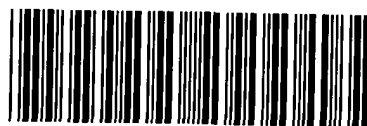


REGISTERED NUMBER: 08561817 (England and Wales)

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019  
FOR  
DENMARK SQUARE LIMITED**

MONDAY



\*A8F3TSF6\*

A40

30/09/2019

#109

COMPANIES HOUSE

**DENMARK SQUARE LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**DIRECTORS:**

N K C Horlick  
D W Taylor  
R Wight

**REGISTERED OFFICE:**

58 Glenthams Road  
Barnes  
London  
SW13 9JJ

**BUSINESS ADDRESS:**

Kings House  
174 Hammersmith Road  
London  
W6 7JP

**REGISTERED NUMBER:**

08561817 (England and Wales)

**ACCOUNTANTS:**

Hartley Fowler LLP  
Chartered Accountants  
4th Floor Tuition House  
27-37 St George's Road  
Wimbledon  
London  
SW19 4EU

## **DENMARK SQUARE LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2019**

---

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

#### **PRINCIPAL ACTIVITY**

Denmark Square Limited operates a peer-to-peer (P2P) lending platform, which trades as Money&Co. Through Money&Co., individuals looking for a better return on their cash can lend to good-quality companies operating in the UK. Money&Co. also provides acquisition finance and project finance (primarily for residential developers and housebuilders). In addition, we are about to enter the litigation finance market.

The company is authorised by the Financial Conduct Authority.

#### **REVIEW OF BUSINESS**

During the year to 31 March 2019, the company's turnover increased by 235% and pre-tax losses fell from £1,508,108 to £547,679. In the current year, the Board believes that the company will become profitable, which will compare favourably with other operators of P2P lending platforms. Since Money&Co. completed its first loan in April 2014, it has lent almost £20 million to small and medium-sized enterprises (SMEs). In the current year, we expect to increase the lending book very substantially.

Money&Co. offers a managed Innovative Finance ISA and we saw a steady flow of transfers from other ISA providers during 2018/19. We expect this to accelerate during the current financial year as savers search for income. Our Innovative Finance ISA is currently yielding 7% net of fees, which is a very attractive tax-free returns for savers. We only include asset-backed loans in the managed Innovative Finance ISA portfolios as we are seeking to preserve capital as best we can.

Since we completed our first loan, we have had six loan defaults. Two of the borrowers who defaulted repaid their loans in full, three agreed repayment plans and one was declared as a bad debt. Over the whole period that we have been lending, our bad debt rate has been 0.04% per annum against a target of 1% per annum. The low level of bad debts partly reflects the fact that the economy has been relatively strong. Our view is that it is now slowing down and the likelihood of a no deal Brexit is now a strong possibility. As a result, we have become extremely cautious in our lending strategy and look for assets as security for every loan we make.

During 2018/19, our balance sheet improved, with an increase in capital and reserves from £120,421 to £399,635. As we move into profitability, we expect to improve the balance sheet further. Our first priority will be to repay the loan of £500,000 kindly advanced by one of our shareholders. This is the only debt that the company has currently and we have no plans to borrow in the future. If our income forecasts are correct, we do not expect to need more equity going forward.

The number of employees and directors increased to nine in 2018/19. In 2017/18, there were three directors and one employee. In 2018/19, the number of directors remained at three. In addition to the direct employees of the company, there are three partners of Bramdean Asset Management LLP that are involved in the management of Money&Co. loan portfolios. There are also five sales people who are employed by another entity, but spend the majority of their time selling Money&Co.'s managed products. There are, therefore, seventeen people involved in the various aspects of the company's business. In the coming year, we are looking to recruit across all areas of our business.

Nicola Horlick  
Chief Executive Officer

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

N K C Horlick  
D W Taylor  
R Wight

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

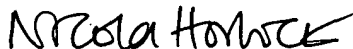
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



N K C Horlick - Director

26 July 2019

BALANCE SHEET  
31 MARCH 2019

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	4	2,601	-
Investments	5	100,000	72,900
		<u>102,601</u>	<u>72,900</u>
<b>CURRENT ASSETS</b>			
Debtors	6	1,123,723	1,064,995
Cash at bank		1,353,834	1,011
		<u>2,477,557</u>	<u>1,066,006</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	2,175,916	1,018,485
<b>NET CURRENT ASSETS</b>		<u>301,641</u>	<u>47,521</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>404,242</u>	<u>120,421</u>
<b>PROVISIONS FOR LIABILITIES</b>	9	4,607	-
<b>NET ASSETS</b>		<u><u>399,635</u></u>	<u><u>120,421</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		2,234	2,104
Share premium		9,560,432	8,729,062
Fair value reserve	10	22,493	-
Retained earnings		(9,185,524)	(8,610,745)
		<u><u>399,635</u></u>	<u><u>120,421</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 26 July 2019 and were signed on its behalf by:



N K C Horlick - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

---

1. **STATUTORY INFORMATION**

Denmark Square Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- straight line over 3 years
Computer equipment	- straight line over 3 years

**Financial instruments**

Cash at bank is measured at transaction price.

Debtors and creditors with no stated interest rate and receivables or payables within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit or loss account in other administrative expenses.

Investments in the equity of unlisted entities are measured at cost less impairment.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES - continued

**Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2018 - 1).

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
<b>COST</b>	
At 1 April 2018	142,002
Additions	2,989
	<hr/>
At 31 March 2019	144,991
	<hr/>
<b>DEPRECIATION</b>	
At 1 April 2018	142,002
Charge for year	388
	<hr/>
At 31 March 2019	142,390
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 March 2019	2,601
	<hr/>

5. FIXED ASSET INVESTMENTS

	Other investments £
<b>COST OR VALUATION</b>	
At 1 April 2018	72,900
Revaluations	27,100
	<hr/>
At 31 March 2019	100,000
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 March 2019	100,000
	<hr/>
At 31 March 2018	72,900
	<hr/>

Cost or valuation at 31 March 2019 is represented by:

	Other investments £
Valuation in 2019	27,100
Cost	72,900
	<hr/>
	100,000
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019

## 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	1,200	-
Other debtors	1,122,523	1,064,995
	<u>1,123,723</u>	<u>1,064,995</u>

## 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans and overdrafts	-	274
Trade creditors	265,591	458,204
Taxation and social security	3,379	929
Other creditors	1,906,946	559,078
	<u>2,175,916</u>	<u>1,018,485</u>

## 8. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Other loans	<u>540,000</u>	<u>-</u>

Other loans are secured by a fixed and floating charge over the assets of the company.

## 9. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax	<u>4,607</u>	<u>-</u>
		Deferred tax
		£
Provided during year		<u>4,607</u>
Balance at 31 March 2019		<u>4,607</u>

## 10. RESERVES

	Fair value reserve £
Unrealised gain/loss on revaluation	<u>22,493</u>
At 31 March 2019	<u>22,493</u>

## 11. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the balance sheet date N K C Horlick was owed £nil (2018 - £12,975) by the company. The balance is unsecured, non-interest bearing and repayable on demand.