

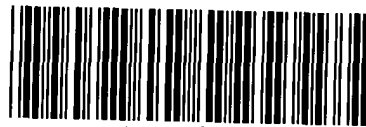
Registered number: 02992219

# **KENSINGTON MORTGAGES LIMITED**

**Report and unaudited financial statements**

**for the year ended 31 March 2018**

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## KENSINGTON MORTGAGES LIMITED

Company Registration No. 02992219

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## KENSINGTON MORTGAGES LIMITED

Company Registration No. 02992219

### COMPANY INFORMATION

#### Directors

K Street (Resigned 31 January 2018)  
D Thompson  
C J McKinlay (Appointed 1 April 2018)

#### Bankers

Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

#### Solicitors

Berwin Leighton Paisner LLP  
Adelaide House  
London Bridge  
London  
EC4R 9HA

#### Registered office

Ascot House  
Maidenhead Office Park  
Maidenhead  
SL6 3QQ

## **DIRECTORS' REPORT**

The directors of Kensington Mortgages Limited ("the Company") present their report and the unaudited financial statements of the Company for the year ended 31 March 2018.

### **Incorporation and principal activities**

The Company was incorporated in England and Wales on 18 November 1994. The principal activity of the Company is to provide management services to the companies owned by the "Northview Group" and its subsidiaries. The principal business activity of the Northview Group is the provision of a range of residential mortgage loans.

### **Results and dividends**

The directors do not recommend the payment of a dividend (2017: nil).

During the year, the Company made a profit after taxation of £523,000 (2017: £382,000). The current year profit is primarily driven by mortgage servicing income.

### **Future developments**

The Directors expect the business will continue in its principal activities described above for the foreseeable future and will ensure that customers continue to be serviced on a business as usual basis.

### **Directors**

The directors who held office during the year and up to the date of signing the financial statements are given below:

K Street (Resigned 31 January 2018)

D Thompson

C J McKinlay (Appointed 1 April 2018)

None of the Directors had any interests in the shares of the Company. None of the Directors had any interest either during or at the end of the year in any material contract or arrangement with the Company.

### **Company secretary**

Company Secretarial duties are carried out by employees of The Northview Group Limited, a Group company.

**DIRECTORS' REPORT (continued)****Principal risks and uncertainties**

The principal risk of the Company is the assessment of going concern of its underlying investments and any associated impairments. These risks are closely monitored by management on a regular basis and any impairment will be booked as and when due.

**Going concern**

The financial statements have been prepared on a going concern basis. In assessing the appropriateness of the going concern basis, the Directors have taken account of all relevant information available covering a period of at least twelve months from the date of approval of the financial statements.

**Events after balance sheet date**

The Directors confirm that there were no significant events occurring after the statement of financial position date, up to the date of this report that would meet the criteria to be disclosed or adjusted in the financial statements for the year ended 31 March 2018.

**Qualifying third party indemnity provisions**

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force as at the date of approval of the directors' report and financial statements.

**Directors' interest in shares**

None of the Directors had any interests in the shares of the Company at the Balance Sheet date. None of the Directors had any interest, either during the year or at the end of the year, in any material contract or arrangement with the Company.

**Corporate and social responsibilities**

The Company operates in accordance with the Group policies described in the Koala (Cayman) Limited annual accounts which does not form part of this report.

**Employees**

The Company does not have any employees (2017: nil).

**Corporate governance**

The Directors have been charged with governance in accordance with the transaction documents describing the structure and operation of the transaction. The governance structure of the Company is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

**DIRECTORS' REPORT (continued)**

The transaction documents provide for procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage, rather than eliminate the risk of failure to achieve business objectives, whilst enabling them to comply with the regulatory obligations.

Due to the nature of the securities which have been issued, the Company is largely exempt from the requirements of the Financial Conduct Authority disclosure and transparency rules 7.1 Audit committee and 7.2 Corporate governance statements (apart from 7.2.5). This would otherwise require the Company respectively, to have an Audit Committee in place, and to include a corporate governance statement, including all requirements of the disclosure and transparency rules, in the report of the Directors.

The Directors are therefore satisfied that there is no requirement for an Audit Committee, or a supervisory body entrusted to carry out the functions of an Audit Committee or to publish a corporate governance statement which includes all requirements of the disclosure and transparency rules.

**Strategic report**

In accordance with section 414B of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, the Company has taken the exception not to prepare a strategic report as the Company qualifies as a small company in accordance with sections 382(2) and 382(3) of the Companies Act 2006. In the current year, the Company's turnover was not more than £10,200,000, the Statement of Financial Position was not more than £5,100,000 and the number of employees was not more than 50.

