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Active Securities Limited

Report and Financial Statements

Year Ended

31 March 2018

Company Number 05671281

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Active Securities Limited

Company Information

Directors	M J Hannay N G C Mordin
Registered number	05671281
Registered office	20-22 Wenlock Road London N1 7GU
Independent auditors	Simmons Gainsford LLP 7-10 Chandos Street London W1G 9DQ

Active Securities Limited

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Active Securities Limited

Strategic Report For the Year Ended 31 March 2018

Introduction

The directors present their strategic report for the year ended 31 March 2018.

Business review

The principal activity of the company was the provision of loans to individuals via the internet. The company is fully authorised and regulated by the Financial Conduct Authority.

The directors are pleased with the performance of the company in the year to 31 March 2018.

Profit before tax for the year ending 31 March 2018 has increased from the year ending 31 March 2017 by 21%, from £540,490 to £652,456. This increase is attributed to a number of strategic initiatives and technological investments in the controls, systems and processes of the business. Turnover for the year ending 31 March 2018 has also increased to £13,896,594 from £9,499,500 for the year ending 31 March 2017, representing an increase of 46%.

The directors believe the strong showing over the year demonstrates the strength and sustainability of the company's business model.

Principal risks and uncertainties

The company's credit risk is primarily attributable to the loans granted to its customers. This credit risk is managed by the company through comprehensive and rigorous credit scoring and underwriting deploying the latest techniques, software, internal and external databases. This knowledge is continually enhanced. The relatively short-term nature of the product enables the company to speedily evaluate and where necessary make credit risk related changes to the business model.

Outside of credit risk the directors have identified threats to the proprietary technologies of the company and cyber-attacks as principal risks. The directors have ensured that there are comprehensive systems and controls in place to mitigate the risks posed by these threats.

Responsible lending is central to the company's business model. Significant investment has and continues to be made in ensuring regulatory compliance with regards to business processes and policies. Over the year the marketing activities of Claims Management Companies (CMC) targeting irresponsible lending claims in the sector have increased significantly. This has had the effect of increasing awareness within the general population that there is a potential to contest historic lending decisions. As a result complaints have increased and are predicted to increase further over the short and medium term. The directors note that CMCs will become regulated by the Financial Conduct Authority from April 2019.

Financial key performance indicators

As a result of the straightforward nature of the business, the directors feel that analysis of key performance indicators are not necessary to provide an appreciation of the development, performance or position of the company.

Active Securities Limited

Strategic Report For the Year Ended 31 March 2018

Other key performance indicators

The company has no other key performance indicators.

Future developments

The company expects to continue to optimise its lean, tech-focused business model over 2018 to capitalise on the significant opportunities that are present in the general 'fintech' arena.

During the year the company will continue to invest in technology and systems to ensure it lends to customers responsibly and builds a sustainable, compliant long-term business.

This report was approved by the board on 21/12/2018 and signed on its behalf.



M J Hannay
Director

Active Securities Limited

Directors' Report For the Year Ended 31 March 2018

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

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Directors

The directors who served during the year were:

M J Hannay
N G C Mordin

Disclosure of information to auditors

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 auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Active Securities Limited

Directors' Report (continued) For the Year Ended 31 March 2018

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21/12/2018 and signed on its behalf.



M J Hannay
Director

Active Securities Limited

Independent Auditors' Report to the Members of Active Securities Limited

Opinion

We have audited the financial statements of Active Securities Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Active Securities Limited

Independent Auditors' Report to the Members of Active Securities Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Active Securities Limited

Independent Auditors' Report to the Members of Active Securities Limited

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.

Simmons Gainsford LLP

Rajiv Thakerar (Senior Statutory Auditor)
For and on behalf of Simmons Gainsford LLP, Statutory Auditor
7-10 Chandos Street
London
W1G 9DQ
United Kingdom

21 December 2018

Active Securities Limited

Statement of Comprehensive Income For the Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover	3	13,896,594	9,499,500
Cost of sales		(10,807,894)	(7,655,482)
Gross profit		3,088,700	1,844,018
Administrative expenses		(1,668,945)	(1,299,237)
Exceptional item		(767,299)	-
Operating profit	4	652,456	544,781
Interest receivable and similar income	8	-	184
Interest payable and expenses	9	-	(4,475)
Profit before tax		652,456	540,490
Tax on profit	10	(227,706)	(85,357)
Profit for the financial year		424,750	455,133

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

Active Securities Limited


Registered number:05671281

Balance Sheet As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	778	933
Tangible assets	13	12,898	10,189
		<u>13,676</u>	<u>11,122</u>
Current assets			
Debtors: amounts falling due within one year	14	5,591,120	3,686,150
Cash at bank and in hand	15	35,275	245,986
		<u>5,626,395</u>	<u>3,932,136</u>
Creditors: amounts falling due within one year	16	(693,341)	(188,577)
Net current assets		<u>4,933,054</u>	<u>3,743,559</u>
Total assets less current liabilities		<u>4,946,730</u>	<u>3,754,681</u>
Provisions for liabilities			
Provisions		(767,299)	-
		<u>(767,299)</u>	<u>-</u>
Net assets		<u><u>4,179,431</u></u>	<u><u>3,754,681</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		4,179,430	3,754,680
		<u><u>4,179,431</u></u>	<u><u>3,754,681</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

 21/12/2018

M J Hannay
Director

The notes on pages 11 to 21 form part of these financial statements.

