

**Fair Finance Personal Loans 2
Limited**

**Director's report and financial
statements**

for the year ended 31 March 2018

Registered number: 07509549



Fair Finance Personal Loans 2 Limited

Company Information

Director	F Rahman
Registered number	07509549
Registered office	18 Ashwin Street Dalston London E8 3DL
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Fair Finance Personal Loans 2 Limited

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Fair Finance Personal Loans 2 Limited

Director's report

for the year ended 31 March 2018

The director presents his report together with the financial statements of Fair Finance Personal Loans 2 Limited ('the Company') for the year ended 31 March 2018.

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 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 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 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.

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.

Small companies note

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 on

03 / 07 / 18

and signed by the sole director.


F Rahman
Director

Independent auditor's report to the members of Fair Finance Personal Loans 2 Limited
for the year ended 31 March 2018

Opinion

We have audited the financial statements of Fair Finance Personal Loans 2 Limited (the 'Company') for the year ended 31 March 2018, 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 2018 and of its profit 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

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information included in the Annual Report, 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.

**Independent auditor's report to the members of Fair Finance Personal Loans 2 Limited
(continued)**
for the year ended 31 March 2018

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.

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 directors

As explained more fully in the Director's responsibilities statement 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 2 Limited
(continued)**
for the year ended 31 March 2018


Auditors' 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: 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.



Peter Chapman (Senior statutory auditor)
for and on behalf of

Buzzacott LLP
Statutory Auditor
130 Wood Street

London
EC2V 6DL

Date: 03/07/18

Statement of comprehensive income

for the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover		1,169,438	852,133
Exceptional Item	4	1,491,317	-
Gross profit		2,660,755	852,133
Administrative expenses		(1,265,520)	(911,276)
Operating profit/(loss)		1,395,235	(59,143)
Interest receivable and similar income		-	67
Interest payable and expenses		(168,362)	(128,578)
Profit/(loss) before tax		1,226,873	(187,654)
Tax on profit/(loss)		-	-
Profit/(loss) for the financial year		1,226,873	(187,654)

There was no other comprehensive income for 2018 (2017: £Nil).

The notes on pages 7 to 10 form part of these financial statements.

Statement of financial position
as at 31 March 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	5	1,637,612	1,541,188
		<u>1,637,612</u>	<u>1,541,188</u>
Creditors: amounts falling due within one year	6	(308,333)	(1,515,617)
Net current assets		1,329,279	25,571
Creditors: amounts falling due after more than one year	7	(1,429,758)	(1,352,923)
Net liabilities		(100,479)	(1,327,352)
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(100,480)	(1,327,353)
		<u>(100,479)</u>	<u>(1,327,352)</u>

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 and signed by the sole director:


F Rahman
Director

Date:

03/07/18

The notes on pages 7 to 10 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2018

1. General information

The Company is a private company limited by shares and incorporated in the United Kingdom. Its registered office 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

After reviewing the Company's forecasts and projections, the directors have a 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. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

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 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 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.

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.

Notes to the financial statements

for the year ended 31 March 2018

2. Accounting policies (continued)

2.6 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 the Statement of comprehensive income 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.

2.7 Taxation

Tax is recognised in the Statement of comprehensive income, 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.

2.8 Exceptional Items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Employees

The average monthly number of employees during the year was 16 (2017: 14).

4. Exceptional Item

	2018 £	2017 £
Exceptional item	1,491,317	-
	<u>1,491,317</u>	<u>-</u>

This exceptional income relates to the write back of £1,491,317 facility due to Santander Bank PLC. It was agreed with Santander Bank PLC that this sum would not be repaid.

Notes to the financial statements
for the year ended 31 March 2018

5. Debtors

	2018 £	2017 £
Loans receivable	1,637,612	1,541,188
	<u>1,637,612</u>	<u>1,541,188</u>

6. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	-	1,450,360
Bank loans	75,000	6,924
Other loans	233,333	58,333
	<u>308,333</u>	<u>1,515,617</u>

Other loans relate to a single loan, which is unsecured and repayable in monthly installments from 20 March 2018 and is to be fully repaid by 20 August 2018.

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

	2018 £	2017 £
Bank loans	792,919	400,000
Other loans	-	291,667
Amounts owed to group undertakings	636,839	661,256
	<u>1,429,758</u>	<u>1,352,923</u>

Bank loans relate to a single loan that is secured by a floating charge over the assets of the Company.

The £400,000 bank loan included in the prior year was repaid during the year.

Other loans are included in Creditors: amounts falling due within one year in the current year.

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.

8. Pension commitments

The Company operates a defined contributions 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 and amounted to £6,141 (2017: £6,276), no amounts (2017: £Nil) remained payable at the balance sheet date.

Notes to the financial statements
for the year ended 31 March 2018

9. 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.

10. 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. Its registered offices are situated at 18 Ashwin Street, Dalston, London, E8 3DL. There is no ultimate controlling party of East End Fair Finance.