

Registered number: 09027457

Reclaim in Spain Limited

Unaudited

Directors' report and financial statements

For the year ended 30 November 2019



Reclaim in Spain Limited

Company Information

Directors

M J Coyne
P A O'Donnell
B R D Parslow

Registered number

09027457

Registered office

Suite 4
Anchor Springs
Littlehampton
England
BN17 6BP

Accountants

Kreston Reeves LLP
Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Reclaim in Spain Limited

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Reclaim in Spain Limited

Directors' report For the year ended 30 November 2019

The directors present their report and the financial statements for the year ended 30 November 2019.

Principal activity

The principal activity of the company is that of a claims management company, specifically Spanish claims.

Directors

The directors who served during the year were:

M J Coyne
P A O'Donnell
B R D Parslow

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 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 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 for the Company's financial statements 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 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 to 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.

Business review

The company was set up to deal with claims specific to the housing market in Spain. The deadline for making these claims is 6 October 2020, and once these final claims have been settled the company will come to the end of its commercial life. It may take some time from the final claims being submitted, and the cases being settled and therefore the final fees being received.

Reclaim in Spain Limited

Directors' report (continued) For the year ended 30 November 2019

Aims and Objectives

Reclaim in Spain Limited, was set up to manage and process claims on behalf of consumers:

1. against timeshare resorts and groups for mis-selling their services, being a breach of Law 42/1998 in Spain as ratified by the Spanish Supreme Court in January 2015 (Timeshare Claims), and
2. against Spanish banks that held funds on behalf of clients that had been deposited with them for stage payments on off-plan properties in Spain that were never built, being a breach of Law 57/68 in Spain as confirmed by the Spanish Supreme Court in January 2016 (Deposit Claims).

The Supreme Court in Spain has determined that submission of claims, under law 57/68 (Deposit Claims) have an end date of 6th October 2020. Although there is no legal end date specified for timeshare claims, it is believed that the window of opportunity to exploit these claims will be limited.

Our scope of activity may increase if similar claim types in Spain arise, but the over-riding intention of the company is to limit and restrict our activities to these 'Spanish Claims' and that once the final claims have been submitted and processed, the expectation is that the company will have served its commercial purpose and will be wound-up in order to mitigate the commercial risks associated with running such a business.

Establishing the Company

The company has made great strides in establishing itself, having carried out extensive investigation into the market.

Although we had little doubt that we could acquire customers that had legitimate claims, the limiting factor to the potential success of the business was whether we could find and establish a working relationship with a Spanish Solicitor or Solicitors who had the necessary skill sets, vision, ambition and ability to take the business forward on the scale we envisaged.

After much searching and through serendipity we found two 'master Solicitors', one who specialises in Deposit Claims and the other in Timeshare Claims. Each had already enjoyed a great deal of success both in absolute numbers and success rates.

An additional advantage was that both currently operate from the same area in Spain, making co-ordination and co-operation far easier.

Reclaim in Spain Limited

Directors' report (continued) For the year ended 30 November 2019

Testing and Initial Trading

During the first phase of our development we concentrated on exploiting the Deposit Claim route. This involved establishing a brand – Reclaim in Spain – that was easily remembered, recognisable and transferrable across all forms of media, from print to digital; TV to radio. Moving forward it our intention to use this as our main brand, with the two claim types being separate products/services under that brand.

In the early months we concentrated on building an Introducer network and focussed upon Ireland (South and North) as a market place.

Unlike the UK, residents of Southern Ireland do not benefit from the protection of The Financial Ombudsman and The Financial services Compensation Service, so the only viable route to claim is through the Spanish legal system.

Having established a brand and corporate identity we invested in creating adverting and marketing assets that were used in discreet campaigns across a range of media outlets.

To this end we produced broadcast standard TV adverts and several advertisements for radio. The downside of this approach was that we had to rely on introducers to 'close' the sales in Ireland so we had to pay for the advertising and marketing to customers and will also have to pay the introducers back end commissions when claims are successful.

Although this will reduce our headline return on investment, which will be reflected in our next accounting period, it was an essential preparation for our longer-term planning.

In recent months we have been able to consolidate our business and identify an accurate cost per acquisition across a range of outlets, whilst also building a pipeline of claims for processing by Spanish partners in the period covered by this report.

