

Company Registration No. 06649961 (England and Wales)

WE FIGHT ANY CLAIM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

WE FIGHT ANY CLAIM LIMITED

COMPANY INFORMATION

| | | |
|------------------|-------------------------------|------------------------------|
| Directors | Mr R J Thomas Mr D Cowdery | (Appointed 11 December 2019) |
|------------------|-------------------------------|------------------------------|

| | |
|-----------------------|----------|
| Company number | 06649961 |
|-----------------------|----------|

| | |
|--------------------------|---|
| Registered office | Tintern House William Brown Close Llantarnum Park Cwmbran Torfaen United Kingdom NP44 3AB |
|--------------------------|---|

| | |
|----------------|---|
| Auditor | Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff United Kingdom CF23 8AB |
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WE FIGHT ANY CLAIM LIMITED

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WE FIGHT ANY CLAIM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present the strategic report and financial statements for the year ended 31 October 2020.

Fair Review of the Business

The deadline for making PPI claims came into force on 29 August 2019 and, as a result, a substantial number of outstanding claims were filed before the deadline. Consequently, We Fight Any Claim Ltd (WFAC) saw a substantial increase in complaints made which, along with the outbreak of COVID 19 has resulted in a severe backlog of settlements. Matters are now taking months rather than weeks to resolve and, due to these delays WFAC has seen a reduced income stream during the year which has continued throughout 2021 and is anticipated to continue throughout 2022 and possibly beyond.

The delay in recognising income has resulted in a loss for WFAC in 2020 so to compensate for this, and to ensure future profits are generated throughout runoff, WFAC has taken steps to reorganise its operational structure accordingly.

Staff levels and overhead costs have been significantly reduced and the establishment of home-based staff and well-structured IT support has mitigated the effects of the uncertainty created by the COVID 19 pandemic.

Principal risks and uncertainties

The company is prudent in its financial management and carefully monitors financial risk. The company has little credit risk and has retained more than sufficient cash balances to fund its operations therefore having low exposure to cash flow and liquidity risks.

The company's reports and financial controls were maintained throughout the year. Income is recognised as it falls due, based on a no win, no fee model, and expenditure is included within the financial statements on an accruals basis.

The company's strategy is to ensure there is adequate management resource to identify and minimise risk so as not to affect the financial performance of the business.

As a Claims Management company, the risks currently facing WFAC are:-

- The time taken to process outstanding complaints by lenders
- The continued disruption caused by the COVID 19 pandemic
- Other regulatory risks, which may vary as a consequence of Government policy.

The COVID 19 pandemic has severely disrupted the ability of lenders to complete their processing in a timely manner and the effects on the economy may result in further difficulties, both in the processing of claims and the ability of our customers to discharge their obligations.

WFAC prides itself on its excellent commitment to quality and ensures that all regulatory requirements are met with the highest of standards. Regulatory risks are monitored to ensure that current standards are maintained.

WE FIGHT ANY CLAIM LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Key performance indicators

The company produces and monitors a number of Key Performance Indicators (KPI's) on a weekly and monthly basis. The main financial KPI's used by the company are provided below:

| KPI's | 2020 | 2019 |
|--------------------------|------------------|------------------|
| Turnover | £2,192k | £23,526k |
| Gross Margin | 88.5% | 69.75% |
| Operating (loss) | (£3,671k) | (£1,090k) |
| Cash at bank and in hand | £45k | £439k |
| Working Capital Ratio | 1.18 | 1.57 |

In addition to the above, the company also monitors non-financial KPI's on a weekly and monthly basis. These include outbound call success rates, return rates for PPI information packs and the final success rates of PPI claims. This information is used to reduce cost throughout all areas of the business.

On behalf of the board

Mr D Cowdery
Director

27 January 2022

WE FIGHT ANY CLAIM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present their annual report and financial statements for the year ended 31 October 2020.

