

Company Registration No. 07959823

New Wave Capital Limited

Group annual report and financial statements

For the year ended 31 March 2019

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NEW WAVE CAPITAL LIMITED

COMPANY INFORMATION

Directors	George Karibian Juan Farrarons David Luck Anthony Faillace
Company secretary	Filex Services Limited No. 1, London Bridge London SE1 9BG
Registered office	No. 1 London Bridge London SE1 9BG
Solicitors	Howard Kennedy LLP No. 1 London Bridge London SE1 9BG
Bankers	HSBC Bank Plc 90 Baker Street London W1U 6AX Barclays Bank Plc Wembley and Park Royal Leicestershire Leicester LE97 2BB Lloyds TSB Bank Plc 1 Legg Street Essex CM1 1JS
Independent auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

NEW WAVE CAPITAL LIMITED
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NEW WAVE CAPITAL LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The directors present their Strategic Report on New Wave Capital Limited ("the Company") and its subsidiaries as shown in note 13 (together "the Group") for the year ended 31 March 2019.

Business review

The audited consolidated financial statements for the year ended 31 March 2019 are set out on pages 11 to 16. The profit for the financial year was £1,604,500 (2018: loss of £2,525,136) as shown in the consolidated statement of comprehensive income on page 11. At the reporting date, the Group is showing a net asset position of £11,629,271 (2018: £10,024,769). During the year, the Group increased the value of current debtors (which includes customer loan portfolio) by £67,864,659 (2018: £43,904,544) compared to the prior year. The Group's forecasts and projections demonstrate that the Group is able to operate within the level of its current facilities.

During the year, a number of amendments were made to the funding facilities held by Westbourne 2016 – 1 W R Limited, Westbourne 2016 – 3 Limited, and Westbourne 5 Limited (together, the "SPV subsidiaries"). The Group entered into a new £50m funding arrangement via Westbourne 5 Limited ("WB5 Facility Agreement") which is due for repayment in January 2022. The Group increased its funding arrangement via Westbourne 2016 – 1 WR Limited ("WB1 Facility Agreement") to £46m (2018: £43m) and extended the term of the agreement by 12 months to September 2022. Finally, the Group increased its funding arrangement via Westbourne 2016 – 3 Limited ("WB3 Facility Agreement") to £44m (2018: £25m) and extended the term of the agreement by 20 months to December 2023.

Principal risks and uncertainties

The Group is subject to principal risks and uncertainties as detailed below:

Impairment of financial assets and arrears

Decreased ability for our customers to repay monies borrowed could have a material impact on the Group's performance. This risk is monitored and managed through key performance indicators and reviewed by the senior management team on a monthly basis. Additionally, the Group works with debt recovery services to mitigate this risk. Based on all available information, the Group has no reason to expect a material increase in the level of arrears or impairment of financial assets.

Continued access to liquidity

In order to lend monies to UK small businesses, the Group requires access to debt capital markets. During the course of the year the Group has successfully raised debt finance and see no reason why they would not be able to secure further funding in the future.

Competition

Provision of finance is a competitive marketplace. Entrance of multiple and / or large competitors with significant financial resources could result in either reduced profitability or a reduced rate of market share capture. Management regularly monitor market competition and based on current levels, are expecting minimal profit margin compression.

Future developments

The Group will continue to focus on growing its offering to small businesses either in the UK or internationally, which will be achieved through leveraging our current operational capabilities. Management have access to sufficient liquidity and capital to achieve this objective through our existing funding partners.

As of the reporting date there remains uncertainty with regards to how any potential Brexit deal will impact the Group. The board of directors will continue to monitor the impact to the Group as Brexit discussions progress.

NEW WAVE CAPITAL LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

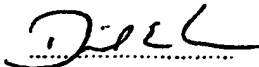
Key performance indicators

The directors manage the Group's operations on a departmental basis and monitor the ongoing performance of the business through a number of measures including:

- regular review of management accounts and variance analysis;
- receivable portfolio performance, including impairment of financial assets, arrears, utilisation and payment rates;
- new business volumes and marketing efficiency; and
- review of feedback from customers and how well their expectations are met.

During the financial year, the Group recorded an increase in the number of loan originations while maintaining stable levels of bad debt.

On behalf of the Board


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David Luck
Director

9 July 2019

NEW WAVE CAPITAL LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and the audited consolidated financial statements of the Group and the Company for the year ended 31 March 2019.

Principal activities

The principal activity of the Company and the Group continued to be that of lending short term unsecured finance to businesses. The Company will continue with these activities for the foreseeable future.

Directors

The Directors who held office at any time during the year and up to the date of signature of the financial statements were as follows:

- George Karibian
- Juan Farrarons
- David Luck
- Anthony Faillace

Results and dividends

The results for the financial year are set out on page 11. The profit for the financial year amounted to £1,604,500 (2018: loss of £2,525,136).

No ordinary dividends were paid (2018: £nil). The directors did not recommend a final dividend (2018: £nil).

