

Fenchurch Legal Ltd

Annual Report and Financial Statements

For the period ended 31 May 2021

Fenchurch Legal Ltd

Company Information

Director	L Klouda	(Appointed 6 April 2020)
Company number	12547045	
Registered office	10 Brick Street Mayfair London United Kingdom W1J 7DF	
Auditor	Moore Kingston Smith Devonshire House 60 Goswell Road EC1M 7AD London EC1M 7AD	
Business address	10 Brick Street Mayfair London United Kingdom W1J 7DF	

Fenchurch Legal Ltd

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Fenchurch Legal Ltd

Director's Report

For the period ended 31 May 2021

The director presents her annual report and financial statements for the period ended 31 May 2021.

Principal activities

The company incorporated on 6 April 2020. The principal activity of the company was that of providing litigation finance.

Director

The director who held office during the period and up to the date of signature of the financial statements was as follows:

L Klouda

(Appointed 6 April 2020)

Auditor

Moore Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Louisa Klouda

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L Klouda

Director

Date: 30/07/2021

Fenchurch Legal Ltd

Director's Responsibilities Statement

For the period ended 31 May 2021

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make 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 enable them to ensure that the financial statements comply with the Companies Act 2006. She 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.

Fenchurch Legal Ltd

Independent Auditor's Report

To the Members of Fenchurch Legal Ltd

Opinion

We have audited the financial statements of Fenchurch Legal Ltd (the 'company') for the period ended 31 May 2021 which comprise the Profit And Loss Account, the Balance Sheet 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 FRS 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 May 2021 and of its profit for the period 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 UK, including the FRC'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.

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.

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.

Fenchurch Legal Ltd

Independent Auditor's Report (Continued)

To the Members of Fenchurch Legal Ltd

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Director's Report for the financial period 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Director's Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 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.

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.

Fenchurch Legal Ltd

Independent Auditor's Report (Continued)

To the Members of Fenchurch Legal Ltd

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Fenchurch Legal Ltd

Independent Auditor's Report (Continued)

To the Members of Fenchurch Legal Ltd

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Ryan Day (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

30/07/2021
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Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Fenchurch Legal Ltd

Profit and loss account

For the period ended 31 May 2021

	Period ended 31 May 2021 £
Turnover	1,755,214
Cost of sales	(554,710)
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Gross profit	1,200,504
Administrative expenses	(223,241)
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Operating profit	977,263
Interest payable and similar expenses	(453,301)
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Profit before taxation	523,962
Taxation	3 (173)
	<hr/>
Profit for the financial period	<u>523,789</u>

Fenchurch Legal Ltd

Balance Sheet

As at 31 May 2021

	Notes	2021 £	£
Fixed assets			
Tangible assets	4		913
Current assets			
Debtors	5	8,159,182	
Cash at bank and in hand		506,447	
		<hr/>	
		8,665,629	
Creditors: amounts falling due within one year	6	(1,520,293)	
		<hr/>	
Net current assets			7,145,336
			<hr/>
Total assets less current liabilities			7,146,249
			<hr/>
Creditors: amounts falling due after more than one year	7		(6,622,187)
			<hr/>
Provisions for liabilities			(173)
			<hr/>
Net assets			523,889
			<hr/> <hr/>
Capital and reserves			
Called up share capital	8		100
Profit and loss reserves			523,789
			<hr/>
Total equity			523,889
			<hr/> <hr/>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 30/07/2021.....

Louisa Klouda
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L Klouda
Director

Company Registration No. 12547045

Fenchurch Legal Ltd

Notes to the Financial Statements

For the period ended 31 May 2021

1 Accounting policies

Company information

Fenchurch Legal Ltd is a private company limited by shares, domiciled and incorporated in England and Wales. The registered office is 10 Brick Street, Mayfair, London, United Kingdom, W1J 7DF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of the financial statements. Due to the nature of the company's activities the impact of the ongoing Covid-19 pandemic on the company has not been significant and it has continued to operate as normal. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The results are for the period from the incorporation date on 6 April 2020 to 31 May 2021. This represents an extension to what would otherwise have been the company's first accounting period to coincide with the financial year.