Principal activities

The principal activity of the company continued to be that of the supply of support services in connection with the settlement of financial disputes.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £2,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

| | |
|-------------------|------------------------------|
| Mrs G L Cocchiara | (Resigned 30 June 2020) |
| Mr P C Bentley | (Resigned 3 September 2021) |
| Mrs L H Farr | (Resigned 11 December 2019) |
| Mr R J Thomas | |
| Mr D Cowdery | (Appointed 11 December 2019) |

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr D Cowdery
Director

27 January 2022

WE FIGHT ANY CLAIM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2020

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 have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

WE FIGHT ANY CLAIM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WE FIGHT ANY CLAIM LIMITED

Opinion

We have audited the financial statements of We Fight Any Claim Limited (the 'company') for the year ended 31 October 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance 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 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.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements concerning the company's ability to continue as a going concern. Since August 2019 the company has been impacted by a significant decline in activity due to end of PPI claims. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

WE FIGHT ANY CLAIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WE FIGHT ANY CLAIM LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

Matters on which we are required to report by exception

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 material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

WE FIGHT ANY CLAIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WE FIGHT ANY CLAIM LIMITED

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.

Ian Thomas BSc FCA DChA (Senior Statutory Auditor)
For and on behalf of Azets

27 January 2022

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

WE FIGHT ANY CLAIM LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2020

| | Notes | 2020 £ | 2019 £ |
|--|----------|-------------|--------------|
| Turnover | 3 | 2,192,461 | 23,525,858 |
| Cost of sales | | (252,695) | (7,115,832) |
| Gross profit | | 1,939,766 | 16,410,026 |
| Administrative expenses | | (5,823,300) | (17,500,262) |
| Other operating income | | 212,933 | - |
| Operating loss | 4 | (3,670,601) | (1,090,236) |
| Other interest receivable and similar income | 7 | 45 | 69 |
| Amounts written off loans | 8 | (134,737) | 1,455,990 |
| (Loss)/profit before taxation | | (3,805,293) | 365,823 |
| Tax on (loss)/profit | 9 | 214,322 | 205,133 |
| (Loss)/profit for the financial year | | (3,590,971) | 570,956 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WE FIGHT ANY CLAIM LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|--------------------|------------------|--------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 5,764 | | 7,052 |
| Investments | 12 | | 257,100 | | 257,100 |
| | | | <u>262,864</u> | | <u>264,152</u> |
| Current assets | | | | | |
| Debtors | 14 | 10,431,726 | | 14,361,222 | |
| Cash at bank and in hand | | 45,173 | | 438,610 | |
| | | <u>10,476,899</u> | | <u>14,799,832</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(8,718,920)</u> | | <u>(9,448,971)</u> | |
| Net current assets | | | <u>1,757,979</u> | | <u>5,350,861</u> |
| Total assets less current liabilities | | | <u>2,020,843</u> | | <u>5,615,013</u> |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 17 | - | | 1,199 | |
| | | <u>-</u> | <u>-</u> | <u>1,199</u> | <u>(1,199)</u> |
| Net assets | | | <u>2,020,843</u> | | <u>5,613,814</u> |
| Capital and reserves | | | | | |
| Called up share capital | 18 | | 100 | | 100 |
| Profit and loss reserves | | | <u>2,020,743</u> | | <u>5,613,714</u> |
| Total equity | | | <u>2,020,843</u> | | <u>5,613,814</u> |

The financial statements were approved by the board of directors and authorised for issue on 27 January 2022 and are signed on its behalf by:

