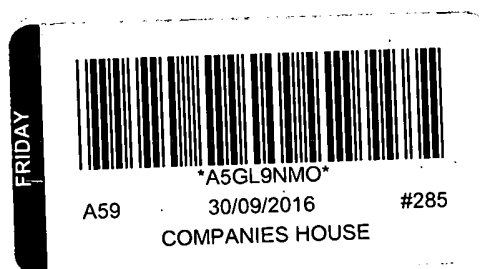


**George Banco.Com Limited**

**Audited Financial Statements  
Year Ended 31 December 2015**

**Registration number: 08804623**



# George Banco.Com Limited

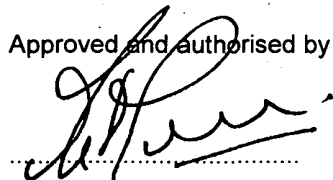
## Balance Sheet

31 December 2015

		31 December 2015 £	(As restated) 31 December 2014 £
	Note		
<b>Current assets</b>			
Debtors	4	13,000,627	3,528,977
Cash at bank and in hand		<u>1,114,387</u>	<u>145,532</u>
		14,115,014	3,674,509
<b>Creditors: Amounts falling due within one year</b>	5	<u>(7,109,064)</u>	<u>(1,474,212)</u>
<b>Total assets less current liabilities</b>		7,005,950	2,200,297
<b>Creditors: Amounts falling due after more than one year</b>	5	<u>(9,920,107)</u>	<u>(2,654,081)</u>
<b>Net liabilities</b>		<u>(2,914,157)</u>	<u>(453,784)</u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		<u>(2,914,158)</u>	<u>(453,785)</u>
<b>Total equity</b>		<u>(2,914,157)</u>	<u>(453,784)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The company has chosen not to deliver its profit and loss account.

Approved and authorised by the Board on 28.9.2016 and signed on its behalf by:



Mr Marc Howells

Director

Company Registration Number: 08804623

# **George Banco.Com Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2015**

### **1 General information**

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

The Blue Building  
Dairy House Farm  
Stubbs Lane  
Beckington  
Frome, Somerset  
BA11 6TE

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

#### **Change in basis of accounting and basis statement of compliance**

The company's financial statements have been prepared in accordance with FRS102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland. The company has transferred from previously extant UK GAAP to FRS102 as at 6 December 2013. The company have also taken advantage of the option to early adopt the provisions of the Companies, Partnerships and Groups (Accounts and Reports) regulations 2015 and therefore to apply the small companies regime under the Companies Act 2016. Consequently the company has adopted Section 1 A of FRS102 the Small Entities Disclosures. Comparatives have been restated, and an explanation of how transition to FRS102 has affected the reported financial position and financial performance is given in note 9.

Further to this there have been a number of errors identified in the previously reported results. Comparatives have been restated and explanations of how this has affected the previously reported results have been given in note 8.

## **George Banco.Com Limited**

### **Notes to the Financial Statements**

#### **Year Ended 31 December 2015**

##### **Going concern**

Notwithstanding the loss for the period of £2,460,373 (2014: £453,785) and net liabilities of £2,914,157 (2014: £453,784) the directors, having made all necessary enquires, have continued to adopt the going concern basis of preparation for the following reasons:

- The directors are satisfied that the loss recorded in both 2014 and 2015 was in line with their prudent accounting practices, funding available, and plans for the business, and were as anticipated in the start-up phase of the business.
- Subsequent to the financial year end the directors have negotiated significantly increased borrowing facilities on commercially sustainable terms which have a term in excess of 12 months from the date of approval of these financial statements. These facilities will enable the company to generate a significant increase in revenue which will drive profitability and a positive balance sheet position.
- The directors have reviewed, and are satisfied with, the financial performance of the company in the period up to the approval of these financial statements and are satisfied with both the profitable trading to date and the forecasted performance and position, with reference, also, to the financial covenants included in loan funding agreements.
- The company has, since 1 April 2014, been operating under an interim permissions licence issued by the Financial Conduct Authority ('FCA'). The directors are, having reviewed all related correspondence and completed the FCA application process, confident that a full regulatory licence will be issued to the company over the remainder of the 2016 financial year. The directors recognise that there can be no absolute certainty in this respect and in the unlikely event that full permissions were not received, and interim permissions withdrawn, there are contingency plans in place such that the business would continue to be able to meet its liabilities as they fall due for a period not less than 12 months thereafter.
- The directors are confident that the loan book held at the balance sheet date will generate revenue in excess of £11.3m in future periods.

##### **Revenue recognition**

Revenue is derived from interest received on loans provided to customers.

Interest is calculated, using an implicit rate of interest to take into account all transaction costs of obtaining the loan and fees charged to customers, on a monthly basis and accrued daily.

## **George Banco.Com Limited**

### **Notes to the Financial Statements**

#### **Year Ended 31 December 2015**

##### **Tax**

The company has incurred taxable losses. As a result no liability to tax has arisen.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax is not provided on the timing difference arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

# **George Banco.Com Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2015**

### **Financial instruments**

#### ***Classification***

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### ***Recognition and measurement***

Short and long term other debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment ("doubtful debts") are recognised in the profit and loss account before operating profit. Details on the carrying value of other debtors and creditors can be found within notes 4 and 5 respectively.

Where interest rates are quoted and loans provided to customers can be classified as basic financial instruments they are initially recorded at transaction price, including all relevant fees, and subsequently measured at amortised cost using the effective interest method.

