

Company Registration No. 12576377 (England and Wales)

**YOULEND LIMITED (PREVIOUSLY BCCAP
LIMITED)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021**

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YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

COMPANY INFORMATION

Directors	K Larsen M Solvsten Velin L Surland
Company number	12576377
Registered office	90 High Holborn 5th Floor London WC1V 6LJ
Auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ
Bankers	Banking Circle 70 Gracechurch Street London EC3V 0HR

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

The company is a private limited company and is registered in England and Wales under the Companies Act 2006. The YouLend platform was launched in 2016 and incorporated in 2020 to facilitate more accessible financing options for the SME market. The company wanted to solve the disparity in financing options for small and medium-sized enterprises (SMEs) by creating a true technology-based approach that would leverage on the latest innovations in the payments/fintech space.

By consistently keeping up with technological improvements and advancements, the group is able to put the automation of processes and procedures at the forefront of the company agenda. The group intends to continue to extend financing to as many SMEs as possible, while reducing the associated costs and the time taken between application and the release of funding to the SMEs.

Scalability is achieved through our partnerships with Tier 1 payment service providers (PSPs) and eCommerce platforms. The technology behind the platform enables our partners to offer embedded financing solutions to their merchants, the SMEs.

The main financial product offered through the group is revenue-based financing. By tying the repayments to the daily/weekly/monthly revenue of the SMEs that have obtained financing, the group's performance is aligned to that of its clients.

The group predominantly operates within the UK and Ireland where the economies were heavily impacted by the macroeconomic effects stemming from the Covid-19 pandemic. Despite the fact that the majority of the months in the financial year were impacted by lockdowns, the group still succeeded in extending more financing to the SMEs than in the previous year.

The group facilitated funding to thousands of SMEs during the year and has recently started to serve partners in the Netherlands with additional 3 European countries going live near-term. The group's embedded finance solution reaches 720,000 SMEs through partnerships and integrations with PSPs and eCommerce platforms.

The group has scaled staff throughout the year with a specific focus on the technology and development departments. The dedicated focus and investment in technology, positions the group well to continue to seek the goal of extending as much finance, at increased speed and at a lower cost to the SME market.

Results

The consolidated statement of comprehensive income is set out on page 11 and shows the loss for the year of £4,971k (2020: £3,102k), which was expected and in line with the group's long term business plan.

Countries of Operations

The group enables embedded finance solutions in the United Kingdom, Ireland and the Netherlands.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and uncertainties

Credit risk

The credit risk of the group is related to negative developments in the macroeconomic environment of the SME segment. Ultimately the risk ties back to the underlying borrowers of the financing assets facilitated. As the group's product is dependent on sales-based repayments, a negative development would affect the entire SME segments' ability to trade at previous levels.

There is continuous development of the credit risk algorithms by the data science teams. This positions the group strongly in regard to understanding the exposure levels and developments therein.

Liquidity risk

Risk related with obligations on financial liabilities.

The Liquidity risk relates to the financial obligations, assets and liabilities. The group has several diversified long-term mandates in place to cater for future funding growth.

Regulatory risk

The group's business is subject to laws, rules, regulations, policies and legal interpretations in the markets in which it operates, including (but not limited to) those governing lending, factoring, privacy, data protection, and payment services (including payment processing and settlement services). The legal and regulatory requirements applicable to the group are frequently changing and increasing in number, and may impose overlapping and/or conflicting requirements or obligations.

The directors and the group maintain compliance by reviewing systems, controls, and processes continuously. This ensures best practices against any regulatory requirements and policies that could arise in the future.

Technological risk

There is a risk that the group may face threats of cybersecurity breaches, computer viruses, system failures, failure by the group's employees and third-party providers to follow correct procedures that could negatively impact the group's ability to trade or maintain the security and uptime of its key operating systems. This can result in interruptions in the availability of its platform, products, or services, and could expose the group to liability and/or damage its reputation. To mitigate this risk, YouLend continuously seeks to enhance and strengthen both its processes and technology against such threats, and recently YouLend's technology processes has been accredited with ISO certification 27001 in September 2021.

