

Company Registration No. 07959823

New Wave Capital Limited

Group annual report and financial statements

For the year ended 31 March 2021



NEW WAVE CAPITAL LIMITED

COMPANY INFORMATION AND INDEPENDENT AUDITORS

Directors	George Karibian Juan Farrarons David Luck Anthony Faillace Andrew Roberto
Company secretary	Filex Services Limited No.1, London Bridge London SE1 9BG
Registered office	No.1 London Bridge London SE1 9BG
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 2021

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 2021.

Business review and principal activities

The principal activity of the Company and Group is providing short term finance solutions to small and medium sized businesses. Having previously operated solely in the UK, in 2019 the business expanded its operations into Spain through a new subsidiary, Capital On Tap Iberia.

The year ended 31 March 2021 provided a unique challenge for the business as it looked to secure itself against the impacts and uncertainties created by the coronavirus pandemic whilst also charting a course for continued growth in what has been an unpredictable macro environment.

In June 2020 the New Wave Capital Limited became an accredited lender of the British Business Bank, allowing the UK business to provide support to both new and existing customers under the coronavirus business interruption and bounce-back loan schemes. This helped the Company provide much-needed capital to small businesses in the year, with the government guaranteeing the recoverability of amounts advanced under each scheme at 80% and 100% respectively.

The UK portfolio fell in the first quarter as the UK business looked to secure itself in the early days of the pandemic, with the following three quarters showing sustained portfolio growth. As of the reporting date, the UK portfolio totalled £249.8m (2020: £257.1m).

The UK returned a profit for the year of £10.3m (2020: £11.2m), demonstrating the strong fundamentals of the business with continued profitability achieved despite a challenging operating environment.

The Spanish business returned a loss for the year of £0.5m (2020: loss of £0.7m), as it continues to grow its portfolio with a view to profitability in future years.

Finally, the Group continued its international expansion in the year through the incorporation of New Wave Card Inc, which began trading in March 2021.

Overall, the Group made a profit for the financial year of £8.6m (2020: profit of £10.6m), as shown in the consolidated statement of comprehensive income on page 13.

As of the reporting date the impact of the coronavirus pandemic on the global economy still represents a source of uncertainty for businesses worldwide. The board of directors actively monitor the risk of any potential impact of the pandemic on the business' performance and seeks to proactively manage any identified risks.

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.

The impact of the coronavirus pandemic on the national and international economy impacts upon this principal risk, as the recoverability of loans in the portfolio may be affected by changes to the macroeconomic environment in which customers operate. In addition, the UK's decision to leave the EU continues to create economic and other uncertainties about both the process and its consequences which represent risks that may affect borrowers' ability to service their debt. A more detailed review of the impact of the coronavirus pandemic and Brexit on the Group and how the Group has worked to mitigate this impact can be found in note 3.2 of the notes to the financial statements.

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

To support its portfolio, the Group requires access to debt capital markets. The business maintains adequate future funding commitments in its existing facilities to finance the future growth of the business and see no reason why they would not be able to secure further funding in the future.



NEW WAVE CAPITAL LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

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 and medium sized businesses in the UK and 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.

The impact of the coronavirus pandemic on the economy at both a national and international level is fluid, as countries work to reduce lockdown measures whilst simultaneously keeping the rate at which the virus propagates within tolerable levels. While the extent and duration of the effect of the pandemic to businesses remains unclear, there is a risk of financial instability for the Group during this period.

Additionally, the UK left the European Union ("EU") at 23:00 GMT on 31 January 2020 and the 11-month transition period ended on the 31 December 2020. This decision to leave the EU continues to create economic and other uncertainties about both the process and its consequences which represent risks that may affect borrowers' ability to service their debt. Although there is no evidence at present that Brexit has adversely affected the Group's activities, the uncertainty in relation to the impact on the UK and EU economies increases and this may in the future impact the Group's operations.

The impacts of the coronavirus pandemic and Brexit represents the key risks to the Group's future performance foreseen by the Directors at the reporting date. The Group continues to monitor the potential impact of these events on the future performance of the business through its existing financial risk management framework, as described further in the Directors' Report.

