

Registered number 6376492 (England and Wales)

Wonga.com Limited
Annual report and financial statements
for the year ended 31 December 2016

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Wonga.com Limited

Annual report and financial statements for the year ended 31 December 2016

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Wonga.com Limited

Directors and advisers

Directors

Nicholas Brookes

Joanna Baker (appointed 31 August 2017)

Company Secretary

Cynthia Mike-Eze

Registered Number

6376492

Registered Office

88 Crawford Street

London

W1H 2EJ

United Kingdom

Independent Auditors

BDO LLP

55 Baker Street

London

W1U 7EU

Wonga.com Limited

Directors' report for the year ended 31 December 2016

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2016. In preparing these financial statements advantage has been taken of the small companies' exemption not to present a Strategic report.

Principal activities

The principal activity of the Company was the provision of loan introductions and data licencing. The company is no longer trading.

Key performance indicators

The Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate as there has been no activity during 2016. The development, performance and position of the group is discussed within the Wonga Group Limited financial statements, which do not form part of this report.

Review of business

Profit before income tax for the year amounted to £nil (2015: £nil).

Future outlook

The Company is non-trading and is expected to become dormant in the near future. The directors do not propose the payment of a dividend (2015: £nil).

Key risks and uncertainties

The Company was exposed to consumer credit and liquidity risks and managed these through risk decision models and a strong cash and debt management programme (see note 2.1).

Post balance sheet events

There have been no significant events after the balance sheet date.

Directors

The director, who served throughout the year and up to the date of these financial statements unless otherwise stated, was:

Nicholas Brookes

Joanna Baker (appointed 31 August 2017)

William Flynn (resigned 31 August 2017)

Paul Miles (resigned 15 December 2016)

The Company has provided an indemnity for its directors and Company secretary during the financial year and including up to the date of signing of the financial statements, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Going concern

The directors confirm that having reviewed the Company's cash requirements for the next 12 months, they have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as and when they fall due for the foreseeable future. For this reason they have adopted the going concern basis in preparing these financial statements.

Wonga.com Limited

Directors' report for the year ended 31 December 2016 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
2. he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board



Nicolas Brookes
Director

29 September 2017

Wonga.com Limited

Independent auditors' report to the members of Wonga.com Limited

Report on the financial statements

We have audited the financial statements of Wonga.com Limited for the year ended 31 December 2016 which comprise the statement of financial position, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Wonga.com Limited

Independent auditors' report to the members of Wonga.com Limited (continued)

Report on the financial statements (continued)

Opinion 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 where 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.
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Matthew Hopkins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
29 September 2017

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

Statement of financial position as at 31 December 2016

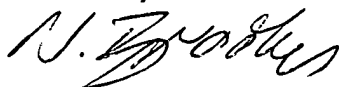
		As at 31 December	
	Note	2016 £'000	2015 £'000
Assets			
Current assets			
Trade and other receivables	3	477	477
Cash and cash equivalents		-	-
Total assets		477	477
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	4	-	-
Retained earnings		477	477
Total equity		477	477
Liabilities			
Current liabilities			
Income tax liabilities		-	-
Total liabilities		-	-
Total equity and liabilities		477	477

The notes on pages 8 to 12 are an integral part of these financial statements.

There are no profit and loss transactions or movements in equity in the year ended 31 December 2016 or in the year ended 31 December 2015, therefore no statement of comprehensive income or statement of changes in equity have been produced.

The financial statements which comprise, the Statement of financial position, the Statement of cash flows and the related notes, were authorised for issue by the Board of Directors on the 29th of September 2017 and were signed on its behalf by:

Nicolas Brookes
Director



Wonga.com Limited

Statement of cash flows for the year ended 31 December 2016

	Note	Year ended 31 December	
		2016 £'000	2015 £'000
Cash flows from other activities			
Cash generated from other activities		-	(14)
Income tax paid		-	(1)
Net cash used in operating activities		-	(15)
Net decrease in cash and cash equivalents		-	(15)
Cash and cash equivalents at beginning of year		-	15
Cash and cash equivalents at end of year		-	-

The notes on pages 8 to 12 are an integral part of these financial statements.

Wonga.com Limited

Notes to the financial statements for the year ended 31 December 2016

1 Significant accounting policies

1.1 Basis of preparation

Wonga.com Limited is a UK privately owned company, domiciled in the UK. The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union. In addition, the Company has complied with IFRS IC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are presented in pound sterling (£) and have been prepared under the historical cost convention and on a consistent basis with the financial statements for the year ended 31 December 2015.

