

Fitzrovia Finance Ltd.

Report and Financial Statements

Year Ended 31 March 2021

Company number 08846389



FITZROVIA FINANCE LTD.

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**FITZROVIA FINANCE LTD.
OFFICERS AND PROFESSIONAL ADVISERS**

Directors

Mr B Bauman
Mr K Devon-Lowe

Registered office

6th Floor
338 Euston Road
London
NW1 3BG

Company number

08846389

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU
United Kingdom

**FITZROVIA FINANCE LTD.
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their strategic report for the year ended 31 March 2021.

Closure of Business

Fitzrovia Finance Ltd. ("the Company") was originally incorporated to develop an online marketplace connecting Borrowers and Investors.

Due to a number of challenging economic circumstances, exacerbated by the current pandemic and other factors impacting the commercial environment for P2P lending over the medium term, the Directors have taken the decision to close the business.

The Company is working with its advisors to conclude all corporate matters related to the wind-down in an orderly manner within a reasonable timescale, having previously notified the Financial Conduct Authority and its clients of its intention to close.

Approved by the Directors of the Company on 30 June 2021.



Karl Devon-Lowe
Director

**FITZROVIA FINANCE LTD.
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Directors present their report together with the audited financial statements for the year ending 31 March 2021.

Results and dividends

The loss for the year amounted to £615,525 (2020: £90,839). The Directors do not recommend payment of a dividend (2020: £nil).

Directors

The Directors who served during the year and up to the date of signing the financial statements are as follows:

Mr B Bauman
Mr K Devon-Lowe
Ms K Pourgalis (resigned 2 December 2020)

Creditor payment terms

It is Company policy to agree and clearly communicate the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice.

Charitable donations

No charitable or political contributions were made during the year (2020: £nil).

Auditors

Each of the persons who are Directors at the date of approval of this report confirms that:

- (1) so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the Directors have taken all the steps that they ought to have taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing its report and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

BDO LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by the Directors of the Company on 30 June 2021.



Karl Devon-Lowe
Director

**FITZROVIA FINANCE LTD.
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

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 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 year. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that 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.

**FITZROVIA FINANCE LTD.
INDEPENDENT AUDITOR'S REPORT
AS AT 31 MARCH 2021**

Independent auditor's report to the members of Fitzrovia Finance Ltd

Opinion on the 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 2021 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Fitzrovia Finance Ltd ("the Company") for the year ended 31 March 2021 which comprise the Income statement, Statement of financial position, Statement of cash flows, Statement of changes in equity, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

Independence

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.

Emphasis of matter – basis of preparation

We draw attention to Note 1 to the financial statements which explains that the Directors have taken the decision to close the business and eventually wind-up the Company. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 1 to the financial statements. Our opinion is not modified in respect of this matter.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. 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.

**FITZROVIA FINANCE LTD.
INDEPENDENT AUDITOR'S REPORT
AS AT 31 MARCH 2021**

Other Companies Act 2006 reporting

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 material misstatements in the Strategic report or the Directors' 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 Directors' 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.

Extent to which the audit was 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:

- Inspection of minutes of meetings.
- Discussion and confirmation with management.
- Perform journal entry testing over the full population for the year.

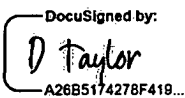
**FITZROVIA FINANCE LTD.
INDEPENDENT AUDITOR'S REPORT
AS AT 31 MARCH 2021**

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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, 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:

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Daniel Taylor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
30 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**FITZROVIA FINANCE LTD.
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	3	100,506	350,237
Cost of sales		(16,031)	7,855
Gross profit		84,475	358,092
Administrative expenses		(699,735)	(489,943)
Operating loss	4	(615,260)	(131,851)
Interest income		15	-
Interest payable		(280)	-
Loss before taxation		(615,525)	(131,851)
Taxation on loss on ordinary activities	6	-	41,012
Loss for the financial year		(615,525)	(90,839)

All amounts relate to continuing activities.

There are no items of other comprehensive income

The notes on pages 12 to 15 form part of these financial statements.

**FITZROVIA FINANCE LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	7	-	538,205
		<hr/>	<hr/>
		-	538,205
Current assets			
Debtors	8	318,306	470,613
Cash at bank and in hand		1,039	134,246
		<hr/>	<hr/>
Total current assets		319,345	604,859
		<hr/>	<hr/>
Creditors: amounts falling due within one year			
Creditors	9	(23,388)	(231,582)
		<hr/>	<hr/>
Net current assets		295,957	373,277
		<hr/>	<hr/>
Net assets		295,957	911,482
		<hr/>	<hr/>
Capital and reserves			
Share capital	10	1,355,930	1,355,930
Profit and loss account		(1,059,973)	(444,448)
		<hr/>	<hr/>
Equity shareholders' funds		295,957	911,482
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2021.



Karl Devon-Lowe
Director

Company registration number: 08846389

The notes on pages 12 to 15 form part of these financial statements.

**FITZROVIA FINANCE LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital £	Profit and loss account £	Total equity £
As at 1 April 2019	1,005,930	(353,609)	652,321
Loss for the year	-	(90,839)	(90,839)
Contributions by owners:			
Issue of share capital	350,000	-	350,000
As at 31 March 2020	1,355,930	(444,448)	911,482
As at 1 April 2020	1,355,930	(444,448)	911,482
Loss for the year	-	(615,525)	(615,525)
As at 31 March 2021	1,355,930	(1,059,973)	295,957

The notes on pages 12 to 15 form part of these financial statements.

