

Company Registration No. 10790251 (England and Wales)

SNAP FINANCE UK (GROUP) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
PAGES FOR FILING WITH REGISTRAR

SNAP FINANCE UK (GROUP) LIMITED

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SNAP FINANCE UK (GROUP) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019		Unaudited 2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Investments	5		17,035,518		6,151,615
Current assets					
Debtors	6	100		100	
Creditors: amounts falling due within one year	7	(17,661,279)		(6,789,839)	
Net current liabilities			(17,661,179)		(6,789,739)
Total assets less current liabilities			(625,661)		(638,124)
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			(625,761)		(638,224)
Total equity			(625,661)		(638,124)

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

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

The financial statements were approved by the board of directors and authorised for issue on 24 May 2021 and are signed on its behalf by:

A A Smith
Director

Company Registration No. 10790251

SNAP FINANCE UK (GROUP) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 31 December 2018:			
Balance at 1 January 2018	100	(81,162)	(81,062)
Period ended 31 December 2018:			
Loss and total comprehensive loss for the year as restated	-	(557,062)	(557,062)
Balance at 31 December 2018	100	(638,224)	(638,124)
Period ended 31 December 2019:			
Loss and total comprehensive loss for the year	-	12,463	12,463
Balance at 31 December 2019	100	(625,761)	(625,661)

SNAP FINANCE UK (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Snap Finance UK (Group) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Challenge House Sherwood Drive, Bletchley, Milton Keynes, England, MK3 6DP.

1.1 Accounting convention

These financial statements have been prepared in accordance with 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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

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

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

During the year the company made a profit of £12,463 and at the reporting date had net liabilities of £625,661. The parent company, Snap Finance Holdings LLC, has undertaken to provide all the necessary support to ensure that the Company is able to meet its liabilities as and when they fall due for a period of 12 months from the date of approval of the balance sheet. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook resulting from the Covid-19 outbreak.

1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	4 years straight line
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1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

SNAP FINANCE UK (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

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.

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.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of income, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of income.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

SNAP FINANCE UK (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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 transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.9 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

SNAP FINANCE UK (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 Prior period adjustment

As explained in note 13, during the year, the company identified transactions which were incorrectly accounted under FRS 102. These specifically related to the investment in subsidiary, amortisation of intangibles, share capital and prepayments. When adjusted for these, it resulted in a overall increase to the statement of income of £3,103,936. Thus the loss as previously reported of £3,660,998 is restated as £557,062. There was no tax impact of these adjustments due to the Company's accumulated tax losses.

Adjustments of £367,534 were identified to equity as at 1 January 2018 as previously reported of £448,596 which resulted in a restated balance of £81,062 as explained in note 13.

Loans to group undertakings were incorrectly classified as intangible assets and has been correctly allocated to loans to group undertakings within fixed asset investments. This has had no impact on the statement of comprehensive income for the prior year

The company identified that it had incorrectly accounted for prepayments of £126,482 for the year ended 31 December 2018 and a prior period adjustment has been made to expense these items within the statement of comprehensive income for the year ended 31 December 2018.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tax losses

Subject to HM Revenue and Customs approval, the company has estimated tax losses of £866,000 (2018: £879,000). A deferred tax asset has not been recognised in respect of these losses in accordance with FRS 102.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Total	3	3

SNAP FINANCE UK (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Intangible fixed assets

	Other £
Cost	
At 1 January 2019 and 31 December 2019	49,147
Amortisation and impairment	
At 1 January 2019 and 31 December 2019	49,147
Carrying amount	
At 31 December 2019	-
At 31 December 2018	-

5 Fixed asset investments

	2019 £	2018 £
Shares in group undertakings	71,000	71,000
Loans to group undertakings	16,964,518	6,080,615
	17,035,518	6,151,615

As at 31 December 2019 £16,964,518 was due from Snap Finance Limited. The Company has received confirmation from the ultimate parent company, Snap Finance Holdings LLC, that in the event of a default it will provide the necessary funding to meet the repayment in full. As a result the directors do not consider the loan to be impaired.

In the event an impairment was required this would amount to £9,309,414.

Movements in fixed asset investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost or valuation			
At 1 January 2019	71,000	6,080,615	6,151,615
Additions	-	10,883,903	10,883,903
At 31 December 2019	71,000	16,964,518	17,035,518
Carrying amount			
At 31 December 2019	71,000	16,964,518	17,035,518
At 31 December 2018	71,000	6,080,615	6,151,615

SNAP FINANCE UK (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	100	100
	<u>100</u>	<u>100</u>

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group companies	17,241,441	6,374,440
Other creditors	419,838	415,399
	<u>17,661,279</u>	<u>6,789,839</u>

8 Called up share capital

	2019 Number	2018 Number	2019 £	2018 £
Ordinary share capital Issued and fully paid				
A Ordinary shares of 1p each	9,000	9,000	90	90
B Ordinary shares of 1p each	1,000	1,000	10	10
	<u>10,000</u>	<u>10,000</u>	<u>100</u>	<u>100</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Warren Baker FCA.
The auditor was Wilson Wright LLP.

SNAP FINANCE UK (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Related party transactions

Included within other creditors at the balance sheet date, is an amount owed of £419,839 (2018 - £415,399) to M L Hawkins, a director of the company, in respect of a loan. Interest charged in the year was £19,290 (2018 - £18,834).

At the balance sheet date, the company was owed £16,964,518 (2018 - £6,080,615) by Snap Finance Limited in respect of a loan. Interest earned in the year was £500,473 (2018 - £125,325).

At the balance sheet date, the company owed £17,241,441 (2018 - £6,374,440) to Snap Finance Holding LLC in respect of a loan. Interest charged in the year was £522,456 (2018 - £131,583).

11 Parent company

The parent company of Snap Finance UK (Group) Limited is Snap US Holdings LLC whose registered office is 1193 West 2400 South Salt Lake City, UT 84119, United States of America.

SNAP FINANCE UK (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

12 Prior period adjustment

Reconciliation of changes in equity

		1 January 2018	31 December 2018
	Notes	£	£
Adjustments to prior year			
Prior period adjustment to investment	a	359,243	3,230,418
Prior period adjustment to amortisation	b	8,191	-
Prior period adjustment to share capital	c	100	-
Prior period adjustments to prepayment	d	-	(126,482)
Total adjustments		367,534	3,103,936
Loss for the year as previously reported		-	(3,660,998)
Equity as previously reported		(448,596)	-
Equity restated as at 1 January 2018		-	(81,062)
Equity as adjusted		(81,062)	(638,124)

a) Prior year adjustment to investment

An adjustment has been made to correctly recognise the investment in Snap Finance Limited at cost in accordance with FRS 102. The impact of this adjustment and the other adjustments explained within this note has resulted in an adjustment to opening reserves at 1 January 2018 of £359,243 and an adjustment of £3,230,418 in the year to 31 December 2018. Opening reserves are therefore restated at £81,062 (debit) as at 1 January 2018 and £638,124 (debit) as at 31 December 2018.

b) Prior period adjustment to amortisation

An adjustment in respect of the amortisation charge has been made to correct the balance carried forward at 1 January 2018.

c) Prior period adjustment to share capital

An adjustment has been made to correctly recognise the share capital for the year ended 31 December 2018. This had a subsequent effect on the equity.

d) Prior period adjustments to prepayment

An adjustment in respect of legal fees which was incorrectly treated as a prepayment in the prior year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.