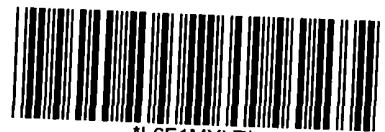


Company Registration No. 08948556 (England and Wales)

STATUTORY

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017
PAGES FOR FILING WITH REGISTRAR

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BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

COMPANY INFORMATION

Directors	Mr S Parfitt Mrs C Parfitt Mr W Wade Mr M Baker Mr J Rose Mr I Shaw
Secretary	Mrs C Parfitt
Company number	08948556
Registered office	Crown House 1 Crown Square Woking Surrey GU21 6HR
Accountants	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

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BUSINESS LENDING DEVELOPMENT FUNDING LIMITED**BALANCE SHEET****AS AT 30 APRIL 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3	173,351		240,027	
Investments	4	3		3	
		<u>173,354</u>		<u>240,030</u>	
Current assets					
Debtors	5	1,946,742		361,961	
Cash at bank and in hand		82,596		399,781	
		<u>2,029,338</u>		<u>761,742</u>	
Creditors: amounts falling due within one year	6	<u>(1,322,284)</u>		<u>(2,563,495)</u>	
Net current assets/(liabilities)		<u>707,054</u>		<u>(1,801,753)</u>	
Total assets less current liabilities		<u>880,408</u>		<u>(1,561,723)</u>	
Provisions for liabilities		<u>(40,528)</u>		<u>(40,528)</u>	
Net assets/(liabilities)		<u><u>839,880</u></u>		<u><u>(1,602,251)</u></u>	
Capital and reserves					
Called up share capital	7	1,000		1,000	
Profit and loss reserves		838,880		(1,603,251)	
Total equity		<u><u>839,880</u></u>		<u><u>(1,602,251)</u></u>	

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2017

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

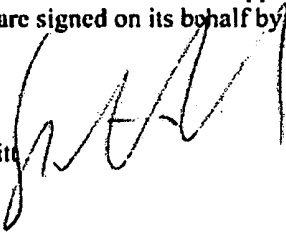
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 24 August 2017 and are signed on its behalf by

Mr S Parfit
Director



Mr W Wade
Director



Company Registration No. 08948556

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 APRIL 2017**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2015		1,000	(693,405)	(692,405)
Year ended 30 April 2016:				
Loss and total comprehensive income for the year		-	(909,846)	(909,846)
		<hr/>	<hr/>	<hr/>
Balance at 30 April 2016		1,000	(1,603,251)	(1,602,251)
Year ended 30 April 2017:				
Profit and total comprehensive income for the year		-	3,442,131	3,442,131
Dividends		-	(1,000,000)	(1,000,000)
		<hr/>	<hr/>	<hr/>
Balance at 30 April 2017		1,000	838,880	839,880
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

Company information

Business Lending Development Funding Limited is a private company limited by shares incorporated in England and Wales. The registered office is Crown House, 1 Crown Square, Woking, Surrey, GU21 6HR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	5 Years Straight line
Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	25% Reducing balance
Computer equipment	3 Years Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 25 (2016 - 24).

3 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 May 2016	40,355	35,389	35,859	218,576	330,179
Additions	-	17,534	5,172	8,839	31,545
Transfers	-	11,886	-	(11,886)	-
At 30 April 2017	40,355	64,809	41,031	215,529	361,724
Depreciation and impairment					
At 1 May 2016	11,434	11,920	10,275	56,523	90,152
Depreciation charged in the year	8,071	13,222	7,258	69,670	98,221
At 30 April 2017	19,505	25,142	17,533	126,193	188,373
Carrying amount					
At 30 April 2017	20,850	39,667	23,498	89,336	173,351
At 30 April 2016	28,921	23,468	25,585	162,053	240,027

4 Fixed asset investments

	2017 £	2016 £
Investments	3	3

As this is not a listed investment, the directors believe that the amortised cost equals the fair value as at the balance sheet date.

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 May 2016 & 30 April 2017	3
Carrying amount	
At 30 April 2017	3
At 30 April 2016	3

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	580,691	279,679
Amounts due from group undertakings	1,040,902	-
Other debtors	7,077	2,406
Prepayments and accrued income	318,072	79,876
	<u>1,946,742</u>	<u>361,961</u>

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	159,350	147,395
Amounts due to group undertakings	-	2,146,034
Other taxation and social security	108,371	92,954
Dividends payable	1,000,000	-
Other creditors	3,284	-
Accruals and deferred income	51,279	177,112
	<u>1,322,284</u>	<u>2,563,495</u>

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

7 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary of £1 each	1,000	1,000

8 Related party transactions

As at the year end the company was owed by Business Lending Residential Funding Limited £31,021 (2016: creditor £1,811,635) and was owed by Business Lending Residential Funding (2) Limited £1,009,881 (2016: creditor £334,399), the company's subsidiaries. In addition the company owed to Business Lending Fund Management Limited £Nil (2016: £29,021). Mr S Parfitt and Mr P Wade are both directors of these companies.

During the year the company received dividend payments of £2m from each of its subsidiaries, Business Lending Residential Funding Limited and Business Lending Residential Funding 2 Limited.

As at 30th April 2017 Business Lending Residential Funding (3) Limited owed £512 (2016: £500) to the company. Mr S Parfitt and Mr P Wade are both directors of the company.

During the year the company paid a dividend of £490,000 to Sandridge Investments Limited and a dividend of £510,000 to Business Lending Development Finance Limited, the shareholders of the company.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2017 £	2016 £
28,023	28,023

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

10 Subsidiaries

These financial statements are separate company financial statements for Business Lending Development Funding Limited.

Separate company financial statements are required to be prepared by law.

Details of the company's subsidiaries at 30 April 2017 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Business Lending Residential Funding Limited	England and Wales Residential Lending	Ordinary	100	
Business Lending Residential Funding 2 Limited	England and Wales Residential Lending	Ordinary	100	
Business Lending Residential Funding 3 Limited	England and Wales Residential Lending	Ordinary	100	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Business Lending Residential Funding Limited	758,603	969,083
Business Lending Residential Funding 2 Limited	1,286,361	645,680
Business Lending Residential Funding 3 Limited	(210)	(262)

The investments in subsidiaries are all stated at cost.

BUSINESS LENDING DEVELOPMENT FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

11 Parent company

The ultimate parent company is Heathside Partners LLP, a Limited Liability Partnership registered in England and Wales, which indirectly holds the majority of the issued share capital of the immediate parent company, Business Lending Development Finance Limited, a company registered in England and Wales.