

Registered number: 03598132

**Kensington Personal Loans Limited**

**Report and audited financial statements  
for the year ended 31 March 2018**



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## **Company information**

### **Directors**

R Gupta  
A J Maddox  
M J Arnold (Appointed 4 May 2018)  
A Attia (Resigned 30 September 2017)  
P Herbert (Resigned 11 May 2018)  
P Williamson (Resigned 31 March 2018)

### **Registered office**

Ascot House  
Maidenhead Office Park  
Maidenhead  
SL6 3QQ

### **Registered number**

03598132

### **Independent auditor**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

# **Kensington Personal Loans Limited**

## **Directors' report for the year ended 31 March 2018**

The directors present their report and the audited financial statements for the year ended 31 March 2018.

### **Principal activities**

The principal activity of Kensington Personal Loans Limited (the "Company") is to hold legal title on a portfolio of secured personal loans and insurance products on behalf of the wider Koala (Cayman) Limited group. The Company is authorised by the Financial Conduct Authority (the "FCA") for the regulated activities of insurance mediation.

The Company is a wholly owned subsidiary of The Northview Group Limited ("The Group"). The Group is ultimately owned by funds managed by Blackstone Tactical Opportunities Advisors L.L.C. and TPG Sixth Street Partners L.L.C. 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"). The Group is headquartered in Maidenhead with a further office in London.

The business is subject to a number of risks, described below, which could adversely affect the business in future years and the directors will continue to monitor and manage these risks.

### **Results and dividends**

The loss for the year, after taxation, amounted to £10,000 (2017: loss of £36,000).

No dividend is proposed for the current year (2017: £nil).

### **Review of the business**

The results for the year ended 31 March 2018 are set out on page 9. The directors deem that the financial position of the Company at the end of the year is satisfactory.

The statement of financial position on page 10 of the financial statements shows the Company's financial position at the year end. The Group 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's annual report which does not form part of this report.

### **Future developments**

The Company has not been involved in any new lending for a number of years and as part of a strategic review of the Group, a decision has been made to liquidate the Company and cancel its permissions with the FCA. These financial statements have been prepared on a basis other than that of a going concern but no adjustment was required to the Statement of Financial Position or Statement of Comprehensive Income.

# **Kensington Personal Loans Limited**

## **Directors' report for the year ended 31 March 2018**

### **Principal risks and uncertainties**

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.

Group risks are discussed in the Koala (Cayman) Limited annual report which does not form part of this report. 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.

### **Financial risk management**

The Company's activities expose it to Conduct risk and Liquidity risk as detailed below. Other risks such as credit risk, interest rate risk and operational risk are minimal due to the narrow scope of the Company's principal activities.

#### **a) 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. Conduct risk is managed in line with the overall risk management framework which operates under a robust controls and governance framework, including a market standard three lines of defence model.

#### **b) Liquidity risk**

The Company is exposed to liquidity risk to the extent that it is unable to meet its payment obligations. All of the mortgages on which the Company previously held legal title have been transferred to Kensington Mortgage Company Limited, a fellow Group company who have received an indemnity in relation to any future redress activities in relation to those loans from the ultimate parent company, Koala (Cayman) Limited.

# **Kensington Personal Loans Limited**

## **Directors' report for the year ended 31 March 2018**

### **Directors**

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

R Gupta  
A J Maddox  
M J Arnold (Appointed 4 May 2018)  
A Attia (Resigned 30 September 2017)  
P Herbert (Resigned 11 May 2018)  
P Williamson (Resigned 31 March 2018)

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 2018. There are no directors' interests requiring disclosure under Companies Act 2006.

### **Company secretary**

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

### **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 are 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).

### **Going concern**

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

The Company has not been involved in any new lending for a number of years and as part of a strategic review of the Group, a decision has been made to liquidate the Company and cancel its permissions with the FCA. These financial statements have been prepared on a basis other than that of a going concern but no adjustment was required to the Statement of Financial Position or Statement of Comprehensive Income

# Kensington Personal Loans Limited

## Directors' report for the year ended 31 March 2018

### Post balance sheet date events

On 11 July 2018 a dividend to the parent company The Northview Group Limited of £1,200,000 was declared by the Board. There are no other subsequent events that meet the criteria to be disclosed or adjusted in the financial statements as at 31 March 2018.