Finally, the Group's existing financing facilities reference LIBOR in calculation of the interest payable on drawn amounts. Whilst LIBOR is the current benchmark upon which reliance is placed, by the end of 2021 it will no longer be in use, following its replacement by SONIA. As such, the directors will work with the relevant transaction parties to determine the changes that may be required in the documentation to transition away from LIBOR to an agreed benchmark. The costs of such a transition will be ultimately borne by Company.

Section 172(1) statement

Section 172 of the Companies Act 2006 requires directors to act in a way that would most likely promote the success of the company for the benefit of its members as a whole. Section 172 requires directors to consider, amongst other matters, the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging our section 172 duties the directors have regard to the matters set out above.

The directors delegate day-to-day management of the Company to key employees and then work with management in setting, approving and overseeing business strategies and related policies. Board meetings are held periodically where the directors consider the Company's activities and make decisions. As a part of those meetings the directors receive information in a range of different formats to ensure that they have regard to section 172 matters when making relevant decisions.

The Company's key stakeholders are its customers, employees, suppliers, regulators, Government agencies, and non-governmental organisations. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the Directors when making relevant decisions.

In accordance with section 426b of the Companies Act 2006 a copy of this statement is available at www.capitalontap.com/en/s172.

NEW WAVE CAPITAL LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

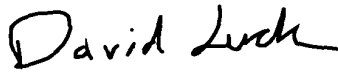
Key performance indicators

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 total portfolio net of impairments decreased to £249.8m from £257.1m, while impairments on bad debt also decreased in the year to £15.2m from £23.1m in the prior year.

Approved on behalf of the Board.



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David Luck

Director

24 June 2021

NEW WAVE CAPITAL LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and the audited consolidated financial statements of the Group and the Company for the year ended 31 March 2021.

Principal activities

The principal activity of the Company and Group continued to be that of lending short term finance to businesses. The Company will continue with these activities for the foreseeable future. Additional detail about principal activities and future developments is contained in the strategic report.

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
- Andrew Roberto (appointed 6th October 2020)

Results and dividends

The results for the financial year are set out on page 13. The Group's profit for the financial year amounted to £8.6m (2020: profit of £10.6m). The Company's profit for the year amounted to £10.3m (2020: profit of £11.2m).

No ordinary dividends were paid (2020: £nil). The directors did not recommend a final dividend (2020: £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.

The coronavirus pandemic represents a risk to each of these primary factors, and so has been a key point of consideration when determining the business' future performance.

Furthermore, the UK's decision to leave the EU continues to create economic and other uncertainties about both the process and its consequences which represent risks that may affect borrowers' ability to service their debt.

A more detailed review of the impact of both the pandemic and Brexit on the business can be found in note 3.2 to the financial statements.

After consideration of all relevant factors, the Board of Directors believe the Group has sufficient financial resources to continue to build assets and remain profitable for the foreseeable future.

Political and charitable donations

During the year, the Group did not make any political or charitable donations (2020: £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 Company statement of comprehensive income, per Section 408 of the Companies Act
- from preparing a Company statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the consolidated 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;
- from disclosing transactions with subsidiary companies that are wholly owned, as required by FRS 102 Section 33 "Related Party Disclosures" paragraph 33.1A.

NEW WAVE CAPITAL LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

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 either in the United Kingdom or overseas. The credit risk inherent in amounts receivable from customers is reviewed under impairment as described in note 3.16.

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 manages liquidity 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.

The below table illustrates expected gross contractual cashflows under the existing funding facilities as at 31 March 2021.

	<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 (£'000s)	972	5,078	15,234	352,433	373,717

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, and iii) all funding facilities are fully drawn.

Capital risks

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

The Company and its subsidiaries are 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 Group 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's loan portfolios contain short term receivables that are linked to a fixed rate of interest, which are adjustable 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 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 Group does not believe it is materially exposed to movements in interest rates.

The Group 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.

The Group's existing financing facilities reference LIBOR in calculation of the interest payable on drawn amounts. Whilst LIBOR is the current benchmark upon which reliance is placed, by the end of 2021 it will no longer be in use, following its replacement by SONIA. As such, the directors will work with the relevant transaction parties to determine the changes that may be required in the documentation to transition away from LIBOR to an agreed benchmark.