Going concern

The performance of the Group is driven by the following primary factors:

- ability to cost efficiently originate new customers,
- management of portfolio performance, and
- continued access to debt financing.

After consideration of these factors and others, the Board of Directors believe the Group has sufficient financial resources to continue to build assets and its trajectory towards profitability, in each of its chosen markets for the foreseeable future.

Political and charitable donations

During the year, the Group did not make any political or charitable donations (2018: £nil).

Exemptions taken by the Directors

The Company is a qualifying entity for the purpose of FRS 102 and has elected to take advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in financial statements of the Parent, includes the Company's cash flows;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

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

NEW WAVE CAPITAL LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Financial risk management

The Group's activities expose it to a number of financial risks, as set out below:

Credit risk

The Group is subject to credit risk through potential customer non-performance. The Group has no significant concentrations of credit risk to a single obligor, industry or geographical region of the United Kingdom. The credit risk inherent in amounts receivable from customers is reviewed under impairment as described in note 3.14. Amounts shown in the Statement of Financial Position represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The Group continues to manage this risk through arranging access to a range of short to medium term funding facilities to meet its requirements and constant portfolio performance monitoring and underwriting.

During the financial year ended 31 March 2019, the Group drew down £86,505,000 of additional funding. Management believes that it will have access to sufficient liquidity to meet funding requirements in future years. The below table illustrates expected gross contractual cashflows under the existing funding facilities as at 31 March 2019.

	<u>On demand</u>	<u>Within 3 months, not on demand</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>Total</u>
Gross contractual cashflows	566,380	3,026,688	9,080,064	177,121,687	189,794,819

The above detailed gross contractual cashflows assumes the following: i) all funding facilities will be redeemed upon the expected maturity, ii) no alteration in interest rates, iii) all funding facilities are fully drawn.

Capital risks

Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company is subject to external capital requirements as set out below:

- minimum requirement under the Companies Act 2006, that is, the shares have a fixed nominal value and they are denominated in Sterling; and
- minimum requirements for purposes of EMI license, as reported to the FCA.

The Company has not breached any of its capital requirements in the year.

Interest rate risk

The Group's exposure to interest rate risk is minimal due to the short-term nature of its assets and the ability of the Group to reprice customer loans.

The Group and Company loan portfolio contains short term receivables that are linked to a fixed rate of interest, which the Group and Company are able to adjust upon 60 days-notice.

All funding arrangements outstanding at year-end reference a variable rate of interest, with the exception of shareholder loans. The funding arrangements of the SPV subsidiaries require interest to be paid according to one-month LIBOR plus a fixed margin. Given the ability of the Group to adjust the applicable interest rate of the loan portfolio, and the short-dated nature of these assets, the Company does not believe it is materially exposed to movements in interest rates.

NEW WAVE CAPITAL LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Company does not consider that it is exposed to significant interest rate risk due to its liabilities referencing one month LIBOR and the ability to reprice its assets with 60 days' notice. Management review any potential interest rate exposure on a periodic basis.

Currency risk

The Group and Company are not exposed to any material currency risk as the significant majority of transactions take place in sterling.

Third party indemnity provisions

As at the time of this report was approved and during the year, no qualifying third-party indemnity provision was in place for the benefit of one or more of the directors or one or more directors of a subsidiary companies.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appoint will be proposed at the Annual General Meeting.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

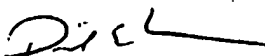
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 group and parent company and of the profit or loss of the Group and parent Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the Board



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David Luck
Director
9 July 2019

NEW WAVE CAPITAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW WAVE CAPITAL LIMITED
FOR THE YEAR ENDED 31 MARCH 2019**

Independent auditors' report to the members of New Wave Capital Limited

Report on the audit of the financial statements

Opinion

In our opinion, New Wave Capital Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2019 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Group annual report and financial statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 March 2019; the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated and Company statements of changes in equity for the year ended 31 March 2019; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 group's and 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

NEW WAVE CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW WAVE CAPITAL LIMITED

FOR THE YEAR ENDED 31 MARCH 2019

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

NEW WAVE CAPITAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW WAVE CAPITAL LIMITED
FOR THE YEAR ENDED 31 MARCH 2019**

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jessica Miller (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

9 July 2019

NEW WAVE CAPITAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Turnover	5	39,285,308	17,318,142
Cost of sales		(14,915,272)	(6,819,615)
Gross profit		24,370,036	10,498,527
Administrative expenses		(12,743,081)	(9,105,664)
Operating profit	6	11,626,955	1,392,863
Interest receivable and similar income		-	2,266
Interest payable and similar expenses	8	(10,138,206)	(4,064,640)
Profit/(loss) before taxation		1,488,749	(2,669,511)
Tax credit	9	115,751	144,375
Profit/(loss) for the financial year		1,604,500	(2,525,136)

The results shown above are derived from the Group's continuing operations.

