LENDINVEST SECURED INCOME PLC

Interim unaudited report for the 6 month period ended 30 September 2017

Company registration number: 10408072

Contents

Officers and professional advisors

Directors	Christian Faes Ian Thomas
Secretary	Derek Mochan
Company number	10408072
Registered office	8 Mortimer Street, London, W1T 3JJ
Auditors	BDO LLP
Bankers	Barclays Bank PLC

LENDINVEST SECURED INCOME PLC
Interim Review for the 6 month period ended 30 September 2017

Directors' Report
Performance in the period

The unaudited condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements and other financial data included in the Base Prospectus issued for the Euro Medium Term Note Programme on 19 July 2017.

LendInvest Secured Income PLC (the "Company") was incorporated on 3 October 2016. The Company issued a prospectus dated 19 July 2017 offering fixed rate secured loan notes to be listed on the London Stock Exchange's Order Book for Retail Bonds (ORB) market and guaranteed by the Company's parent, LendInvest Ltd. £50 million of bonds were issued and listed on 10 August 2017, and the Company commenced trading on that date.

As at 30 September 2017 the Company had invested £37.9 million in short-term loans to property professionals. All of these loans were made with a first charge against property in England, and none were in default at the period end date.

As the Company had unutilised cash during the period, which had not yet been loaned to borrowers but for which the Company was paying bondholders interest, the Company's costs exceeded interest earned. This resulted in a loss before tax of £41,000.

The Company's Interest Coverage Ratio, which compares interest earned from borrowers to interest paid to bondholders, indicates that the Company's earnings from loans at the period end date is expected to cover the cost of interest paid to bondholders 1.58 times.

The Company has a number of covenants which it is required to comply with as outlined in the prospectus. Quarterly the Company is required to report to bondholders, via the London Stock Exchange's Regulatory News Service and on the LendInvest Ltd website, an analysis of its loan portfolio. The first such report was issued on 27 October 2017.

Key Performance Indicators (KPIs)	**6 month period ended 30 September 2017**
	(Unaudited)
Amounts of loans outstanding (£m)	37.9
Euro Medium Term Note loan notes issued (£m)	50.0
Total loan losses realised (annualised %)	0.0
Weighted average Loan to Value of loans (%)	62
Interest coverage ratio (%)	158
Profit before tax (£m)	0.0

Responsibility statement of the directors in respect of the interim condensed financial statements for the 6 month period ended 30 September 2017

We confirm that to the best of our knowledge:

- the set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU

- the interim management report includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so

Signed on behalf of the board:

Ian Thomas
Director
12 December 2017

Independent Review Report

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2017 which comprises the condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of financial position, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and the related explanatory notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ''Interim Financial Reporting'', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.
Our report has been prepared in accordance with the terms of our engagement to assist the company and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

BDO LLP
Chartered Accountants and Registered Auditors
London
United Kingdom
12 December 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Interim Statement of Profit and Loss and Other Comprehensive Income for the 6 month period ended 30 September 2017

	Note	6 month period ended 30 September 2017 £'000
		(Unaudited)
Finance income	5	360
Finance expense	6	(401)
Net finance cost		**(41)**
Administrative expenses		-
Loss from operations and before tax	7	**(41)**
Tax credit	8	8
Loss for the period		**(33)**
Other comprehensive income:		
There were no items that will or may be reclassified to profit or loss		
Other comprehensive income for the period, net of tax		-
Total comprehensive loss for the period		**(33)**

All amounts relate to continuing activities and to owners of the Company.

Interim Statement of Financial Position as at 30 September 2017

	Note	As at 30 September 2017 £'000
		(Unaudited)
Assets		
Cash and cash equivalents		11,238
Trade and other receivables	9	38
Loans and advances	10	37,927
Deferred tax asset	8	8
Total assets		**49,211**
Liabilities		
Trade and other payables	11	368
Interest bearing liabilities	12	48,826
Total liabilities		**49,194**
Net Assets		**17**
Equity		
Share capital	14	50
Share premium	14	-
Retained earnings		(33)
Total equity		**17**

These financial statements of LendInvest Secured Income PLC, with registered number 10408072, were approved by the Board of Directors and authorised for issue on 12 December 2017.