Market (currency / interest rate) risk

Market risks towards the Group are developments within the macroeconomic space that could adversely affect the EUR rate and the market interest rates. The group has a limited exposure towards EUR liabilities which is managed by keeping a healthy balance in the currency. The group has financing agreements with variable rates which could increase slightly over time.

Capital management risk

Capital management risks towards the group are tied to the performance of the overall merchant cohort. Negative developments within the economy could adversely affect the cohorts and result in lower funding capabilities in the future if certain financial covenants are breached. The Group has several diverse capital mandates to counter any large singular exposure so that capital is always available to extend to SMEs.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Key performance indicators

The directors consider the following to be the key performance indicators of the group:

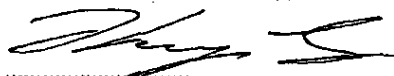
	2021	2020	Change
Revenue	£6.86m	£5.79m	18.5%
Loss for the financial year	(£4.97m)	(£3.1m)	(60.3%)
Underlying merchant pool access via partners	720,000	240,000	200.0%

Future developments

The group intends to invest resources in the following areas throughout the 2021-2022 financial year:

- Geographical expansion;
- Continuous IT platform improvements;
- Further strengthening the credit algorithms across all market segments; and
- Rollout of the instant pay-out products to the wider market.

The Strategic Report was approved by the board and signed on its behalf by:



K Larsen
Director

Date: 14/1/2022

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The company was incorporated on 28 April 2020.

On 31 October 2020 the company merged with Youlend ApS, a company incorporated in Denmark, pursuant to the Companies Act (Cross-Border Mergers) Regulations 2007. The company and group have applied merger accounting and as such the pro-forma results are presented as if the company and group had always existed.

The principal activity of the company and group is that of providing embedded finance solutions.

Results and dividends

The consolidated results for the year are set out on page 11.

No ordinary dividends were paid (2020: £Nil). The directors do not recommend payment of a further dividend.

Directors

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

K Larsen	(Appointed 28 April 2020)
M Solvsten Velin	(Appointed 28 April 2020)
L Surland	(Appointed 28 April 2020)

Qualifying third party indemnity provisions

The group has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

Deloitte LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties and future developments.

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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

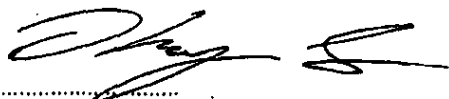
Events after the reporting date

Information regarding events after the reporting date can be found in note 24.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

The Directors' report was approved by the board and signed on its behalf by:



.....
K Larsen
Director

Date: 14/1/2022
.....

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the Strategic Report and 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

Opinion

In our opinion the financial statements of Youlend Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows;
- the accounting policies; and
- the related notes 2 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 group's and of the parent company's affairs as at 31 March 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 group's and parent 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED) (CONTINUED)

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.

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 group's and the parent 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 group or the parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team and relevant internal specialists such as IT & valuation specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED) (CONTINUED)

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Accuracy of revenue: we have validated the appropriateness of the behavioral life assumption applied by YouLend and the appropriateness and accuracy of YouLend's calculations of revenue in under an effective interest rate method; and
- Valuation of the financial receivables impairment provisioning: we have validated the assumptions, underlying data and mechanical accuracy of the model YouLend have used to determine the impairment provision.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

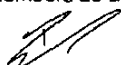
Other matters

Due to the incorporation of the parent company and the cross-border merger during the year the group was not audited in the prior year and we have not audited the corresponding amounts for that year.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOULEND LIMITED
(PREVIOUSLY BCCAP LIMITED) (CONTINUED)**

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.



