George Banco.Com Limited
Annual report and financial statements
for the year ended 31 December 2020

Registered Number 08804623

Contents

Page No.

Strategic report

Principal activities and business review

During 2018, George Banco.com Limited (the "Company") underwent a reorganisation whereby the lending book and net assets of the Company were transferred to the Guarantor Lending Division (GLD) of Everyday Lending Limited (which shares the same ultimate parent company, Non-Standard Finance plc). As part of this business transfer, the beneficial interest of the Company's loans and advances to customers' existing as at the date of transfer together with the net assets were passed to Everyday Lending Limited. The Company also granted the right to underwrite future loans under the George Banco brand to Everyday Lending Limited. Subsequent to the reorganisation, George Banco.com Limited ceased in the provision of guarantor loans, however the Company continues to hold the legal title to the bank account in its name on behalf of Everyday Lending Limited.

The Company does not have any other trade.

The Statement of comprehensive income for the year is set out on page 8.

Future developments

As a result of the business transfer to Everyday Lending Limited, the principal activity of the Company (being the provision of guarantor loans), is now being carried out by Everyday Lending Limited. The Company will continue to hold the legal title to the bank account in its name on behalf of Everyday Lending Limited.

Approved and signed on behalf of the Board of Directors by

M Burgess
Director

Date: 30 July 2021

Directors' report

The directors submit their annual report and the audited financial statements for the year ended 31 December 2020.

Results for the year
As the company was dormant during 2020, net profit after tax for the year was £nil (2019: £nil). The directors have not recommended a dividend during the year (2019: £nil).

Matters covered in the Strategic report
The Company has chosen to set out the following information within the Strategic report: principal activities and business review, and future developments.

Directors
The following directors served throughout the year, except where noted below:

S White	Executive Director (Resigned 31 October 2020)
P Reynolds	Non-Executive Director
N Teunon	Non-Executive Director (Resigned 30 April 2020)
P Gill	Non-Executive Director
J Gillespie	Non-Executive Director
J de Blocq van Kuffeler	Non-Executive Director (Appointed 19 May 2020)
M Burgess	Director (Appointed 11 November 2020)
R Webb	Director (Appointed 11 November 2020)
A Forsyth	Director (Appointed 16 February 2021)

J Gillespie and J de Blocq van Kuffeler are also directors of the ultimate parent company, Non-Standard Finance plc. The Company directors were entitled to participate in the Everyday Loans Limited Long-Term Incentive Plan ('LTIP'), details of which are provided in the financial statements of Everyday Loans Limited. A copy of the financial statements for Everyday Loans Limited can be obtained from 1st Floor North, 2 Dukes Meadow, Bourne End, Buckinghamshire, SL8 5XF.

Directors' interests
No director had a beneficial interest in shares of the Company during the financial year and up to the date of signing of this report (2019: nil). All directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. Details of Director's remuneration can be found in Note 9.

Directors' indemnities
The Company's Articles of Association permit it to indemnify the Directors of the Company (or of any associated company) in accordance with section 234 of the Companies Act 2006. No indemnities were provided, and no payments were made during the year. There were no other qualifying indemnities in place during the period.

The Company has in place Directors' and Officers' Liability insurance which provides appropriate cover for any legal action brought against its directors.

Financial instruments
Details of the financial risk management objectives and policies of the Company and the exposure of the Company to market, interest rate, credit, capital management and liquidity risk are included in note 5 to the financial statements.

Political donations
No political donations were made by the Company during the year (2019: £nil).

Going concern
During 2018 the Company underwent a reorganisation whereby the lending book and net assets of the Company were transferred to Everyday Lending Limited (which shares the same ultimate parent company, Non-Standard Finance plc), after which the principal business activity ceased. The directors have therefore prepared the accounts on a basis other than that of a going concern. No material adjustment arose as a result of ceasing to apply the going concern basis of preparation.

The Directors will continue to monitor the Company's risk management, details of which can be found in note 5.

Directors' report

Disclosure of Information to Auditor

Each director in office at the date of this directors' report confirms that, so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware and each director has 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 Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP, the external auditor for the Company, was appointed in 2014. Deloitte notified the Company of their intent to stand down as external auditor following the conclusion of the 2020 full year audit. A full tender process was undertaken by the Audit Committee in 2021 and the Board will be proposing a resolution to appoint PKF Littlejohn LLP as external auditors at the forthcoming Accounts approval meeting to be held on 16 August 2021.