Active Securities Limited

Statement of Changes in Equity For the Year Ended 31 March 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	1	3,299,547	3,299,548
Comprehensive income for the year			
Profit for the year	-	455,133	455,133
Total comprehensive income for the year	-	455,133	455,133
Total transactions with owners	-	-	-
At 1 April 2017	1	3,754,680	3,754,681
Comprehensive income for the year			
Profit for the year	-	424,750	424,750
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	424,750	424,750
Total transactions with owners	-	-	-
At 31 March 2018	1	4,179,430	4,179,431

Active Securities Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Going concern

The financial statements have been prepared on a going concern basis.

1.3 Revenue

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 measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful live of Patents are ten years and are amortised on a straight line basis.

Active Securities Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 33% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an

Active Securities Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.8 Financial instruments (continued)

impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

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Notes to the Financial Statements For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.14 Provisions for liabilities

Provisions for the cost of remediating customers and associated fees are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably measured. Provisions are not recognised for future operating losses.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.15 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

1.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

Active Securities Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There is no estimation or assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The directors consider there to be no significant areas of judgements or key sources of estimation uncertainty.

3. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Interest and fees receivable	13,894,364	9,499,500
Subject access request fees	2,230	-
	<u>13,896,594</u>	<u>9,499,500</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	6,070	3,394
Amortisation of intangible assets	155	155
Other operating lease rentals	41,297	38,808
Defined contribution pension cost	<u>11,486</u>	<u>7,407</u>

Active Securities Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates in respect of:		
The auditing of accounts of associates of the Company pursuant to legislation	15,240	15,240
	<u>15,240</u>	<u>15,240</u>

6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Administration and support	27	23
Other departments	3	3
	<u>30</u>	<u>26</u>

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	242,933	137,878
	<u>242,933</u>	<u>137,878</u>

8. Interest receivable

	2018 £	2017 £
Other interest receivable	-	184
	<u>-</u>	<u>184</u>

Active Securities Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

9. Interest payable and similar charges

	2018 £	2017 £
Other interest payable	-	4,475
	<u>-</u>	<u>4,475</u>

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	227,706	85,357
	<u>227,706</u>	<u>85,357</u>
Total current tax	<u>227,706</u>	<u>85,357</u>
Taxation on profit on ordinary activities	<u>227,706</u>	<u>85,357</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>652,456</u>	<u>540,490</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	123,967	108,098
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	104,224	1,276
Capital allowances for year in excess of depreciation	(485)	(1,393)
Utilisation of tax losses	-	(22,624)
Total tax charge for the year	<u>227,706</u>	<u>85,357</u>

Active Securities Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Exceptional items

	2018 £	2017 £
Provision	767,299	-
	<u>767,299</u>	<u>-</u>

12. Intangible assets

	Patents £
Cost	
At 1 April 2017	1,555
At 31 March 2018	<u>1,555</u>
Amortisation	
At 1 April 2017	622
Charge for the year	155
At 31 March 2018	<u>777</u>
Net book value	
At 31 March 2018	<u>778</u>
At 31 March 2017	<u>933</u>

Active Securities Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

13. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2017	41,260
Additions	12,051
Disposals	(6,374)
At 31 March 2018	<u>46,937</u>
Depreciation	
At 1 April 2017	31,070
Charge for the period on owned assets	6,070
Disposals	(3,101)
At 31 March 2018	<u>34,039</u>
Net book value	
At 31 March 2018	<u><u>12,898</u></u>
At 31 March 2017	<u><u>10,189</u></u>

14. Debtors

	2018 £	2017 £
Trade debtors	4,186,818	2,719,774
Other debtors	1,404,302	957,470
Prepayments and accrued income	-	8,910
	<u><u>5,591,120</u></u>	<u><u>3,686,154</u></u>

Active Securities Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

15. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	35,274	245,986
	<u>35,274</u>	<u>245,986</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	208,089	77,474
Corporation tax	313,063	85,357
Other taxation and social security	29,008	-
Other creditors	4,921	1,015
Accruals and deferred income	138,260	24,732
	<u>693,341</u>	<u>188,578</u>

17. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	35,274	245,986
Financial assets that are debt instruments measured at amortised cost	5,591,121	3,677,240
	<u>5,626,395</u>	<u>3,923,226</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(1,118,566)	(103,220)
	<u>(1,118,566)</u>	<u>(103,220)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank.

Active Securities Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

18. Provisions

	£
Charged to profit or loss	767,299
At 31 March 2018	767,299

Provisions for the cost of remediating customers and associated fees are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably measured. Provisions are not recognised for future operating losses.

19. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	33,804	19,990
	<u>33,804</u>	<u>19,990</u>

20. Related party transactions

The company provided interest free and security free loans to the following companies. The following companies are or were owned directly by N G C Mordin, a director of the company.

Active Fintech Limited, a company incorporated in England. During the year, the company paid invoices on behalf of Active Fintech Limited of £1,560 (2017 - £1,560). Active Fintech Limited repaid £nil (2017 - £1,600) to the company during the year. The amount outstanding at the year end was £6,974 (2017 - £5,414).

At the balance sheet date, there was a balance owing to N G C Mordin, a director, of £26,640 (2017 - £15,910).

21. Controlling party

The company is controlled by N G C Mordin in both this and the preceding year. The director, N G C Mordin, owns 100% of the issued share capital of the company.