Registered number: 03049877

Kensington Mortgage Company Limited

Report and audited financial statements for the year ended 31 March 2019

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Company information

Directors	J D Almond (Appointed 19 October 2018) T J Breedon (Resigned 1 November 2018) M J Preston (Appointed 3 April 2018) D S Miller (Appointed 1 May 2018) P Herbert (Resigned 11 May 2018) M J Arnold (Appointed 4 May 2018) R Gupta A J Maddox
Registered office	Ascot House Maidenhead Office Park Maidenhead SL6 3QQ
Independent auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA
Registered number	03049877

Kensington Mortgage Company Limited

Strategic report
for the year ended 31 March 2019

The directors present their strategic report for the year ended 31 March 2019.

Introduction

The principal activity of Kensington Mortgage Company Limited (the "Company") is originating mortgages and providing mortgage administration services. The Company is headquartered in Maidenhead with a further office in London.

The Company is authorised by the Financial Conduct Authority (the "FCA") for regulated activities including:

- entering into regulated mortgage contracts as a lender
- administering and arranging regulated mortgage contracts

The Company is a wholly owned subsidiary of The Northview Group Limited ("Northview"). Northview is ultimately owned by funds managed by Blackstone Tactical Opportunities Advisors L.L.C. and TPG Sixth Street Partners LLP. The largest group in which the results of the Company are consolidated is Koala (Cayman) Limited, a company incorporated in the Cayman Islands. The Company operates as part of the group of companies owned by Koala (Cayman) Limited (the "Group").

Business review

During the year the Company updated its strategy, values and brand proposition, particularly in the following areas:

- the Company has repositioned its approach to concentrate on customer segments rather than product sets. The Company is also looking to develop solutions for Younger and Later Life as well as continue our leadership in Self Employed and Complex Income segments

- a new brand and visual identity for Kensington has been developed to deliver a more modern, fresh and engaging message around our proposition

- increased focus on thought leadership and corporate communications to ensure that the Company is more widely understood by all our key stakeholder groups.

The Company plans to increase investments in building out its digital capabilities. Over time this will enable the Company to both streamline and simplify customer experience and make us better able to offer propositions aligned with evolving customer expectations.

Aided by the above changes and against the backdrop of a challenging market, the Company had a successful year delivering mortgage originations of £1.205bn (2018: £925m). This increase was driven primarily by the launch of a new set of Buy-to-let products complementing the Company's existing residential mortgage offerings.

The Company sold the mortgages originated to an associated company Koala Warehouse Limited ("KWL"). In the year to 31 March 2019 premium income received on loan sales totalled £32,667,000 (2018: £25,169,000).

Kensington Mortgage Company Limited

Strategic report for the year ended 31 March 2019

Mortgage administration fee income of £25,962,000 (2018: £10,876,000) has increased due to the consolidation of the Group activities into the Company that took place during 2018-19 and described in more detail further in this note. A corresponding expense of £1,547,000 (2018: £5,082,000) for servicer costs is reflected under administration fees.

The results for the year ended 31 March 2019 are set out on page 13 and the financial position of the Company at the end of the year is deemed satisfactory.

The profit for the year, after taxation, amounted to £10,740,000 (2018: loss of £556,000). The statement of financial position on page 14 shows the Company's financial position at the year end. Northview manages its operations on a group-wide basis and therefore the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group's mortgage lending activities, which included the Company, is discussed in the Koala (Cayman) Limited annual report which does not form part of this report.

Corporate simplification

A group-wide corporate simplification exercise was executed during the year resulting in the Company becoming the main operating entity of the Group in addition to its role as mortgage originator. In June 2018, all mortgage administration delegation agreements with fellow Group company, Acenden Limited ("Acenden"), were terminated, resulting in the Company taking on full servicing responsibilities for the vast majority of assets where the Company held legal title.

In September 2018, the legal title and mortgage administration activities of 4,443 mortgages were transferred to the Company from a 3rd party as part of an acquisition. Subsequent to this, in March 2019, the mortgage administration of 35,299 further mortgages of 3rd party mortgage assets was transferred from Acenden. Following these changes, the Group is now mortgage administrator for 118,169 mortgages (£11.234bn). There was an increase in mortgage administration fees of £15,086,000 since the prior year primarily due to the impact of the corporate simplification exercise and the resultant transfer of Acenden's servicing business to the Company which was offset by an increase in expenses of £14,997,000.

The Company had no staff during the year. On 29 March 2019, an agreement was signed for the Company to purchase the trade and business of its parent Company, Northview, for consideration of £1,560,000. On 1 April 2019, 544 staff members were transferred from Northview to the Company via the Transfer of Undertakings ("TUPE") process. The settlement amount of £1,560,000 is outstanding as an intercompany creditor at the date of these financial statements and will be settled in the year ended 31 March 2020.

