

**REBUILDINGSOCIETY.COM LTD
UNAUDITED ABRIDGED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Rebuildingsociety.com Ltd
Unaudited Financial Statements
For The Year Ended 31 December 2022

Contents

	Page
Abridged Balance Sheet	1–2
Notes to the Abridged Financial Statements	3–8

Rebuildingsociety.com Ltd
Abridged Balance Sheet
As At 31 December 2022

Registered number: 07885342

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible Assets	4		32,152		46,660
Tangible Assets	5		775		2,057
Investments	6		27,210		27,210
			60,137		75,927
CURRENT ASSETS					
Debtors		680,803		795,717	
Cash at bank and in hand		22,408		18,744	
		703,211		814,461	
Creditors: Amounts Falling Due Within One Year					
		(159,361)		(189,136)	
NET CURRENT ASSETS (LIABILITIES)					
			543,850		625,325
TOTAL ASSETS LESS CURRENT LIABILITIES					
			603,987		701,252
Creditors: Amounts Falling Due After More Than One Year					
			(169,388)		(228,999)
NET ASSETS					
			434,599		472,253
CAPITAL AND RESERVES					
Called up share capital	7		9,889		9,889
Share premium account			104,311		104,311
Revaluation reserve	8		61,766		61,766
Profit and Loss Account			258,633		296,287
SHAREHOLDERS' FUNDS					
			434,599		472,253

Rebuildingsociety.com Ltd
Abridged Balance Sheet (continued)
As At 31 December 2022

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

All of the company's members have consented to the preparation of an Abridged Profit and Loss Account and an Abridged Balance Sheet for the year end 31 December 2022 in accordance with section 444(2A) of the Companies Act 2006.

On behalf of the board

Mr Daniel Rajkumar

Director

26 September 2023

The notes on pages 3 to 8 form part of these financial statements.

Rebuildingsociety.com Ltd
Notes to the Abridged Financial Statements
For The Year Ended 31 December 2022

1. General Information

Rebuildingsociety.com Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 07885342 . The registered office is 10-12 East Parade, Leeds, LS1 2BH.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Section 1A Small Entities of FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and under the historical cost convention, except for Investments which are stated at fair value (see 1.6).

Rebuildingsociety.com Ltd
Notes to the Abridged Financial Statements (continued)
For The Year Ended 31 December 2022

2.2. Turnover

The Company only includes in revenue only the gross inflows of economic benefits received and receivable by the Company on its own account and excludes from revenue all amounts collected on behalf of third parties such as value added tax. The Company measures revenue at the fair value of the consideration received or receivable.

On its peer-to-peer activities, the Company includes in revenue only the amount of its fees. The amounts collected on behalf of the principal are not revenue of the Company.

On its peer-to-peer activities, the Company earns revenue principally from the following sources:

- a) Loan arrangement fees
- b) ISA transfer fees
- c) Account management fees, including ISAs and Directors' Loans
- d) Late payment fees, default fees and legal recoveries

The Company also earns other fee income from consultancy and licensing services.

Loan arrangement fees

These are recognised at the inception of a loan becoming funded, on the basis that the performance obligation is substantially completed at this point.

ISA transfer fees

These are recognised at the point at which an ISA has been transferred to the Company from a third party.

Account management fees, including ISAs and Directors' Loans

Account management fees are usually charged to customers on a monthly basis. Since the contracts have a minimum notice period of 12 months, and the principal performance obligations are performed by the Company upfront on the arrangement of funding for a loan, the Company forecasts fee income on a rolling basis for the next 12 months and recognises this as revenue, unless notice has been served on a contract. Revenue not yet received is held on the balance sheet as [trade debtors]. If a repayment is not received from the business, it may become necessary to refactor/restructure or cancel the contract.

Late payment fees, default fees and legal recoveries

When a borrower's repayment is more than 5 days late, the Company charges a Late Repayment Fee of 15% of the repayment amount. After three late repayments, the Company also charges a Default fee of 17.5% of the capital outstanding. This amount is added to the outstanding balance from a borrower and is interest bearing. Furthermore, Company may add legal fees (expenses) to the amount being recovered from borrowers. The fees are recognised as a debtor in the balance sheet.

The Company takes a waterfall approach to pay out recovered funds to investors to prioritise the payment of legal expenses, then late repayment/default fees, then lender capital, then lender interest. If the probable recovery is below the value of the fees charged by the Company, the Company impairs the value of the outstanding fee debtor, by weighting the value of the fee against the estimated probable recovery.

The Company estimates probable recovery by reference to the age of the fee, as follows:

- Fees created more than 72 months ago: - fully impaired (nil value)
- Fees created within 48-72 months: 50% impaired
- Fees created within 24-48 months: 25% impaired

[Impairment charges are deducted from revenue].

The default fees may take time to repay, however, they are due and payable immediately and do not represent a financing transaction.

Other fee income

The Company charges fees for consulting and licensing services. These are recognised when the Company has completed its performance obligations under the relevant contract.