There were no items of other comprehensive income in either the current or prior year.

The accounting policies and notes on pages 17 to 33 form an integral part of these financial statements.

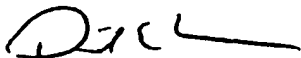
The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual Comprehensive Income Statement. The Company's profit for the year amounted to £1,603,700 (2018: loss of £2,525,136).

NEW WAVE CAPITAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	As at 31 March 2019 £	As at 31 March 2018 £
Fixed assets			
Intangible assets	10	44,026	56,729
Tangible assets	11	109,146	71,754
		<u>153,172</u>	<u>128,483</u>
Current assets			
Debtors	14	137,717,533	69,852,874
Cash at bank and in hand		3,051,851	2,987,918
Restricted cash	15	22,910,470	11,418,623
		<u>163,679,854</u>	<u>84,259,415</u>
Creditors: amounts falling due within one year	16	(11,063,097)	(4,680,635)
Net current assets		<u>152,616,757</u>	<u>79,578,780</u>
Total assets less current liabilities		<u>152,769,929</u>	<u>79,707,263</u>
Creditors: amounts falling due after more than one year	17	(141,140,658)	(69,682,494)
Net assets		<u>11,629,271</u>	<u>10,024,769</u>
Capital and reserves			
Called-up share capital	19	77	75
Irredeemable preference shares	19	93	93
Share premium account		23,830,408	23,830,408
Retained earnings		(13,805,807)	(11,280,871)
Profit/(loss) for the year		1,604,500	(2,525,136)
Total equity		<u>11,629,271</u>	<u>10,024,769</u>

The accounting policies and notes on pages 17 to 33 form an integral part of these financial statements.

The financial statements on pages 11 to 33 were approved by the Board of Directors and authorised for issue on 9 July 2019 and are signed on its behalf by:



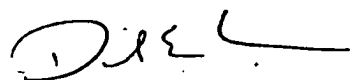
David Luck
Director

NEW WAVE CAPITAL LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	As at 31 March 2019 £	As at 31 March 2018 £
Fixed assets			
Intangible assets	10	44,026	56,729
Tangible assets	11	109,146	71,754
Investments	12	5	5
		<u>153,177</u>	<u>128,488</u>
Current assets			
Debtors	14	136,859,082	69,468,011
Cash at bank and in hand		<u>3,051,821</u>	<u>2,984,402</u>
		139,910,903	72,452,413
Creditors: amounts falling due within one year	16	(112,494,262)	(52,323,638)
Net current assets		27,416,641	20,128,775
Total assets less current liabilities		27,569,818	20,257,263
Creditors: amounts falling due after more than one year	17	(15,941,347)	(10,232,494)
Net assets		<u>11,628,471</u>	<u>10,024,769</u>
Capital and reserves			
Called-up share capital	19	77	75
Irredeemable preference shares	19	93	93
Share premium		23,830,408	23,830,408
Retained earnings		(13,805,807)	(11,280,671)
Profit/(loss) for the year		<u>1,603,700</u>	<u>(2,525,136)</u>
Total equity		<u>11,628,471</u>	<u>10,024,769</u>

The accounting policies and notes on pages 17 to 33 form an integral part of these financial statements.

The financial statements on pages 11 to 33 were approved by the board of directors and authorised for issue on 4 July 2019 and are signed on its behalf by:



David Luck
Director

NEW WAVE CAPITAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Called-up share capital £	Irredeemable preference shares £	Share premium £	Shareholders loan £	Retained earnings £	Total equity £
Balance as at 1 April 2017		65	64	10,830,438	10,403,400	(11,280,671)	9,953,296
Additions to shareholders loan		-	-	-	2,596,599	-	2,596,599
Issue of ordinary shares	19	10	-	-	-	-	10
Issue of irredeemable preference shares	19	-	29	12,999,970	(12,999,999)	-	-
(Loss) for the year		-	-	-	-	(2,525,136)	(2,525,136)
Balance as at 31 March 2018		<u>75</u>	<u>93</u>	<u>23,830,408</u>	<u>-</u>	<u>(13,805,807)</u>	<u>10,024,769</u>
Balance as at 1 April 2018		75	93	23,830,408	-	(13,805,807)	10,024,769
Issue of ordinary shares	19	2	-	-	-	-	2
Profit for the year		-	-	-	-	1,604,500	1,604,500
Balance as at 31 March 2019		<u>77</u>	<u>93</u>	<u>23,830,408</u>	<u>-</u>	<u>(12,201,307)</u>	<u>11,629,271</u>