David Rozier (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cardiff, United Kingdom

14 January 2022

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	Notes	£	(Pro-forma) £
Turnover	3	6,865,410	5,792,159
Cost of sales		(2,465,786)	(2,974,583)
Gross profit		4,399,624	2,817,576
Administrative expenses		(9,147,569)	(5,914,068)
Other operating income		-	10,180
Operating loss	7	(4,747,945)	(3,086,310)
Other interest receivable and similar income	9	30,079	-
Interest payable and similar expenses	10	(249,702)	(16,471)
Loss before taxation		(4,967,568)	(3,102,781)
Tax on loss	11	(3,056)	1,035
Loss for the financial year		(4,970,624)	(3,101,746)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Notes	£	2021 £	2020 (Pro-forma) £
Fixed assets				
Intangible assets	12		1,256,218	373,012
Tangible assets	13		145,762	74,946
			<u>1,401,980</u>	<u>447,958</u>
Current assets				
Debtors	16	14,560,049		445,802
Cash at bank and in hand		8,309,027		2,084,645
		<u>22,869,076</u>		<u>2,530,447</u>
Creditors: amounts falling due within one year	17	(13,758,642)	(1,589,923)	
Net current assets			<u>9,110,434</u>	<u>940,524</u>
Total assets less current liabilities			<u>10,512,414</u>	<u>1,388,482</u>
Capital and reserves				
Called up share capital	20		3	1
Share premium account	21		9,083,914	-
Other reserves	21		9,142,684	4,132,044
Profit and loss account	21		(7,714,187)	(2,743,563)
Total equity			<u>10,512,414</u>	<u>1,388,482</u>

The financial statements were approved by the board of directors and authorised for issue on 14/11/2022
and are signed on its behalf by:



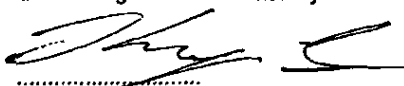
K Larsen
Director

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021**

	Notes	£	2021 £	2020 (Pro-forma) £
Fixed assets				
Intangible assets	12		1,256,218	373,012
Tangible assets	13		145,762	74,946
Investments	14		1,000,072	71
			<u>2,402,052</u>	<u>448,029</u>
Current assets				
Debtors	16	11,044,976		444,272
Cash at bank and in hand		309,187		1,500,352
			<u>11,354,163</u>	<u>1,944,624</u>
Creditors: amounts falling due within one year	17	(1,994,882)		(830,230)
Net current assets			<u>9,359,281</u>	<u>1,114,394</u>
Total assets less current liabilities			<u>11,761,333</u>	<u>1,562,423</u>
Capital and reserves				
Called up share capital	20		3	1
Share premium account	21		9,083,914	-
Other reserves	21		9,120,378	4,109,738
Profit and loss account	21		(6,442,962)	(2,547,316)
Total equity			<u>11,761,333</u>	<u>1,562,423</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group financial statements. The company's loss for the year was £3,895,646 (2020 - £3,140,530 loss).

The financial statements were approved by the board of directors and authorised for issue on 14/1/2022 and are signed on its behalf by:



K Larsen
Director

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total £
Balance at 1 April 2019 (Pro-forma)		-	-	-	358,183	358,183
Year ended 31 March 2020 (Pro-forma):						
Loss and total comprehensive income for the year		-	-	-	(3,101,746)	(3,101,746)
Issue of share capital	20	1	-	-	-	1
Merger reserve		-	-	4,132,044	-	4,132,044
Balance at 31 March 2020 (Pro-forma)		1	-	4,132,044	(2,743,563)	1,388,482
Year ended 31 March 2021:						
Loss and total comprehensive income for the year		-	-	-	(4,970,624)	(4,970,624)
Issue of share capital	20	2	9,083,914	-	-	9,083,916
Merger reserve		-	-	4,849,346	-	4,849,346
Share-based payment reserve		-	-	161,294	-	161,294
Balance at 31 March 2021		3	9,083,914	9,142,684	(7,714,187)	10,512,414