**Issued share capital and capital contribution**

Details of the share capital are set out in note 11 to the financial statements. The issued share capital at 31 March 2018 consists of 1 ordinary share of £1 each.

During the period, the Company did not buy its own shares.

**Qualifying third party indemnity provisions**


Qualifying third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force as at the date of approval of the directors' report and financial statements.

**Post balance sheet event**

To date, there have been no other matters that warrant disclosure or adjustment to the Company's financial results as at 31 March 2018 and for the year then ended.

Approved by the Board of Directors on 17 December 2018.

Signed on behalf of the Board.



**D Thompson**  
Director

Date: 17 December 2018

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**Statement of directors' responsibilities in respect of the Annual Report, the Directors' Report and the Financial Statements**

The directors are responsible for preparing the Annual Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# KENSINGTON MORTGAGES LIMITED

Company Registration No. 02992219

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Management charges and other service income	4	626	595
Interest receivable and similar income	5	2	1
<b>Total operating income</b>		<u>628</u>	<u>596</u>
Operating expenses		8	-
<b>Profit on ordinary activities before taxation</b>	7	<u>636</u>	<u>596</u>
Tax charge on profit of ordinary activities	8	(113)	(214)
<b>Profit on ordinary activities after taxation</b>		<u><u>523</u></u>	<u><u>382</u></u>

The result for the current and prior year were derived from continuing operations.

There were no items of other comprehensive income for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 9 to 13 form an integral part of these financial statements.

# KENSINGTON MORTGAGES LIMITED

Company Registration No. 02992219

## STATEMENT OF FINANCIAL POSITION at 31 March 2018

	Note	2018 £'000	2017 £'000
<b>Current assets</b>			
Debtors: Amounts falling due within one year	9	258	116
Deferred tax asset	8	346	417
Cash at bank and in hand		2,123	1,699
		<u>2,727</u>	<u>2,232</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	10	(339)	(385)
Group relief payable		(448)	(430)
		<u>(787)</u>	<u>(815)</u>
<b>Net current assets</b>		1,940	1,417
<b>Net assets</b>		<u>1,940</u>	<u>1,417</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	1,940	1,417
<b>Shareholder's funds</b>	13	<u>1,940</u>	<u>1,417</u>

The Company's financial statements for the year ended 31 March 2018 have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

- The Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small entities.
- Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements.

The financial statements were approved and authorised for issue by the board on 17 December 2018 and were signed on its behalf by:

  
D Thompson  
Director

Date: 17 December 2018

The notes on pages 9 to 13 form an integral part of these financial statements.

## KENSINGTON MORTGAGES LIMITED

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Company Registration No. 02992219

### STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2018

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Opening balance 1 April 2016	-	1,035	1,035
Profit for the year	-	382	382
<b>As at 31 March 2017</b>	<u>-</u>	<u>1,417</u>	<u>1,417</u>
Profit for the year	-	523	523
<b>As at 31 March 2018</b>	<u>-</u>	<u>1,940</u>	<u>1,940</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

**Notes to the financial statements  
at 31 March 2018**

**1. General information**

The principal activity of the Company is to provide management services to the companies owned by the "Northview Group" and its subsidiaries.

The Company is a private limited company and was incorporated on 18 November 1994 and is domiciled in England, United Kingdom. Its principal place of business is its registered office located at Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ.

**2. Significant accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

**2.1. Basis of preparation and statement of compliance with FRS 101**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the financial assets and liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 10(d), 10(f), 16, 38(c)-(d), 40(a)-(d), 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- The Company has taken advantage of the exemptions conferred by FRS 101: 8 (j) & (k) "Related party disclosures", the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures, and transactions with other wholly owned group companies are not disclosed separately.

The preparation of financial statements in conformity with FRS 101 requires the use of certain significant accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The Company's financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

**Notes to the financial statements  
at 31 March 2018****2.2. Taxation**

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that have occurred at that date that will result in an obligation to pay more, or a right to pay less tax with the following exceptions:

(i) Deferred tax assets are recognised only to the extent that the Directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

**2.3. Segmental analysis**

The Company's income and trade are wholly within the UK and within a single market sector and therefore no segmental analysis has been presented.

**2.4. Share capital and capital contributions**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

**2.5. Consolidated accounts**

The Company has taken advantage of the exemption from preparing consolidated financial statements as conferred by Section 400 of the Companies Act 2006 as its results are consolidated into Koala (Cayman) Limited's consolidated financial statements which are publicly available. Koala (Cayman) Limited is incorporated in the Cayman Islands.