NEW WAVE CAPITAL LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Called-up share capital £	Irredeemable preference shares £	Share premium £	Shareholders loan £	Retained earnings £	Total equity £
Balance as at 1 April 2017		65	64	10,830,438	10,403,400	(11,280,671)	9,953,296
Additions to shareholders loan		-	-	-	2,596,599	-	2,596,599
Issue of ordinary shares	19	10	-	-	-	-	10
Issue of irredeemable preference shares	19	-	29	12,999,970	(12,999,999)	-	-
(Loss) for the year		-	-	-	-	(2,525,136)	(2,525,136)
Balance as at 31 March 2018		<u>75</u>	<u>93</u>	<u>23,830,408</u>	<u>-</u>	<u>(13,805,807)</u>	<u>10,024,769</u>
Balance as at 1 April 2018		75	93	23,830,408	-	(13,805,807)	10,024,769
Issue of ordinary shares	19	2	-	-	-	-	2
Profit for the year		-	-	-	-	1,603,700	1,603,700
Balance as at 31 March 2019		<u>77</u>	<u>93</u>	<u>23,830,408</u>	<u>-</u>	<u>(12,202,107)</u>	<u>11,628,471</u>

NEW WAVE CAPITAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Cash flow from operating activities			
Net cash generated from operating activities	20	(53,352,248)	(41,852,938)
Interest paid		(9,571,826)	(3,439,817)
Tax credit received		115,751	144,375
Net cash generated from operating activities		(62,808,323)	(45,148,380)
Cash flow from investing activities			
Purchase of intangible assets		-	(69,432)
Purchase of tangible fixed assets		(91,014)	(23,911)
Interest received		-	2,266
Net cash generated from investing activities		(91,014)	(91,077)
Cash flow from financing activities			
Proceeds from issue of convertible shareholder loans		2,000,002	2,596,599
Proceeds from issue of shareholder loans		-	5,000,000
Proceeds from debt raised		100,229,533	50,933,394
Repayment of debt		(27,774,420)	(20,500,000)
Proceeds from issue of share capital (net of costs of issue)		2	-
Net cash generated from financing activities		74,455,117	38,029,993
Net increase/(decrease) in cash and cash equivalents		11,555,780	(7,209,464)
Cash and cash equivalents at the beginning of the year		14,406,541	21,616,005
Cash and cash equivalents at the end of the year		25,962,321	14,406,541
Cash and cash equivalents consist of:			
Cash at bank and in hand		3,051,851	2,987,918
Restricted cash	15	22,910,470	11,418,623
		25,962,321	14,406,541

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (b) not to present the Company statement of cash flows.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

New Wave Capital Limited (trading as 'Capital on Tap') is a private company limited by shares, registered and domiciled in England and Wales, registration number 07959823. The address of its registered office is No. 1 London Bridge, London, SE1 9BG.

2. Statement of compliance

The Group and individual financial statements of New Wave Capital Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), the Companies Act 2006, and an election was made to apply the recognition and measurement provisions of IAS 39 (as adopted for use in the EU).

3. Summary of significant accounting policies

3.1. Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and the provisions of FRS 102.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated. The Company's functional and presentation currency is pound sterling.

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

The preparation of financial statements in conformity with FRS 102 requires the application of critical accounting estimates. It also requires management to exercise its judgement in the process of applying group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

3.2. Going concern

The performance of the Group is driven by its ability to continue to cost efficiently originate new customers and robustly manage the performance of the portfolio, whilst also continuing its access to debt financing.

After consideration of these factors and others, the Board of Directors believe the Group has sufficient financial resources to continue to operate for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

3.3. Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Summary of significant accounting policies (continued)

3.4. Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertakings.

Subsidiaries are fully consolidated from the date on which control is transferred to the group, generally accompanying a shareholding of more than half of the voting rights. Where the Group owns less than half of the voting rights of an entity but controls the entity by other means as defined in the accounting standards, it accounts for that entity as a subsidiary.

Uniform accounting policies are adopted across the group, and profits/losses on intra group transactions are eliminated on consolidation.

3.5. Revenue recognition

The group's turnover comprises of two elements; interest revenue and fee revenue. Interest revenue represents interest received from borrowers. Fee revenue represents card interchange fees, annual membership fees and fees receivable from borrowers for the arrangement of finance.

Interest revenue is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the contracted life (or, where appropriate, a shorter period) of the loan back to the present value of the advance.

The Group grants loyalty awards to its customers that can be redeemed as a cashback or as a credit towards the outstanding balance on the customer's account. In accordance with FRS 102 paragraph 23.8, the Group accounts for the award credits as a separately identifiable component of the initial sales transaction. In determining the fair value of the awards granted, it is assumed that all loyalty points will be utilised in future periods. The value of the rewards granted is recognised as a reduction to interest revenue in the consolidated statement of comprehensive income.

All revenue recorded in the financial statements is generated in the UK and sourced from financing transactions, a breakdown of which is contained in note 5.

3.6. Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further obligations. The amount charged to profit or loss is the contributions payable in the year. Amounts not paid are shown in accruals in the Statement of Financial Position.

3.7. Taxation

The tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Summary of significant accounting policies (continued)

3.8. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Asset category	Estimated useful life
Software	3 years

Amortisation is included in administrative expenses in the profit and loss account.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired at a minimum of once a year.