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total £
Balance at 1 April 2019		-	-	-	593,214	593,214
Year ended 31 March 2020:						
Loss and total comprehensive income for the year		-	-	-	(3,140,530)	(3,140,530)
Issue of share capital	20	1	-	-	-	1
Merger reserve		-	-	4,109,738	-	4,109,738
Balance at 31 March 2020		1	-	4,109,738	(2,547,316)	1,562,423
Year ended 31 March 2021:						
Loss and total comprehensive income for the year		-	-	-	(3,895,646)	(3,895,646)
Issue of share capital	20	2	9,083,914	-	-	9,083,916
Merger reserve		-	-	4,849,346	-	4,849,346
Share-based payment reserve		-	-	161,294	-	161,294
Balance at 31 March 2021		3	9,083,914	9,120,378	(6,442,962)	11,761,333

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	22	(5,585,331)		(2,531,606)	
Interest paid		(249,702)		(16,471)	
Income taxes (paid)/refunded		(3,056)		1,035	
Issue of financial receivables		(12,514,278)		-	
Net cash outflow from operating activities		(18,352,367)		(2,547,042)	
Investing activities					
Purchase of intangible assets		(1,090,794)		504,742	
Purchase of tangible fixed assets		(118,516)		-	
Interest received		30,079		-	
Net cash (used in)/generated from investing activities		(1,179,231)		504,742	
Financing activities					
Proceeds from issue of shares		13,933,262		4,126,945	
Proceeds from borrowings		11,822,718		-	
Net cash generated from financing activities		25,755,980		4,126,945	
Net increase in cash and cash equivalents		6,224,382		2,084,645	
Cash and cash equivalents at beginning of year		2,084,645		-	
Cash and cash equivalents at end of year		8,309,027		2,084,645	

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company Information

Youlend Limited (previously BCCAP Limited) ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 90 High Holborn, 5th Floor, London, WC1V 6LJ.

The group consists of Youlend Limited (previously BCCAP Limited) and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

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.

Reduced disclosures

The 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 for parent company information presented within the consolidated financial statements:

- 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': Interest income/expense and net gains/losses for financial instruments not measured at fair value; 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; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Youlend Limited (previously BCCAP Limited) and its subsidiaries listed in note 15 (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group. The financial statements present a pro-forma consolidated statement of comprehensive income for the 12 months to 31 March 2021 and 2020, together with a pro-forma consolidated statement of financial position at 31 March 2021 and 2020. The financial information presented for the company covers the period from incorporation on 28 April 2020 to 31 March 2021 after taking into consideration of the merger with Youlend APS which occurred on 16 November 2020.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

The merger method of accounting is applied to group reconstructions as if the entities had always been combined. The total comprehensive income, assets and liabilities of the entities are amended, where necessary, to align the accounting policies. The carrying values of the entities assets and liabilities are not adjusted to fair value.

Any difference between the nominal value of shares issued plus the fair value of other consideration and the nominal value of shares received is taken to other reserves in equity. Any existing balances on the share premium accounts or capital redemption reserve of the legal subsidiary are shown as a movement on other reserves.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and 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.

In order to reach this conclusion the directors have considered the ongoing developments within the group's financials and the debt and equity levels of the group.

The group has partnered with several Tier 1 partners covering the brick and mortar sector and the eCommerce sector. By diversifying the underlying merchant pool, the group will be able to continue to enable financing throughout the developments of the macroeconomic events impacting the SME industry.

The directors consider the group to have entered the next period having good access to both debt markets and equity funding. Planned post balance sheet events have determined that the considerations as being just.

Turnover

Platform fees are recognised as revenue in the year in which they can reliably be calculated for the year in which they relate.

Revenue on the basic financial asset is recognised using the effective interest rate method over the expected life of the related financial asset.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

The company capitalises development costs as internally generated intangible assets when they meet the recognition criteria set out under the standard FRS 102.18.8H.

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:

Development costs	20% straight line
Other intangibles	Over the life of the contract

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:

Plant and equipment	33% 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.

Fixed asset investments

In the separate financial statements of the company, interests in subsidiaries 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 group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting year end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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.

Cash and cash equivalents

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

Financial instruments

The group 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 when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price.