Compensation provisions

During the year, the Company pro-actively redressed customers for a number of conduct related items. Most of these items have been previously provided for and during the year a release of £2.0m was taken to the income statement of comprehensive income due to a lower than expected overall cost of the redress activity.

At the year end, the provisions related to conduct risk items including unallocated cash was £2.6m. See note 14 for further details.

Principal risks and uncertainties

The Company originates mortgage loans and onward sells them to group companies. The Company is dependent on the performance of the group companies in providing the funds for the mortgage loans and reimbursing the Company for any costs incurred in connection with their origination. The Company is exposed to the risk of non-performance of the Group companies in reimbursing the amounts owed from group companies on the sale of these loans. These risks are mitigated through daily settlement of origination sales, rigorous and regular group-wide cash flow management and periodic review and settlement of inter-company positions.

The residential property market may be adversely impacted by a uncertain and weaker economy, and in particular the continuing uncertainties created by the UK's stated intent to exit the European Union and the lack of a simple majority for the Government in the parliament following the General Elections in June 2017. The Board is acutely aware of these risks and are keeping a close watch over the environmental developments. The Group has executed a £400m increase in its warehouse capacity and maintains a successful on-going securitisation program which ensures that sufficient capacity is maintained to enable it to withstand any liquidity pressures that might accompany an uncertain and weakening economy. These actions have ensured that the group and the Company are in a reasonably comfortable liquidity position entering 2019-20 and will be able to maintain liquidity and capital adequacy through a prolonged stress period. In addition, in a severe downturn scenario, the business is expected to remain profitable.

Risk management

Risk management is carried out consistent with the group-wide risk management framework. The Group's risk management approach seeks to minimise the potential adverse effects of these risks on the financial performance of the Company.

The Company undertakes lending activity as an agent on behalf of the Group, the success of this is dependent on the economic climate supporting the environment for new mortgages. Group risks are discussed in the Koala (Cayman) Limited annual report which does not form part of this report. The statement of financial position contains financial instruments that are detailed below. The Company does not use derivative products. Therefore, it is the opinion of the directors that the Company is not exposed to significant financial instruments risk.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk, market risk, operational risk and conduct risk. The directors review and agree policies for managing each of these risks and they are summarised below.

a) Credit risk

Credit risk is the risk of potential loss from a counterparty default. Debtors consist of receivables from fellow group companies.

b) Liquidity risk

The Company is exposed to liquidity risk to the extent that it is unable to meet its daily payment obligations.

To support its liquidity requirements, the Group operates cash flow management processes and maintains adequate cash reserves both at the Company level and at the Group level. The Company undertakes a stress testing exercise on an annual basis to review minimum cash requirements and the cash position is monitored against these minimum cash requirements on a daily basis.

c) Interest rate risk

The Company is not subject to interest rate risk as at statement of financial position date. Debtors consist mostly of interest free intercompany loans. One intercompany loan of £7,073,000 has a fixed interest rate of 10.0%. This loan has a term of 30 years.

d) Market risk

Market risk exists for the Company if the cost of origination of mortgages exceeds the price at which these mortgages can be sold. As appropriate, in line with transfer pricing guidelines, the Company may choose to either reduce or increase the price of mortgages through re-negotiation with KWL.

e) Operational risk

Operational risk is defined as any instance where there is potential or actual impact to the Company resulting from inadequate or failed internal processes, people, systems, or from external events. The impacts can be financial as well as non-financial such as the costs of remedial actions or reputational consequences.

Whilst the Company is exposed to operational risks, it operates under an adequate controls and governance framework enshrined in its risk management framework. This includes an industry standard three lines of defence model including an outsourced independent internal audit function and adequate business continuity plans. The functions are adequately staffed and operate under the oversight of the Risk Committee and the Board.

f) Conduct risk

Conduct risk is the risk of not delivering fair customer outcomes. The Company will be exposed to the financial costs and regulatory consequences of the need to take action to remedy any customer detriment arising from failures in areas such as designing products to meet customer needs, ensuring products are clearly and fairly described and are administered and perform in line with the way they have been marketed and sold to customers. The conduct risk is managed in line with the overall risk management framework as described in the operational risk section above.

Future business development and strategy

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.

The business is subject to a number of risks detailed under the principal risks and uncertainties section, which could adversely affect the business in future years, and the directors will continue to monitor and manage those risks.

Kensington Mortgage Company Limited

Strategic report
for the year ended 31 March 2019

The corporate simplification exercise that took place during the year means that the profitability of the Company will increase next year when a full year of mortgage administration fees are earned as well as the expectation that originations will continue to grow.

Events after balance sheet date

On 1 April 2019, 544 staff members were transferred from Northview to the Company via the Transfer of Undertakings ("TUPE") process.

To date, there have been no other matters that warrant adjustment to the Company's financial results as at 31 March 2019 and for the year then ended.

