

Pay Later Financial Services Limited

Unaudited Financial Statements

For Filing with Registrar

For the year ended 30 June 2019

Company Registration No. 9020100 (England and Wales)

Pay Later Financial Services Limited

Company Information

Directors	J Dykes	
	M Malik	(Appointed 24 June 2020)
	S Jeffrey	(Appointed 24 June 2020)
Company number	9020100	
Registered office	4th Floor, 33 Cannon Street London United Kingdom EC4M 5SB	

Pay Later Financial Services Limited

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Pay Later Financial Services Limited

Balance Sheet

As at 30 June 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Current assets					
Debtors	2	712,478		843,048	
Cash at bank and in hand		329,066		109,679	
		<u>1,041,544</u>		<u>952,727</u>	
Creditors: amounts falling due within one year	3	(1,132,865)		(567,154)	
Net current (liabilities)/assets			(91,321)		385,573
Creditors: amounts falling due after more than one year	4		-		(500,000)
Net liabilities			<u>(91,321)</u>		<u>(114,427)</u>
Capital and reserves					
Called up share capital	5		1		1
Profit and loss reserves			(91,322)		(114,428)
Total equity			<u>(91,321)</u>		<u>(114,427)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

Pay Later Financial Services Limited

Balance Sheet (Continued)

As at 30 June 2019

The financial statements were approved by the board of directors and authorised for issue on 30 June 2020 and are signed on its behalf by:

J Dykes
Director

Company Registration No. 9020100

Pay Later Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2019

1 Accounting policies

Company information

Pay Later Financial Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor, 33 Cannon Street, London, United Kingdom, EC4M 5SB.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company relies on support from an associated company, Pay Later Group Limited (PLG), for its working capital. At the time of approving the financial statements, the directors have a reasonable expectation that PLG has adequate resources to continue to support the operational existence of the company for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the settlement and managements fees earned from the administration of a finance arrangement between an individual and a third party investing company.

Turnover from origination, servicing and settlement services are recognised on a receipt basis as this is when it is probable that the Company will receive the consideration due under contract. Fees which are paid upfront are deferred over the loan term.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Pay Later Financial Services Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade debtors are fully provided for when the debtor pasts 90 days outstanding.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Debtors

	2019	2018
		as restated
Amounts falling due within one year:	£	£
Trade debtors	4,377	623,189
Other debtors	708,101	219,859
	<u>712,478</u>	<u>843,048</u>

Pay Later Financial Services Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2019

3 Creditors: amounts falling due within one year

	2019	2018
	£	as restated £
Trade creditors	28,516	76,158
Other creditors	1,104,349	490,996
	<u>1,132,865</u>	<u>567,154</u>

Fixed and floating charges over the company's assets exist as part of the loans sale agreement entered into with Honeycomb Finance Limited (HFL). At the balance sheet date a net amount of £469,339 is payable to HFL under this agreement and repayable within one year.

Included in other creditors are convertible loan notes of £188,000 issued during the year. The loan notes are unsecured with a fixed interest rate of 10% per annum. Loan notes are redeemable from 12 months of the issue date.

4 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other creditors	-	500,000
	<u>-</u>	<u>500,000</u>

5 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

6 Related party transactions

Included within debtors is an amount of £707,845 (2018: £195,694) owed by Pay Later Group Limited, a company under common ownership.

Included within creditors due in less than one year is an amount of £488,229 (2018: £589,984) due Pay Later Financial Services II Limited, a company under common ownership.

7 Parent company

The ultimate controlling party is J Dykes by virtue of his shareholding.

Pay Later Financial Services Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2019

8 Prior period adjustment

The prior year balances have been restated to reflect adjustments identified during the review of the year ending 30 June 2019.

Changes to the balance sheet

	At 30 June 2018		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	766,678	76,370	843,048
Creditors due within one year			
Creditors	(489,624)	(77,530)	(567,154)
	<u> </u>	<u> </u>	<u> </u>
Net assets	(314,183)	(1,160)	(315,343)
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	(113,268)	(1,160)	(114,428)
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 30 June 2018		
	As previously reported	Adjustment	As restated
	£	£	£
Cost of sales	(150,950)	(1,160)	(152,110)
	<u> </u>	<u> </u>	<u> </u>
Loss for the financial period	(33,627)	(1,160)	(34,787)
	<u> </u>	<u> </u>	<u> </u>

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