Bank loans and borrowings

Loans which meet the criteria under FRS 102 to be classed as 'basic financial instruments' are initially recorded at transaction price and subsequently measured at amortised cost using the effective interest method. Details on the carrying value of bank loans and overdrafts can be found within note 6.

### **3 Loss before tax**

Auditor's remuneration is borne by the parent company. Fees of £6,900 (2014: £Nil) were recharged from the parent company for the audit of the financial statements - of which £2,000 related to the audit of the comparative information.

# George Banco.Com Limited

## Notes to the Financial Statements

Year Ended 31 December 2015

### 4 Debtors

	31 December 2015 £	(As restated) 31 December 2014 £
Other debtors	13,000,627	3,528,977
Less non-current portion	<u>(8,998,877)</u>	<u>(2,631,392)</u>
Total current trade and other debtors	<u>4,001,750</u>	<u>897,585</u>

#### Details of non-current trade and other debtors

£8,998,877 (2015 - £2,631,392) of amounts loaned to customers is classified as non current. This represents the capital element due from customers in greater than 1 year.

The impairment loss recognised in the profit and loss account for the year in respect of the movement of the bad and doubtful debt provision was £1,384,468 (2015: £399,067).

### 5 Creditors

	Note	31 December 2015 £	(As restated) 31 December 2014 £
<b>Due within one year</b>			
Loans and borrowings	6	5,224,769	1,430,502
Amounts due to related parties	7	1,884,225	43,710
Other creditors		<u>70</u>	<u>-</u>
		<u>7,109,064</u>	<u>1,474,212</u>
<b>Due after one year</b>			
Loans and borrowings	6	<u>9,920,107</u>	<u>2,654,081</u>

# George Banco.Com Limited

## Notes to the Financial Statements

Year Ended 31 December 2015

### 6 Loans and borrowings

	31 December 2015 £	(As restated) 31 December 2014 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	9,920,107	2,654,081
	31 December 2015 £	(As restated) 31 December 2014 £
<b>Current loans and borrowings</b>		
Bank borrowings	5,224,769	1,430,502

#### Bank borrowings

The trading facility is repayable in line with payments received from customers and are secured on the loans provided to customers.

### 7 Related party transactions

The company paid management charges to the parent company of £4,050,021 (2014: £423,414).

### 8 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is George Banco Limited, incorporated in England and Wales.

The ultimate controlling party is Mr Jeremy Thomas.



# **George Banco.Com Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2015**

### **9 Transition to FRS 102 and other prior year adjustments**

The company has adopted FRS102 for this first time. Also the directors have identified a number of incorrectly reported transactions in the previous year. Details of adjustments arising from the adoption of FRS102 and prior year restatements are given below:

Revenue received from customers has been recalculated using the implicit rate of interest on loans provided. In the previously reported results, the implicit rate of interest was not adjusted for administration fees charged on inception of loans made to customers. This has resulted in an increase to revenues reported in the prior year of £39,422 being an FRS102 transition adjustment. Further to this the interest income received from customers (revenue) was not accrued up until the final day of the year but to the latest payment made by the customer. As a result revenues previously reported in the prior year have increased by £70,652.

The customer loan book in the previously reported period did not have a sufficient provision for those loans that should have been deemed to be impaired under the company's doubtful debt provisioning policy. As shown in the reconciliation below the provision has increased by £399,067 in 2014.

In the previously reported results, a management charge payable to the parent company was not accrued into the period. This has now been included and resulted in a decrease to equity of £423,414.

Interest expense, was accrued at an incorrect rate in 2014, causing an overstatement of the cost and the subsequent accrual, resulting in an increase to equity of £29,887.

All amounts due to the company's funding provider were incorrectly classified as current liabilities in the previously reported results. An element of these loans provided were actually due in greater than one year. There has been no impact on the equity of this restatement.

In the previously reported balance sheet a bank account was erroneously recognised in the parent company's balance sheet instead of the company's balance sheet. A restatement has been provided below to correct this presentation. There has been no impact on the equity of this restatement.

## George Banco.Com Limited

### Notes to the Financial Statements

#### Year Ended 31 December 2015

##### Balance Sheet at 31 December 2014

	As originally reported £	Prior year restatement £	FRS102 adjustments £	As restated £
<b>Current assets</b>				
Debtors	4,316,004	(826,449)	39,422	3,528,977
Cash at bank and in hand	27,202	118,330	-	145,532
	<u>4,343,206</u>	<u>(708,119)</u>	<u>39,422</u>	<u>3,674,509</u>
Creditors: Amounts falling due within one year	<u>(4,114,470)</u>	<u>2,640,258</u>	<u>-</u>	<u>(1,474,212)</u>
Total assets less current liabilities	228,736	1,932,139	39,422	2,200,297
Creditors: Amounts falling due after more than one year	<u>-</u>	<u>(2,654,081)</u>	<u>-</u>	<u>(2,654,081)</u>
Net assets/(liabilities)	<u>228,736</u>	<u>(721,942)</u>	<u>39,422</u>	<u>(453,784)</u>
<b>Capital and reserves</b>				
Called up share capital	1	-	-	1
Profit and loss account	<u>228,735</u>	<u>(721,942)</u>	<u>39,422</u>	<u>(453,785)</u>
Total equity	<u>228,736</u>	<u>(721,942)</u>	<u>39,422</u>	<u>(453,784)</u>

##### 10 Statement on auditors' report pursuant to s444 5(B) to the Companies Act 2006

The financial statements for the year ended 31 December 2015 were audited by:

PKF Francis Clark  
Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

The senior statutory auditor was Nicholas Farrant BA MSc ACA.

An unqualified and unmodified auditors' report on the financial statements for the year ended 31 December 2015 has been issued.