes to the Financial Statements for the Year Ended 31 May 2021

### 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 8 (2020 - 7).

### 4 Tangible assets

	Computer equipment £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 June 2020	13,880	2,073	15,953
At 31 May 2021	13,880	2,073	15,953
<b>Depreciation</b>			
At 1 June 2020	11,826	1,554	13,380
Charge for the year	1,027	519	1,546
At 31 May 2021	12,853	2,073	14,926
<b>Carrying amount</b>			
At 31 May 2021	1,027	-	1,027
At 31 May 2020	2,054	519	2,573

### 5 Debtors

	2021 £	As restated 2020 £
Trade debtors	6,911,551	5,102,176
Other debtors	19,444	1,862
	6,930,995	5,104,038
Less non-current portion	(3,421,627)	(2,508,360)
Total current trade and other debtors	3,509,368	2,595,678

The comparatives for Trade debtors falling due after more than one year and Trade debtors falling due within one year have been restated by £2,508,360 to correctly reflect the ageing profile of amounts due. This has no impact on reserves.

# The Business Lending Exchange Limited

## Notes to the Financial Statements for the Year Ended 31 May 2021

### 6 Creditors

#### Creditors: amounts falling due within one year

		2021 £	2020 £
<b>Due within one year</b>			
Loans and borrowings	<u>7</u>	34,934	-
Other loans		57,645	73,060
Taxation and social security		-	72,073
Other creditors and deferred income		787,924	458,889
Corporation tax		24,414	16,048
		<u>904,917</u>	<u>620,070</u>

Other creditors include contributions of £128 (2020 - £214) payable to the Company's defined contribution pension scheme at the balance sheet date.

#### Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
<b>Due after one year</b>			
Loans and borrowings	<u>7</u>	5,193,425	4,000,000
Deferred income		976,925	748,298
Other loans		18,861	75,769
		<u>6,189,211</u>	<u>4,824,067</u>

# The Business Lending Exchange Limited

## Notes to the Financial Statements for the Year Ended 31 May 2021

### 7 Loans and borrowings

	2021 £	2020 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	<u>5,193,425</u>	<u>4,000,000</u>
	2021 £	2020 £
<b>Current loans and borrowings</b>		
Bank borrowings	<u>34,934</u>	<u>-</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 £5,000,000 (2020 - £4,000,000).

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 £228,359 (2020 - £Nil).

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 £76,506 (2020 - £148,829).

The private investor loans are unsecured.

### 8 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 £24,261 (2020 - £23,900).

# **The Business Lending Exchange Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2021**

### **9 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. In addition, Conister Bank Ltd is a 40% shareholder in The Business Lending Exchange Limited. During the year Conister Bank Ltd loaned £1,250,000 (2020 - £750,000) to The Business Lending Exchange Limited under normal commercial terms. The amount outstanding at 31st May 2021 is £5,228,359 (2019 - £4,000,000). The Business Lending Exchange Limited paid interest of £434,041 (2020 - £376,164) to Conister Bank Ltd during the year. During the year Conister Bank Ltd was paid a fee of £32,500 (2020 - £0) by The Business Lending Exchange Limited. During the year The Business Lending Exchange Limited deposited £30,000 (2020 - £120,000) which is held as a security deposit by Conister Bank Ltd.

### **10 Share capital**

#### **Allotted, called up and fully paid shares**

	<b>2021</b>		<b>2020</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £0.50 each	78,000	39,000.00	78,000	39,000.00

### **11 Post Balance Sheet Events**

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

### **12 Auditors' Information**

The auditors' report on the financial statements for the year ended 31 May 2021 was unqualified.

The audit report was signed on 08 December 2021 by Sean McCann (Senior Statutory Auditor) on behalf of Peters Elworthy & Moore.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.