Signed on behalf of the Board of Directors by:

I Thomas
Director

Interim Statement of Changes in Equity for the 6 month period ended 30 September 2017

	Ordinary share capital £'000	**Retained earnings £'000**	**Total £'000**
	(Unaudited)	(Unaudited)	(Unaudited)
Balance as at 3 October 2016	**50**	**-**	**50**
Profit for the period	-	-	-
Balance at 31 March 2017	**50**	**-**	**50**
Loss for the period	-	(33)	(33)
Balance as at 30 September 2017	**50**	**(33)**	**17**

Interim statement of Cash Flows for the 6 month period ended 30 September 2017

	Note	6 month period ended 30 September 2017 £'000
		(Unaudited)
Cash flow from operating activities		
(Loss) before taxation for the period		(41)
Income tax expense	8	8
Change in working capital		
(Increase) in loans and advances		(37,927)
(Increase) in trade and other receivables		(8)
Increase in trade and other payables		368
Increase in interest bearing liabilities		48,826
Cash generated from operations		**11,226**
Cash flow from investing activities		
Interest received		-
Net cash from investing activities		-
Cash flow from financing activities		
Proceeds from issue of ordinary shares		12
Net cash from financing activities		**12**
Net increase in cash and cash equivalents		**11,238**
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period		**11,238**

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

1.1 General information

LendInvest Secured Income PLC was incorporated on 3 October 2016 in the United Kingdom under the Companies Act. The address of its registered office is given on page 3.

These interim financial statements of LendInvest Secured Income PLC, for the 6 month period ended 30 September 2017 have been approved for issue by the Board of Directors on 12 December 2017.

LendInvest Secured Income PLC is a 100% subsidiary of LendInvest Ltd and is included in the interim condensed consolidated financial statements of LendInvest Ltd (the "Group").

1.2 Basis of accounting

These financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and have been prepared on a historical cost basis. The Company has not prepared financial statements as at 31 March 2017 as its first accounting period ends on 31 March 2018. The Disclosure and Transparency Rules of the Financial Conduct Authority require these financial statements to be prepared applying the accounting policies and presentation that were applied in the preparation of the Company's last published financial statements. As this is the first financial statement period, there are no last published financial statements and accordingly no comparative period has been provided. The balance sheet as at 31 March 2017 would have shown assets of £50,000 (receivables) and equity of £50,000 (share capital).

These financial statements have been drawn up in accordance with the Companies Act 2006.

1.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which they operate (their "functional currency") and are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss. These financial statements are presented in pounds sterling, which is the Company's functional currency.

1.4 Revenue Recognition

Revenue represents income from lenders and borrowers and for the provision of finance. Finance income on loans recognised on balance sheet are accounted for under IAS 39 on an EIR basis, inclusive of directly attributable incremental transaction costs and fees including arrangement and broker fees, valuation and solicitor costs, discounts and premiums where appropriate. The EIR basis spreads the interest income over the expected life of each instrument. The EIR is the rate that, at the inception of the instrument, exactly discounts expected future cash payments and receipts through the expected life of the instrument back to the initial carrying amount. When calculating the EIR, the Company estimates cash flows considering all contractual terms of the instrument (for example, prepayment options) but does not consider assets' future credit losses. All revenue recorded in the financial statements is generated in the UK and sourced from transactions relating to property loans.

1.5 Expenses

Expenses are recognised as an expense in the statement of comprehensive income in the period in which they are incurred

1.6 Financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are: loans and advances, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Categorisation of financial assets and financial liabilities: All financial assets of the Company are carried at amortised cost as at 31 March 2017 and 31 March 2016 due to the nature of the asset. All financial liabilities of the Company are carried at amortised cost as at 31 March 2017 and 31 March 2016 due to the nature of the liability.