NEW WAVE CAPITAL LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Currency risk

The Group is exposed to currency risk in relation to its Spanish and US businesses, whose functional currency is Euros and US Dollars respectively. Natural hedges in these subsidiaries limit the amount to which the Group is exposed to fluctuations in exchange rates, with the uncovered amount equal to the net assets of the entities. The level of exposure is monitored monthly, with appropriate strategies planned to be implemented as the businesses continue to grow should this uncovered exposure exceed tolerable levels.

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 company.

Streamlined Energy and Carbon Reporting (SECR)

The Company is out of scope of the Streamlined Energy and Carbon Reporting (SECR), as it does not meet the numerical thresholds in relation to turnover and number of employees.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP have confirmed their willingness to continue in office.

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 the 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, 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 company and of the profit or loss of the group 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 company will continue in business.

The directors are also responsible for safeguarding the assets of the group and 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's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

NEW WAVE CAPITAL LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

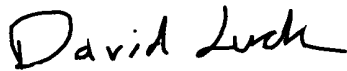
Directors' confirmations

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's 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's and company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved on behalf of the Board



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David Luck

Director

24 June 2021

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 parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's and parent company's profit and the group's 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 2021; 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 then ended; 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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 parent 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, 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 parent 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 parent 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.

~~Irregularities, including fraud, are instances of non-compliance with laws and regulations.~~ We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Financial Conduct Authority's regulations under the Financial Services and Markets Act 2000, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Making inquiries with those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Testing journals using a risk-based approach and evaluating whether there was evidence of bias;
- Reading key correspondence with the Financial Conduct Authority; and
- Review of minutes of director meetings occurring during the year and enquiries of management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 parent 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 obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent 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 parent 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

28 June 2021

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NEW WAVE CAPITAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Year ended 31-Mar-21 £'000s	Year ended 31-Mar-20 £'000s
Turnover	5	73,601	72,486
Cost of sales		<u>(20,282)</u>	<u>(26,750)</u>
Gross profit		53,319	45,736
Administrative expenses		<u>(22,865)</u>	<u>(16,825)</u>
Operating profit	6	30,454	28,911
Interest payable and similar expenses	8	<u>(19,563)</u>	<u>(18,043)</u>
Profit before taxation		10,891	10,868
Tax charge	9	<u>(2,311)</u>	<u>(262)</u>
Profit for the financial year		8,580	10,606
Exchange differences on translation of foreign operations		<u>111</u>	<u>(13)</u>
Total comprehensive income for the year		8,691	10,593
Total comprehensive income for the year attributable to:			
Owners of the parent		8,689	10,591
Non-controlling interests		2	2

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

The accounting policies and notes on pages 19 to 36 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 £10.3m (2020: profit of £11.2m).

NEW WAVE CAPITAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	As at 31-Mar-21 £'000s	As at 31-Mar-20 £'000s
Fixed assets			
Intangible assets	10	-	15
Tangible assets	11	428	191
		<u>428</u>	<u>206</u>
Current assets			
Debtors	14	255,086	261,370
Cash at bank and in hand		12,213	3,474
Restricted cash	15	24,951	30,142
		<u>292,250</u>	<u>294,986</u>
Creditors: amounts falling due within one year	16	(21,915)	(18,117)
		<u>270,335</u>	<u>276,869</u>
Net current assets		270,335	276,869
		<u>270,763</u>	<u>277,075</u>
Total assets less current liabilities		270,763	277,075
Creditors: amounts falling due after more than one year	17	(239,837)	(254,840)
		<u>30,926</u>	<u>22,235</u>
Net assets		30,926	22,235
Capital and reserves			
Called up share capital	19	-	-
Irredeemable preference shares	19	-	-
Share premium account		23,830	23,830
Accumulated losses		(1,595)	(12,201)
Foreign exchange translation reserve		98	(13)
Profit for the financial year		8,578	10,606
Total equity attributable to owners of the parent		<u>30,911</u>	<u>22,222</u>
Non-controlling interests		15	13
Total equity		<u>30,926</u>	<u>22,235</u>

The accounting policies and notes on pages 19 to 36 form an integral part of these financial statements.