### 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.

### Employees

The Company does not have any employees (2017: none). All operations associated with the Company's activities are carried out by employees of the immediate parent, The Northview Group Limited.

### 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 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.

### Strategic report

In accordance with section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company has taken the exemption 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.

### Auditor

Following an external audit tender in 2017, Ernst & Young LLP was replaced as the auditor of Kensington Personal Loans Limited by KPMG LLP with effect from the audit for the 2018 financial year. 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 Board meeting.

This report was approved by the board on 12 July 2018 and signed on its behalf by:

  
R Gupta  
Director

Date: 23 July 2018

## **Kensington Personal Loans Limited**

### **Statement of directors' responsibilities in respect of the Annual Report, the Strategic 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 Personal Loans Limited**

## **Independent auditor's report to the member of Kensington Personal Loans Limited**

### **Opinion**

We have audited the financial statements of Kensington Personal Loans Limited ("the Company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 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.

### **Going concern**

We draw attention to the disclosure made in note 2.1.1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### **Other information**

The directors are responsible for the other information, which comprises the strategic report, the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information;
- in our opinion the information given in the strategic report and the directors' report 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.

## **Kensington Personal Loans Limited**

### **Independent auditor's report to the member of Kensington Personal Loans Limited**

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, 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](http://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**

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

Date: 23 July 2018

# Kensington Personal Loans Limited

## Statement of comprehensive income for the year ended 31 March 2018

		2018	2017
	Notes	£'000	£'000
Other income	4	-	3
Provisions	11	-	(13)
Operating expenses		<u>(12)</u>	<u>(35)</u>
<b>Loss before taxation</b>	5	(12)	(45)
Tax credit on loss for the year	7	<u>2</u>	<u>9</u>
<b>Loss for the year after taxation and total comprehensive income</b>		<u><u>(10)</u></u>	<u><u>(36)</u></u>

The transactions in the current year and in the prior year were derived from continuing operations.

There was no other comprehensive income or loss during the current year and in the prior year other than those reflected through the statement of comprehensive income.

The notes on pages 12 to 20 form an integral part of these financial statements.

## Statement of financial position as at 31 March 2018

		2018	2017
	Notes	£'000	£'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	130	358
Cash and cash equivalents	9	<u>1,722</u>	<u>1,724</u>
		1,852	2,082
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	<u>(536)</u>	<u>(756)</u>
<b>Net assets</b>		<u>1,316</u>	<u>1,326</u>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Capital contribution	13	1,655	1,655
Accumulated losses		<u>(439)</u>	<u>(429)</u>
<b>Total equity</b>		<u>1,316</u>	<u>1,326</u>

The notes on pages 12 to 20 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 12 July 2018 and were signed on its behalf by:



R Gupta  
Director

Date: 23 July 2018

## Kensington Personal Loans Limited

### Statement of changes in equity for the year ended 31 March 2018

	Called up share capital	Capital contribution	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 April 2016	100	1,655	(393)	1,362
Loss for the year	-	-	(36)	(36)
<b>Balance at 31 March 2017</b>	<b>100</b>	<b>1,655</b>	<b>(429)</b>	<b>1,326</b>
Loss for the year	-	-	(10)	(10)
<b>Balance at 31 March 2018</b>	<b>100</b>	<b>1,655</b>	<b>(439)</b>	<b>1,316</b>

The notes on pages 12 to 20 form an integral part of these financial statements.

# Kensington Personal Loans Limited

## Notes to the financial statements for the year ended 31 March 2018

### 1. General information

The principal activity of the Company is to hold legal title on a portfolio of secured personal loans and insurance products on behalf of the wider Koala (Cayman) Limited group. The Company is authorised by the Financial Conduct Authority (the "FCA") for the regulated activities of insurance mediation.