**3. Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in accordance with FRS 101 requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company has identified the following significant accounting policies that involve significant accounting estimates:

**3.1. Impairment of intercompany loans and debtors**

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

# KENSINGTON MORTGAGES LIMITED

Company Registration No. 02992219

## Notes to the financial statements at 31 March 2018

### 4. MANAGEMENT CHARGES AND OTHER SERVICE INCOME

	2018 £'000	2017 £'000
Income from securitisation	626	595
	<u>626</u>	<u>595</u>

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £'000	2017 £'000
Bank interest received	2	1
	<u>2</u>	<u>1</u>

### 6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Company has no employees (2017: none). The Directors' remuneration for the year was nil (2017: £5,000) and was paid by the immediate parent company The Northview Group Limited.

### 7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2018 £'000	2017 £'000
Profit on ordinary activities before taxation is stated after charging the following within operating expenses:		
Operating expenses	<u>8</u>	<u>-</u>

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

#### Analysis of the tax charge / (credit) in the year

	2018 £'000	2017 £'000
<b>Current tax</b>		
United Kingdom corporation tax charge at 19% (2017: 20%)	42	18
Adjustment in respect of prior years	-	51
	<u>42</u>	<u>69</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	79	101
Effect of tax rate change	(8)	44
	<u>71</u>	<u>145</u>
Total tax charge / (credit) for the year	<u>113</u>	<u>214</u>

**Notes to the financial statements  
at 31 March 2018**

**Factors affecting the tax credit for the year**

The tax assessed for the year is lower (2017: higher) than that resulting from applying the standard rate of corporation tax in the UK at 19% (2017: 20%).

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

	2018 £'000	2017 £'000
Profit on ordinary activities before taxation	636	596
Tax at 19% (2016: 20%)	121	119
Effect of tax rate change	(8)	44
Adjustment in respect of prior periods	-	51
Current tax charge / (credit) for the year	113	214
<b>Deferred tax asset</b>		
Accelerated capital allowances	346	417
	346	417
The movement on the deferred tax asset is shown below:		
Balance at the beginning of the year	417	563
Origination/reversal of timing difference	(79)	(102)
Effect of change in tax rate	8	(44)
Balance at the end of the year	346	417

The Finance Act (No. 2) 2015 and Finance Act 2016 contain provisions reducing the rate of UK corporation tax from 20% to 19% from 1 April 2017 and from 19% to 17% from 1 April 2020, respectively. These Acts were enacted on 18 November 2015 and 15 September 2016, respectively.

**9. DEBTORS**

	2018 £'000	2017 £'000
<b>Amounts falling due within one year</b>		
Amount due from parent company	38	61
Amounts due from other group companies	219	17
Other debtors	1	38
	258	116

# KENSINGTON MORTGAGES LIMITED

Company Registration No. 02992219

## Notes to the financial statements at 31 March 2018

### 10. CREDITORS

	2018 £'000	2017 £'000
<b>Amounts falling due within one year</b>		
Amounts due to other group companies	297	385
Corporation tax	42	-
	<u>339</u>	<u>385</u>

Amounts due to parent company as well as other group companies are interest free and are payable on demand.

### 11. CALLED UP SHARE CAPITAL

	2018 £'000	2017 £'000
<b>Authorised</b>		
20,000,101 (2017: 20,000,101) ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
<b>Allotted and called up</b>		
1 (2017: 1) ordinary share of £1 each	<u>-</u>	<u>-</u>

On incorporation the Company had issued 1 fully paid Ordinary share with nominal value of £1. This rounds down to zero and has been shown as such in these financial statements.

### 12. PARENT UNDERTAKING AND CONTROL

The Company's immediate parent is The Northview Group Limited, a company registered in England and Wales. The ultimate parent company and controlling party is Koala (Cayman) Limited, a company registered in the Cayman Islands. Koala (Cayman) Limited is owned by funds managed by Blackstone Tactical Opportunities Advisors L.L.C and TPG Sixth Street Partners L.L.C. (formerly known as TPG Special Situation Partners L.L.C). The largest group in which the results of the Company are consolidated is Koala Cayman Limited, a group incorporated in the Cayman Islands. The smallest group in which they are consolidated is Kayl Holdco S.à r.l which is also incorporated in Luxembourg. The consolidated financial statements of this company are available to the public and may be obtained from 6, rue Eugene Ruppert, L-2453 Luxembourg.

### 13. CAPITAL MANAGEMENT

The Company sets the amount of capital in proportion to risk, availability and cost. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, having particular regard to the relative costs and availability of debt and equity finance at any given time. 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, issue or redeem other capital instruments, such as retail or corporate bonds, or sell assets to reduce debt.

### 14. CONTINGENT LIABILITIES AND COMMITMENTS

At the period end there were no contingent liabilities and commitments.