**FITZROVIA FINANCE LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss for the financial year		(615,525)	(90,839)
Adjustments for:			
Decrease/(Increase) in debtors		152,307	(292,406)
(Decrease)/Increase in creditors		(208,194)	156,208
Taxation		-	(41,012)
Amortisation of intangible fixed assets	7	549,005	221,865
Net cash used in operating activities		(122,407)	(46,184)
Cash flows from investing activities			
Purchases of intangible assets	7	(10,800)	(243,822)
Net cash used in investing activities		(10,800)	(243,822)
Cash flows from financing activities			
Issue of ordinary share capital	10	-	350,000
Net cash from financing activities		-	350,000
(Decrease)/Increase in cash		(133,207)	59,994
Cash at start of year		134,246	74,252
Cash at end of year		1,039	134,246

The notes on pages 12 to 15 form part of these financial statements.

FITZROVIA FINANCE LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

Going concern

Due to a number of challenging economic circumstances, exacerbated by the current pandemic and other factors impacting the commercial environment for P2P lending over the medium term, the Directors have taken the decision to close the business and eventually wind-up the Company.

The Directors have therefore concluded that it is appropriate to prepare these accounts on a basis other than going concern.

Financial assets, financial liabilities and equity

Financial assets, liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Revenue

Revenue represents the value of services provided net of value added tax.

Expenses

All expenses are accounted for on an accruals basis.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised on a straight line basis over their estimated useful life. The useful economic lives of intangible assets are as follows:

Development costs – 3 years

Following the decision to close the business all intangible assets have been fully amortised in the year.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made certain estimates and judgements with regards to the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

3 Turnover

	2021	2020
	£	£
Interest differential	506	237
Provision of lending platform services	100,000	350,000
	<u>100,506</u>	<u>350,237</u>

FITZROVIA FINANCE LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Operating loss

	2021 £	2020 £
The operating loss is stated after charging:		
Auditors' remuneration – audit services	4,800	4,800
Auditors' remuneration – taxation services	<u>7,800</u>	<u>7,000</u>

5 Directors' remuneration and employees

The remuneration of the highest paid Director was £nil (2020: £nil) and the pension costs were £nil (2020: £nil). There were no persons employed during the year (2020:0).

6 Taxation

	2021 £	2020 £
Current tax credit for the year	<u>-</u>	<u>41,012</u>

The standard rate of current tax for the year is based on the standard rate of corporation tax in the United Kingdom of 19% (2020: 19%).

The current year tax charge differs from the standard rate for the reasons set out in the following reconciliation:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(615,525)</u>	<u>(131,851)</u>
Tax charge on loss on ordinary activities at the standard rate	(116,950)	(25,052)
Effects of:		
- Unutilised tax losses	116,950	25,052
- Research and Development tax credit	-	41,012
Current tax credit for the year	<u>-</u>	<u>41,012</u>

FITZROVIA FINANCE LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7 Intangible assets

	Development expenditure £
Cost	
At 1 April 2020	760,070
Additions	10,800
At 31 March 2021	<u>770,870</u>
Amortisation	
At 1 April 2020	221,865
Charge for year	549,005
At 31 March 2021	<u>770,870</u>
Net book value	
At 31 March 2021	<u>-</u>
At 31 March 2020	<u>538,205</u>

Following the decision to close the business all intangible assets have been fully amortised in the year.

8 Debtors

	2021 £	2020 £
Corporation tax	-	41,012
Prepayments and accrued income	-	9,601
Amounts due from group undertakings	<u>318,306</u>	<u>420,000</u>
	<u>318,306</u>	<u>470,613</u>

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	7,800	50,328
Accruals and deferred income	12,600	21,000
VAT	2,988	17,968
Amounts owed to group undertakings	-	142,286
	<u>23,388</u>	<u>231,582</u>

10 Share capital

	2021 £	2020 £
Allotted, called up and fully paid:		
1,355,930 (2020: 1,355,930) ordinary shares of £1 each	<u>1,355,930</u>	<u>1,355,930</u>

During the year 0 ordinary shares of £1 each were allotted and fully paid up (2020: 350,000).

**FITZROVIA FINANCE LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

11 Commitments under operating leases

The Company had no annual commitments under non-cancellable operating leases as at 31 March 2021 (2020: none).

12 Ultimate controlling party

The Company is incorporated in the United Kingdom and is a wholly owned subsidiary of Alpha Real Capital LLP ("ARC"), a Limited Liability Partnership registered in the United Kingdom. ARC is considered to be the controlling party of the Company at the balance sheet date.

The ultimate controlling party is considered to be the designated members of ARC.

As 100% of the Company's voting rights are controlled by ARC, these financial statements are included within the consolidated financial statements of ARC which are available to the public by writing to the Chief Finance Officer at 338 Euston Road, London NW1 3BG.

13 Related party transactions

The Company has taken advantage of the exemption, under the terms of Section 33 of FRS 102, Related Party Disclosures, not to disclose related party transactions between two members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.