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 basis other than that of a going concern, 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:

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

# **Kensington Personal Loans Limited**

## **Notes to the financial statements for the year ended 31 March 2018**

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 15.

### **2.1.1. Going concern**

The Company has reported an operating loss for the year and is in a net asset position. The Company has not been involved in any new lending for a number of years and as part of a strategic review of the Group, the future of the Company is being considered. These financial statements have been prepared on a basis other than that of a going concern.

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.

### **2.2. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised on an accruals basis.

### **2.3. 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 an outflow of resources embodying economic benefits will be required to settle the 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.

### **2.4. Management fees**

In line with the inter-group transfer pricing arrangements in place, the Company is charged management fees by The Northview Group Limited, which provides corporate services to the Company. These expenses are recognised in the statement of comprehensive income at the point at which they are incurred.

### **2.5. 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.

# **Kensington Personal Loans Limited**

## **Notes to the financial statements for the year ended 31 March 2018**

### **Classification and measurement**

Financial assets and liabilities are initially classified as financial assets or liabilities at fair value through profit or loss, loans and receivables and available for sale financial assets.

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

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

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

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the statement of comprehensive income. Losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

### **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 recorded at transaction price less provisions made for doubtful debts.

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 recorded at transaction price.



# Kensington Personal Loans Limited

## Notes to the financial statements for the year ended 31 March 2018

### 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.

### 2.6. 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.

### 2.7. Cash and cash equivalents

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

### 2.8. 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. Capital contributions are classified as equity.

### 2.9. 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.

# Kensington Personal Loans Limited

## Notes to the financial statements for the year ended 31 March 2018

### 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.

There are no significant accounting estimates or judgements in respect of the year ended 31 March 2018.

### 4. Other income

During the prior year, the Company recognised other income, in relation to mortgage administrator fees from third parties, in accordance with the stated revenue recognition policies.

### 5. Loss before taxation

	2018 £'000	2017 £'000
<b>Loss before taxation is stated after expensing the following within operating expenses:</b>		
Management fees	11	16
Administration expenses	-	3
Audit fees	1	16
	<u>12</u>	<u>35</u>

Auditor remuneration for the audit of the Company's financial statements for the year ended 31 March 2018 was £1,000 (2017: £16,000).

Statutory information on remuneration for other services provided by the Company's auditor 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. The Company incurred non-audit fees amounting to £5,000 (2017: £4,000) for the Client Asset Source Book (CASS) audit.

A transfer pricing policy is in place to ensure that costs are distributed fairly amongst group companies. This resulted in the Company accruing a management fee of £11,000 (2017: £16,000).

### 6. Information regarding directors and employees

The Company does not have any employees (2017: none). The directors' remuneration for the year was £27,000 (2017: £25,000). The directors' remuneration was paid by the immediate parent company.

# Kensington Personal Loans Limited

## Notes to the financial statements for the year ended 31 March 2018

### 7. Taxation

	2018 £'000	2017 £'000
<b>Current tax</b>		
Corporation tax credit at 19% (2017: 20%)	(2)	(9)
	<u>(2)</u>	<u>(9)</u>

The effective tax rate for the current year and in the prior year is the same as the standard rate of UK corporation tax and therefore no tax reconciliation is required.

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.

### 8. Debtors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts due from group companies	32	261
Other debtors	4	4
Group relief receivable from fellow group companies	94	84
Corporation tax receivable	-	9
	<u>130</u>	<u>358</u>

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

Other debtors mainly represents compensation receivable in relation to a provision the Company has raised. Refer to note 11 for details. The carrying value of debtors is a reasonable approximation of fair value.

### 9. Cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank and in hand	1,722	1,724
	<u>1,722</u>	<u>1,724</u>

At year end, the Company had £37,000 (2017: £252,000) in a bank account that is held on constructive trust for the beneficial owners of the mortgages to which the cash relates. This cash is not recorded in the statement of financial position of the Company and has subsequently been paid to the beneficial owners.