Approved and signed on behalf of the Board of Directors by

M Burgess
Director

Date: 30 July 2021

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the company and the undertakings as a whole, together with a description of the principal risks and uncertainties that they face.

M Burgess

Director

Date: 30 July 2021

Independent auditor's report

to the members of George Banco.Com Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of George Banco.Com Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law, and international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis
We draw attention to note 1.3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Independent auditor's report

to the members of George Banco.Com Limited

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
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.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:
- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- involving our fraud specialists to assist with design of audit procedures linked to fraud risk;

Independent auditor's report

to the members of George Banco.Com Limited

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the licensing authority.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Simon Stephens
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Simon Stephens FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

30 July 2021

Statement of comprehensive income

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Profit for the year	-	-
Profit attributable to:		
Equity holders of the Company	-	-
Total comprehensive income attributable to:		
Equity holders of the Company	-	-

The Company has no recognised gains and losses other than those included in the results above.

The Company's results above are from discontinued operations.

The notes on pages 12 to 19 are an integral part of these financial statements

Statement of financial position

	Note	At 31 December 2020 £000	At 31 December 2019 £000
ASSETS			
Current assets			
Other assets	10	1,609	1,609
Total assets		**1,609**	**1,609**
EQUITY AND LIABILITIES			
Equity attributable to the Company's equity holders			
Share capital	12	-	-
Retained earnings		1,609	1,609
Total equity		**1,609**	**1,609**
Total equity and liabilities		**1,609**	**1,609**

The financial statements on pages 8 to 19 were approved by the Board of Directors on 30 July 2021 and were signed on its behalf, by:

A Forsyth
Director
Company number: 08804623

The notes on pages 12 to 19 are an integral part of these financial statements

Statement of changes in equity

A statement of changes in equity has not been presented as there has been no movement in the years ended 31 December 2020 and 31 December 2019.

The notes on pages 12 to 19 are an integral part of these financial statements

Statement of cash flows

A statement of cash flows has not been presented as there has been no movement in the years ended 31 December 2020 and 31 December 2019.

The notes on pages 12 to 19 are an integral part of these financial statements

Notes to the financial statements

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

1.1 Reporting entity
The Company, George Banco.Com Limited, is a private company limited by shares registered in England and Wales, with company registration number 08804623. The registered address of the Company is Epsom Court, 1st Floor, Epsom Road, White Horse Business Park, Trowbridge, BA14 0XF. During 2018, the business and assets of the Company were transferred to the Guarantor Lending Division (GLD) of Everyday Lending Limited (which shares the same ultimate parent company, Non-Standard Finance plc). As a result of the business transfer, the principal activity of the Company (being the provision of guarantor loans) ceased and is now being carried out by Everyday Lending Limited. The Company will continue to hold the legal title to the bank account in its name on behalf of Everyday Lending Limited.

1.2 Basis of presentation
As part of a listed Group, the Company elected to prepare its financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 Impairment of Assets.

The Company's financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency), and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

1.3 Adoption of new and revised IFRS standards
New and amended standards and interpretations issued but not effective for the financial year ending 31 December 2020
In the current year and in accordance with IFRS requirements, the following accounting standards have been issued by the IASB and/or are not yet effective: *IFRS 17 Insurance Contracts*, amendments to IAS 1 Classification of Liabilities as Current or Non-current, amendments to IFRS 3 Reference to the Conceptual Framework, annual Improvements to IFRS Standards 2018-2020 Cycle - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture. There are no new standards not yet effective and not adopted by the Group from 1 January 2020 which are expected to have a material impact on the Group. The Directors do not expect the adoption of these standards to have a significant effect on the financial statements of the Company in future periods.

Management will continue to assess the impact of new and amended standards and interpretations on an ongoing basis.

1.4 Going concern assessment
During 2018 the Company underwent a reorganisation whereby the lending book and net assets of the Company were transferred to Everyday Lending Limited (which shares the same ultimate parent company, Non-Standard Finance plc), after which the Company discontinued operations. The directors have therefore prepared the accounts on a basis other than that of a going concern.

