



LENDABLE LTD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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COMPANY INFORMATION

DIRECTORS:	K M Kissinger M J Rosel J G Baum (appointed 10/01/2023)
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REGISTERED OFFICE:	Lendable Ltd Telephone House 69 - 77 Paul Street London EC2A 4NW
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REGISTERED NUMBER:	08828186 (England and Wales)
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AUDITORS:	BDO LLP 55 Baker Street London W1U 7EU
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors	5	2,500,574	1,659,488
Cash at bank and in hand		7,022,780	3,166,826
		<u>9,523,354</u>	<u>4,826,314</u>
CREDITORS			
Amounts falling due within one year	6	(5,513,354)	(4,816,314)
NET CURRENT ASSETS		<u>4,010,000</u>	<u>10,000</u>
Provisions for other liabilities		-	-
NET ASSETS		4,010,000	10,000
CAPITAL AND RESERVES			
Called-up share capital		4	3
Share premium		3,999,996	-
Retained earnings		10,000	9,997
TOTAL EQUITY		4,010,000	10,000

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


The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the income statement in accordance with provisions applicable to companies subject to the small companies regime.

The financial statements were authorised for issue by the board of directors on

22nd February 2023

..... and were signed on its behalf.


.....
K M Kissinger – Director

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

NOTES TO THE FINANCIAL STATEMENTS

1. STATUTORY INFORMATION

Lendable Ltd 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.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparing the financial statements

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

Given the parent company's strong balance sheet and having reviewed forecast income statement performance models, management have a more than reasonable expectation that the company has adequate resources to continue for the foreseeable future, accordingly the financial statements continue to adopt the going concern basis.

Consolidated financial statements

The company is a wholly owned subsidiary of Lendable Operations Ltd, its ultimate parent. It is included in the consolidated financial statements of Lendable Operations Ltd which are publicly available. The address of the parent's registered office is Telephone House, 69-77 Paul Street, London, England, EC2A 4NW.

Revenue and other income

The company's revenue arises from the principal activity comprising the fees charged to lenders and borrowers for the use of the online lending and borrowing exchange. The policies adopted for the recognition of revenue are as follows:

Origination Fees

Revenue from origination fees represents an origination fee charged to borrowers and is fully recognised when the borrower is accepted for the loan, on the origination date.

NOTES TO THE FINANCIAL STATEMENTS

Repayment and Servicing Fees

Income from loan notes issued represents the share of principal and interest received and retained by Lendable Ltd under the terms of the loan note subscriptions and loan purchase and servicing deeds in issue with investors. Repayment fees are a fixed percentage of principal and interest payments made by borrowers and they are recognised when payments are made by the borrowers. Servicing fees are a fixed percentage of the total qualifying loans outstanding on any given day charged to investors.

Forward Flow premium

Revenue from premiums relates to the commission paid by the purchaser in respect of qualifying loans and is recognised on the origination date.

Other receivables

Other receivables are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash held at banks. Cash held in trust or on behalf of investors is not shown on the balance sheet, due to there being an asset with an exact corresponding liability. Further information can be found in note 7.

Trade and other payables

Trade and other payables are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at the prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against future taxable profits or against the reversal of deferred tax liabilities.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Basic financial assets and liabilities

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 receivable within one year are not amortised.

Basic financial liabilities, which include creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

4. EMPLOYEES AND DIRECTORS

The average number of employees and directors during the year was 2 (2020 – 2).

5. DEBTORS: FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	2,500,574	1,659,488

6. CREDITORS: FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Amounts owed to parent company	3,724,043	4,396,391
Taxation	120,052	-
Other creditors	1,294,588	300,100
Accruals and deferred income	374,671	119,823
	5,513,354	4,816,314

NOTES TO THE FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT

The parent company, Lendable Operations Ltd, through the directors, has overall responsibility for the establishment and oversight of the company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and ensure any limits are adhered to. The company's activities are reviewed regularly and potential risks are considered.

The company's risk management program seeks to minimise potential adverse effects on the company's financial performance.

Risk factors

The company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and cash equivalents held at banks. There is no credit risk to the company from loans issued on the platform.

The company has implemented certain operational processes and policies to address the company's credit related risks around counterparty risk and transactional bad debt. The credit quality of the financial assets has been assessed and no further impairment is required.

Counterparty risk in relation to cash and cash equivalents held is managed by selecting and working only with appropriate financial institutions. The financial stability of the partners will be assessed prior to and at regular intervals during the relationship.

Transactional bad debt, or loss, risk is managed by regular monitoring. Revenue largely arises from fees charged and they carry no bad debt risk.

The risk relates to small amounts that may be payable in exceptional circumstances. The company's maximum exposure to credit risk by class of financial asset is as follows:

	2021 £	2020 £
Trade and other receivables		
- Other debtors and cash in transit	2,500,574	1,659,488
- Cash and cash equivalents	7,022,780	3,166,826

Credit risk is mitigated as cash and cash equivalents are held with UK banks and UK financial institutions which are either Prudential Regulation Authority ("PRA") or Financial Conduct Authority ("FCA") authorised. The above table excludes values where not classed as a financial asset.

NOTES TO THE FINANCIAL STATEMENTS

	2021 £	2020 £
- Cash held on behalf of investors in restricted pre-funding and distribution accounts	41,910,461	22,986,182

The above table represents cash held by Lendable Ltd in UK banks and UK financial institutions however these balances are held in trust on behalf of investors and Lendable does not have the risk and rewards for the cash held and therefore has not been recognised as an asset with a corresponding liability. Restricted pre-funding and investor funds fall due in line with the underlying terms and conditions of the loan note subscription or loan purchase and servicing deed signed.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure that it will always be in a position where it has sufficient liquid assets to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's position.

It is in the company's operations to monitor the liquidity position on an ongoing basis. The amounts disclosed below are the contractual undiscounted cash flows.

As at 31 December 2021

Financial assets

Other receivables

Cash and cash equivalents

Within 12 months

£

2,500,574

7,022,780

9,523,354

Financial liabilities

Amounts owed to group undertakings

Other creditors

Accruals and deferred income

3,724,043

1,294,588

374,671

5,393,302

As at 31 December 2020

Financial assets

Other receivables

Cash and cash equivalents

Within 12 months

£

1,659,488

3,166,826

4,826,314

Financial liabilities

Amounts owed to group undertakings

Other creditors

Accruals and deferred income

4,396,391

300,100

119,823

4,816,314

NOTES TO THE FINANCIAL STATEMENTS

Market risk

The company does not have significant exposure to liquidity, cash flow or interest rate risk and therefore no sensitivity analysis for those risks has been disclosed.

Capital Management

The company considers its capital to comprise ordinary share capital adding its accumulated retained earnings. The objective of the directors of the parent company, Lendable Operations Ltd, when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholders.

The company is not currently subject to any specific externally imposed capital requirements; however the company is authorised by the Financial Conduct Authority. The company has in place adequate financial resources.

8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The report of the Auditors was unqualified and there was no emphasis of matter paragraph.

The Senior Statutory Auditor who signed the audit report was Matthew Hopkins for and on behalf of BDO LLP, 55 Baker Street, London, W1U 7EU.

9. ULTIMATE PARENT UNDERTAKING

Lendable Operations Ltd continues to hold 100% of the issued share capital of Lendable Ltd at 31 December 2021 and is therefore regarded as the immediate and ultimate parent undertaking.