Approved by the Board of Directors on 13 June 2019 and signed on its behalf by:

R Gupta

Director
Date: 21 June 2019

Kensington Mortgage Company Limited

Directors' report
for the year ended 31 March 2019

The directors present their report and the audited financial statements for the year ended 31 March 2019.

Results and dividends

The profit for the year, after taxation, amounted to £10,740,000 (2018: loss of £556,000).

The directors do not recommend the payment of a dividend (2018: nil).

Future developments

An assessment of the Company's future developments is described in the strategic report under the future business developments and strategy section.

Financial instruments

An assessment of the Company's financial instruments is described in the strategic report under the principal risks and uncertainties section.

Directors

The directors who held office during the year and up to the date of signing of the financial statements (except as noted below), are given below:

J D Almond (Appointed 19 October 2018)
T J Breedon (Resigned 1 November 2018)
M J Preston (Appointed 3 April 2018)
D S Miller (Appointed 1 May 2018)
P Herbert (Resigned 11 May 2018)
M J Arnold (Appointed 4 May 2018)
R Gupta
A J Maddox

None of the above mentioned directors are directors of the ultimate parent company, or had beneficial interests in the share capital of the Company during the year ended 31 March 2019. There are no directors' interests requiring disclosure under the Companies Act 2006.

Company secretary

Company secretarial duties are carried out by employees of the Company, having been transferred from Northview on 1 April 2019.

Directors' indemnity and directors' and officers' liability insurance

The Group maintains a directors' and officers' liability insurance policy including for the benefit of the Company. In accordance with the Company's Articles of Association, the Board may also indemnify a director against any costs or liabilities incurred as a result of their office, to the extent permitted by law. Neither the insurance policy nor any indemnities that may be provided by the Group for the Company provide cover for fraudulent or dishonest actions by the directors. However, costs may be advanced to directors for their defence in investigations or legal actions. This indemnity provision remains in force as at the date of approving the directors' report, except for those directors who had resigned (see list above).

Kensington Mortgage Company Limited

Directors' report
for the year ended 31 March 2019

Corporate and social responsibilities

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

Going concern

The Company has reported an operating profit for the year and is in a net asset position.

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.

Creditor payment policy

The Company agrees terms and conditions with its suppliers on behalf of other group companies in connection with its activities as their agent. Payment is then made on the terms agreed, subject to the appropriate terms and conditions being met by the supplier. The trade creditor days have not been stated as the measure is not appropriate to the business.

Post balance sheet date events

On 1 April 2019, 544 staff members were transferred from Northview to the Company via the Transfer of Undertakings ("TUPE") process.

To date, there have been no other matters that warrant adjustment to the Company's financial results as at 31 March 2019 and for the year then ended.

Principal risks and uncertainties

The business is subject to a number of risks, described in the strategic report under the principal risks and uncertainties section, which could adversely affect the business in future years and the directors will continue to monitor and manage those risks.

Employees

The Company does not have any employees (2018: none). The Company incurs a cost recharge for employees of Koala (Cayman) Group companies working on its behalf.

On 1 April 2019, 544 staff members were transferred from Northview to the Company via the Transfer of Undertaking ("TUPE") process.

Kensington Mortgage Company Limited

Directors' report
for the year ended 31 March 2019

Issued capital and capital contribution

Details of the share capital are set out in note 16 to the financial statements. The issued share capital consists of £10,110,001 comprising 10,110,001 ordinary shares of £1 each.

On 29 March 2019, the parent company Northview, made a capital contribution of £1,861,000 to the Company, with £1,611,000 of this relating to the transfer of a deferred tax asset to the Company.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Auditor

The auditor, KPMG LLP, has indicated its willingness to continue in office and a resolution concerning its re-appointment will be considered at the forthcoming Annual General Meeting.

This report was approved by the Board on 13 June 2019 and signed on its behalf by:

R Gupta

Director

Date: 21 June 2019

Kensington Mortgage Company Limited

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

The directors are responsible for preparing the Strategic 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENSINGTON MORTGAGE COMPANY LIMITED

Opinion

We have audited the financial statements of Kensington Mortgage Company Limited ("the company") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as regulatory and conduct risk, revenue recognition and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardized firm-wide approach in response to that uncertainty when assessment the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENSINGTON MORTGAGE COMPANY LIMITED

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Andrew Walker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
21 June 2019

Statement of comprehensive income for the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Turnover	4	58,846	36,232
Provisions	14	2,178	(4,115)
Administrative expenses	5	(47,845)	(32,848)
Profit/(loss) before taxation		13,179	(731)
Tax (expense)/credit on profit/(loss)	9	(2,439)	175
Profit/(loss) and total comprehensive income for the financial year		10,740	(556)

All amounts relate to continuing operations.

There were no items of other comprehensive income for the period and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 16 to 33 form an integral part of these financial statements.

