

COMPANY REGISTRATION NUMBER: 05654231

REGISTRAR OF
COMPANIES

Liberis Limited
Filleted Financial Statements
31 December 2017



BURGESS HODGSON LLP
Chartered accountant & statutory auditor
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Canterbury
Kent
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Liberis Limited
Financial Statements
Year ended 31 December 2017

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Liberis Limited
Statement of Financial Position
31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	5	280,273	320,758
Tangible assets	6	129,817	114,667
		<u>410,090</u>	<u>435,425</u>
Current assets			
Debtors	7	963,303	1,336,637
Cash at bank and in hand		748,995	211,411
		<u>1,712,298</u>	<u>1,548,048</u>
Creditors: amounts falling due within one year	8	8,248,149	4,893,116
Net current liabilities		<u>6,535,851</u>	<u>3,345,068</u>
Total assets less current liabilities		<u>(6,125,761)</u>	<u>(2,909,643)</u>
Provisions			
Taxation including deferred tax		26,280	42,054
Net liabilities		<u>(6,152,041)</u>	<u>(2,951,697)</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		(11,412,021)	(8,211,677)
Shareholders deficit		<u>(6,152,041)</u>	<u>(2,951,697)</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.

These financial statements were approved by the board of directors and authorised for issue on 30/12/17, and are signed on behalf of the board by:



Mr T P Bason
 Director

Company registration number: 05654231

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

Liberis Limited

Directors' Responsibilities Statement

Year ended 31 December 2017

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Liberis Limited

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 5th Floor, 1 Hammersmith Broadway, London, W6 9DL.

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 £6,152,041 (2016: £2,951,697), the directors have considered going concern. The group companies support each other financially and therefore have been considered as a whole. The holding company is in the process of raising additional finance investment post year end raising £5,000,000 and the trading companies have finance facilities in place which at the date of signing allows a draw down of £36,660,000, limited to the cash value of their debt book. Considering this, with the combined group cash position of £2,198,359, 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 2017

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.

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.

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

Liberis Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2017

3. Accounting policies (continued)

Amortisation (continued)

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.

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.

Liberis Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

4. Employee numbers

The average number of persons employed by the company during the year amounted to 76 (2016: 66).

5. Intangible assets

	Software Development costs £
Cost	
At 1 January 2017	409,437
Additions	<u>47,302</u>
At 31 December 2017	<u>456,739</u>
Amortisation	
At 1 January 2017	88,679
Charge for the year	<u>87,787</u>
At 31 December 2017	<u>176,466</u>
Carrying amount	
At 31 December 2017	<u>280,273</u>
At 31 December 2016	<u>320,758</u>

6. Tangible assets

	Leasehold Property improvements £	Fixtures and Fittings £	Computers £	Total £
Cost				
At 1 January 2017	1,267	20,638	209,790	231,695
Additions	<u>-</u>	<u>9,856</u>	<u>72,013</u>	<u>81,869</u>
At 31 December 2017	<u>1,267</u>	<u>30,494</u>	<u>281,803</u>	<u>313,564</u>
Depreciation				
At 1 January 2017	380	16,223	100,425	117,028
Charge for the year	<u>254</u>	<u>3,520</u>	<u>62,945</u>	<u>66,719</u>
At 31 December 2017	<u>634</u>	<u>19,743</u>	<u>163,370</u>	<u>183,747</u>
Carrying amount				
At 31 December 2017	<u>633</u>	<u>10,751</u>	<u>118,433</u>	<u>129,817</u>
At 31 December 2016	<u>887</u>	<u>4,415</u>	<u>109,365</u>	<u>114,667</u>

Liberis Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

7. Debtors

	2017	2016
	£	£
Trade debtors	782	1,117
Amounts owed by group undertakings and undertakings in which the company has a participating interest	501,311	876,185
Other debtors	<u>461,210</u>	<u>459,335</u>
	<u>963,303</u>	<u>1,336,637</u>

8. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	980,574	541,966
Amounts owed to group undertakings and undertakings in which the company has a participating interest	5,071,854	3,017,351
Social security and other taxes	164,891	126,824
Other creditors	<u>2,030,830</u>	<u>1,206,975</u>
	<u>8,248,149</u>	<u>4,893,116</u>

9. Operating leases

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

	2017	2016
	£	£
Not later than 1 year	221,000	-
Later than 1 year and not later than 5 years	<u>239,417</u>	-
	<u>460,417</u>	-

10. Summary audit opinion

The auditor's report for the year dated 30/4/18 was unqualified.

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

11. Directors' advances, credits and guarantees

During the year the directors were advanced £nil (2016: £37,500) and at the year end the directors owed £37,500 (2016: £37,500) to the company. There is no interest charged on this balance.

Liberis Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

12. Related party transactions

At the year end the company was owed £501,311 (2016: £876,185) from group companies.

£32,969,610 (2016: £20,644,009) of the creditors in group companies are secured against all assets across the group, including Liberis Limited.

At the year end the company owed £5,071,834 (2016: £3,017,351) to group companies.

At the year end the company owed £122,090 (2016: £72,680) to companies related through common control and directorship.

13. 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.