Mr D Cowdery
Director

Company Registration No. 06649961

WE FIGHT ANY CLAIM LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2020

| | | Share capital | Profit and loss reserves | Total |
|--|-------|---------------|-----------------------------|-------------|
| | Notes | £ | £ | £ |
| Balance at 1 November 2018 | | 100 | 5,042,758 | 5,042,858 |
| Year ended 31 October 2019: | | | | |
| Profit and total comprehensive income for the year | | - | 570,956 | 570,956 |
| Balance at 31 October 2019 | | 100 | 5,613,714 | 5,613,814 |
| Year ended 31 October 2020: | | | | |
| Loss and total comprehensive income for the year | | - | (3,590,971) | (3,590,971) |
| Dividends | 10 | - | (2,000) | (2,000) |
| Balance at 31 October 2020 | | 100 | 2,020,743 | 2,020,843 |

WE FIGHT ANY CLAIM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|-----------|-----------|-------------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 23 | | 425,690 | | (679,556) |
| Income taxes paid | | | (438,204) | | (417) |
| Net cash outflow from operating activities | | | (12,514) | | (679,973) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | - | | (2,689) | |
| Receipts arising from loans made | | (152,643) | | (95,484) | |
| Interest received | | 45 | | 69 | |
| Net cash used in investing activities | | | (152,598) | | (98,104) |
| Financing activities | | | | | |
| Repayment of borrowings | | (226,325) | | (248,689) | |
| Dividends paid | | (2,000) | | - | |
| Net cash used in financing activities | | | (228,325) | | (248,689) |
| Net decrease in cash and cash equivalents | | | (393,437) | | (1,026,766) |
| Cash and cash equivalents at beginning of year | | | 438,610 | | 1,465,376 |
| Cash and cash equivalents at end of year | | | 45,173 | | 438,610 |

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

Company information

We Fight Any Claim Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tintern House, William Brown Close, Llantarnum Park, Cwmbran, Torfaen, United Kingdom, NP44 3AB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

The financial statements have been prepared on a going concern basis.

On 29 August 2019 the deadline for PPI passed meaning no new claims can be filed. This galvanised the public to ensure all claims were filed before the deadline and as a result the company saw a substantial increase in complaints filed. This has resulted in a substantial backlog of claims which the company continues to process and receive income, albeit at a reduced level.

To compensate for the reduced level of income and to ensure profits are generated, the company has taken steps to reorganise its operational structure with staff levels and overhead costs being significant reduced.

During the year, the Covid 19 pandemic impacted operations which the company quickly adapted to by establishing home based staff and a well structured IT support system. A second impact of the pandemic was to disrupt the ability of lenders to complete their processing in a timely manner, further delaying the processing of claims and delaying receipt of income.

Following the measures taken by the Directors to reorganise its operational structure and reduce overheads, the company considers it is well positioned with sufficient resources in place to meet its obligations as they fall due and continue operating as a going concern.

The company has no external debt and the directors are confident that the company has the continued support of its shareholder and other related parties who will defer repayment of loan balances totalling £7,915k (2019 - £8,141k) and continue to support the company to enable it to meet its day to day working capital requirements.

1.3 Turnover

Turnover represents fees payable to the company for providing claims management services, excluding VAT.

Turnover is recognised upon receipt of an offer letter from the lender to pay compensation.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

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

| | |
|--------------------------------|-------------------|
| Fixtures, fittings & equipment | 10% straight line |
|--------------------------------|-------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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.

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade debtors, cash and bank balances and loans to related companies are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade creditors and loans from related companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

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

Current tax

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

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Foreign exchange

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

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

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

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

| | 2020 £ | 2019 £ |
|---|-----------|------------|
| Turnover analysed by class of business | | |
| Claims management services | 2,192,461 | 23,525,858 |

| | 2020 £ | 2019 £ |
|----------------------------------|-----------|-----------|
| Other significant revenue | | |
| Interest income | 45 | 69 |

4 Operating loss

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Operating loss for the year is stated after charging: | | |
| Fees payable to the company's auditor for the audit of the company's financial statements | 15,000 | 15,000 |
| Depreciation of owned tangible fixed assets | 1,288 | 1,437 |

5 Directors' remuneration

| | 2020 £ | 2019 £ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 252,695 | 137,727 |

Remuneration disclosed above include the following amounts paid to the highest paid director:

| | 2020 £ | 2019 £ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 105,000 | - |

The remuneration disclosed above is recharged from a connected company, Premiumstar Limited.