No material adjustment arose as a result of ceasing to apply the going concern basis of preparation.

Notes to the financial statements

1.5 Interest, fees and similar income
Interest income represents interest receivable on loans to customers.

Interest income is recognised in the statement of comprehensive income for all amounts receivable from customers and is measured at amortised cost using the effective interest rate ('EIR') method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. Under IFRS 9, the EIR is applied to the gross carrying amount of non-credit impaired (stage 1 and 2) customer receivables (i.e., at the amortised cost of the receivables before adjusting for any expected credit losses ('ECL')). For credit-impaired amounts receivable from customers (those in stage 3), the interest income is calculated by applying the EIR to the amortised cost of the receivable (i.e., the gross carrying amount less the allowance for expected credit losses).

1.6 Interest expense and similar charges
Interest expense comprises bank interest payable on loans used to finance loan and advances.

1.7 Other operating income
Other operating income relates to amounts received as a result of debt sales made during the year. The income is recognised when earned.

1.8 Income taxation
The tax credit/expense represents the sum of the tax currently receivable/payable and any deferred tax.

The current tax credit/charge is based on the taxable loss for the year. Taxable loss differs from net loss as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's asset/liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year-end date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities in the Company are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to comprehensive income, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle on a net basis.

1.9 Financial assets
Financial assets are measured on initial recognition at fair value. Under IFRS 9, the classification and subsequent measurement of financial assets is principally determined by the entity's business model and their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' ('SPPI')).

Notes to the financial statements

1.9 Financial assets *(continued)*

The standard sets out three types of business model:

- Hold to collect: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are accounted for at amortised cost.
- Hold to collect and sell: this model is similar to the hold to collect model, except that the entity may elect to sell some or all of the assets before maturity as circumstances change. These assets are accounted for at fair value through other comprehensive income (FVOCI).
- Hold to sell: the entity originates or purchases an asset with the intention of disposing of it in the short or medium term to benefit from capital appreciation. These assets are held at fair value through profit or loss (FVTPL). An entity may also designate assets at FVTPL upon initial recognition where it reduces an accounting mismatch. An entity may elect to measure certain holdings of equity instruments at FVOCI, which would otherwise have been measured at FVTPL.

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes considering all relevant evidence including how the performance of the assets is evaluated and their performance measured and the risks that affect the performance of the assets and how these are managed. The Company continually monitors whether the business model for which financial assets are held is appropriate and if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets.

The Company has assessed its business models in order to determine the appropriate IFRS 9 classification for its financial assets. As part of this assessment, the Company has recognised that it has no intentions of selling the assets which it originates. The financial assets are held to collect contractual cash flows with the performance of the asset is assessed by reference to various factors such as collections performance and expected losses. In order to be accounted for at amortised cost, it is also necessary for individual instruments to have contractual cash flows that are SPPI. As the Company's financial assets meet both the hold to collect and SPPI criteria they are held and subsequently measured at amortised cost.

Financial assets and liabilities measured at amortised cost are accounted for under the EIR method. This method of calculating the amortised cost of a financial asset or liability involves allocating interest income or expense over the relevant period. The EIR rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

While cash and cash equivalents and intercompany loans are also subject to the impairment requirements of IFRS 9, the Company has concluded that the expected credit loss on these items is nil and therefore no impairment loss adjustment is required.

The Company does not use hedge accounting.

1.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

1.11 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates.

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

Notes to the financial statements

2. Critical accounting judgements and key sources of estimation uncertainty *(continued)*
In the course of preparing the financial statements, no critical judgements or key sources of estimation uncertainty have been made in the process of applying the company's accounting policies.

3. Changes in accounting policies
There have been no changes in accounting policies for the year ended 31 December 2020.

4. Maturity analysis of assets and liabilities
The table below shows the contractual maturity analysis of the Company's financial assets and liabilities as at 31 December 2019 and 31 December 2020:

At 31 December 2019 and at 31 December 2020	Due within one year £000	Due after more than one year £000	Total £000
ASSETS			
Other assets	1,609	-	1,609
Total assets	**1,609**	**-**	**1,609**
LIABILITIES			
Total liabilities	-	-	-

Other assets compromise amounts due from the Company's parent, Everyday Lending Limited. Whilst this receivable has no fixed date for repayment it is repayable on demand and has therefore been shown as due within one year as at 31 December 2019 and 31 December 2020.

