

Company registration number 06738633 (England and Wales)

**PDL FINANCE LIMITED T/A MR LENDER**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 DECEMBER 2022**

## **PDL FINANCE LIMITED T/A MR LENDER**

### **COMPANY INFORMATION**

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<b>Directors</b>	A Freeman E Nisbet J Grant D Shrier
<b>Company number</b>	06738633
<b>Registered office</b>	30 City Road London EC1Y 2AB
<b>Auditor</b>	Gravita II LLP 30 City Road London EC1Y 2AB
<b>Business address</b>	Freeman House Langston Road Loughton IG10 3TQ

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# **PDL FINANCE LIMITED T/A MR LENDER**

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# **PDL FINANCE LIMITED T/A MR LENDER**

## **STRATEGIC REPORT**

### ***FOR THE YEAR ENDED 30 DECEMBER 2022***

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The directors present the strategic report for the year ended 30 December 2022.

#### **Principal Activities and Business Review**

The principal activity of the company is the provision of short-term loans.

#### **Review of the business**

For the first half of 2022 the focus was to manage and maintain the portfolio at its current level, whilst the global economy transitioned out of the "covid" era and wider knowledge of the 'cost of living' impact was assessed and reported.

In the second half of the year the focus was to steadily increase the portfolio, whilst taking consideration of the 'cost of living' implications, ensuring that there was no negative impact to default rates, service levels to consumers or risks to the business.

In 2022 shows:

- The net profit before taxation increased to £2.8m in 2022 (2021: £185k).
- In the year to 31 December 2022 turnover was at £19.5m, being a 53% increase on the previous year(2021: £12.8m) in line with expectations for the year.
- The net book value of trade debtors at the year end (including provisions for bad debts) increased by 73% (£4.4m) to £10.4m in 2022 compared to the previous yearend (2021: £6m).

The directors were pleased the performance in 2022. The financial results are in line with the directors expectations.

#### **Financial Risk Management, Objectives and Policies**

The company is exposed to a moderate level of price, credit, liquidity and cash flow risks. The company manages these risks by financing its operations through retained profits supplemented by borrowing where necessary to fund expansion or capital expenditure programmes.

The management objective is to retain sufficient liquid funds via retained earnings, thus enabling the company to meet its day-to-day funding requirements, whilst minimising the risk of fluctuating interest rates on external borrowings.

The company makes little use of financial instruments other than an operational bank account and the facility to loan from its parent company SDJ Enterprise Limited if required, therefore its exposure to price, credit, liquidity and cash flow risk is not material for the assessment of assets, liabilities, financial position and profit and loss of the company.

#### **Regulatory, Political and Legal Risk Management and Policies**

The company is regulated by the FCA, therefore has a high level of exposure to potential regulatory, political and legal risks.

If the company fail to comply with any laws, regulations, rules or codes relating to the consumer credit industry it could potentially be fined by the FCA or expose the company to negative publicity which would in turn have a negative impact on the business.

Controls, systems and processes have been developed to manage these risks. These include monitoring regulatory and legal changes, developing appropriate compliance policies, monitoring adherence to these policies and reporting accordingly, as well as regular monitored compliance training for all employees.

**PDL FINANCE LIMITED T/A MR LENDER**

**STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 DECEMBER 2022***

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**Going Concern**

The company's cash requirements for the next twelve months are adequately resourced to continue their operations and to meet all liabilities.

On behalf of the board

A Freeman  
**Director**

28 September 2023

# **PDL FINANCE LIMITED T/A MR LENDER**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 DECEMBER 2022***

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The directors present their annual report and financial statements for the year ended 30 December 2022.

### **Principal activities**

The principal activity of the company continued to be the provision of short term loans.

### **Results and dividends**

The results for the year are set out on page 8.

No final dividend has been recommended.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Freeman  
E Nisbet  
J Grant  
D Shrier

### **Research and development**

The company continues to invest in the development of its website and software. The directors regard the investment in research and development as integral to the continuing success of the business and ensuring customers' needs and requirements as well as internal reporting needs are met.

### **Future developments**

The company seeks continued growth through both marketing and enhanced service offering.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Gravita II LLP (formerly Gravita ABG LLP) be reappointed as auditor of the company will be put at a General Meeting.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 of 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

## **PDL FINANCE LIMITED T/A MR LENDER**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 DECEMBER 2022***

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#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### **Auditors**

On 17 August 2023 our auditors changed their name to Gravita II LLP.