Outlook

Trading conditions have hardened over the last twelve months, mainly due to a lengthening of the time it is taking to process Law 57/68 cases in Spain and a more robust defence of claims by the Spanish banks.

Although this has not changed the ultimate result, it has meant that the timeline for work in progress has increased however, moving forward this effect will be reduced once the 'Pipeline' of claims is full.

To mitigate the risk of running out of cash whilst we waited for the receipt of commissions on these claims, the company was able to secure litigation funding to fund the work in progress. The trigger for this funding, on a claim by claim basis, is the point a claim is submitted to court in Spain.

The huge amount of work put into timeshare claims has borne fruit and we now have the structures in place to pursue claims through the UK courts as well as the Spanish courts.

We believe that the market for timeshare claims will be larger than that of Law 57/68 claims and we will devote resources in the coming year to this area.

Funding has also been secured on timeshare claims that are processed through the UK courts. The funding will cover the cost of client acquisition and initial audit/document collection carried out by Reclaim in Spain prior to the claim being passed onto a Solicitor.

The post balance-sheet funding structures should allow us to fully exploit the opportunities from both case types over the coming two – three years.

The impact of the COVID-19 pandemic has been considered in note 2.2 to these financial statements.

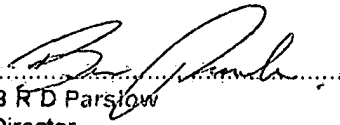
Reclaim in Spain Limited

Directors' report (continued)
For the year ended 30 November 2019

Small companies note

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

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


B R D Parslow
Director
Date: 25/11/2020

Reclaim in Spain Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Reclaim in Spain Limited for the year ended 30 November 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Reclaim in Spain Limited for the year ended 30 November 2019 which comprise the Statement of income and retained earnings, the Balance sheet, the Statement of changes in equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of directors of Reclaim in Spain Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Reclaim in Spain Limited and state those matters that we have agreed to state to the Board of directors of Reclaim in Spain Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Reclaim in Spain Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Reclaim in Spain Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Reclaim in Spain Limited. You consider that Reclaim in Spain Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Reclaim in Spain Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Kreston Reeves LLP
Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Date: 25/11/2020

Reclaim in Spain Limited

Statement of income and retained earnings For the year ended 30 November 2019

	Note	2019 £	2018 As restated £
Turnover	2.4	356,776	261,485
Cost of sales		(318,233)	(88,755)
Gross profit		38,543	172,730
Administrative expenses		(131,964)	(205,215)
Operating loss		(93,421)	(32,485)
Interest receivable and similar income		42	25
Interest payable and expenses		(41)	-
Other finance income		(14,087)	(430)
Loss before tax		(107,507)	(32,890)
Tax on loss		(21,104)	(720)
Loss after tax		(128,611)	(33,610)
Retained earnings			
- as previously stated		(115,806)	(119,320)
- correction of a prior period error		(37,124)	-
At the beginning of the year as restated		(152,930)	(119,320)
Loss for the year		(128,611)	(33,610)
Retained earnings at the end of the year		(281,541)	(152,930)

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 14 form part of these financial statements.

Reclaim in Spain Limited
Registered number: 09027457

Balance sheet
As at 30 November 2019

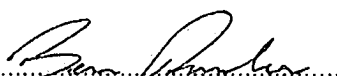
	Note	2019 £	2018 As restated £
Current assets			
Debtors: amounts falling due within one year	4	440,356	72,626
Cash at bank and in hand		52,081	126,771
		<u>492,437</u>	<u>199,397</u>
Creditors: amounts falling due within one year	5	(198,689)	(352,276)
Net current assets/(liabilities)		<u>293,748</u>	<u>(152,879)</u>
Total assets less current liabilities		<u>293,748</u>	<u>(152,879)</u>
Creditors: amounts falling due after more than one year	6	(575,238)	-
Net liabilities		<u>(281,490)</u>	<u>(152,879)</u>
Capital and reserves			
Called up share capital	8	51	51
Profit and loss account		(281,541)	(152,930)
		<u>(281,490)</u>	<u>(152,879)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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:


 B R D Parslow
 Director
 Date: 25/11/2020

The notes on pages 9 to 14 form part of these financial statements.