Rebuildingsociety.com Ltd
Notes to the Abridged Financial Statements (continued)
For The Year Ended 31 December 2022

2.3. Intangible Fixed Assets and Amortisation - Intellectual Property

Intellectual property is recognised as an intangible asset when the following criteria are met:

- a) It meets the definition of an intangible asset.
- b) The expenditure is not on advertising and promotional activities.
- c) The expenditure meets the general recognition criteria that it is probable that expected future economic benefits will flow to the Company and the cost or value of the asset can be measured reliably.
- d) If a project is the development phase, the Company can demonstrate the technical feasibility of completing the asset and use or sell it, an ability to use the asset, how the asset will generate future economic benefits, the availability of technical, financial and other resources to complete the asset, and the reliable measurement of expenditure.

Intellectual property is amortised on a straight line basis to the profit and loss account over its estimated economic life of 5 years.

2.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & Fittings	20% Reducing Balance
Computer Equipment	33% On Cost

2.5. Taxation

Tax is provided at amounts expected to be paid using the tax rate that has been substantively enacted by the balance sheet date.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible timing differences to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.6. Investments

The Company holds an equity investment in an unquoted company. The equity is not publicly traded, however, the Company considers that its fair value can otherwise be measured reliably. The investment is measured at fair value with changes recognised in profit or loss.

If a reliable measure of fair value is no longer available the investment measured at fair value, its carrying amount at the last date the asset was reliably measurable becomes its new cost. The Company shall measure the asset at this cost amount less impairment, if any, until a reliable measure of fair value becomes available.

2.7. Investment funding and loans to businesses

The Company's principal activity is that of a conduit peer-to-peer lender in the primary marketplace, whereby the funder is the legal holder of loans to businesses, and not the Company itself. As such, the Company is not party to the contractual provisions of the loans to businesses and client money that it holds on behalf of investors and does not recognise those assets in its statement of financial position (balance sheet). In exceptional circumstances, the Company may acquire defaulted microloans in the secondary marketplace, in which case it does become party to the contractual provisions of the loans and recognises the recoverable value on its balance sheet at amortised cost, less impairment. The Company also performs consultancy and licensing activity, whereby it acts as principal and earns fees for the services.

Rebuildingsociety.com Ltd
Notes to the Abridged Financial Statements (continued)
For The Year Ended 31 December 2022

2.8. Trade Debtors

Trade debtors represent amounts due in connection with consultancy or licensing services, net of impairment. Impairment provisions are assessed at least annually based on the age of the debtors, together with any other contractual factors. The impairment charge is deducted from revenue and the reversal of an impairment provision is added to revenue (see 1.2 above).

1.9. Provisions for liabilities and charges

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the obligation.

The Company operates client money accounts, which are not recognised on the balance sheet in accordance with 1.2 above. From time to time, clients may have a negative client money balance, in which case the Company addresses the shortfall by placing its own funds in the client money account, until such time as the shortfall is recovered. The Company makes provision for any expected shortfall that it does not expect to recover.

The Company also makes provision for customer complaints from time to time.

3. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2022	2021
Office and administration	5	9
	<u>5</u>	<u>9</u>

4. Intangible Assets

	Total £
Cost	
As at 1 January 2022	226,311
Additions	903
As at 31 December 2022	<u>227,214</u>
Amortisation	
As at 1 January 2022	179,651
Provided during the period	15,411
As at 31 December 2022	<u>195,062</u>
Net Book Value	
As at 31 December 2022	<u>32,152</u>
As at 1 January 2022	<u>46,660</u>

Rebuildingsociety.com Ltd
Notes to the Abridged Financial Statements (continued)
For The Year Ended 31 December 2022

5. Tangible Assets

	Total £
Cost	
As at 1 January 2022	18,411
As at 31 December 2022	18,411
Depreciation	
As at 1 January 2022	16,354
Provided during the period	1,282
As at 31 December 2022	17,636
Net Book Value	
As at 31 December 2022	775
As at 1 January 2022	2,057

6. Investments

	Total £
Cost	
As at 1 January 2022	27,210
As at 31 December 2022	27,210
Provision	
As at 1 January 2022	-
As at 31 December 2022	-
Net Book Value	
As at 31 December 2022	27,210
As at 1 January 2022	27,210

7. Share Capital

	2022 £	2021 £
Allotted, Called up and fully paid	9,889	9,889

8. Reserves

	Revaluation Reserve £
As at 1 January 2022	61,766
As at 31 December 2022	61,766

Rebuildingsociety.com Ltd
Notes to the Abridged Financial Statements (continued)
For The Year Ended 31 December 2022

9. Related Party Transactions

Invest UP Limited

A company under the control of Mr Daniel Rajkumar.

During the year the company received an amount in the sum of £10,827 (2021: £3,036) from Invest UP Limited. At the year end a total in the sum of £12,813 (2021: £1,986.) was owed from Invest UP Limited

White Label Crowdfunding Limited

A company under the control of Mr Daniel Rajkumar.

During the year the company charged an amount in the sum of £37,200 (2021: £37,200) in license fees. At the year end an amount in the sum of £248,493 (2021: £273,862) was owed from White Label Crowdfunding Limited.

Web Translations Limited

A company under the control of Mr Daniel Rajkumar.

During the year the company paid an amount in the sum of £2,500 to Web Translations Ltd. At the year end an amount in the sum of £nil (2021: £2,500) was owed to Web Translations Limited.

Fintech North Limited

A company under the control of Mr Daniel Rajkumar.

During the year the company received an amount in the sum of £nil (2021: £195) from Fintech North Limited. At the year end an amount in the sum of £9 (2021: £9) was owed from Fintech North Limited.

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.