On behalf of the board

A Freeman  
**Director**

28 September 2023

# **PDL FINANCE LIMITED T/A MR LENDER**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF PDL FINANCE LIMITED T/A MR LENDER**

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#### **Opinion**

We have audited the financial statements of PDL Finance Limited t/a Mr Lender (the 'company') for the year ended 30 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted this statement is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



## **PDL FINANCE LIMITED T/A MR LENDER**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF PDL FINANCE LIMITED T/A MR LENDER**

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##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

##### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

##### ***The extent to which the audit was considered capable of detecting irregularities including fraud.***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the company operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including, but not limited to, the Companies Act 2006, FCA legislation and relevant taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

## **PDL FINANCE LIMITED T/A MR LENDER**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF PDL FINANCE LIMITED T/A MR LENDER**

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- understanding the business model as part of the control and business environment;
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in **note 2** were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, and enquiring with management if actual and potential non-compliance with laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment by for example forgery, or intentional misrepresentation or through collusion. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Sarah Wilson FCA**  
**Senior Statutory Auditor**  
**For and on behalf of Gravita II LLP**

29 September 2023

**Chartered Accountants**  
**Statutory Auditor**

30 City Road  
London  
EC1Y 2AB

## **PDL FINANCE LIMITED T/A MR LENDER**

### **STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 DECEMBER 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	19,591,468	12,813,031
Cost of sales		(1,110,821)	(747,646)
<b>Gross profit</b>		<b>18,480,647</b>	<b>12,065,385</b>
Administrative expenses		(15,158,744)	(12,140,345)
Other operating income		-	270,231
<b>Operating profit</b>	<b>4</b>	<b>3,321,903</b>	<b>195,271</b>
Interest payable and similar expenses	<b>7</b>	(152,921)	(2,822)
Amounts written of loans	<b>21</b>	(377,351)	-
Exceptional item	<b>8</b>	-	(7,444)
<b>Profit before taxation</b>		<b>2,791,631</b>	<b>185,005</b>
Tax on profit	<b>9</b>	(289,354)	126,022
<b>Profit for the financial year</b>		<b>2,502,277</b>	<b>311,027</b>

The Statement Of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

# PDL FINANCE LIMITED T/A MR LENDER

## STATEMENT OF FINANCIAL POSITION

AS AT 30 DECEMBER 2022

		30 December 2022		31 December 2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		8,024		8,024
Tangible assets	12		96,950		138,363
			<u>104,974</u>		<u>146,387</u>
<b>Current assets</b>					
Debtors	13	13,551,082		9,335,673	
Cash at bank and in hand		2,266,144		2,301,058	
		<u>15,817,226</u>		<u>11,636,731</u>	
<b>Creditors: amounts falling due within one year</b>	14	(2,260,689)		(885,810)	
<b>Net current assets</b>			<u>13,556,537</u>		<u>10,750,921</u>
<b>Total assets less current liabilities</b>			<u>13,661,511</u>		<u>10,897,308</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(1,857,676)		-
<b>Net assets</b>			<u><u>11,803,835</u></u>		<u><u>10,897,308</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		2,250		2,250
Share premium account	19		1,701,727		1,701,727
Profit and loss reserves			<u>10,099,858</u>		<u>9,193,331</u>
<b>Total equity</b>			<u><u>11,803,835</u></u>		<u><u>10,897,308</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28 September 2023 and are signed on its behalf by:

A Freeman  
Director

Company Registration No. 06738633

# PDL FINANCE LIMITED T/A MR LENDER

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 DECEMBER 2022

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 January 2021</b>		2,250	1,701,727	9,382,304	11,086,281
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	311,027	311,027
Dividends	10	-	-	(500,000)	(500,000)
<b>Balance at 31 December 2021</b>		2,250	1,701,727	9,193,331	10,897,308
<b>Year ended 30 December 2022:</b>					
Profit and total comprehensive income for the year		-	-	2,502,277	2,502,277
Dividends	10	-	-	(1,595,750)	(1,595,750)
<b>Balance at 30 December 2022</b>		2,250	1,701,727	10,099,858	11,803,835

# **PDL FINANCE LIMITED T/A MR LENDER**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

PDL Finance Limited t/a Mr Lender is a private company limited by shares incorporated in England and Wales. The registered office is 30 City Road, London, EC1Y 2AB. The principal place of business is Suite 105W, Sterling House, Langston Road, Loughton, Essex, IG10 9EW.