If the arrangement constitutes a financing transaction, the financial asset is measured at transaction price and subsequently amortised over the expected life of the asset using the Effective Interest Rate method.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 group 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.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, amounts due to group undertakings, loans from parent undertakings and accruals 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.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of 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 group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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 year in which the employee's services are received.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

Fair value is determined by using the market price of the shares at a point in time adjacent to the issue of the award. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions) and non-vesting conditions.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above.

The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, 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 year in which the estimate is revised where the revision affects only that year, or in the year of the revision and future years where the revision affects both current and future years.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Deferred tax assets

The company has carried forward tax losses, which are available indefinitely, against which no deferred tax has been recognised. A deferred tax asset has not been recognised on the basis that there is insufficient certainty over the evidence of the recoverability of these tax losses in the near future.

Basic financial instruments

Having met the requirements of the standard, as set out under FRS 102.11.9, the company recognises all financial instruments, both assets and liabilities, as basic financial instruments.

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.

Impairment of debtors

The group is a provider of basic financial instruments, and as such has an underlying uncertainty regarding the recoverability of such assets. The level of impairment provision required for such assets are determined through credit risk algorithms.

The group monitors the assets for any indication of impairment, or non-compliance with the contractual terms within the agreements associated. Any material updates to the assets performance will be reflected in the reporting year.

The provisions for losses are reflected in the periods profit and loss, and create a contra-asset (loan loss reserve) for the group's financial assets. Recognised losses are realised through the reserve.

Effective interest rate

The calculation of an effective interest rate involves estimates which impact on the rate at which fees and expenses are recognised. The company makes assumptions around the expected customer usage of the product, which can vary over the term of the product. Management regularly reviews these assumptions based on historical experience as well as expectations of future events.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Turnover and other revenue

	2021 £	2020 (Pro-forma) £
Turnover analysed by class of business		
Platform fees	3,208,320	1,711,073
Discount recognition	2,367,090	504,742
Other revenue	1,290,000	3,576,344
	<u>6,865,410</u>	<u>5,792,159</u>

4 Employees

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

	Group		Company	
	2021 Number	2020 (Pro-forma) Number	2021 Number	2020 (Pro-forma) Number
Data Science	2	-	1	-
Operations	6	3	5	2
Sales	17	11	14	6
Executive	3	2	2	1
IT	25	12	25	12
Underwriting	5	4	4	3
Finance	3	1	3	1
Total	<u>61</u>	<u>33</u>	<u>54</u>	<u>25</u>

Their aggregate remuneration comprised:

	Group		Company	
	2021 £	2020 (Pro-forma) £	2021 £	2020 (Pro-forma) £
Wages and salaries	4,810,762	3,476,305	3,926,894	1,415,056
Social security costs	700,242	561,109	587,512	267,781
Pension costs	155,883	89,687	109,799	47,653
	<u>5,666,887</u>	<u>4,127,101</u>	<u>4,624,205</u>	<u>1,730,490</u>

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Directors' remuneration

	2021	2020
	(Pro-forma)	
	£	£
Remuneration for qualifying services	2,704,331	166,667
Company pension contributions to defined contribution schemes	16,013	3,509
	<u>2,720,344</u>	<u>170,176</u>

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

	2021	2020
	(Pro-forma)	
	£	£
Remuneration for qualifying services	1,620,805	166,667
Company pension contributions to defined contribution schemes	3,319	3,509
	<u>1,624,124</u>	<u>170,176</u>

There were retirement benefits accruing to two of the directors (2020: two) under a defined contribution pension scheme.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Share-based payment transactions

Share Option plan

Under the share option plan, share options are granted to all the employees who fulfil certain employment criteria. This plan is equity settled and the settlement is done by another group company.

The valuation method used to determine the value of the share options was the Black Scholes model. The ultimate controlling party made the decision to use this valuation methodology as it was deemed as the most fitting option considering the nature of the group.

