

Fair Finance Personal Loans Limited

Director's report and financial statements

for the year ended 31 March 2022

Registered number: 07509653



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 2022

The director presents his report with the financial statements of Fair Finance Personal Loans Limited ('the Company') for the year ended 31 March 2022.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 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 to 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.

Director

The director who served during the year was:

F Rahman

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.

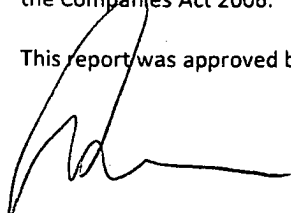
Director's report (continued)

for the year ended 31 March 2022

Small companies exemption

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23 June 2022 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'F Rahman', written over a horizontal line.

F Rahman
Director

Independent auditor's report to the members of Fair Finance Personal Loans Limited for the year ended 31 March 2022

Opinion

We have audited the financial statements of Fair Finance Personal Loans Limited ('the Company') for the year ended 31 March 2022, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, 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 Financial Reporting Standard 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 March 2022 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 United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

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

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

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

Independent auditor's report to the members of Fair Finance Personal Loans Limited (continued)

for the year ended 31 March 2022

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 director is 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.

Opinion 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has 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 Director's report.

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

Responsibilities of the director

As explained more fully in the Director's responsibilities statement set out on page 1, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Fair Finance Personal Loans Limited (continued)

for the year ended 31 March 2022

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.

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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing financial services companies;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the Company through discussions with directors and other management at the planning stage and from our knowledge and experience of financial services companies;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations;
- we focussed our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company including the Companies Act 2006, employment legislation and taxation legislation; and
- we considered the impact of Brexit on the Company and the laws and regulations above.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the Company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries throughout the year to identify unusual transactions, particularly in relation to expenditure;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the period above;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the Company's management;
- tested the occurrence and completeness of revenue by reviewing loan agreements between the company and its customers and investigated any material variances to expectations; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

Independent auditor's report to the members of Fair Finance Personal Loans Limited (continued)

for the year ended 31 March 2022

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statements disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Jonathan West (Senior statutory auditor)

for and on behalf of

Buzzacott LLP

Statutory Auditor

130 Wood Street

London

EC2V 6DL

23 June 2022

Statement of comprehensive income

for the year ended 31 March 2022

	2022 £	2021 £
Turnover	877,270	345,970
Gross profit	877,270	345,970
Administrative expenses	(1,060,928)	(375,108)
Operating loss	(183,658)	(29,138)
Interest payable and similar expenses	(30,396)	(20,964)
Loss for the financial year	(214,054)	(50,102)

All amounts relate to continuing operations.

There was no other comprehensive income for 2022 or 2021.

The notes on pages 9 to 12 form part of these financial statements.

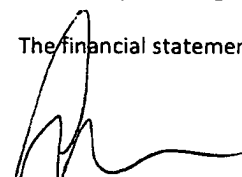
Statement of financial position

as at 31 March 2022

	Note	2022 £	2021 £
Current assets			
Debtors: amounts falling due after more than one year	5	62,697	27,260
Debtors: amounts falling due within one year	5	1,202,211	640,134
Total assets less current liabilities		1,264,908	667,394
Creditors: amounts falling due after more than one year	6	(1,561,568)	(750,000)
Net liabilities		(296,660)	(82,606)
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(296,661)	(82,607)
		(296,660)	(82,606)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


F Rahman
Director

Date: 23 June 2022

The notes on pages 9 to 12 form part of these financial statements.

Notes to the financial statements

for the year ended 31 March 2022

1. General information

The Company is a private company limited by shares and incorporated in England and Wales. Its registered office and principal place of business is 18 Ashwin Street, Dalston, London, E8 3DL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company is reliant on parent support to perform its primary activity and has received assurance from its parent company, East End Fair Finance Limited, that it will continue to provide financial and operational support as required for a period of at least 12 months from the date of approval of these financial statements.

The director has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date these financial statements are authorised for issue. Therefore, the Company continues to adopt the going concern basis in preparing the financial statements. The director does not consider there to be material uncertainty in respect of the Company's ability to continue as a going concern.

2.3 Turnover

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

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably

Notes to the financial statements

for the year ended 31 March 2022

2. Accounting policies (continued)

2.4 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 8 (2021 - 4).

4. Bad and doubtful debt expense

The expense recognised in the Statement of comprehensive income in respect of bad and doubtful debtors was £443,790 (2021: £112,489) being bad debtors written off in the year of £209,549 (2021: £14,559) and an increase in the provision of £234,241 (2021: £97,930).

Notes to the financial statements

for the year ended 31 March 2022

5. Debtors

	2022 £	2021 £
Due after more than one year		
Loan receivable	62,697	27,260
	<u>62,697</u>	<u>27,260</u>
Due within one year		
Loan receivable	1,202,211	613,871
Amounts owed by group undertakings	-	26,263
	<u>1,202,211</u>	<u>640,134</u>

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

	2022 £	2021 £
Bank loans	1,476,000	750,000
Amounts owed to group undertakings	85,568	-
	<u>1,561,568</u>	<u>750,000</u>

Bank loans represent a loan secured by a floating charge over the assets of the Company.

Amounts owed to group undertakings relate to an intercompany loan from the Company's immediate parent East End Fair Finance Limited. The parent has provided an undertaking not to call for repayment of its intercompany balance within 12 months of the approval of the financial statements and until the Company has sufficient working capital to repay this balance.

7. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund amounted to £5,063 (2021: £2,104). No amounts (2021: £nil) remained payable at the reporting date.

Notes to the financial statements

for the year ended 31 March 2022

8. Related party transactions

The Company has taken advantage of the exemption to disclose related party transactions with other group companies conferred by FRS 102 paragraph 33.1 A "Related party disclosures" on the basis that it is a wholly owned subsidiary and group accounts are prepared which include the Company.

There were no other related party transactions.

9. Controlling party

The immediate parent company is East End Fair Finance Limited, a registered society under the Co-operative and Community Benefit Societies Act 2014. Its registered offices are situated at 18 Ashwin Street, Dalston, London, E8 3DL. There is no ultimate controlling party of East End Fair Finance Limited.