## Kensington Personal Loans Limited

### Notes to the financial statements for the year ended 31 March 2018

#### 10. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Other tax payable	-	1
Group relief payable to fellow group companies	73	73
Amounts due to group companies	446	663
Accruals	17	19
	<u>536</u>	<u>756</u>

Amounts due to group companies are interest free and repayable on demand. The carrying value of creditors is a reasonable approximation of fair value.

#### 11. Provisions

In prior years, the Company had raised a provision in relation to breaches of certain parts of the CCA. The redress exercise for these breaches was closed in the year ended March 2017 and any provisions relating to it were released accordingly.

	2018 £'000	2017 £'000
Balance at the beginning of the year	-	90
Provision increase during the year	-	13
Provision utilised in the year	-	(103)
Balance at the end of the year	<u>-</u>	<u>-</u>

#### 12. Contingent liabilities

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, the Company 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. The Company'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 post acquisition of the Group).

# Kensington Personal Loans Limited

## Notes to the financial statements for the year ended 31 March 2018

### 13. Called up share capital and capital contribution

	2018 £	2017 £
<b>Authorised</b>		
Ordinary shares of £1 each	<u>Unlimited</u>	<u>Unlimited</u>
<b>Allotted and called up</b>		
100,002 (2017: 100,002) ordinary shares of £1 each fully paid	<u>100,002</u>	<u>100,002</u>
<b>Capital contribution</b>	<u>1,655,370</u>	<u>1,655,370</u>

### 14. 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 2018 with other related parties, are as follows:

	Amount expensed	Amounts owed by related parties	Amounts owed to related parties
	2018 £'000	2018 £'000	2018 £'000
The Northview Group Limited	(11)	23	-
Norland DACS 16 Limited	-	71	-
Norland DACS 17 Limited	-	14	-
Kensington Mortgage Securities plc	-	9	(73)
Kensington Mortgage Company Limited	-	-	(443)
St. James's Park Mortgage Funding Limited	-	-	(3)
Acenden Limited	-	9	-
	<u>(11)</u>	<u>126</u>	<u>(519)</u>

## Kensington Personal Loans Limited

### Notes to the financial statements for the year ended 31 March 2018

	Amount expensed	Amounts owed by related parties	Amounts owed to related parties
	2017 £'000	2017 £'000	2017 £'000
The Northview Group Limited	(16)	35	-
Norland DACS 16 Limited	-	70	-
Norland DACS 17 Limited	-	14	-
Kensington Mortgage Securities plc	-	9	(73)
Kensington Mortgage Company Limited	-	122	(104)
Money Partners Securities 1 plc	-	13	(39)
Money Partners Securities 2 plc	-	20	(143)
Money Partners Securities 3 plc	-	20	(197)
Money Partners Securities 4 plc	-	29	(177)
Residential Mortgage Securities 19 plc	-	2	-
Residential Mortgage Securities 20 plc	-	3	-
Residential Mortgage Securities 21 plc	-	4	-
Residential Mortgage Securities 22 plc	-	4	-
St. James's Park Mortgage Funding Limited	-	-	(3)
	<u>(16)</u>	<u>345</u>	<u>(736)</u>

The Company redresses associated securitisation vehicles for CCA expenses. Outstanding balances with entities other than subsidiaries are unsecured and interest free. During the year ended 31 March 2018, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2017: nil).

#### 15. Ultimate parent company

The Company's immediate parent company is The Northview Group Limited, a company registered in England, United Kingdom and has its 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 L.L.C.

Accordingly, the largest group in which the results of the Company are consolidated is Koala (Cayman) Limited, a company incorporated in 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. The smallest group in which the results of the Company are consolidated is Kayl Holdco S.à r.l. which is incorporated in Luxembourg.

#### 16. Subsequent events

On 11 July 2018 a dividend to the parent company The Northview Group Limited of £1,200,000 was declared by the Board. There are no other subsequent events that meet the criteria to be disclosed or adjusted in the financial statements as at 31 March 2018.