The share options shall vest as follows:

- Options vest over 5 years pro-rata basis, however the expense is recognised evenly over 9.5 years from the first anniversary of the grant as should an employee voluntarily leave the company during this 9.5 year period, and if they don't fulfil certain leaver criteria, then all options (vested or not) are considered lapsed.

28,561 options were granted during the year, and 80,001 options were outstanding at year end.

The fair value of equity-settled share options granted is estimated as at the date of grant, considering the terms and conditions upon which the options were granted.

The contractual and maximum term of each option grant is ten years. There are no cash settlement alternatives.

The movements in the number of share options during the year were as follows:

	31 March 2021	31 March 2020
	Number	Number
Outstanding, start of period	52,268	0
Granted during the period	28,561	52,268
Forfeited during the year	798	0
Exercised during the year	0	0
Expired during the year	0	0
Outstanding, end of period	80,001	52,268
Exercisable at the end of the year	0	0

Weighted average price was £227.42.

The total charge for the year for share-based payments was £161,294.

7 Operating loss

Operating loss for the year is stated after charging/(crediting):

	2021	2020
	(£)	(Pro-forma) (£)
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	24,925	(23,092)
Depreciation of owned tangible fixed assets	47,700	74,227
Amortisation of intangible assets	207,588	21,872
Share-based payments	161,294	-

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

8 Auditor's remuneration

	2021	2020
	£	(Pro-forma) £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	132,000	6,000

9 Other interest receivable and similar income

	2021	2020
	£	(Pro-forma) £
Other interest income	30,079	-

10 Interest payable and similar expenses

	2021	2020
	£	(Pro-forma) £
Interest payable to group undertakings	38,104	-
Other interest	211,598	16,471
Total finance costs	249,702	16,471

11 Taxation

	2021	2020
	£	(Pro-forma) £
Current tax		
Foreign current tax on profits for the current period	3,056	(1,035)

In the March 2021 Budget it was announced that the standard rate of corporation tax would remain at 19%, increasing to 25% from 1 April 2023.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Taxation (Continued)

The total tax charge/(credit) for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 (Pro-forma) £
Loss before taxation	(4,967,568)	(3,102,781)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(943,838)	(589,528)
Deferred tax not recognised	946,894	588,493
Taxation charge/(credit)	3,056	(1,035)

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Intangible fixed assets

Group	Goodwill	Development costs	Other Intangibles	Total
	£	£	£	£
Cost				
At 1 April 2020	163,340	394,884	170	558,394
Additions	-	1,090,794	-	1,090,794
Disposals	(163,340)	-	(170)	(163,510)
At 31 March 2021	-	1,485,678	-	1,485,678
Amortisation and impairment				
At 1 April 2020	163,340	21,872	170	185,382
Amortisation charged for the year	-	207,588	-	207,588
Disposals	(163,340)	-	(170)	(163,510)
At 31 March 2021	-	229,460	-	229,460
Carrying amount				
At 31 March 2021	-	1,256,218	-	1,256,218
At 31 March 2020	-	373,012	-	373,012
Company				
			Development costs	
			£	
Cost				
At 1 April 2020			394,884	
Additions			1,090,794	
At 31 March 2021			1,485,678	
Amortisation and impairment				
At 1 April 2020			21,872	
Amortisation charged for the year			207,588	
At 31 March 2021			229,460	
Carrying amount				
At 31 March 2021			1,256,218	
At 31 March 2020			373,012	

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

Disposal of goodwill in the period relates to a fully amortised historic balance and as such had no impact on the group results in the year.

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

13 Tangible fixed assets

Group	Plant and equipment £
Cost	
At 1 April 2020	373,128
Additions	118,516
Disposals	(249,673)
At 31 March 2021	241,971
Depreciation and impairment	
At 1 April 2020	298,182
Depreciation charged in the year	47,700
Eliminated in respect of disposals	(249,673)
At 31 March 2021	96,209
Carrying amount	
At 31 March 2021	145,762
At 31 March 2020	74,946
Company	Plant and equipment £
Cost	
At 1 April 2020	123,455
Additions	118,516
At 31 March 2021	241,971
Depreciation and impairment	
At 1 April 2020	48,509
Depreciation charged in the year	47,700
At 31 March 2021	96,209
Carrying amount	
At 31 March 2021	145,762
At 31 March 2020	74,946