#### **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.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of SDJ Enterprises Limited. These consolidated financial statements are available from its registered office, 2nd Floor Ashdon House, Moon Lane, Barnet, Herts, EN5 5YL.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

The turnover shown in the profit and loss account represents interest receivable on short term loans made during the period and amounts invoiced to affiliates on the sale of debts and customer leads. Turnover is recognised on an accruals basis.

#### **1.4 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

# PDL FINANCE LIMITED T/A MR LENDER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

### 1 Accounting policies

(Continued)

Amortisation 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:

Website design and build	3 years on a straight line basis
Trademark	10 years on a straight line basis

### 1.5 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.

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:

Fixtures, fittings & equipment	33.3% on a straight line basis
Computer equipment	33.3% on a straight line basis

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.

### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks.

### 1.8 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position 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.

# PDL FINANCE LIMITED T/A MR LENDER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **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.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

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



# PDL FINANCE LIMITED T/A MR LENDER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.10 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 income statement 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.

#### 1.11 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.

#### 1.12 Retirement benefits

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

#### 1.13 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.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the statement of comprehensive income for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### **Loan capital written off**

Loan capital is written off a set number of days after the missed due date. It is assumed that if a customer has not paid by this time the amount owing is unlikely to be paid. The directors review this in detail on a regular basis to ensure that it reasonably reflects the practical recoverability of loan capital issued.

## PDL FINANCE LIMITED T/A MR LENDER

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

#### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Interest income on short term loans	18,549,224	12,059,878
Sale of debts and leads	1,042,244	753,153
	<u>19,591,468</u>	<u>12,813,031</u>

	2022	2021
	£	£
<b>Other revenue</b>		
Grants received	-	270,231
	<u>-</u>	<u>270,231</u>

#### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(37,793)	2,301
Government grants	-	(270,231)
Fees payable to the company's auditor for the audit of the company's financial statements	58,945	51,050
Depreciation of owned tangible fixed assets	119,586	111,866
Operating lease charges	<u>493,800</u>	<u>448,768</u>

Grants received are in respect of claims under the Coronavirus Job Retention Scheme.

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Operations	70	76
Administrative	25	32
	<u>95</u>	<u>108</u>

# PDL FINANCE LIMITED T/A MR LENDER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,307,781	4,136,215
Social security costs	523,009	441,791
Pension costs	56,208	56,835
	<u>4,886,998</u>	<u>4,634,841</u>

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	1,216,211	1,320,558
Company pension contributions to defined contribution schemes	5,283	5,275
	<u>1,221,494</u>	<u>1,325,833</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	558,300	484,245
Company pension contributions to defined contribution schemes	1,321	1,310
	<u>559,621</u>	<u>485,555</u>

### 7 Interest payable and similar expenses

	2022 £	2021 £
Interest payable to group undertakings	151,517	2,822
Other interest	1,404	-
	<u>152,921</u>	<u>2,822</u>

### 8 Exceptional Item

In 2019, the FCA carried out a review of the HCC and HCSTC sector. This review encompassed all lenders and was not specific to PDL finance limited. The review was finalised in 2020 and led to policy updates and customer redress which was satisfied by the way of discounts or refunds. The total liability of £1.7m has been recognised in the profit and loss account in 2020 as an exceptional item. The liability was settled by May 2021. The £7,444 included in the prior year accounts as an exceptional item relates to claims made after the deadline which the company has since paid out.

# PDL FINANCE LIMITED T/A MR LENDER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

### 9 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	539,116	61,419
Adjustments in respect of prior periods	(249,762)	(187,441)
Total current tax	289,354	(126,022)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	2,791,631	185,005
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	530,410	35,151
Tax effect of expenses that are not deductible in determining taxable profit	6,550	38,710
Adjustments in respect of prior years	(249,762)	(187,441)
Capital allowances in excess of depreciation	2,156	(12,442)
Taxation charge/(credit) for the year	289,354	(126,022)

