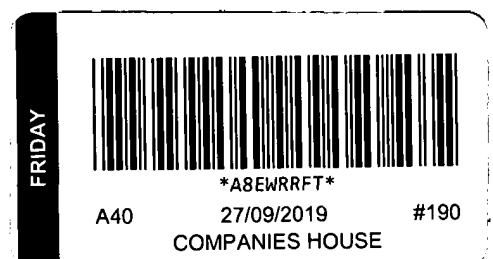


COMPANY REGISTRATION NUMBER: 05654231

REGISTRAR OF
COMPANIES

Liberis Limited
Filleted Financial Statements
31 December 2018

BURGESS HODGSON LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN



Liberis Limited
Financial Statements
Year ended 31 December 2018

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Liberis Limited
Statement of Financial Position
31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	197,372	280,273
Tangible assets	6	195,521	129,817
		<u>392,893</u>	<u>410,090</u>
Current assets			
Debtors	7	2,628,126	963,303
Cash at bank and in hand		1,373,156	748,995
		<u>4,001,282</u>	<u>1,712,298</u>
Creditors: amounts falling due within one year	8	<u>14,072,530</u>	<u>8,248,149</u>
Net current liabilities		<u>10,071,248</u>	<u>6,535,851</u>
Total assets less current liabilities		<u>(9,678,355)</u>	<u>(6,125,761)</u>
Provisions			
Taxation including deferred tax		=	26,280
Net liabilities		<u>(9,678,355)</u>	<u>(6,152,041)</u>
Capital and reserves			
Called up share capital		1,685,549	1,685,549
Capital contribution reserve		3,574,431	3,574,431
Profit and loss account		(14,938,335)	(11,412,021)
Shareholders deficit		<u>(9,678,355)</u>	<u>(6,152,041)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.


The statement of financial position
continues on the following page.
The notes on pages 3 to 9 form part of these financial statements.

Liberis Limited

Statement of Financial Position *(continued)*

31 December 2018

These financial statements were approved by the board of directors and authorised for issue on 29-4-19 and are signed on behalf of the board by:



Mr T.P Bason
Director

Company registration number: 05654231

The notes on pages 3 to 9 form part of these financial statements.

Liberis Limited

Notes to the Financial Statements

Year ended 31 December 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Glen House, Glenthorne Road, Third Floor, London, W6 0NG, England.

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

In preparing the accounts and reviewing the company's net liability position of £9,678,355 (2017: £6,152,041), the directors have considered going concern. The group companies support each other financially and therefore have been considered as a whole. The trading companies have finance facilities in place which at the date of signing allows a draw down of £70,000,000 limited to the cash value of their debt book. Considering this, with the combined group cash position of £2,059,855, the directors believe the group has the necessary cash requirements to meet their creditors as they fall due for the foreseeable future.

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. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. 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.

Liberis Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Revenue recognition

The company's turnover is derived from purchasing a future income stream from merchants at a discount. Since the related debtors are collectable over extended periods of time, the company recognises revenue on the basis of the average period of collection of those debtors through the merchants. Over this period, revenue is recognised on a profile consistent with the expected amortisation of the debtor balances. *Deferred income arises in cases where revenue is received in advance of the average period of collection.*

Debtors and provision for impairment

Debtors represent future income streams purchased from merchants at a discount, and are recorded on an amortised cost basis. The company regularly monitors debtors for indication of impairment, or non-compliance with the contractual terms of the purchase of income streams. The company records a specific provision for the full outstanding amounts, less expected recoveries, which the company categorises as impaired and the directors believe will not be recoverable. The provisions are recorded against the amortised cost balance of debtors.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Liberis Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software Development costs - 20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	20% straight line
Improvements		
Fixtures & Fittings	-	33% straight line
Computers	-	33% straight line

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.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Liberis Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Financial instruments

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.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 92 (2017: 76).