Reclaim in Spain Limited

Statement of changes in equity For the year ended 30 November 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 December 2017	51	(119,320)	(119,269)
Comprehensive income for the year			
Loss for the year	-	(33,610)	(33,610)
Total comprehensive income for the year	-	(33,610)	(33,610)
Total transactions with owners	-	-	-
At 1 December 2018 (as previously stated)	51	(115,806)	(115,755)
Prior year adjustment	-	(37,124)	(37,124)
At 1 December 2018 (as restated)	51	(152,930)	(152,879)
Comprehensive income for the year			
Loss for the year	-	(128,611)	(128,611)
Total comprehensive income for the year	-	(128,611)	(128,611)
Total transactions with owners	-	-	-
At 30 November 2019	51	(281,541)	(281,490)

The notes on pages 9 to 14 form part of these financial statements.

Reclaim in Spain Limited

Notes to the financial statements For the year ended 30 November 2019

1. General information

The company is a private company limited by share capital incorporated in England and Wales (Registered number: 09027457). The principal activity of the company can be found in the Directors' report.

The address of the registered office and principal place of business is:

Suite 4 Anchor Springs
Littlehampton
England
BN17 6BP

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 the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

Despite the company reporting a loss for the year after tax of £128,611 (2018: £33,610) and net liabilities of £281,490 (2018: £152,879) the financial statements have been prepared on a going concern basis. The directors have assessed the current financial position of the company and have concluded that the accounts should be prepared on a going concern basis as a result of substantial post year end and future profitability.

The financial statements have been prepared on a going concern basis. The company's ability to continue to trade is dependant upon the support of its directors and related companies. If this assumption proves to be inappropriate, adjustments may have to be made to adjust the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and reclassify fixed assets as current assets. The impact of the COVID-19 pandemic is not expected to affect the company's ability continue as current claims will continue for at least 2 years. The deadline to submit claims is 6 October 2020, with each claim taking an average of 24 months to resolve.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Reclaim in Spain Limited

Notes to the financial statements For the year ended 30 November 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

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

- the amount of revenue 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.

2.5 Interest income

Interest income is recognised in profit or loss 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 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

**Notes to the financial statements
For the year ended 30 November 2019**

2. Accounting policies (continued)

2.8 Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 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.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 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.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2018 - 3).

Reclaim in Spain Limited

Notes to the financial statements For the year ended 30 November 2019

4. Debtors

	2019 £	2018 £
Trade debtors	30,743	4,287
Other debtors	403,529	40,423
Prepayments	6,084	4,197
Deferred taxation	-	23,719
	<u>440,356</u>	<u>72,626</u>

5. Creditors: Amounts falling due within one year

	2019 £	2018 As restated £
Trade creditors	61,019	86,923
Other taxation and social security	1,342	-
Other creditors	40,346	263,353
Accruals	95,982	2,000
	<u>198,689</u>	<u>352,276</u>

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

	2019 £	2018 £
Litigation Funding	575,238	-
	<u>575,238</u>	<u>-</u>

The loan is in relation to a litigation funding agreement.

Reclaim in Spain Limited

Notes to the financial statements For the year ended 30 November 2019

7. Deferred taxation

	2019 £
At beginning of year	23,719
Charged to profit or loss	(23,719)
At end of year	-

The deferred tax asset is made up as follows:

	2019 £	2018 £
Tax losses carried forward	-	23,719
	-	23,719

8. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
51 (2018 - 51) Ordinary shares of £1.00 each	51	51

9. Prior year adjustment

The comparative figures of these financial statements have been restated to account for the recharge of IT costs with an associated company.

The effects of the change are as follows:

Previously reported other creditors at 30 November 2018 were £226,229. Restated amounts to other creditors at 30 November 2018 are £263,353.

Previously reported profit and loss account at 30 November 2018 were (£115,806). Restated profit and loss accounts at 30 November 2018 are (£152,930).

Reclaim in Spain Limited

Notes to the financial statements For the year ended 30 November 2019

10. Related party transactions

During the year the following loans were made to the directors:

	2019 £
M Coyne	20,128
P O'Donnell	54,769
B Parslow	20,648
	<hr/>
	95,545
	<hr/>

11. Controlling party

There is no ultimate controlling party.