As total directors' remuneration was less than £200,000 in the prior year no disclosure is provided for that year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

6 Employees

| | 2020 £ | 2019 £ |
|--------------------|-----------|-----------|
| Wages and salaries | 2,812,189 | 7,422,654 |

The company has no employees. The wages disclosed above are recharged from a connected company, Premiumstar Limited.

7 Interest receivable and similar income

| | 2020 £ | 2019 £ |
|---------------------------|-----------|-----------|
| Interest income | | |
| Interest on bank deposits | 45 | 69 |

Disclosed on the profit and loss account as follows:

| | | |
|--|----|----|
| Other interest receivable and similar income | 45 | 69 |
|--|----|----|

Investment income includes the following:

| | | |
|--|----|----|
| Interest on financial assets not measured at fair value through profit or loss | 45 | 69 |
|--|----|----|

8 Amounts written off loans

| | 2020 £ | 2019 £ |
|------------------------|-----------|-----------|
| Other gains and losses | (134,737) | 1,455,990 |

(Loss) / gain recognised in relation to related party loans written off.

9 Taxation

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Current tax | | |
| UK corporation tax on profits for the current period | (380,000) | (204,786) |
| Adjustments in respect of prior periods | 166,877 | 812 |
| Total current tax | (213,123) | (203,974) |
| Deferred tax | | |
| Origination and reversal of timing differences | (1,199) | (1,159) |
| Total tax credit | (214,322) | (205,133) |

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

9 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2020 £ | 2019 £ |
|---|-------------|-----------|
| (Loss)/profit before taxation | (3,805,293) | 365,823 |
| Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | (723,006) | 69,506 |
| Tax effect of income not taxable in determining taxable profit | - | (276,638) |
| Adjustments in respect of prior years | 166,877 | (560) |
| Rate changes | 141 | (25) |
| Expenses not deductible for tax purposes | 231 | 2,584 |
| Deferred tax not recognised | 341,435 | - |
| Taxation credit for the year | (214,322) | (205,133) |

10 Dividends

| | 2020 £ | 2019 £ |
|--------------|-----------|-----------|
| Interim paid | 2,000 | - |

11 Tangible fixed assets

| | Fixtures, fittings & equipment £ |
|--|--|
| Cost | |
| At 1 November 2019 and 31 October 2020 | 16,988 |
| Depreciation and Impairment | |
| At 1 November 2019 | 9,936 |
| Depreciation charged in the year | 1,288 |
| At 31 October 2020 | 11,224 |
| Carrying amount | |
| At 31 October 2020 | 5,764 |
| At 31 October 2019 | 7,052 |

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

12 Fixed asset investments

| | Notes | 2020 £ | 2019 £ |
|-----------------------------|-------|----------------|----------------|
| Investments in subsidiaries | 13 | 100 | 100 |
| Unlisted investments | | 257,000 | 257,000 |
| | | <u>257,100</u> | <u>257,100</u> |

13 Subsidiaries

Details of the company's subsidiaries at 31 October 2020 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held Direct Indirect |
|------------------------|-------------------|--------------------|----------------------|---------------------------|
| WFAC Lifestyle Limited | 1 | Dormant | Ordinary | 100.00 0 |

Registered Office address:

1 Tintern House, William Brown Close, Llantarnam Industrial Park, Cwmbran, Gwent, NP44 3AB

14 Debtors

| | 2020 £ | 2019 £ |
|---|-------------------|-------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 2,817,340 | 4,425,504 |
| Gross amounts owed by contract customers | 213,722 | 2,792,788 |
| Corporation tax recoverable | 257,128 | - |
| Other debtors | 7,055,775 | 6,925,816 |
| Prepayments and accrued income | 87,761 | 217,114 |
| | <u>10,431,726</u> | <u>14,361,222</u> |