3.9. Tangible assets

Tangible assets 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.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined as the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised in the consolidated statement of comprehensive income where the carrying value exceeds the recoverable amount.

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.

Asset category	Estimated useful life
Leasehold property improvements	3 years
Computer equipment	3 years
Fixture & fittings	3 years

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.

3.10. Investments

Investments 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 profit or loss.

3.11. Securitisation transactions

The parent has entered into certain arrangements where its subsidiaries have entered into funding arrangements with lenders in order to finance specific loans and advances to customers. As the parent has retained substantially all the risks and rewards of the underlying assets, such financial instruments continue to be recognised on its Statement of Financial Position, and a liability recognised for the proceeds of the funding transactions.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Summary of significant accounting policies (continued)

3.12. Financial Instruments

The Group has elected to apply the recognition and measurement provisions of IAS 39 (as adopted for use in the EU), the disclosure requirements of Section 11 and 12 of FRS 102 and the presentation requirements of paragraphs 11.38A or 12.25B of FRS 102 in respect of financial instruments.

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified as financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables, or held-to-maturity investments. The Group determines the classification of its financial assets at initial recognition.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

The only financial instruments held by the Group either during the year or at the reporting date are financial assets classified as loans and receivables and financial liabilities classified as other financial liabilities.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market and are not classified as available for sale or fair value through profit or loss. Loans and receivables are initially recognised at fair value. They are subsequently valued at amortised cost, using the effective interest method. Loans and receivables consist of loans and advances to customers and trade debtors.

b) Other financial liabilities

Other financial liabilities are initially recognised at fair value. They are subsequently stated at amortised cost, using the effective interest method.

3.13. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and 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.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Summary of significant accounting policies (continued)

3.14. Impairment of financial assets

Financial assets are assessed at the reporting date to identify whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

A provision for impairment of loans and advances is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Examples of indicators that an impairment provision may be required are:

- A due debtor payment is 90 days or more past due;
- Debtor insolvency and personal insolvency of the guarantor;
- Discovering the details, the Group have on the debtor are fraudulent;
- Discovering a debtor has a pre-existing or develops mental capacity limitations; or
- The Group reasonably believe that they will be unable to recover the full amount of an overdue debt.

Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

3.15. Share capital

Ordinary shares along with Series A, B and C preferred shares are classified as equity.

3.16. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

3.17. Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. Critical accounting estimates and areas of judgement

The key accounting judgements which the directors have made in the process of applying the group's accounting policies and which have the most significant effect on the amounts recognised in the financial statements are the judgements relating to revenue recognition and the impairment of loans and receivables as described in 3.5 and 3.14 above. The Directors consider there to be no other key sources of estimation uncertainty applied in the preparation of these financial statements.

The judgement relating to revenue recognition is the estimate of the effective interest rate applied for the subsequent measurement of loans and receivables after recognition. This estimate involves determining the expected amount and timing of repayments.

The judgement relating to impairment is the objective evidence required to trigger an impairment review for an account. The directors have decided that arrears by an amount greater than 90 days are subject to review for impairment as described within note 3.14.

5. Turnover

	2019	2018
	£	£
Interest revenue	35,230,423	15,901,355
Fee revenue	4,054,885	1,416,787
Total turnover	39,285,308	17,318,142

6. Operating profit

Operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Impairment of trade receivables	12,068,888	4,643,345
Amortisation of intangible assets	12,703	12,703
Depreciation tangible fixed assets	53,622	38,533
Impairment of tangible assets	-	14,898
Operating lease charges	722,249	230,720
Legal and professional fees	366,318	415,075
Fees payable to the Company's auditor for the audit of the Group's and Company's financial statements	56,500	36,000
Fees payable to the Company's auditor for the audit of the Company's subsidiaries	31,000	37,000
Fees payable to the Company's auditor for other services	-	20,000
Total amount payable to the Company's auditor	87,500	93,000

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Employees and directors

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

	2019	2018
	Number	Number
Sales and administration	<u>73</u>	<u>61</u>

Staff costs for the above persons were as follows:

	2019	2018
	£	£
Wages and salaries	3,734,533	3,117,485
Social security costs	443,598	346,087
Other pension cost	41,945	12,647
	<u>4,220,076</u>	<u>3,476,219</u>

Directors' emoluments were as follows:

	2019	2018
	£	£
Aggregate emoluments (including benefits in kind)	335,000	260,000
Contributions to defined contribution scheme	806	359
	<u>335,806</u>	<u>260,359</u>

No director exercised share options during the year (2018: nil). The highest paid director was paid £275,000 during the year (2018: £200,000). Key management is considered to be the directors of the company.