1.2 Going concern

The directors confirm that having reviewed the Company's cash requirements for the next 12 months, they have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as and when they fall due for the foreseeable future. For this reason they have adopted the going concern basis in preparing these financial statements.

1.3 Changes in accounting policy and disclosures

(a) *New and amended standards adopted by the Company*

There are no IFRSs or IFRIC interpretations that are effective for the financial year beginning on or after 1 January 2016 that would be expected to have a material impact on the Company. No IFRSs or IFRIC interpretations have been early adopted in the year ended 31 December 2016.

(b) *Applicable new standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2016 and not early adopted*

IFRS 9, 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ("OCI") and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value OCI without recycling. The directors have undertaken work to develop the Group's approach to implementation. IFRS 9 adoption will result in impairment being recognised earlier than is the case under IAS 39 because it requires expected losses to be recognised before the loss event arises. Measurement will involve increased complexity and judgement including estimation of probabilities of default, loss given default, a range of unbiased future economic scenarios, estimation of exposure at default and assessing increase in credit risk. The directors are also currently considering the impact of IFRS 9 on the Group's risk appetite and stress testing assumptions. The project is well advanced to meet the requirement for implementation in 2018. As it currently stands, the directors of the Group anticipate that IFRS 9's impact on the Group will not be material. Significant accounting policies (continued)

Wonga.com Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1.3 Changes in accounting policy and disclosures (continued)

(b) Applicable new standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2016 and not early adopted (continued)

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

1.4 Financial assets

The Company classifies its financial assets into the following categories: cash and cash equivalents, trade and other receivables. The classification is determined by management upon recognition, and is based on the purpose for which the financial assets were acquired.

Financial assets are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument and are recognised at fair value.

At each balance sheet date, the Company assesses whether its financial assets are impaired. Impairment losses are recognised in the Statement of comprehensive income where there is objective evidence of impairment. Financial assets are derecognised (in full or partly) when the Company's right to cash flow from the respective assets have expired or have been transferred and the Company has neither exposure to the risks inherent in those assets nor entitlement to rewards from them.

1.5 Share capital

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.

1.6 Financial liabilities

The Company classifies its financial liabilities into the following category: trade and other payables held at amortised cost. Financial liabilities are recognised in the Statement of financial position when the Company becomes a party to the contractual provision of the instrument.

1.7 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

1. Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; and
2. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Wonga.com Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the Statement of comprehensive income or loss.

2 Financial risk management

2.1 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the cash and equity balance. The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and retained earnings as discussed in the Statement of changes in equity. The Company has not paid any dividends in the current year or prior year.

3 Trade and other receivables

	2016 £'000	2015 £'000
Amounts due from related parties (note 7)	477	477

The fair values of trade and other receivables are equivalent to the carrying amounts. Amounts receivable from group undertakings are interest free, are payable on demand and represent balances owed by Wonga Worldwide Limited. None of the receivables are past due or impaired.

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Notes to the financial statements for the year ended 31 December 2016 (continued)

4 Share capital and retained earnings

	31 December 2016		31 December 2015	
	No of shares	Share capital £'000	No of shares	Share capital £'000
Ordinary shares of £1 each	1	-	1	-

a) Share capital

The balance on the share capital account represents the aggregate nominal value of all ordinary shares in issue.

b) Retained earnings

The retained earnings reserve, which is presented in the Statement of financial position, comprises the Company's retained earnings, net of distributions made to equity owners.

5 Auditors' remuneration

Auditors' remuneration has been borne by the ultimate parent company, Wonga Group Limited.

6 Employee benefit expenses

No employees were employed by the Company in 2016 (2015: none).

The directors did not receive any emoluments in respect of their services to the Company during the year (2015: £nil).

None of the directors are accruing retirement benefits under money purchase or defined benefit pension schemes (2015: None).

Wonga.com Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

7 Related party disclosures

At the year end the Company had the following balances outstanding with fellow group companies. All amounts are unsecured and repayable on demand.

Amounts due from Wonga group undertakings:

	2016 £'000	2015 £'000
Wonga Worldwide Limited	477	477

The following transactions with Group companies occurred in the year:

	2016 £'000 Sales	2015 £'000 Sales
Wonga Worldwide	-	15
	-	15

8 Ultimate controlling party

The immediate parent undertaking is Wonga Worldwide Limited and the ultimate parent company is Wonga Group Limited. The consolidated financial statements can be obtained from Wonga Group Limited, The Harlequin Building, 65 Southwark Street, London SE1 0HR.

9 Events after the reporting period

There have been no significant events after the balance sheet date.