### 10 Dividends

	2022 £	2021 £
Final paid	1,595,750	500,000

### 11 Intangible fixed assets

	Website design and build £	Trademark £	Total £
<b>Cost</b>			
At 1 January 2022 and 30 December 2022	246,446	8,024	254,470
<b>Amortisation and impairment</b>			
At 1 January 2022 and 30 December 2022	246,446	-	246,446
<b>Carrying amount</b>			
At 30 December 2022	-	8,024	8,024
At 31 December 2021	-	8,024	8,024

# PDL FINANCE LIMITED T/A MR LENDER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

### 12 Tangible fixed assets

	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2022	664,611	551,087	1,215,698
Additions	38,032	40,141	78,173
At 30 December 2022	702,643	591,228	1,293,871
<b>Depreciation and impairment</b>			
At 1 January 2022	576,586	500,749	1,077,335
Depreciation charged in the year	74,911	44,675	119,586
At 30 December 2022	651,497	545,424	1,196,921
<b>Carrying amount</b>			
At 30 December 2022	51,146	45,804	96,950
At 31 December 2021	88,025	50,338	138,363

### 13 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	10,447,649	6,041,323
Unpaid share capital	1,500,000	1,500,000
Corporation tax recoverable	-	283,287
Other debtors	163,174	323,554
Prepayments and accrued income	1,440,259	1,187,509
	13,551,082	9,335,673

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

	2022	2021
	£	£
Trade creditors	535,156	277,257
Amounts owed to group undertakings	621,336	-
Corporation tax	443,924	69,191
Other taxation and social security	347,614	268,874
Other creditors	1,610	6,282
Accruals and deferred income	311,049	264,206
	2,260,689	885,810

# PDL FINANCE LIMITED T/A MR LENDER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

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

	Notes	2022 £	2021 £
Other borrowings	16	1,857,676	-

### 16 Loans and overdrafts

	2022 £	2021 £
Loans from group undertakings	2,479,012	-
Payable after one year	1,857,676	-

The loan represents amounts drawn under a line of credit on which interest is payable at 15% per annum.

### 17 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	56,208	56,835

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 18 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and not fully paid</b>				
Ordinary A of £1 each	500	500	500	500
Ordinary B of £1 each	1,500	1,500	1,500	1,500
Ordinary C of £1 each	250	250	250	250
	2,250	2,250	2,250	2,250

All classes of shares have full rights in respect of voting, dividend and capital distribution (including on winding up). None of the classes of shares confers any right of redemption.

On 14 March 2018 the company issued 250 Ordinary C Shares of £1 each at £6,000 per share. This remains unpaid. See Note 13

### 19 Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

## PDL FINANCE LIMITED T/A MR LENDER

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 DECEMBER 2022**

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#### 20 Operating lease commitments

##### Lessee

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

	2022 £	2021 £
Within one year	493,800	493,800
Between two and five years	1,975,200	1,975,200
In over five years	838,784	1,332,584
	<u>3,307,784</u>	<u>3,801,584</u>

## **PDL FINANCE LIMITED T/A MR LENDER**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 DECEMBER 2022**

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#### **21 Related party transactions**

During the year, the company the company obtained a loan from its parent company. Interest is charged at 15% and £151,517 (2021: £2,822) in interest was charged and paid in the year. At the year end, the company owed £2,479,012 (2021: £nil) to its parent company, all of which is unsecured.

During the year, the company paid £134,171 (2021: £132,721) to entities in which the directors of the parent entity have an interest for purchases made. At the balance sheet date, the company owed £nil (2021: £22,459) to these entities and was owed £150,000 (2021: £289,529) by these entities.

During the year, there was a write off of a loan amounting to £377,351 owed by an entity in which a director of the company exercises control. The amount is made up of various expenses paid by the company on behalf of the entity. This amount is included under administration expenses as Loans Written Off which is disclosed on the face of the Statement of Comprehensive Income in the financial statements.

During the year, the company made donations of £14,975 (2021: £4,334) to Lenderhand, a charity in which two of the directors are trustees.

During the year, the company paid the following dividends;

- £450,321 (2021: £141,111) to directors and entities in which directors have an interest.
- £1,145,429 (2021: £358,889) to the parent company, SDJ Enterprises Limited.

#### **22 Ultimate controlling party**

The immediate and ultimate parent company is SDJ Enterprises Limited, whose registered office is Ashdon House, Second Floor, Moon Lane, Barnet, EN5 5YL.

The smallest and largest group for which consolidated accounts including the company are prepared is the one headed by SDJ Enterprises Limited; these accounts are available from the registered office.



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