Financial assets

Financial assets are categorised under IAS 39 as loans and receivables. The Company determines the classification of its financial assets at initial recognition. Financial assets are derecognised only when the contractual rights to the cash flows from the financial assets expire or the Company transfers substantially all risks and rewards of ownership. Financial assets recognised in the statement of financial position as trade and other receivables are classified as loans and receivables. They are recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the contract. The Company considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar credit risk characteristics, taking into account asset type, industry, geographical location, collateral type, past-due status, historical loss experience and other relevant factors. Impaired debts are derecognised when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Income. Cash and cash equivalents are also classified as financial assets. Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. The carrying amount of these assets approximates their fair value. The Company assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective rate computed at initial recognition).

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Financial liabilities included in trade and other payables and interest bearing liabilities are recognised initially at fair value and subsequently at amortised cost. The fair value of a non- interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

1.7 Current and deferred tax

Current and deferred tax The tax expense for the period comprises current and deferred tax. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affect neither accounting nor taxable profit and loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted at the year-end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax balances are not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.8 Going concern

The Company's business activities together with the factors likely to affect its future development and position are set out on page 4 of these financial statements. It is on this basis that the directors have continued to prepare the accounts on the going concern basis.

1.9 Critical accounting estimates and judgements

The preparation of these financial statements in accordance with IAS 34 requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies. The judgements and assumptions that are considered to be the most important to the portrayal of the Company's financial condition are those relating to loan impairment provisions, deferred tax and revenue and interest recognition.

2. Changes in accounting policies and disclosures

New standards and amendments

There have been no new standards having a material impact on the financial statements for the year. The following standards and amendments to existing standards have been published, but in some cases, not yet adopted by the EU. They are mandatory from the financial period beginning on or after the effective dates shown below but are not currently relevant to the Company (although they may affect the accounting for future transactions and events). The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9 – Financial instruments

IFRS 9 Financial Instruments issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. The key changes relate to:

- Financial assets: Financial assets will be held at either fair value or amortised cost, except for equity investments not held for trading and certain debt instruments, which may be held at fair value through other comprehensive income;

- Financial liabilities: Gains and losses arising from changes in own credit on non-derivative financial liabilities designated at fair value through profit or loss will be excluded from the income statement and instead taken to other comprehensive income;

- Impairment: Credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss will be reflected in impairment allowances; and

- Hedge accounting: Hedge accounting will be more closely aligned with financial risk management.

Adoption is not mandatory until periods beginning on or after 1 January 2018. The directors have undertaken work to develop the Company's approach to implementation. IFRS 9 adoption will result in impairment being recognised earlier than is the case under IAS 39 because it requires expected losses to be recognised before the loss event arises. Measurement will involve increased complexity and judgement including estimation of probabilities of default, loss given default, a range of unbiased future economic scenarios, estimation of exposure at default and assessing increase in credit risk. The directors are also currently considering the impact of IFRS 9 on Company's risk appetite and stress testing assumptions. At present it is not practical to disclose reliable financial impact estimates until the implementation programme is further advanced, but the Directors' of the Company anticipate that IFRS 9's impact on the Company will be in line with the industry, and considerably less significant compared to traditional lending institutions.

IFRS 15 – Revenue from contracts with customers

IFRS 15 Revenue will replace IAS 18 Revenue and IAS 11 Construction Contracts. It applies to all contracts with customers except leases, financial instruments and insurance contracts. IFRS 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Adoption is not mandatory until periods beginning on or after 1 January 2018. The directors of the Company do not anticipate that the application of this standard will have a material impact on the Company's financial statements.

3. Financial risk management

The board has the 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 overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the business's competitiveness and flexibility.