Kensington Mortgage Company Limited

Registered number: 03049877

Statement of financial position as at 31 March 2019

	Notes	2019 £'000	2018 £'000
Non-current assets			
Intangible assets	7	4,921	-
Tangible fixed assets	8	2,593	-
Deferred tax asset	9	1,594	-
Debtors: amounts falling due after one year	10	7,879	2,462
		16,987	2,462
Current assets			
Debtors: amounts falling due within one year	11	42,840	26,981
Cash and cash equivalents	12	14,136	10,035
		56,976	37,016
Current liabilities			
Creditors: amounts falling due within one year	13	(55,484)	(27,135)
Provisions	14	(2,351)	(8,816)
		(57,835)	(35,951)
Net current (liabilities)/assets		(859)	1,065
Net assets		16,128	3,527
Capital and reserves			
Called up share capital	16	10,110	10,110
Capital contribution	16	1,861	-
Retained earnings/(accumulated losses)		4,157	(6,583)
Total equity		16,128	3,527

The notes on pages 16 to 33 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 13 June 2019 and signed on its behalf by:

R Gupta
Director
Date: 21 June 2019

Kensington Mortgage Company Limited

Statement of changes in equity
for the year ended 31 March 2019

	Notes	Called up share capital £'000	Capital contribution £'000	Retained earnings/ (accumulated losses) £'000	Total equity £'000
Balance at 1 April 2017		10,110	-	(6,027)	4,083
Loss for the year		-	-	(556)	(556)
Balance at 31 March 2018		10,110	-	(6,583)	3,527
Profit for the year		-	-	10,740	10,740
Capital contribution	16	-	1,861	-	1,861
Balance at 31 March 2019		10,110	1,861	4,157	16,128

The notes on pages 16 to 33 form an integral part of these financial statements.

Kensington Mortgage Company Limited

Notes to the financial statements for the year ended 31 March 2019

1. General information

The principal activity of the Company is arranging and originating mortgages and providing mortgage administration services.

The Company is a limited company and was incorporated in 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.

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

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 and in accordance with the Companies Act 2006. The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

a) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;

b) The requirements of IFRS 7 Fair Value Disclosures

c) The requirement of IAS 7 Statement of Cash Flows;

d) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
   i. paragraph 79(a)(iv) of IAS 1; and
   ii. paragraph 73(e) of IAS 16 Property, Plant and Equipment;

e) 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;

f) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and

g) 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.

Where relevant, equivalent disclosures have been given in the group accounts of Koala (Cayman) Limited. The group accounts of Koala (Cayman) Limited are available to the public and can be obtained as set out in note 18.

2.1.1. Going concern

The Company has reported an operating profit for the year and is in a net asset position.

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.

2.1.2. New standards, amendments and IFRIC interpretations

IFRS 9 and IFRS 15 are new accounting standards that are effective from 1 April 2018. There is no material impact on the Company on the adoption of the new standards. There are no other amendments to accounting standards, or IFRIC interpretations that are effective from 1 April 2018 that have had a material impact on the Company.

2.2. Turnover

The Company acts as a mortgage administrator for fellow Group companies and external entities charging mortgage administration and related fees, as well as acting as Principal for the origination of mortgages and periodically selling these mortgages to fellow group companies. Turnover is recognised in line with contractual arrangements when performance obligations have been met.

The Company receives fees from borrowers at the point of origination of the mortgages. Due to the fact that the mortgages are sold to Koala Warehouse Limited (KWL), the Company immediately recognises these fees as income in the statement of comprehensive Income.

The Company receives a premium of 2.70% plus 3rd party costs on mortgages originated and sold to associated company KWL. This premium is recognised to the statement of comprehensive income on an accruals basis.

2.3. Interest receivable

Interest receivable and similar income comprises interest earned on loans advanced to fellow group companies and is recognised using the effective interest method.

2.4. Management fees and origination expenses

The Company is charged management fees and origination expenses from Northview, who manage the origination of the mortgages on the Company's behalf and provide Corporate services. These expenses are recognised in the statement of comprehensive income at the point at which they are incurred.

2.5. Administration fees

During the year the Company paid Homeloan Management Limited (HML) and Acenden for the ongoing administration of mortgages. These expenses are recognised in the statement of comprehensive income at the point at which they are incurred. As part of the corporate simplification exercise, all mortgage administration contracts with Acenden were terminated. Mortgage administration agreements between the Company and HML are still in place.

2.6. Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life of 3 years on a straight line basis. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Where factors such as technological advancement or changes in market price indicate that residual value or useful life have changes, these are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

2.7. *Tangible assets*

Tangible fixed assets are stated at cost less accumulated depreciation and any provisions for impairment.

The carrying values of tangible fixed assets are reviewed for impairment in case events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments (beginning the month following acquisition) over their estimated useful economic lives as follows:

Leasehold improvements	-	lesser of 10 years or lease term
Furniture, fixtures and office equipment	-	lesser of 10 years or lease term
Computer equipment and systems	-	20 - 33%
Asset under development	-	Not depreciated

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Assets under development are transferred to other fixed asset categories upon completion.