The financial statements on pages 13 to 36 were approved by the board of directors and authorised for issue 24 June 2021 and are signed on its behalf by:

David Luck

David Luck

Director

24 June 2021

NEW WAVE CAPITAL LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	As at 31-Mar-21 £'000s	As at 31-Mar-20 £'000s
Fixed assets			
Intangible assets	10	-	15
Tangible assets	11	428	191
Investments	12	3	3
		<u>431</u>	<u>209</u>
Current assets			
Debtors	14	256,876	261,803
Cash at bank and in hand		12,212	4,170
Restricted cash	15	1,529	-
		<u>270,617</u>	<u>265,973</u>
Creditors: amounts falling due within one year	16	(236,830)	(242,642)
		<u>33,787</u>	<u>23,331</u>
Net current assets		33,787	23,331
		<u>34,218</u>	<u>23,540</u>
Creditors: amounts falling due after more than one year	17	(1,119)	(720)
		<u>33,099</u>	<u>22,820</u>
Net assets		33,099	22,820
Capital and reserves			
Called up share capital	19	-	-
Irredeemable preference shares	19	-	-
Share premium account		23,830	23,830
Accumulated losses		(1,010)	(12,202)
Profit for the financial year		10,279	11,192
Total equity		33,099	22,820

The accounting policies and notes on pages 19 to 36 form an integral part of these financial statements.

The financial statements on pages 13 to 36 were approved by the board of directors and authorised for issue on 24 June 2021 and are signed on its behalf by:



David Luck

Director

24 June 2021

NEW WAVE CAPITAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Called up share capital £'000s	Irredeemable preference shares £'000s	Share premium account £'000s	Foreign exchange reserve £'000s	Accumulated losses / Retained earnings £'000s	Non- controlling interests £'000s	Total equity £'000s
Balance as at 1 April 2019		-	-	23,830	-	(12,201)	-	11,629
Increase in non-controlling interests		-	-	-	-	-	13	13
Profit for the financial year		-	-	-	-	10,606	-	10,606
Foreign exchange translation difference		-	-	-	(13)	-	-	(13)
Balance as at 31 March 2020		-	-	23,830	(13)	(1,595)	13	22,235
Balance as at 1 April 2020		-	-	23,830	(13)	(1,595)	13	22,235
Profit for the financial year		-	-	-	-	8,578	2	8,580
Foreign exchange translation difference		-	-	-	111	-	-	111
Balance as at 31 March 2021		-	-	23,830	98	6,983	15	30,926

NEW WAVE CAPITAL LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEARENDED 31 MARCH 2021

	Note	Called up share capital £'000s	Irredeemable preference shares £'000s	Share premium account £'000s	Accumulated losses / Retained earnings £'000s	Total equity £'000s
Balance as at 1 April 2019		-	-	23,830	(12,202)	11,628
Profit for the financial year		-	-	-	11,192	11,192
Balance as at 31 March 2020		-	-	23,830	(1,010)	22,820
Balance as at 1 April 2020		-	-	23,830	(1,010)	22,820
Profit for the financial year		-	-	-	10,279	10,279
Balance as at 31 March 2021		-	-	23,830	9,269	33,099

NEW WAVE CAPITAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Year ended 31-Mar-21 £'000s	Year ended 31-Mar-20 £'000s
Cash flow from operating activities			
Net cash generated from / (used in) operating activities	20	37,275	(90,321)
Interest paid		<u>(18,590)</u>	<u>(17,050)</u>
Net cash generated from / (used in) operating activities		18,685	(107,371)
Cash flow from investing activities			
Investment in intangible assets	10	-	(15)
Purchase of tangible fixed assets	11	<u>(394)</u>	<u>(147)</u>
Net cash used in investing activities		(394)	(162)
Cash flow from financing activities			
Change in non-controlling interest		-	13
Proceeds from debt raised		21,596	158,453
Repayment of debt		<u>(36,450)</u>	<u>(43,266)</u>
Net cash (used in) / generated from financing activities		(14,854)	115,200
Net increase in cash and cash equivalents		<u>3,437</u>	<u>7,667</u>
Foreign exchange translation adjustment		<u>111</u>	<u>(13)</u>
Cash and cash equivalents at the beginning of the year		<u>33,616</u>	<u>25,962</u>
Cash and cash equivalents at the end of the year		<u>37,164</u>	<u>33,616</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		12,213	3,474
Restricted cash	15	<u>24,951</u>	<u>30,142</u>
		<u>37,164</u>	<u>33,616</u>

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 a Company statement of cash flows.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 Company 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.

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 as modified by the recognition of certain financial assets and liabilities measured at fair value, in accordance with the Companies Act 2006 and the provisions of FRS 102.