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, market risk:

Credit risk management

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 the Company's receivables from customers and cash and cash equivalents held at banks. The Company manages its exposure to credit losses by assessing borrower's affordability of repayment of loans and advances, borrower's risk profile, and stability during our underwriting process. Impairments are monitored and provided for using various techniques The credit policy is designed to ensure that the credit process is efficient for the applicant while providing the Company with the necessary details to make an informed credit decision. Credit risk relating to cash and cash equivalents is mitigated as cash and cash equivalents are held with reputable institutions.

Liquidity risk management

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, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's position. The Company's liquidity position is monitored and reviewed on an on-going basis by the directors and management.

Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices
a) Loan price and interest rate risk The Company is exposed to market risk with respect to financial instruments when retained by the Company. All interest rates on loans are fixed, and matched with fixed borrowings from investors. The Company does not use interest rate swaps.
b) Collateral price risk The risk of movements in the price of the underlying collateral secured by the Company against loans to borrowers is actively managed by the Company. Security over the property is registered with the Land Registry, and only properties within England, Scotland and Wales are suitable for security. Loans are capped at 75% of the open market value of the property against which security is held, and minimum loan period interest is retained on completion. As a result, the Company has limited exposure to collateral price risk.

Capital management

The Company considers its capital to comprise of its equity share capital plus retained profits. The Company's objectives when maintaining capital are: — to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and — to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt

4. Segmental analysis

The Company's operations are carried out solely in the UK and one business line (short term lending). The results and net assets of the Company are derived from the provision of property related loans only.

5. Finance income

	6 month period ended 30 September 2017 £'000
	(Unaudited)
Interest on loans and advances	360
	360

6. Finance expense

Interest expense on financial liabilities are calculated using the effective interest method which allocates interest, and direct and incremental fees and costs, over the expected lives of the financial liabilities.

7. Loss from operations

Audit fees and auditors remuneration for other services are paid by the Company's ultimate parent company, Lendinvest Limited. The Company employed no employees in the 6 month period to 30 September 2017.

8. Taxation on profit on ordinary activities

The Company is subject to all taxes applicable to a commercial company in the United Kingdom. The UK business profits of the Company are subject to UK income tax at the prevailing basic rate of 19%.

As of 30 September 2017, the Company had approximately £8,000 in net deferred tax assets (DTAs). These DTAs include approximately £8,000 related to net operating losses in the period that can be used to offset taxable income in future periods and reduce our income taxes payable in those future periods. At this time, we consider it more likely than not that we will have sufficient taxable income in the future that will allow us to realise these DTAs.

9. Trade and other receivables

	As at 30 September 2017 £'000
	(Unaudited)

Other receivables	38
	38

10. Loans and advances

	As at 30 September 2017 £'000
	(Unaudited)
Loans and advances - due within one year	37,610
Loans and advances - due between one year and five years	317
Impairment provision	-
	37,927

There were no impaired loans as at the period end date.

Related credit risk exposure	**As at 30 September 2017 £'000**
	(Unaudited)
Maximum exposure to credit losses of loans and advances	37,927
Specifically related to:	
Impaired financial assets	-
Financial assets past due but not specifically impaired	-
Financial assets neither past due nor impaired	37,927

Credit risk is mitigated through properties held as collateral. The aggregate achievable resale value less costs to sell of collateral held is:	63,219

11. Trade and other payables

	As at 30 September 2017 £'000
	(Unaudited)
Accruals	368

	368

12. Interest bearing liabilities

	As at 30 September 2017 £'000
	(Unaudited)
Interest bearing liabilities due after one year but less than five years	50,000
Funding line costs	(1,174)
	48,826

On 10 August 2017 the Company issued £50 million of fixed rate secured loan notes listed on the London Stock Exchange's Order Book for Retail Bonds (ORB) market. These bonds are guaranteed by the Company's parent, LendInvest Ltd, have a maturity of five years from date of issue and a fixed interest rate of 5.25% per annum, payable semi-annually.