5. Financial risk management
The Company's operations expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk. The Directors have delegated the responsibility of monitoring financial risk management to the Risk Committee.

The Company's objectives are to maintain a well-spread and quality-controlled customer base by applying strong emphasis on good credit management, both through strict lending criteria at the time of underwriting and continuously monitoring the collection process.

Strategy
Key risks identified by the directors are formally reviewed and assessed at least once a year, in addition to which key business risks are identified, evaluated and managed by operating management on an ongoing basis by means of procedures such as physical controls, credit and other authorisation limits and segregation of duties. The directors and the executive committee also receive regular reports on any risk matters that need to be brought to its attention. Significant risks identified in connection with the development of new activities are subject to consideration by the directors.

The principal risks inherent in the Company's business are credit, market, liquidity, operational and conduct risk.

(a) Credit risk
The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred at the statement of financial position date. Significant changes in the economy could result in losses that are different from those provided for at the statement of financial position date.

The Company's maximum exposure to credit risk is as follows:

	2020 £000	2019 £000
Other assets	1,609	1,609
At 31 December 2020 and at 31 December 2019	**1,609**	**1,609**

Notes to the financial statements

5. Financial risk management *(continued)*
The above table represents the maximum credit risk exposure (net of impairment) to the Company at 31 December 2020 and 2019, without taking into account any collateral held or other credit enhancements attached. The exposures are based on the net carrying amounts as reported in the statement of financial position.

(b) Market risk
Market risks arise from open positions in interest rate and currency products, all of which are exposed to general and specific market movements.

(b)(i) Currency risk
The Company has no exposures in foreign currencies.

(b)(ii) Interest rate risk
Interest rate risk is the potential adverse impact on the Company's future cash flows from changes in interest rates. It arises from the differing interest rate risk characteristics of the Company's assets and liabilities. In particular, fixed rate products expose the Company to the risk that a change in interest rates could cause either a reduction in interest income or an increase in interest expense relative to variable rate interest flows.

At the reporting date, the Company has no interest rate exposure on outstanding financial assets and liabilities.

(c) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due or can only do so at excessive cost. The Company's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations and to enable the Company to meet its financial obligations as they fall due.

(h) Capital risk management
The Board of Directors assesses the capital needs of the Company on an ongoing basis and approves all capital transactions. The capital structure of the Company consists of net debt (borrowings after deducting cash and bank balances) and equity of the Company (comprising capital, reserves, retained earnings and non-controlling interests). The Company's objective in respect of capital risk management is to maintain a conservative loan-to-value ratio level with respect to market conditions, whilst taking account of business growth opportunities in a capital-efficient manner.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company.

Compliance with Company standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of the Internal Audit reviews are discussed with the Company's senior management.

6. Financial instruments
During 2018, the Company underwent an internal group reorganisation whereby the business activities and net assets were transferred to Everyday Lending Limited. As part of this business transfer, the current and future business activities, as well as net assets of the Company were transferred to Everyday Lending Limited at book value in exchange of intercompany receivable of £1.6m.

The table below sets out the carrying value of the Company's financial assets and liabilities in accordance with the categories of financial instruments set out in IFRS 9 as at 31 December 2019 and at 31 December 2020.

Notes to the financial statements

6. Financial instruments *(continued)*

Assets and liabilities outside the scope of IFRS 9 are shown within non-financial assets:

At 31 December 2019 and at 31 December 2020	Fair value through profit and loss account £000	Fair value through other comprehensive income £000	Amortised cost £000	Non-financial assets/ liabilities £000	Total £000
Assets					
Other assets	-	-	1,609	-	1,609
Total assets	-	-	**1,609**	-	**1,609**
Liabilities	-	-	-	-	-
Total liabilities	-	-	-	-	-

7. Operating expenses

The Company had £nil operating expenses in 2020 (2019: £nil).

The remuneration of the auditors in relation to the audit of these financial statements was £5k (2019: £60k) and was borne by the Company's parent Everyday Loans Limited, which makes no recharges to the Company for their services.