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.

The impact of the coronavirus pandemic on the economy at both a national and international level is fluid, as countries work to reduce lockdown measures whilst simultaneously keeping the rate at which the virus propagates within tolerable levels.

Additionally, the UK's decision to leave the EU continues to create economic and other uncertainties about both the process and its consequences which represent risks that may affect borrowers' ability to service their debt. Although there is no evidence at present that Brexit has adversely affected the Group's activities, the uncertainty in relation to the impact on the UK and EU economies increases and this may in the future impact the Group's operations.

Unrestricted cash balances held can be used to mitigate the effect of economic downturns should they occur either as a result of the pandemic or Brexit and allow settlement of the Company's non-deferrable liabilities as they fall due.

Furthermore, the Company's access to the British Business Bank's Coronavirus Business Interruption Loan Scheme and Bounce Back Loan Scheme provide a financial guarantee against loans partaking in the schemes, mitigating the impact of any changes to recoverability from customers as a result of the pandemic.

Having reviewed these factors, and taking into account current market conditions and in the light of forecasts which show the Company being able to continue to meet its liabilities, it is considered that the Company continues to be a going concern and the financial statements have been prepared on this basis.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Summary of significant accounting policies (continued)

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 Company statement of comprehensive income, per Section 408 of the Companies Act
- 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
- from disclosing transactions with subsidiary companies that are wholly owned, as required by FRS 102 Section 33 "Related Party Disclosures" paragraph 33.1A

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. See section 3.12 for further details.

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 and annual membership fees.

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 Company grants loyalty points 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 loyalty points as a separately identifiable component of the initial sales transaction. In determining the fair value of the points, the likelihood of redemption is factored into the present value of loyalty points granted. This redemption rate is based on the historical performance of the loyalty points program, with future expectations incorporated. The value of the points 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 Spain and sourced from financing transactions, a breakdown of which is contained in note 5.

3.6. Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£).

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Summary of significant accounting policies (continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.7. 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.

3.8. 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.

3.9. 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.

3.10. 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

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Summary of significant accounting policies (continued)

3.10. Tangible Assets (continued)

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.

3.11. 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.

3.12. 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.

3.13. Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

3.14. Financial instruments

The Group has elected to apply the recognition and measurement provisions of IAS 39, 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.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Summary of significant accounting policies (continued)

3.15. 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.

3.16. 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 that 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.

3.17. Share capital

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

3.18. 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.

3.19. 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.

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 3.16 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 and expected future cash flows applied for the subsequent measurement of loans and receivables after recognition. This estimate involves determining the expected amount and timing of repayments.

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Critical accounting estimates and areas of judgement (continued)

The judgement relating to impairment is the objective evidence required to trigger an impairment review for an account. This impairment trigger takes into account both historical performance and other indicators such as national or local economic conditions or adverse changes in industry conditions that may indicate a change to the future recoverability of the loan. A full understanding of this impairment criteria can be found in note 3.16.

5. Turnover

Turnover, analysed geographically between markets, was as follows:

	2021	2020
	£'000s	£'000s
United Kingdom	73,007	72,413
Spain	594	73
Total turnover	<u>73,601</u>	<u>72,486</u>

Turnover, analysed by category, was as follows:

	2021	2020
	£'000s	£'000s
Interest revenue	64,032	65,728
Fee revenue	9,569	6,758
Total turnover	<u>73,601</u>	<u>72,486</u>

6. Operating profit

Operating profit is stated after charging:

	2021	2020
	£'000s	£'000s
Impairment of trade receivables	15,198	23,101
Amortisation of intangible assets	15	44
Depreciation of tangible fixed assets	157	65
Operating lease charges	1,258	1,182
Staff costs	9,574	7,156
Legal and professional fees	<u>871</u>	<u>692</u>
Fees payable to the Company's auditors for the audit of the Group's and Company's financial statements	115	88
Fees payable to the Company's auditors for the audit of the Company's subsidiaries and related parties	40	32
Other non-audit services provided by the Company's auditors	<u>18</u>	<u>6</u>
Total amount payable to the Company's auditors	<u>173</u>	<u>126</u>