Funding line costs are amortised on an effective interest rate basis.

Net debt represents interest bearing liabilities (as above), less cash at bank and in hand (excluding cash held for clients), and excluding unamortised debt issue costs but including accrued interest relating to the Company's third-party indebtedness. A reconciliation of net debt is:

	As at 30 September 2017 £'000
	(Unaudited)
Interest bearing liabilities	**48,826**
Deduct: cash as reported in financial statements	(11,238)
Net debt: borrowings less cash	**37,588**
Add back: unamortised funding line costs	1,174
Add: accrued interest	368
Net debt	**39,130**

13. Financial Instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are: loans and advances, trade and other receivables, cash and cash equivalents, interest bearing liabilities and trade and other payables.

(a) Carrying amount of financial instruments

A summary of the financial instruments held is provided below:

	As at 30 September 2017 **£'000**
	(Unaudited)
Financial assets not at fair value through the profit and loss	
Cash and cash equivalents	11,238
Trade and other receivables	38
Loans and advances	37,927
Total financial assets	**49,203**
Financial liabilities not at fair value through the profit and loss	
Trade and other payables	368
Interest bearing liabilities	48,826
Total financial liabilities	**49,194**

(b) Carrying Amount versus Fair Value

The following table compares the carrying amounts and fair values of the Company's financial assets and financial liabilities as at 30 September 2017:

	As at 30 September 2017 £'000	**As at 30 September 2017 £'000**
	Carrying Amount	Fair Value
Financial Assets	(Unaudited)	(Unaudited)
Cash and cash equivalents	11,238	11,238
Trade and other receivables	38	38
Loans and advances	37,927	37,927
Total financial assets	**49,203**	**49,203**
Financial Liabilities		
Trade and other payables	368	368
Interest bearing liabilities	48,826	51,250
Total financial liabilities	**49,194**	**51,618**

The fair value of interest bearing liabilities is calculated based on the mid-market price of 102.5 of the Retail Bond on 30 September 2017.

(c) Interest Rate Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates as at the reporting date. A 100 basis points change represents the board's assessment of a reasonably possible change in interest rates.

As at the reporting date, if interest rates increased 100 basis points and all other variables were held constant:

Profit before tax for the 6 month period to September 2017 would be unchanged (2016: unchanged). Although the Company's interest rates on loans to borrowers is operated as a fixed rate, the Company has the legal right to vary the borrower interest rate if certain changes in interest rates occur. Implementing this provision would improve the impact of an interest rate increase. However, we have assumed in this sensitivity analysis that the Company has not implemented this provision. Loans from lenders are fixed rate denominated.

Equity reserves as at 30 September 2017 would be unchanged (2016: unchanged).

Due to UK interest rates being near historic lows, interest rates are unlikely to reduce by 100 basis points as this would result in negative interest rates. We have however noted below the impact, as at the reporting date, if interest rates reduced 100 basis points and all other variables were held constant:
Profit before tax for the 6 month period to September 2017 would be unchanged (2016: unchanged). As noted above, the Company's interest rates on loans to borrowers are fixed rate denominated, with certain provisions to vary them, while loans from lenders are also fixed rate denominated.

Equity reserves as at 30 September 2017 would be unchanged (2016: unchanged).

14. Share capital

	As at 30 September 2017 number
	(Unaudited)
Issued Ordinary Shares of £1 each	50,000

	As at 30 September 2017 £
	(Unaudited)
Issued Ordinary Shares of £1 each	50,000
Paid up of £0.25 per share	12,500
Unpaid of £0.75 per share	37,500

15. Related party transactions

Transactions with wholly owned members of the LendInvest Limited group have not been disclosed. There were no other related party transactions to be disclosed.

16. Events after reporting date

There are no reportable events after the reporting date.