8. Interest payable and similar expenses

	2019	2018
	£	£
Interest payable on loans	9,386,401	3,757,417
Loan fees	751,805	307,223
Total interest payable and similar expenses	<u>10,138,206</u>	<u>4,064,640</u>

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. Income tax

The tax on the Group's loss before taxation differs from the theoretical amount that would arise using the rate of 19% (2018: 19%) as follows:

	2019	2018
	£	£
Profit/(loss) before taxation	1,488,749	(2,669,511)
Profit/(loss) multiplied by the standard rate of tax in the UK of 19% (2018: 19%)	282,862	(507,207)
Deferred tax utilised	(282,862)	-
Unrecognised deferred tax	-	507,207
R&D tax credit	115,751	144,375
Tax credit for the year	<u>115,751</u>	<u>144,375</u>

At the reporting date, the Group and Company held unrecognised deferred tax assets of £1,914,272 (2018: 2,197,134).

10. Intangible assets – Group and Company

	Software	Total
Cost		
At 1 April 2018	69,432	69,432
Additions	<u>-</u>	<u>-</u>
At 31 March 2019	<u>69,432</u>	<u>69,432</u>
Amortisation		
At 1 April 2018	12,703	12,703
Amortisation charged in the year	<u>12,703</u>	<u>12,703</u>
At 31 March 2019	<u>25,406</u>	<u>25,406</u>
Cost		
At 1 April 2017	-	-
Additions	<u>69,432</u>	<u>69,432</u>
At 31 March 2018	<u>69,432</u>	<u>69,432</u>
Amortisation		
At 1 April 2017	-	-
Amortisation charged in the year	<u>12,703</u>	<u>12,703</u>
At 31 March 2018	<u>12,703</u>	<u>12,703</u>
Carrying amount		
At 31 March 2019	<u>44,026</u>	<u>44,026</u>
At 31 March 2018	<u>56,729</u>	<u>56,729</u>

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Tangible assets – Group and Company

	Leasehold property improvements	Computer equipment	Fixtures and fittings	Total
Cost				
At 1 April 2018	63,379	183,706	63,130	310,215
Additions	-	75,698	15,316	91,014
At 31 March 2019	<u>63,379</u>	<u>259,404</u>	<u>78,446</u>	<u>401,229</u>
Depreciation				
At 1 April 2018	63,379	147,128	27,954	238,461
Depreciation charged in the year	-	17,214	36,408	53,622
At 31 March 2019	<u>63,379</u>	<u>164,342</u>	<u>64,362</u>	<u>292,083</u>
Cost				
At 1 April 2017	63,379	169,959	52,966	286,304
Additions	-	13,747	10,164	23,911
At 31 March 2018	<u>63,379</u>	<u>183,706</u>	<u>63,130</u>	<u>310,215</u>
Depreciation				
At 1 April 2017	41,887	125,074	18,069	185,030
Depreciation charged in the year	21,492	22,054	9,885	53,431
At 31 March 2018	<u>63,379</u>	<u>147,128</u>	<u>27,954</u>	<u>238,461</u>
Carrying amount				
At 31 March 2019	<u>-</u>	<u>95,062</u>	<u>14,084</u>	<u>109,146</u>
At 31 March 2018	<u>-</u>	<u>36,578</u>	<u>35,176</u>	<u>71,754</u>

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. Fixed asset investments

Company	Note	2019 £	2018 £
Investments in subsidiaries	13	5	5

13. Subsidiary undertakings

Details of the Company's subsidiaries are as follows:

Name	Address of the registered office	Nature of business	Class of shares held	% Direct interest held
Westbourne 2016 - 1 WR Limited ("WB1")	•	Funding vehicle	Ordinary	100
Westbourne 2016 - 2 W Limited ("WB2")	•	Dormant	Ordinary	100
Westbourne 2016 - 3 Limited ("WB3")	•	Funding vehicle	Ordinary	100
Westbourne 4 Limited ("WB4")	•	Dormant	Ordinary	100
Westbourne CM Limited ("WBCM")	•	Cash management	Ordinary	100
Westbourne 5 Limited ("WB5") ***	**	Funding vehicle	-	-

*Registered offices: 70 Wilson Street, London EC2A 2DB.

**Registered office: 11th Floor 200 Aldersgate Street, London, EC1A 4HD.

***The Company and its subsidiaries do not own directly, or indirectly, any of the share capital of Westbourne 5 Limited, however it is consolidated by the Group because the substance of the relationship indicates control.

The audit exemption for qualifying subsidiaries has been taken for WBCM, as detailed in section 479A of the Companies Act 2006.

In addition, the audit exemption for dormant companies has been taken for WB2 and WB4, as detailed in section 480 of the Companies Act 2006.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	135,686,467	69,092,917	135,686,467	69,092,917
Amounts owed by group undertakings	-	-	-	3,565
Other debtors	325,462	210,228	325,458	210,228
Prepayments and accrued income	1,705,604	549,729	847,157	161,301
	<u>137,717,533</u>	<u>69,852,874</u>	<u>136,859,082</u>	<u>69,468,011</u>
Loans and receivables due from customers:				
Unsecured business credit	<u>135,686,467</u>	<u>69,092,917</u>	<u>135,686,467</u>	<u>69,092,917</u>

As at 31 March 2019, loans and receivables due from customers of £8,469,993 (2018: £3,375,711) were past due but not impaired.