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Employees and directors

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

	2021	2020
	Number	Number
Sales and administration	<u>145</u>	<u>100</u>

Staff costs for the above persons were as follows

	2021	2020
	£'000s	£'000s
Wages and salaries	8,492	6,334
Social security costs	969	736
Other pension costs	<u>113</u>	<u>86</u>
	<u>9,574</u>	<u>7,156</u>

Directors' emoluments were as follows:

	2021	2020
	£'000s	£'000s
Aggregate emoluments (including benefits in kind)	360	360
Contributions to defined contribution scheme	-	-
	<u>360</u>	<u>360</u>

No director exercised share options during the year (2020: nil). The highest paid director was paid £0.3m during the year (2020: £0.3m). Key management is considered to be the directors of the company

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to nil (2020: nil).

8. Interest payable and similar expenses

	2021	2020
	£'000s	£'000s
Interest payable on loans	18,740	16,911
Loan fees	823	1,132
Total interest payable and similar expenses	<u>19,563</u>	<u>18,043</u>

9. Tax charge

The tax charge is based on profit for the year and represents:

	2021	2020
	£'000s	£'000s
UK Corporation Tax	2,392	262
UK tax credit	<u>(81)</u>	-
Tax charge for the year	<u>2,311</u>	<u>262</u>

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Tax charge (continued)

The tax on the Group's profit before taxation is higher than (2020: lower than) the theoretical amount that would arise using the rate of 19% (2020: 19%) as follows:

	2021	2020
	£'000s	£'000s
Profit before taxation	10,891	10,868
Profit multiplied by the standard rate of tax in the UK of 19% (2020: 19%)	2,069	2,065
Deferred tax utilised	-	(1,914)
Overseas tax differences	323	111
R&D tax credit	(81)	-
Tax charge for the year	<u>2,311</u>	<u>262</u>

At the reporting date, the Group and Company held unrecognised deferred tax assets of £0.5m, relating to overseas subsidiaries (2020: deferred tax asset of £0.1m relating to overseas subsidiaries).

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Intangible assets – Group and Company

	Internally generated assets £'000s	Software £'000s	Total £'000s
Cost			
At 1 April 2020	15	69	84
Additions	-	-	-
At 31 March 2021	<u>15</u>	<u>69</u>	<u>84</u>
Accumulated amortisation			
At 1 April 2020	-	69	69
Amortisation charged in the year	15	-	15
At 31 March 2021	<u>15</u>	<u>69</u>	<u>84</u>
Net book amount			
At 31 March 2020	<u>15</u>	<u>-</u>	<u>15</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
	Internally generated assets £'000s	Software £'000s	Total £'000s
Cost			
At 1 April 2019	-	69	69
Additions	15	-	15
At 31 March 2020	<u>15</u>	<u>69</u>	<u>84</u>
Accumulated amortisation			
At 1 April 2019	-	25	25
Amortisation charged in the year	-	44	44
At 31 March 2020	<u>-</u>	<u>69</u>	<u>69</u>
Net book amount			
At 31 March 2019	<u>-</u>	<u>44</u>	<u>44</u>
At 31 March 2020	<u>15</u>	<u>-</u>	<u>15</u>

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Tangible assets – Group and Company

	Leasehold property improvement £'000s	Computer equipment £'000s	Fixtures and fittings £'000s	Total £'000s
Cost				
At 1 April 2020	63	406	78	547
Additions	311	80	3	394
At 31 March 2021	<u>374</u>	<u>486</u>	<u>81</u>	<u>941</u>
Accumulated depreciation				
At 1 April 2020	63	215	78	356
Depreciation charged in the year	26	130	1	157
At 31 March 2021	<u>89</u>	<u>345</u>	<u>79</u>	<u>513</u>
Carrying amount				
At 31 March 2020	-	191	-	191
At 31 March 2021	<u>285</u>	<u>141</u>	<u>2</u>	<u>428</u>

	Leasehold property improvement £'000s	Computer equipment £'000s	Fixtures and fittings £'000s	Total £'000s
Cost				
At 1 April 2019	63	259	78	400
Additions	-	147	-	147
At 31 March 2020	<u>63</u>	<u>406</u>	<u>78</u>	<u>547</u>
Accumulated depreciation				
At 1 April 2019	63	164	64	291
Depreciation charged in the year	-	51	14	65
At 31 March 2020	<u>63</u>	<u>215</u>	<u>78</u>	<u>356</u>
Carrying amount				
At 31 March 2019	-	95	14	109
At 31 March 2020	-	191	-	191