2.8. Financial instruments

Initial recognition

The Company recognises financial assets and liabilities when it becomes a party to the terms of the contract.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

Classification and measurement

Financial assets and liabilities are initially classified as financial assets or liabilities at fair value through profit or loss and amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

All financial assets are recognised initially at fair value plus directly attributable costs for those not at fair value through profit and loss.

The subsequent measurement of financial assets depends on their classification as follows:

a) Financial assets at amortised cost

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

i) the asset is held within a business model whose objective is to collect the contractual cash flows, and
ii) the contractual terms give rise to cash flows that are solely payments of principal and interest

b) Financial assets at fair value through profit or loss

The following financial assets are classified at fair value through profit or loss (FVPL):

i) debt investments that do not qualify for measurement at amortised cost;
ii) equity instruments that are held for trading; and
iii) equity instruments for which the entity has not elected to recognise fair value gains and losses through OCI.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings payables, net of directly attributable transaction costs.

Derecognition

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, and retained control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial assets

Debtors

Debtors including amounts owed by group undertakings and other debtors, with no stated interest rate and receivable within one year are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Provisions are made specifically where there is evidence of a risk of non-payment, taking into account ageing, previous losses experienced and general economic conditions.

Financial liabilities

Trade and other creditors

Creditors including amounts owed to group undertakings, other creditors and accruals, with no stated interest rate and due within one year, are recognised initially at fair value. Creditors are subsequently carried at amortised cost using the effective interest rate method.

Offsetting of financial assets and liabilities

In accordance with IAS 32 Financial Instruments: Presentation, the presentation of financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.9. 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.

2.10. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.11. 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 net of tax from the proceeds. Capital contributions are classified as equity.

2.12. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.13. Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in total equity. In this case the tax is also recognised in other comprehensive income or directly in total equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns in respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on deductible temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3. Significant accounting estimates and judgements

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.

3.1. Significant accounting estimates and assumptions

There is, therefore, a potential risk that they may be subject to change in future periods. The most significant of these are:

Provisions

When assessing provisions that need to be made in relation to customer redress, many assumptions are made in relation to the amount of provision that will be required based on customer identification, timing of redress activity and reimbursement. The key assumptions made in the arrears handling related activities include population of accounts requiring redress (including client identification and materiality threshold) and time taken to redress.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of current and future tax planning strategies. Further details are contained in note 9.

3.2. Significant accounting judgements

Information about judgements made in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are as follows:

3.2.1. *Transfer of trade and business of Northview*

The transfer of trade and business of Northview as part of the corporate simplification exercise has been treated as a transaction between companies under common control and not as a business combination. As such assets and liabilities have been acquired at their current carrying value.

4. Turnover

Turnover was derived from the principal activity of the Company and arose in the United Kingdom.

	2019	2018
	£'000	£'000
Mortgage administration fees	25,962	10,876
Premium received on loan sales	32,667	25,169
Interest on loans to a fellow group company	217	187
	58,846	36,232

The increase in mortgage administration fees during the year is primarily due to the corporate simplification exercise that took place during the year and the resultant transfer of Acenden's servicing business to the Company.

Kensington Mortgage Company Limited

Notes to the financial statements for the year ended 31 March 2019

5. Profit/(loss) before taxation

	2019	2018
	£'000	£'000
Profit/(loss) before taxation is stated after expensing the following within administrative expenses:		
Management fees	17,407	9,589
Mortgage origination fees	23,604	18,070
Administration fees	1,547	5,082
IT and premises expenses	3,660	-
Irrecoverable VAT	714	107
Personnel expenses	913	-
	47,845	32,848

The increase in expenses is primarily due to a higher allocation of Group costs following the corporate simplification exercise that took place during the year and the resultant transfer of Acenden's servicing business to the Company.

Auditor remuneration for the audit of the Company's financial statements for the year ended 31 March 2019 is £16,000 (2018: £26,000). This cost has been paid by the parent company Northview and recharged to the Company (included in the management fees).

Statutory information on remuneration for other services provided by the Company's auditors to the Group is given on a consolidated basis in the consolidated financial statements of Koala (Cayman) Limited which is the largest group into which the results of this Company are consolidated.

6. Directors and employees

At 31 March 2019, the Company had nil (2018: nil) employees. The Company incurs a cost recharge for employees of Koala (Cayman) Group companies working on its behalf.

On 1 April 2019, 544 staff members were transferred from Northview to the Company via the Transfer of Undertakings ("TUPE") process.

Directors' remuneration for the year was £133,000 (2018: £107,000). The directors were paid by the immediate parent company, Northview.

At year end there was a loan outstanding from a director of £38,000 (2018: nil).