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Fixed asset investments

	Notes	Group (Pro-forma)		Company (Pro-forma)	
		2021 £	2020 £	2021 £	2020 £
Investments in subsidiaries	15	-	-	1,000,072	71
Movements in fixed asset investments					
Company					Shares in group undertakings £
Cost					
At 1 April 2020					71
Additions					1,000,001
At 31 March 2021					1,000,072
Carrying amount					
At 31 March 2021					1,000,072
At 31 March 2020					71

On 12 January 2021 the company acquired the entire £1 Ordinary share capital of YL III Limited upon incorporation. On 15 February 2021 the company acquired a further 1,000,000 Ordinary shares of £1 in YL III Limited at par.

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Liquid Finance Holdings Limited	90 High Holborn, 5th Floor, London, WC1V 6LJ	Dormant	Ordinary	100.00	-
YL I Limited (formerly Liquid Finance Partners Limited)	90 High Holborn, 5th Floor, London, WC1V 6LJ	Finance factoring	Ordinary	-	100.00
YL III Limited*	90 High Holborn, 5th Floor, London, WC1V 6LJ	Finance factoring	Ordinary	100.00	-

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Subsidiaries (Continued)

*YL III Limited was incorporated on 12 January 2021.

The company numbers of each of Youlend Limited's subsidiaries are as follows:

- Liquid Finance Holdings Limited (09848915)
- YL I Limited (formerly Liquid Finance Partners Limited (08374302)
- YL II Limited (13128113)

The following subsidiaries are exempt from audit by virtue of section 479A of the Companies Act 2006:

- Liquid Finance Holdings Limited
- YL I Limited (formerly Liquid Finance Partners Limited)

16 Debtors

	Group (Pro-forma)		Company (Pro-forma)	
	2021	2020	2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	556,793	426,689	556,793	425,286
Financial receivables	12,514,278	-	-	-
Amounts owed by related parties	1,111,000	11,727	10,110,333	11,727
Other debtors	128	7,386	-	7,259
Prepayments and accrued income	377,850	-	377,850	-
	<u>14,560,049</u>	<u>445,802</u>	<u>11,044,976</u>	<u>444,272</u>

Included within amounts owed by related parties is an initial loan of £1,100,000 to Youlend I K/S. The loan is repayable in full no later than 30 June 2021, or within 5 days of a change in control of the group. No security is held in respect of this loan.

Included within financial receivables are impairment provisions amounting to £968,721.

17 Creditors: amounts falling due within one year

	Notes	Group (Pro-forma)		Company (Pro-forma)	
		2021	2020	2021	2020
		£	£	£	£
Other borrowings	18	8,292,995	-	1,425,960	-
Trade creditors		204,510	416,328	138,573	413,817
Amounts owed to group undertakings		3,698,288	-	-	-
Other taxation and social security		170,135	149,050	134,923	149,050
Other creditors		1,086,267	779,699	12,843	22,517
Accruals and deferred income		306,447	244,846	282,583	244,848
		<u>13,758,642</u>	<u>1,589,923</u>	<u>1,994,882</u>	<u>830,230</u>

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Creditors: amounts falling due within one year (Continued)

Included within amounts owed to group undertakings is an initial loan of €4,000,000 (GBP: £3,592,139) from BC MidCo PTE., the company's immediate parent. The loan is repayable in full no later than 90 days from written notice from the lender. No security is held in respect of this loan.

18 Borrowings

	Group (Pro-forma)		Company (Pro-forma)	
	2021	2020	2021	2020
	£	£	£	£
Loans from related parties	2,838,736	-	1,425,960	-
Other loans	5,454,259	-	-	-
	<u>8,292,995</u>	<u>-</u>	<u>1,425,960</u>	<u>-</u>
Payable within one year	<u>8,292,995</u>	<u>-</u>	<u>1,425,960</u>	<u>-</u>

Loans from related parties consists of an initial loan of £1,398,000 provided by the directors of the company and accumulated interest. The entire balance of the loan was repaid on 13/04/2021.