NEW WAVE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Investments

Company

	Note	2021 £'000s	2020 £'000s
Investments in subsidiaries	13	3	3

13. Subsidiary undertakings

Details of the Company's subsidiaries at 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") (i)	(ii)	Funding vehicle	-	-
Westbourne 2016 - 3 Limited ("WB3")	(iii)	Funding vehicle	Ordinary	100
Westbourne 4 Limited ("WB4")	(iii)	Dormant	Ordinary	100
Westbourne CM Limited ("WBCM")	(iii)	Cash Management	Ordinary	100
Westbourne 6 plc ("WB6") *	(ii)	Funding vehicle	-	-
Capital On Tap Iberia SL	(iv)	Lending	Ordinary	100
New Wave Card Inc	(v)	Lending	Ordinary	100

(i) The Company and its subsidiaries do not own directly, or indirectly, any of the share capital of Westbourne 2016 – 1 WR Limited or Westbourne 6 plc. They are consolidated by the Group because the substance of the relationship indicates control.

(ii) Registered office: 5 Churchill Place, 10th Floor, London, E14 5HU

(iii) Registered offices: Tea Building, 56 Shoreditch High St, London E1 6JJ.

(iv) Capital On Tap Iberia SL is a wholly owned Spanish subsidiary. Its registered address is Paseo Castellana 120 5º 28046 – Madrid

(v) New Wave Card Inc is a wholly owned US subsidiary. Its registered address is The Yard, 85 Delancey Street, New York, NY 10002

In addition, the audit exemption for dormant companies has been taken for WB4 and WBCM, 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 2021

14. Debtors

	Group		Company	
	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
Trade debtors	249,794	257,096	249,701	256,087
Amounts owed by group undertakings	-	-	2,490	1,643
Other debtors	2,924	882	2,541	870
Prepayments and accrued income	2,368	3,392	2,144	3,203
	<u>255,086</u>	<u>261,370</u>	<u>256,876</u>	<u>261,803</u>
Loans and receivables due from customers:				
Unsecured business credit	<u>249,794</u>	<u>257,096</u>	<u>249,701</u>	<u>256,087</u>

Amounts owed by group undertakings include the following amounts by subsidiary:

Company	2021	2020
	£'000s	£'000s
Capital On Tap Iberia SL	1,017	1,643
New Wave Card Inc	1,473	-
	<u>2,490</u>	<u>1,643</u>

As at 31 March 2021, loans and receivables due from customers of £10.6m (2020: £22.6m) were past due but not impaired.

The ageing analysis of trade debtors is as follows:

	Group		Company	
	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
Not past due	239,188	234,509	239,108	233,637
Past due but not impaired:		-		-
Up to 30 days past due	6,812	13,994	6,812	13,914
30 to 60 days past due	2,311	4,523	2,307	4,500
60 to 90 days past due	1,483	4,070	1,474	4,036
	<u>10,606</u>	<u>22,587</u>	<u>10,593</u>	<u>22,450</u>
	<u>249,794</u>	<u>257,096</u>	<u>249,701</u>	<u>256,087</u>

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

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14. Debtors (continued)

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

	Group		Company	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Loans and receivables: amounts due from customers				
Amounts due from customers not impaired	249,794	257,096	249,701	256,087
Impaired assets	9,607	11,670	9,485	11,641
Total amount due from customers	259,401	268,766	259,186	267,728

The Group recognised impairments of £15.2m in the current financial year (2020: £23.1m).

	Group		Company	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Loans and receivables: amounts due from customers				
Amounts due from customers not impaired	249,794	257,096	249,701	256,087
Impaired assets	9,607	11,670	9,485	11,641
Total amount due from customers	259,401	268,766	259,186	267,728
Impaired assets				
Not yet past due	59	-	59	-
Up to 3 months past due	498	20	498	20
Between 3 and 6 months past due	2,302	3,632	2,300	3,604
Between 6 months and 1 year past due	1,068	2,677	1,037	2,676
Over 1 year past due	5,680	5,341	5,591	5,341
Total impaired assets	9,607	11,670	9,485	11,641
Allowance account for impairments				
As at 1 April	11,670	5,730	11,641	5,730
(Reduction)/increase in allowances during the year	(2,063)	5,940	(2,156)	5,911
As at 31 March	9,607	11,670	9,485	11,641

15. Restricted cash

Certain cash balances held by New Wave Capital Limited's special purpose vehicle subsidiaries are restricted in their use, as defined in the Facility Agreements of the respective entities. The use of these cash balances is detailed in the facility agreements which govern the operation of the subsidiaries.