15 Creditors: amounts falling due within one year

| | Notes | 2020 £ | 2019 £ |
|------------------------------------|-------|------------------|------------------|
| Other borrowings | 16 | 7,914,842 | 8,141,167 |
| Trade creditors | | 306,185 | 340,661 |
| Corporation tax | | - | 394,199 |
| Other taxation and social security | | 331,292 | 424,783 |
| Other creditors | | 166,601 | 120,661 |
| Accruals and deferred income | | - | 27,500 |
| | | <u>8,718,920</u> | <u>9,448,971</u> |

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

16 Loans and overdrafts

| | 2020 £ | 2019 £ |
|-------------------------|-----------|-----------|
| Other loans | 7,914,842 | 8,141,167 |
| Payable within one year | 7,914,842 | 8,141,167 |

The other loans are interest free and unsecured.

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| | Liabilities 2020 £ | Liabilities 2019 £ |
|--------------------------------|--------------------------|--------------------------|
| Balances: | | |
| Accelerated capital allowances | - | 1,199 |
| Movements in the year: | | 2020 £ |
| Liability at 1 November 2019 | | 1,199 |
| Credit to profit or loss | | (1,199) |
| Liability at 31 October 2020 | | - |

18 Share capital

| | 2020 Number | 2019 Number | 2020 £ | 2019 £ |
|---|----------------|----------------|-----------|-----------|
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary Shares of £1 each | 100 | 100 | 100 | 100 |

19 Financial commitments, guarantees and contingent liabilities

A fixed and floating charge was created on 26 June 2014 in favour of HSBC Bank Plc which is held over all property or undertaking of the company.

On 22 October 2015 a mortgage over life policy was created in favour of HSBC Bank Plc over both present and future indebtedness.

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2020 £ | 2019 £ |
|------------------------|-----------|-----------|
| Aggregate compensation | 252,695 | 137,727 |

Transactions with related parties

During the year the company entered into the following transactions with related parties:

| | Purchases 2020 £ | 2019 £ |
|-----------------------|------------------------|------------|
| Other related parties | 4,611,353 | 13,547,350 |

The following amounts were outstanding at the reporting end date:

| | 2020 £ | 2019 £ |
|---------------------------------------|-----------|-----------|
| Amounts due to related parties | | |
| Other related parties | 7,915,099 | 8,141,167 |

The following amounts were outstanding at the reporting end date:

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Amounts due from related parties | | |
| Key management personnel | 113,390 | 95,484 |
| Other related parties | 6,416,717 | 5,752,774 |

21 Ultimate controlling party

Joy Chorlton is considered the ultimate controlling party due to her 100% shareholding in the company.

22 Analysis of changes in net debt

| | 1 November 2019 £ | Cash flows £ | 31 October 2020 £ |
|---------------------------------|-------------------------|-----------------|-------------------------|
| Cash at bank and in hand | 438,610 | (393,437) | 45,173 |
| Borrowings excluding overdrafts | (8,141,167) | 226,325 | (7,914,842) |
| | (7,702,557) | (167,112) | (7,869,669) |

WE FIGHT ANY CLAIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

23 Cash generated from/(absorbed by) operations

| | 2020 £ | 2019 £ |
|--|----------------|------------------|
| (Loss)/profit for the year after tax | (3,590,971) | 570,956 |
| Adjustments for: | | |
| Taxation credited | (214,322) | (205,133) |
| Investment income | (45) | (69) |
| Depreciation and impairment of tangible fixed assets | 1,288 | 1,437 |
| Other gains and losses | 134,737 | (1,455,990) |
| Movements in working capital: | | |
| Decrease in debtors | 4,204,530 | 986,955 |
| Decrease in creditors | (109,527) | (577,712) |
| Cash generated from/(absorbed by) operations | <u>425,690</u> | <u>(679,556)</u> |

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