5. Intangible assets

	Software Development costs £
Cost	
At 1 January 2018	456,739
Additions	9,000
Transfers	<u>(10,800)</u>
At 31 December 2018	<u>454,939</u>
Amortisation	
At 1 January 2018	176,466
Charge for the year	87,761
Transfers	<u>(6,660)</u>
At 31 December 2018	<u>257,567</u>
Carrying amount	
At 31 December 2018	<u>197,372</u>
At 31 December 2017	<u>280,273</u>

Liberis Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

6. Tangible assets

	Leasehold Property improvements £	Fixtures and Fittings £	Computers £	Total £
Cost				
At 1 January 2018	1,267	30,494	281,803	313,564
Additions	66,291	6,952	87,058	160,301
Transfers	—	10,800	—	10,800
At 31 December 2018	<u>67,558</u>	<u>48,246</u>	<u>368,861</u>	<u>484,665</u>
Depreciation				
At 1 January 2018	634	19,743	163,370	183,747
Charge for the year	12,681	8,416	77,640	98,737
Transfers	—	6,660	—	6,660
At 31 December 2018	<u>13,315</u>	<u>34,819</u>	<u>241,010</u>	<u>289,144</u>
Carrying amount				
At 31 December 2018	<u>54,243</u>	<u>13,427</u>	<u>127,851</u>	<u>195,521</u>
At 31 December 2017	<u>633</u>	<u>10,751</u>	<u>118,433</u>	<u>129,817</u>

7. Debtors

	2018 £	2017 £
Trade debtors	14,937	782
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,831,543	501,311
Other debtors	781,646	461,210
	<u>2,628,126</u>	<u>963,303</u>

8. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,759,161	980,574
Amounts owed to group undertakings and undertakings in which the company has a participating interest	8,885,246	5,071,854
Social security and other taxes	194,742	164,891
Other creditors	3,233,381	2,030,830
	<u>14,072,530</u>	<u>8,248,149</u>

Liberis Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

9. Share based payments

The company has share option schemes for senior employees where they are granted share options in the holding company. The directors believe the value of the services received is equal to the fair value of the share equity-settled options granted and therefore, is measured at the grant date using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The model assumes the government gilt rate at the time of issue as the risk free rate, and has used 40% as its volatility, which is similar to public companies undertaking comparable trades.

All share options can only be exercised to the extent it has been vested under their individual vesting schedule. There are no performance-related conditions of exercise applying to these options. A summary of the grant dates and vesting conditions for the equity-settled share options are as follows:

Grant Date	No. issued	No. remaining	Date fully vested
Oct-14	20,000	20,000	Oct-17
Sep-15	68,853	68,853	Jun-19
Apr-16	136,500	136,500	Apr-20
May-16	4,000	4,000	May-20
Jan-17	57,410	57,410	Jan-17
Sep-17	14,000	14,000	Sep-21
Jan-18	76,323	75,672	Jan-18
Jan-18	115,710	112,479	Jan-22
	714,878	673,496	

No options were exercised during the period. The total expense recognised in profit or loss for the period was £nil (2017: £nil). The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year.

	2018 No.	2018 WAEP £	2017 No.	2017 WAEP £
Outstanding b/forward	522,845	3.45	451,435	3.83
Granted during the year	192,033	5.18	71,410	1.03
Exercised during the year	-	-	-	-
Expired during the year	(41,382)	4.82	-	-
Outstanding c/forward	673,496	3.87	522,845	3.45

10. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Not later than 1 year	221,000	221,000
Later than 1 year and not later than 5 years	18,417	239,417
	239,417	460,417

11. Summary audit opinion

The auditor's report for the year dated 30/04/2019 was unqualified.

The senior statutory auditor was Colin Reid, for and on behalf of Burgess Hodgson LLP.

Liberis Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

12. Directors' advances, credits and guarantees

During the year the directors were advanced £nil (2017: £nil) and at the year end the directors owed £37,500 (2017: £37,500) to the company. There is no interest charged on this balance.

13. Related party transactions

At the year end the company was owed £1,831,543 (2017: £501,311) from group companies.

£47,328,985 (2017: £32,969,610) of the creditors in group companies are secured against all assets across the group, including Liberis Limited.

At the year end the company owed £8,885,246 (2017: £5,071,834) to group companies.

At the year end the company owed £238,047 (2017: £122,090) to companies related through common control and directorship.

14. Controlling party

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