The ageing analysis of trade debtors is as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Not past due	127,216,474	65,717,206	127,216,474	65,717,206
Past due but not impaired:				
Up to 30 days past due	4,520,074	1,799,489	4,520,074	1,799,489
30 to 60 days past due	2,037,254	944,593	2,037,254	944,593
60 to 90 days past due	1,912,665	631,629	1,912,665	631,629
	<u>8,469,993</u>	<u>3,375,711</u>	<u>8,469,993</u>	<u>3,375,711</u>
	<u>135,686,467</u>	<u>69,092,917</u>	<u>135,686,467</u>	<u>69,092,917</u>

Past due are the amounts due from customers where contractual repayments have been missed.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

The table below provides a summary of total trade debtors, including impaired assets.

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Loans and receivables:				
amounts due from customers				
Amounts due from customers not impaired	135,686,467	69,092,917	135,686,467	69,092,917
Impaired assets	<u>5,730,262</u>	<u>6,622,839</u>	<u>5,730,262</u>	<u>6,622,839</u>
Total amount due from customers	141,416,729	75,715,756	141,416,729	75,715,756
Impaired assets				
Not yet past due	7,415	-	7,415	-
Up to 3 months past due	2,887	3,230	2,887	3,230
Between 3 and 6 months past due	2,260,893	1,442,298	2,260,893	1,442,298
Between 6 months and 1 year past due	2,107,680	2,575,563	2,107,680	2,575,563
Over 1 year past due	<u>1,351,387</u>	<u>2,601,748</u>	<u>1,351,387</u>	<u>2,601,748</u>
Total impaired assets	5,730,262	6,622,839	5,730,262	6,622,839
Allowance account for impairments				
As at 1 April	6,622,839	3,824,829	6,622,839	3,824,829
Reduction in allowances during the year	(892,577)	4,777,505	(892,577)	4,777,505
Amounts written off during the year as uncollectable	-	<u>(1,979,495)</u>	-	<u>(1,979,495)</u>
As at 31 March	<u>5,730,262</u>	<u>6,622,839</u>	<u>5,730,262</u>	<u>6,622,839</u>

The Group and Company recognised impairments of £12.1m in the current financial year (2018: £4.8m).

15. Restricted cash

Certain cash balances held by New Wave Capital Limited's subsidiaries are restricted in their use, as defined in the SPV Facility Agreements.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

16. Creditors: amounts falling due within one year

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	1,013,759	389,554	1,014,614	389,554
Amounts owed to group undertakings	-	-	101,894,063	47,917,288
Shareholder loans	7,148,364	3,225,032	7,148,364	3,225,032
Other taxation and social security	191,349	643	191,349	643
Other creditors	846,335	371,202	846,335	371,207
Accruals and deferred income	<u>1,863,290</u>	<u>694,204</u>	<u>1,399,537</u>	<u>419,914</u>
	<u>11,063,097</u>	<u>4,680,635</u>	<u>112,494,262</u>	<u>52,323,638</u>

Amounts owed to group undertakings include the following deemed loan amounts relating to securitisation transactions:

Company	2019 £	2018 £
WB1 deemed loan	29,068,698	27,185,436
WB3 deemed loan	40,584,505	20,731,852
WB5 deemed loan	<u>32,240,860</u>	<u>-</u>
	<u>101,894,063</u>	<u>47,917,288</u>

17. Creditors: amounts falling due after more than one year

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Shareholders loans	1,037,347	2,034,296	1,037,347	2,034,296
Loans	<u>140,103,311</u>	<u>67,648,198</u>	<u>14,904,000</u>	<u>8,198,198</u>
	<u>141,140,658</u>	<u>69,682,494</u>	<u>15,941,347</u>	<u>10,232,494</u>

Loans relate to amounts payable under the SPV Facility Agreements to funders. Details of amounts payable under each facility agreement are set out below:

Group	Maturity date	Variable / Fixed	2019 £	2018 £
WB1 facility agreement	Sep 2020	Variable	46,368,000	37,950,000
WB3 facility agreement	Dec 2023	Variable	43,035,581	21,500,000
WB5 facility agreement	Dec 2021	Variable	35,795,730	-

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Company	Maturity date	Variable / Fixed	2019 £	2018 £
Mezzanine facility agreement	Sep 2020	Variable	14,904,000	8,198,198

The WB1 and WB3 Facility Agreements are secured by both a Share Charge and Debenture in WB1 and WB3 respectively. The Mezzanine Facility Agreement is secured against the Company's right to receive deferred consideration and excess spread from WB1.

The Company has not defaulted on principal, interest or had any other breaches with respect to its liabilities during the year.