NEW WAVE CAPITAL LIMITED
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16. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
Bank loans and overdrafts	600	450	-	-
Trade creditors	853	740	678	713
Amounts owed to group undertakings	2	-	218,019	229,030
Shareholder loans	10,289	9,239	10,289	9,239
Other creditors	7,568	5,440	6,400	2,404
Taxation and social security	343	261	302	261
Accruals and deferred income	2,260	1,987	1,142	995
	<u>21,915</u>	<u>18,117</u>	<u>236,830</u>	<u>242,642</u>

Amounts owed to group undertakings include the following amounts by subsidiary:

Company	2021	2020
	£'000s	£'000s
Westbourne 2016 – 1 WR Limited	93,117	87,249
Westbourne 3 Limited	40,325	38,933
Westbourne 5 Limited	-	1
Westbourne 6 plc	84,577	102,847
	<u>218,019</u>	<u>229,030</u>

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

	Group		Company	
	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
Bank loans and overdrafts	239,837	254,840	1,119	720
	<u>239,837</u>	<u>254,840</u>	<u>1,119</u>	<u>720</u>

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

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	2021 £'000s	2020 £'000s
WB1 facility agreement	Dec 2023	Variable	103,958	97,411
WB3 facility agreement	Dec 2023	Variable	42,386	42,786
WB6 facility agreement	Aug 2022	Variable	91,924	113,924

Company	Maturity date	Variable / Fixed	2021 £'000s	2020 £'000s
Loan	Dec 2023	Variable	1,119	720

The WB3 Facility Agreement is secured by both a Share Charge and Debenture in WB3.

The Company has not defaulted on principal, interest or had any other breaches with respect to its liabilities during the year (2020: nil).

18. Retirement benefits schemes

The Group operates a defined contribution pension scheme for all 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 £0.1m (2020: £0.1m).

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19. Called up share capital

Group and Company authorised share capital

	2021		2020	
	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

	2021		2020	
	Number	£	Number	£
Ordinary shares				
Ordinary Shares of 0.001p each	<u>7,744,128</u>	<u>77</u>	<u>7,744,128</u>	<u>77</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>

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 the C Preferred Shares into Ordinary Shares.

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.

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20. Net cash used in operating activities

	Note	2021 £'000s	2020 £'000s
Profit for the financial year		8,580	10,606
Adjustments for:			
Tax credit	9	2,392	-
Finance costs	8	19,563	18,043
Amortisation of intangible asset	10	15	44
Depreciation and impairment of tangible asset	11	157	65
		<u>30,707</u>	<u>28,758</u>
Movements in working capital:			
Decrease/(increase) in debtors		6,284	(123,653)
(Decrease)/increase in creditors		284	4,574
Cash flow from operating activities		<u><u>37,275</u></u>	<u><u>(90,321)</u></u>

21. Capital and other commitments

The Company has provided a £10m financial guarantee to its subsidiary WB3, payable should the entity be unable to cover its liabilities in the future.

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

	2021 £'000s	2020 £'000s
Within one year	827	730
Between one and five years	1,493	-
	<u>2,320</u>	<u>730</u>

22. Related party transactions

As at the reporting date, shareholder loans owed by the Company totalled £10.3m (2020: £9.2m). A full breakdown of shareholder loans is included below.

	Group £'000s	Company £'000s
Balance at 1 April 2019	8,186	8,186
Borrowing during the year	-	-
Interest accrued on borrowing	1,053	1,053
Balance at 31 March 2020	<u>9,239</u>	<u>9,239</u>
Borrowing during the year	-	-
Interest accrued on borrowing	1,050	1,050
Balance at 31 March 2021	<u>10,289</u>	<u>10,289</u>

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

	2021 £'000s	2020 £'000s
Amounts owed to Westbourne 2016 – 1 WR Limited	93,117	87,249
Amounts owed to Westbourne 6 plc	84,577	102,847

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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 financial statements.