

**Fair Finance Personal Loans
Limited**

**Director's report and financial
statements**

For the year ended 31 March 2016

Registered number: 07509653

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Company Information

Director	F Rahman
Registered number	07509653
Registered office	18 Ashwin Street Dalston London E8 3DL
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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Director's report

For the year ended 31 March 2016

The director presents his report audited together with the audited financial statements of Fair Finance Personal Loans Limited ('the company') for the year ended 31 March 2016.

Director

The director who served during the year was:

F Rahman

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

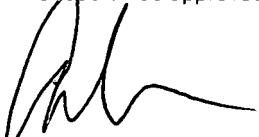
Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on 17 November 2016 and signed on its behalf.



F Rahman
Director

Independent auditor's report to the shareholders of Fair Finance Personal Loans Limited

For the year ended 31 March 2016

We have audited the financial statements of Fair Finance Personal Loans Limited for the year ended 31 March 2016, set out on pages 4 to 8. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of director and auditor

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

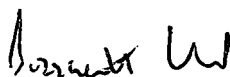
Independent auditor's report to the shareholders of Fair Finance Personal Loans Limited

For the year ended 31 March 2016

Matters on which we are required to report by exception

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Director's report.



Peter Chapman (Senior statutory auditor)

for and on behalf of

Buzzacott LLP

Statutory Auditor

130 Wood Street

London

EC2V 6DL

17 November 2016

Profit and loss account

For the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	1	602,387	383,790
Administrative expenses		(695,468)	(587,105)
Operating loss	2	(93,081)	(203,315)
Interest receivable and similar income		218	99
Interest payable and similar charges		(74,243)	(81,701)
Loss on ordinary activities before taxation		(167,106)	(284,917)
Tax on loss on ordinary activities		-	-
Loss for the financial year	7	(167,106)	(284,917)

The notes on pages 6 to 8 form part of these financial statements.

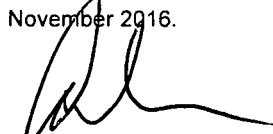
Balance sheet

As at 31 March 2016

	Note	£	2016 £	£	2015 £
Current assets					
Debtors	3	782,614		799,701	
Creditors: amounts falling due within one year	4	-		(6,164)	
Net current assets			782,614		793,537
Total assets less current liabilities			782,614		793,537
Creditors: amounts falling due after more than one year	5		(1,965,317)		(1,809,134)
Net liabilities			(1,182,703)		(1,015,597)
Capital and reserves					
Called up share capital	6		1		1
Profit and loss account	7		(1,182,704)		(1,015,598)
Shareholders' deficit	8		(1,182,703)		(1,015,597)

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 November 2016.



F Rahman
Director

The notes on pages 6 to 8 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

On a quarterly basis, the directors assess the major risks faced by the company and ensure that adequate systems are in place to:

- Provide early warning of opportunities and risks
- Ensure that any significant opportunities are not overlooked and
- As far as is possible, ensure that any foreseeable risks are adequately mitigated.

Major risks for this purpose, are those that may have a significant impact on:

- Operational performance
- Financial sustainability, including predictability and security of income and
- Meeting the expectations of our beneficiaries (i.e. financially excluded communities), funders and supporters.

In the year ended 31 March 2016 the company incurred a loss of £167K (2015: loss of £285K) and at the balance sheet date had net liabilities of £1.2 million. Turnover increased from £384K in 2014/15 to £602K in 2015/16 (57% point increase).

Amounts within the company's intercompany creditors include £1,961K owed to its parent company East End Fair Finance Ltd (EEFF). The company is reliant on continued lending facilities totalling £1m provided by Societe Generale (SG) & BNP Paribas to EEFF for onward lending and the directors are pleased that SG has decided to convert its £0.5 million loan into a grant and BNP also has increased the repayment period for the £0.5 million loan thereby making more resources available to the company. EEFF has provided an undertaking not to call for repayment of the balance of £961k of its intercompany account within 12 months of the balance sheet date and until the company has sufficient working capital to repay this balance.

The directors, having considered the above, continue to adopt the going concern basis in preparing the financial statements of FPL Ltd which assumes the company will continue in operation for the foreseeable future and for a period no less than 12 months from the date of approval of these financial statements.

1.3 Turnover

Turnover represents amounts receivable as finance charges and interest on lending.

1.4 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

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

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

Deferred tax assets and liabilities are not discounted.

1.5 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Notes to the financial statements

For the year ended 31 March 2016

2. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Auditor's remuneration	7,000	5,250
Auditor's remuneration - prior year underprovision	-	7,767
Pension costs	3,701	3,190
	<u>10,701</u>	<u>16,207</u>

During the year, no director received any emoluments (2015 - £NIL).

The company changed auditors in the current year and so the charge in 2015 relates to the previous auditors.

3. Debtors

	2016 £	2015 £
Personal loan debtors	768,745	785,832
Other debtors	13,869	13,869
	<u>782,614</u>	<u>799,701</u>

4. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other creditors	-	6,164
	<u>-</u>	<u>6,164</u>

5. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	1,965,317	1,809,134
	<u>1,965,317</u>	<u>1,809,134</u>

Amounts within intercompany creditors include onward lending from East End Fair Finance Limited, provided in accordance with an agreement with banks, Societe Generale and BNP Paribas, who have provided source financing to the parent company. In accordance with the intercompany lending agreement the banks have recourse to amounts due under this agreement in the event of a default on their loan terms.

The £1,000,000 long term 'onward lending' loan is secured with full title of guarantee against the capital and interest debtors of the company's lending portfolio.

East End Fair Finance has provided an undertaking not to call for repayment of its intercompany balance with Fair Finance Personal Loans Limited (£1,960,869 at 31 March 2016) within 12 months of the accounts signing date and until the company has sufficient working capital to repay this balance.

Since the year end, the SG and BNP loan was renegotiated and £500,000 recognised as a donation. The remaining £500,000 is now held by the company to be repaid from October 2021.

Notes to the financial statements

For the year ended 31 March 2016

6. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

7. Reserves

	Profit and loss account £
At 1 April 2015	(1,015,598)
Loss for the financial year	(167,106)
At 31 March 2016	(1,182,704)

8. Reconciliation of movement in shareholders' deficit

	2016 £	2015 £
Opening shareholders' deficit	(1,015,597)	(730,680)
Loss for the financial year	(167,106)	(284,917)
Closing shareholders' deficit	(1,182,703)	(1,015,597)

9. Related party transactions

The company has taken advantage of the exemption available in accordance with FRSSE 2015 not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary of the group to which it is party to the transactions.

10. Ultimate parent undertaking and controlling party

The immediate parent company is East End Fair Finance Limited, a registered society under the Co-operative and Community Benefit Society Act 2014, registered in England and Wales. There is no ultimate controlling party of East End Fair Finance.