8. Employee information

The Company had no employees during 2020 (2019: none). Following the asset transfer in 2018 from George Banco Limited to Everyday Loans Limited, human resource services are provided by Everyday Loans Limited to Everyday Lending Limited which carries out the business activities formerly provided by the Company. The directors' emoluments are provided by Everyday Loans Limited.

9. Directors' emoluments

The emoluments of the highest paid director were £nil (2019: £nil), including Company pension contributions of £nil (2019: £nil).

Retirement benefits are accruing under money purchase schemes for nil directors who served during 2020 (2019: three).

All directors benefitted from qualifying third party indemnity provisions as disclosed in the directors' report.

The movement of staff from the Company to Everyday Loans Limited as part of the assets and liabilities transfer means that these costs were no longer incurred by the Company from 1 September 2018 and are instead incurred by Everyday Loans Limited.

10. Other assets

	2020 £000	**2019 £000**
Prepayments and accrued income	1	1
Intercompany debtor – Everyday Lending Limited	1,608	1,608
	1,609	**1,609**

During 2018, the Company transferred its business which compromised its activities and net assets to Everyday Lending Limited at book value.

11. Income tax expense

Future tax developments:

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Company's future tax charge.

Notes to the financial statements

12. Share capital and share premium

Authorised:	2020 £	2019 £
1 Ordinary share of £1 each	1	1

Allotted, called up and fully paid	2020 £	2019 £
Ordinary shares of £1 each	1	1

Share movements

	Number of shares	Share capital £
At 1 January 2019 and 31 December 2019	1	1
At 31 December 2020	1	1

All shares in issue are Ordinary shares of nominal value £1 each and are all fully paid up.

13. Contingent liabilities and commitments

At 31 December 2020, the Company had no contingent liabilities, no capital commitments or other commitments to extend credit to customers (2019: nil).

14. Related-party transactions

Transactions with directors

There were no transactions with directors during the year under review (2019: £nil).

Summary of transactions with other related parties

There have been no transactions with other related parties in the year under review (2019: £nil).

15. Immediate and ultimate parent company

The immediate parent company is George Banco Limited, a private company limited by shares and registered in England and Wales. The ultimate parent company of the Company is Non-Standard Finance plc, a company registered in England and Wales. Non-Standard Finance plc heads the largest and smallest group in which the Company is consolidated. A copy of the consolidated financial statements of Non-Standard Finance plc may be obtained from 7 Turnberry Park Road, Gildersome, Morley, Leeds, LS27 7LE.

The immediate parent company George Banco Limited is a company incorporated in Great Britain and registered in England and Wales. The accounts of George Banco Limited can be obtained from Epsom Court 1st Floor, Epsom Road, White Horse Business Park, Trowbridge, BA14 0XF.

16. Controlling party

The immediate parent company of the Company, George Banco Limited, is the controlling party of the Company.

Notes to the financial statements

17. Events after the balance sheet date

Branch-based lending review

In April 2021 the Group commissioned a detailed and independent review of its lending and complaints handling activities within the branch-based lending. This review remains ongoing and includes an assessment of whether the issues identified in guarantor loans have any implications for these divisions. The review also includes an assessment of recent FOS decisions in order to determine whether there exists a subset of customers that may be eligible for redress on the basis of factors which may indicate instances of unaffordable lending. This review has been considered as part of the Company's year-end provisioning. However, the Company has been unable to determine the financial impact of this as at the date of authorisation of the financial statements.

Taxation in the March 2021 Budget

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This is a non-adjusting event and will have a consequential effect on the Company's future tax charge as taxable profits or losses are produced.

Guarantor Loans division operational review

Having completed a detailed review of the Guarantor Loans Division and its prospects, the Board has decided to place the division into a managed run-off which is expected to conclude by the end of 2025. Whilst a full detailed assessment of the cost implications is yet to be carried out and this is a non-adjusting subsequent event, it is estimated that the recognition of a provision for redundancies would be £0.52m. No material asset write-downs are expected to be required as a result of the decision taken. The Company recognises there is a risk around changes to customer behaviour following this decision. This is not expected to have a material impact on the investment impairment assessment

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