Loans from related parties also consists of initial junior loan notes of £1,400,000 and accumulated interest.

Other loans include senior loan notes which consist of initial loan notes of £5,428,930 and accumulated interest.

Senior and junior loan notes are all repayable on demand and are due within one year.

19 Retirement benefit schemes

	2021	2020
	£	(Pro-forma) £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>155,883</u>	<u>89,687</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. At the year end, £12,843 (2020: £20,573) was due in respect of pension contributions and is included within other creditors.

20 Share capital

Group and company

	2021	2021
	Number	£
Ordinary share capital Issued and fully paid		
Ordinary shares of £1 each	<u>3</u>	<u>3</u>

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

20 Share capital (Continued)

On incorporation, on 28 April 2020, the company issued 1 Ordinary share of £1 at par.

On 31 October 2020 the company issued 1 Ordinary share of £1 at par in consideration for the cross border merger with Youlend ApS, a company incorporated in Denmark, pursuant to the Companies Act (Cross-Border Mergers) Regulations 2007.

On 18 November 2020 the company issued 1 Ordinary share of £1 for total consideration of £9,083,915. The difference between the nominal value of the share and the consideration paid was credited to the share premium account.

21 Reserves

Share premium

The share premium account represents the excess of consideration received over the nominal value of shares issued.

Other reserves

The merger reserve represents the difference between the nominal value of shares issued plus the fair value of other consideration and the nominal value of shares received for group reconstructions accounted for using the merger method of accounting.

The foreign currency reserve is included within "other reserves" and represents differences arising on the historic translation of foreign subsidiaries.

The other reserve represents the fair value of the group's equity-settled share based payment transactions. Further detail on the accounting treatment is provided in note 1 and on movements in the year in note 6.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

22 Cash absorbed by group operations

	2021 £	2020 £
Loss for the year after tax	(4,970,624)	(3,101,746)
Adjustments for:		
Taxation charged/(credited)	3,056	(1,035)
Finance costs	249,702	16,471
Investment income	(30,079)	-
Amortisation and impairment of intangible assets	207,588	21,872
Depreciation and impairment of tangible fixed assets	47,700	74,227
Equity settled share based payment expense	161,294	-
Movements in working capital:		
Increase in debtors	(1,599,969)	(445,802)
Increase in creditors	346,001	904,407
Cash absorbed by operations	(5,585,331)	(2,531,606)

YOULEND LIMITED (PREVIOUSLY BCCAP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Analysis of changes in net funds - group

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	2,084,645	8,224,382	8,309,027
Borrowings excluding overdrafts	-	(8,292,995)	(8,292,995)
	<u>2,084,645</u>	<u>(2,068,613)</u>	<u>16,032</u>

24 Events after the reporting date

According to budgeted expectations, the group has raised EUR 31m in capital. In addition, the group has obtained an intra-group loan note from its parent company totalling EUR 10m.

25 Controlling party

The company's financial statements are included in the consolidated financial statements of BC MidCo Pte. Ltd., forming the smallest and the largest body of undertakings of which the company forms part as a subsidiary undertaking.

The consolidated financial statements of BC MidCo Pte. Ltd. are prepared in conformity with Singapore Financial Reporting Standards, which are fully aligned with IAS ("International Accounting Standards") and IFRS ("International Financial Reporting Standards"). They are available at the registered office of BC MidCo Pte. Ltd. The registered office of that company is located in 10 Changi Business Park Central 2, #05-01, HansaPoint 486030, Singapore.

The largest and smallest group of undertakings for which group financial statements have been drawn up is that headed by Moneyball Topco PTE. Ltd., a company registered in Singapore.

The ultimate controlling party is considered to be EQT VIII SCSp by virtue of its majority shareholdings in Moneyball Topco PTE. Ltd.