Notes to the financial statements for the year ended 31 March 2019

7. Intangible assets

	Assets under development £'000	Software £'000	Total £'000
Cost			
At 1 April 2018	-	-	-
Additions	1,071	3,850	4,921
At 31 March 2019	1,071	3,850	4,921
Depreciation			
At 1 April 2018	-	-	-
Charge for year	-	-	-
At 31 March 2019	-	-	-
Net book value			
At 31 March 2019	1,071	3,850	4,921
At 31 March 2018	-	-	-

£4,478,000 of additions were acquired from Northview as part of the purchase of the trade and business.

Kensington Mortgage Company Limited

Notes to the financial statements for the year ended 31 March 2019

8. Tangible assets

	Furniture, fixtures and office equipment £'000	Leasehold improvements £'000	Computer equipment and systems £'000	Total £'000
Cost				
At 1 April 2018	-	-	-	
Additions	153	1,610	830	2,593
At 31 March 2019	153	1,610	830	2,593
Depreciation				
At 1 April 2018	-	-	-	-
Charge for year	-	-	-	-
At 31 March 2019	-	-	-	-
Net book value:				
At 31 March 2019	153	1,610	830	2,593
At 31 March 2018	-	-	-	-

£2,593,000 of additions were acquired from Northview as part of the purchase of the trade and business.

9. Taxation

	2019	2018
	£'000	£'000
Analysis of tax expense/(credit) in the year		
Corporation tax expense/(credit) at 19% (2018: 19%)	2,247	(175)
Adjustments in respect of previous periods	175	-
Tax expense/(credit) on profit/(loss)	2,422	(175)
Deferred tax		
Origination and reversal of timing differences	265	-
Adjustments in respect of prior periods	(246)	-
Rate changes in respect of timing differences	(2)	-
Total deferred tax	17	-
Taxation expense/(credit) on profit/(loss)	2,439	(175)

Factors affecting taxation

The tax assessed for the year is lower than (2018: the same as) the standard rate of Corporation tax in the United Kingdom of 19% (2018: 19%).

	2019	2018
	£'000	£'000
Profit/(loss) before taxation	13,179	(731)
UK corporation tax expense/(credit) at 19% (2018: 19%)	2,504	(139)
Effects of:		
Income not subject to tax	(41)	(36)
Expenses not deductible for tax purposes	49	-
Adjustments in respect of prior periods - deferred tax	(246)	-
Adjustments in respect of prior periods - current tax	175	-
Effect of tax rate change	(2)	-
Deferred tax provided on transfer of trade	-	-
Total tax expense/(credit) for the year	2,439	(175)

The Finance Act 2016 contains provisions reducing the rate of United Kingdom corporation tax from 19% to 17% from 1 April 2020. This Act was substantively enacted on 15 September 2016.

Deferred tax assets	**2019**	2018
	£'000	£'000
Deferred tax relates to the following:		
Decelerated capital allowances	1,383	-
Pensions	36	-
Losses available for offsetting against future taxable income	175	-
	1,594	-

Reconciliation of deferred tax assets

	2019	2018
	£'000	£'000
Opening deferred tax balance	-	-
Deferred tax transferred between group members	1,611	-
Origination and reversal of timing differences	(265)	-
Adjustments to the recoverable amount of deferred tax	246	-
Effect of tax rate change	2	-
Closing deferred tax balance	1,594	-

Deferred taxation has been recognised at 17% (2018: 19%) being the UK corporation tax rate expected to apply in the period in which the timing differences are expected to reverse based on the tax rates that have been enacted at the statement of the financial position date.

Due to the transfer of trades from Northview, Acenden Limited and Kensington Mortgage Limited, deferred tax assets of £1,383,000 (2018: nil) and £175,000 (2018: nil) have been raised on decelerated capital allowances amounting to £8,138,000 (2018: nil) and trading losses amounting to £1,029,000 (2018: nil) respectively. It is the opinion of the directors that it is probable that there will be sufficient taxable profit in future periods against which the losses and temporary differences can be offset.

Kensington Mortgage Company Limited

Notes to the financial statements
for the year ended 31 March 2019

10. Debtors: amounts falling due after one year

	2019	2018
	£'000	£'000
Amounts due from group companies	7,879	2,462
	7,879	2,462

The Company has an interest bearing loan for £7,073,000 (2018: £1,873,000) made to a fellow group company at 10% p.a. starting on 1 February 2015 with a term of 30 years.

Other amounts due from group companies are interest free and repayable on demand.

11. Debtors: amounts falling due within one year

	2019	2018
	£'000	£'000
Amounts due from group companies	33,311	23,599
Other debtors	9,040	2,207
Corporation tax receivable	-	350
Group relief receivable from fellow group companies	489	811
VAT recovery	-	14
	42,840	26,981

Amounts due from group companies are interest free and repayable on demand.