18. Retirement benefits schemes

The Group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Group charged to profit or loss amounted to £41,945 (2018: £12,647).

19. Share capital

Group and Company authorised share capital

	2019		2018	
	Number	£	Number	£
Ordinary Shares of 0.001p each	80,000,000	800	80,000,000	800
A Preferred Shares of 0.001p each	5,000,000	50	5,000,000	50
B Preferred Shares of 0.001p each	5,000,000	50	5,000,000	50
C Preferred Shares of 0.001p each	10,000,000	100	10,000,000	100
	<u>100,000,000</u>	<u>1,000</u>	<u>100,000,000</u>	<u>1,000</u>

Allotted, called up share capital

	2019		2018	
	Number	£	Number	£
Ordinary shares				
Ordinary Shares of 0.001p each	<u>7,700,336</u>	<u>77</u>	<u>7,476,905</u>	<u>75</u>
Preference shares				
A Preferred Shares of 0.001p each	3,824,239	38	3,824,239	38
B Preferred Shares of 0.001p each	1,390,269	14	1,390,269	14
C Preferred Shares of 0.001p each	<u>4,111,889</u>	<u>41</u>	<u>4,111,889</u>	<u>41</u>
	<u>9,326,397</u>	<u>93</u>	<u>9,326,397</u>	<u>93</u>

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

All shares rank *pari passu* with respect to voting rights but constitute separate classes of shares.

Any dividend payment made with respect to Preferred Shares is made in cash out of funds legally available for such purpose in the following order of priority:

- first, to the holders of A Preferred Shares at 15% per annum of the Stated Value of the A Preferred Shares plus all accrued and unpaid dividends;
- second, to the holders of C Preferred Shares, a fixed preferential dividend ("C Preferred Dividend") at an annual rate of 10% of the Original Subscription Price;
- the holders of B Preferred Shares are not entitled to receive dividends in respect of their shares.

In the event of liquidation, the holders of Preferred Shares shall in aggregate be entitled to receive, prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Ordinary Shares in the order of priority being first to the holders of the C Preferred Shares, second to the holders of the B Preferred Shares and third to the holders of the A Preferred Shares.

Any holder of C Preferred Shares may at any time require conversion of all of the C Preferred Shares into Ordinary Shares.

20. Notes to the cash flow statement

		2019	2018
	Note	£	£
Profit/(loss for the financial year)		1,604,500	(2,525,136)
Adjustments for:			
Tax credit	9	(115,751)	(144,375)
Finance costs	8	10,138,206	4,064,640
Investment income		-	(2,266)
Amortisation of intangible asset	10	12,703	12,703
Depreciation and impairment of tangible asset	11	53,622	53,431
		<u>11,693,280</u>	<u>1,458,997</u>
Movements in working capital:			
Increase in debtors		(67,864,659)	(43,904,534)
Increase in creditors		2,819,131	592,599
Cash flow from operating activities		<u>(53,352,248)</u>	<u>(41,852,938)</u>

NEW WAVE CAPITAL LIMITED
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21. Capital and other commitments

New Wave Capital Limited has guaranteed the performance of WB1 in meeting all financial commitments of WB1 under the terms of the agreed WB1 Facility Agreement and up to £10m financial performance of WB3 under WB3 Facility Agreement.

The Company and the Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019	2018
	£	£
Within one year	1,812,024	419,100
Between one and five years	<u>402,672</u>	<u>1,020,223</u>
	<u>2,214,696</u>	<u>1,439,323</u>

22. Related party transactions

The Company has taken the exemption conferred by FRS 102 Section 33 "Related Party Disclosures" paragraph 33.1A, not to disclose transactions with subsidiary companies that are wholly owned. There are no other significant related party transactions. Disclosure is not required of any transactions or balances between group entities provided the subsidiary which is party to the transaction is wholly owned.

As at the reporting date, shareholder loans owed by the Company totalled £8.2m (2018: £5.3m). A full breakdown of shareholder loans is included below.

	Group	Company
	£	£
Balance at 1 April 2017	10,403,400	10,403,400
Borrowing during the year	7,596,599	7,596,599
Interest accrued on borrowing	259,328	259,328
Conversion to C preferred shares	<u>(12,999,999)</u>	<u>(12,999,999)</u>
Balance at 31 March 2018	5,259,328	5,259,328
Borrowing during the year	2,000,002	2,000,002
Interest accrued on borrowing	926,381	926,381
Balance at 31 March 2019	<u>8,185,711</u>	<u>8,185,711</u>

The outstanding balance owed by the Company to related entities at the reporting date is set out below:

	Company
	£
Amounts owed to Westbourne 5 Limited	32,240,860

NEW WAVE CAPITAL LIMITED
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23. Controlling party

No single person or beneficiary either owns 50% or more of the share capital or has the ability to control the Company. As such the directors do not consider there to be an ultimate controlling party.

24. Events after the end of the reporting period

There have been no significant events after the end of the reporting period that would materially impact the accounts.