12. Cash and cash equivalents

	2019	2018
	£'000	£'000
Cash at bank and in hand	14,136	10,035
	14,136	10,035

13. Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Amounts due to group companies	36,926	27,089
VAT	637	-
Accruals	17,738	46
Corporation tax payable	183	-
	55,484	27,135

Amounts due to group companies are interest free and repayable on demand.

14. Provisions

	Arrears handling related activities £'000	Unallocated cash £'000	Other conduct £'000	Total £'000
Balance at 1 April 2017	3,185	-	570	3,755
(Decrease)/increase in provisions during the year	(455)	492	4,078	4,115
Utilisation of provisions in the year	-	-	(570)	(570)
Transfer in provisions in the year	-	1,516	-	1,516
Balance at 31 March 2018	2,730	2,008	4,078	8,816
(Decrease)/increase in provisions during the year	(265)	(24)	(1,889)	(2,178)
Utilisation of provisions in the year	(2,452)	(434)	(1,657)	(4,543)
Transfer in provisions in the year	-	256	-	256
Balance at 31 March 2019	13	1,806	532	2,351

Arrears handling related activities

The Company has developed a remediation framework in relation to arrears handling based on the guidance set out by the Financial Conduct Authority (FCA), in relation to a court ruling in Northern Ireland (Bank of Scotland vs McGready, Rea & Laverty), and had computed an estimate of £2,730,000 to cover any redress to customers that might have been required. The actual cost of the remediation exercise to the Company was £2,452,000. A provision of £13,000 was retained based on the expectation of tracing customers with redeemed accounts where the customer has not been contactable. The remainder of the provision of £265,000 has been released.

Unallocated Cash

During the prior year, an exercise took place to review monies that had been received in prior years by the Company but which could not previously be linked to a mortgage account. The amounts previously received were transferred from other Group companies to the Company and these amounts were fully provided for. As part of this exercise some of the cash has been identified and will require repayment along with appropriate customer redress payments. A redress amount of £492,000 had been provided and the redress activity during the year amounted to £434,000 meaning a further loss in the year of £24,000. Unallocated cash of £1,772,000 is still held by the Company with a residual provision of £34,000 still held to cover redeemed accounts where the customer has not been contactable.

Other Conduct provisions

During the year and in the prior year, the Directors of the Company, after taking legal advice where necessary, established provisions after taking into account the facts of each case in relation to redress owed to customers on ongoing issues including Consumer Credit Act 2006, Plevin and Insurance. It is expected that the majority of the redress activity will happen within the next 12 months.

15. Contingent liabilities

The Company is party to a Forward Sale Mortgage Agreement (the "Agreement") with Koala Warehouse Limited, a fellow group company, whereby the Company agrees to sell to Koala Warehouse Limited mortgages on the same day the mortgages are originated by the Company. The forward purchase period is three years from the date of the Agreement to 31 May 2021.

With respect to (a) new FCA complaint rules that will come into force later this year in the context of PPI, and (b) the potential PPI awards borrowers may achieve via the courts, Kensington is unable to estimate either the number of eligible borrowers, or the amounts they could be awarded, when raising (i) a PPI mis-sale, or (ii) a Plevin-type, claim or complaint. Kensington's potential financial liability arising from PPI complaints and claims is covered either by way of indemnities (as part of the acquisition of the Group) or referral agreements (as part of portfolio purchases).

The Company has no other contracted commitments requiring disclosure, nor has it any other contingent liabilities at 31 March 2019 (2018: nil).

16. Share capital and capital contribution

	2019	2018
	£	£
Allotment of shares		
Ordinary shares of £1 each	Unlimited	Unlimited
Allotted and called up		
10,110,001 (2018: 10,110,001) ordinary shares of £ 1 each fully paid	10,110,001	10,110,001

	2019	2018
	£'000	£'000
Capital contribution		
As at 1 April 2018	-	-
Contributed during the year	1,861	-
As at 31 March 2019	1,861	-

On 29 March 2019, the parent company Northview, made a capital contribution of £1,861,000 to the Company, with £1,611,000 of this relating to the transfer of a deferred tax asset to the Company.

17. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Those transactions with directors are disclosed in note 6. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries. Transactions entered into, and trading balances outstanding at 31 March 2019 with other related parties, are as follows:

	Amount expensed	**Amounts owed by related parties**	**Amounts owed to related parties**
	2019	**2019**	**2019**
	£'000	**£'000**	**£'000**
Acenden Limited	(3,333)	1,235	(26,834)
Finsbury Square 2016-1 plc	438	161	(21)
Finsbury Square 2016-2 plc	632	126	(4)
Finsbury Square 2017-1 plc	1,859	246	(30)
Gemgarto 2015-1 plc	252	96	(39)
Gemgarto 2015-2 plc	98	4	-
The Northview Group Limited	(40,992)	3,629	(996)
Kayl NPL S.à r.l.	-	-	(37)
Kensington Mortgage Limited	-	42	-
Kensington Personal Loans Limited	(2)	-	-
KMC Sterling Square Limited	5,022	13,364	(7,304)
Kensington Mortgage Securities plc	725	174	(168)
Koala Bidco Limited	217	7,898	-
Koala Finance (No. 1) Limited	(104)	-	-
Koala Warehouse Limited	38,017	11,101	(12)
Landmark Mortgage Securities No.1 plc	16	8	(322)
Residential Mortgage Securities 26 plc	382	103	(96)
Residential Mortgage Securities 28 plc	1,017	311	(183)
St. James's Park Mortgage Funding Limited	29	161	(350)
Trinity Square 2015-1 plc	2,139	467	(5)
Trinity Square 2016-1 plc	1,041	260	(4)
Finsbury Square 2017-2 plc	2,730	474	(279)
Finsbury Square 2018-1 plc	2,040	228	(10)
Residential Mortgage Securities 29 plc	1,448	205	(4)
Residential Mortgage Securities 30 plc	1,983	344	(171)
Finsbury Square 2018-2 plc	605	145	(12)
Gemgarto 2018-1 plc	463	85	(4)
NVG Portman Square Limited	68	-	-

Residential Mortgage Securities 31 plc	552	130	(35)
Norland DACS 16 Limited	-	6	-
Koala Cayman Limited	-	110	-
Kayl NPL Holdco S.à r.l.	-	163	-
Kayl Holdco S.à r.l.	-	403	-
Finsbury Square 2019-1 plc	-	-	(6)
	17,342	41,679	(36,926)

	Amount expensed	Amounts owed by related parties	Amounts owed to related parties
	2018	2018	2018
	£'000	£'000	£'000
Acenden Limited	(15,165)	358	(18,040)
Finsbury Square 2016-1 plc	1,066	453	-
Finsbury Square 2016-2 plc	483	105	-
Finsbury Square 2017-1 plc	1,441	140	-
Gemgarto 2012-1 plc	30	1	-
Gemgarto 2015-1 plc	398	268	(4)
Gemgarto 2015-2 plc	435	355	-
The Northview Group Limited	96	163	(37)
Kayl NPL S.à r.l.	(27,767)	791	(8,434)
Kensington Mortgage Limited	-	389	(201)
Kensington Personal Loans Limited	-	443	-
KMC Sterling Square Limited	713	-	(28)
Kensington Mortgage Securities plc	329	371	-
Koala Bidco Limited	187	2,462	-
Koala Finance (No. 1) Limited	-	66	-
Koala Warehouse Limited	25,169	16,504	-
Landmark Mortgage Securities No.1 plc	10	-	(322)
Money Partners Securities 1 plc	16	-	-
Money Partners Securities 2 plc	3	-	-
Money Partners Securities 3 plc	7	-	-
Money Partners Securities 4 plc	14	-	-
Residential Mortgage Securities 19 plc	2	-	-
Residential Mortgage Securities 20 plc	4	-	-
Residential Mortgage Securities 21 plc	13	-	-
Residential Mortgage Securities 22 plc	16	-	-
Residential Mortgage Securities 26 plc	473	183	-
Residential Mortgage Securities 28 plc	1,321	1,088	-

St. James's Park Mortgage Funding Limited	-	368	(23)
Trinity Square 2015-1 plc	2,607	702	-
Trinity Square 2016-1 plc	1,353	517	-
Finsbury Square 2017-2 plc	3,178	384	-
Finsbury Square 2018-1 plc	338	349	-
Residential Mortgage Securities 29 plc	1,661	295	-
Residential Mortgage Securities 30 plc	908	117	-
	(661)	26,872	(27,089)

The Company provides mortgage administration, cash/bond administration and special servicing services to associated securitisation vehicles. Outstanding balances with entities other than subsidiaries are unsecured and interest free. Terms and conditions for transactions with subsidiaries are the same, with the exception that balances are placed on intercompany accounts with no specified credit period. The Company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 March 2019, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2018: nil).

18. Parent undertaking and control

The Company's immediate parent company is The Northview Group Limited, a company registered in England, United Kingdom and has it registered office at Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ.

The ultimate parent company is Koala (Cayman) Limited, a company incorporated in Cayman Islands. Koala (Cayman) Limited is owned by funds managed by Blackstone Tactical Opportunities Advisors L.L.C. and TPG Sixth Street Partners LLP.

The largest and smallest group in which the results of the Company are consolidated is Koala (Cayman) Limited, a company incorporated in the Cayman Islands. The consolidated financial statements of Koala (Cayman) Limited, are available to the public and may be obtained from 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands.

19. Post balance date events

On 1 April 2019, 544 staff members were transferred from Northview to the Company via the Transfer of Undertakings ("TUPE") process.

There are no other significant events occurring after the statement of financial position date, up to the date of approval of the financial statements that would meet the criteria to be disclosed or adjusted in the financial statements as at 31 March 2019.