1.4 Turnover

Turnover represents interest charged on loans provided. Interest is recognised evenly over the course of the loans provided.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	33.3% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fenchurch Legal Ltd

Notes to the Financial Statements (Continued)

For the period ended 31 May 2021

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company only has financial instruments classified as basic and measured at amortised cost. The company has no financial instruments that are classified as 'other' or financial instruments measured at fair value.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Fenchurch Legal Ltd

Notes to the Financial Statements (Continued)

For the period ended 31 May 2021

1 Accounting policies (Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 1.

3 Taxation

	2021 £
Deferred tax	
Origination and reversal of timing differences	173
	<u>173</u>

The actual charge for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

	2021 £
Profit before taxation	523,962
	<u>523,962</u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00%</i>	99,553
Tax effect of expenses that are not deductible in determining taxable profit	651
Group relief	(100,031)
	<u>173</u>
Taxation charge for the period	<u>173</u>

Fenchurch Legal Ltd

Notes to the Financial Statements (Continued)

For the period ended 31 May 2021

4 Tangible fixed assets

Plant and machinery etc £

Cost

At 6 April 2020

-

Additions

1,369

At 31 May 2021

1,369

Depreciation and impairment

At 6 April 2020

-

Depreciation charged in the period

456

At 31 May 2021

456

Carrying amount

At 31 May 2021

913

5 Debtors

2021

Amounts falling due within one year:

£

Trade debtors

7,808,820

Other debtors

350,362

8,159,182

6 Creditors: amounts falling due within one year

2021

£

Trade creditors

65,157

Other taxation and social security

1,166

Other creditors

1,453,970

1,520,293

7 Creditors: amounts falling due after more than one year

2021

£

Other creditors

6,622,187

Fenchurch Legal Ltd

Notes to the Financial Statements (Continued)

For the period ended 31 May 2021

8 Called up share capital

	2021 £
Ordinary share capital Issued and fully paid	
100 ordinary shares of £1 each	100
	<u>100</u>
	<u><u>100</u></u>

9 Related party transactions

In accordance with FRS 102 section 33 paragraph 33.1A, the company has not disclosed transactions within the wholly owned group.

At the period end, the company owed £125,000 to a company under common control which is included within other creditors due within one year. Interest of £9,869 has been charged in the period.

10 Parent company

The immediate and ultimate parent company by virtue of its 100% share capital is SHP Capital Holdings Limited, a company incorporated in England and Wales.

Fenchurch Legal Ltd

Management Information

For the period ended 31 May 2021

Fenchurch Legal Ltd

Detailed Trading and Profit and Loss Account

For the period ended 31 May 2021

	£	Period ended 31 May 2021 £
Turnover		
Loan interest receivable		1,755,214
Cost of sales		
Introduction of finance fees	554,710	
		<u>(554,710)</u>
Gross profit		1,200,504
Administrative expenses		<u>(223,241)</u>
Operating profit		977,263
Interest payable and similar expenses		
Loan interest payable		<u>(453,301)</u>
Profit before taxation		<u><u>523,962</u></u>

Fenchurch Legal Ltd

Schedule of Administrative Expenses

For the period ended 31 May 2021

	Period ended 31 May 2021 £
Administrative expenses	
Wages and salaries	65,000
Social security costs	6,262
Staff pension costs defined contribution	2,330
Management charge - group	60,000
Computer running costs	656
Travelling expenses	968
Professional subscriptions	1,096
Legal and professional fees	56,620
Audit fees	18,000
Bank charges	348
Printing and stationery	368
Advertising	6,800
Entertaining	3,336
Sundry expenses	1,001
Depreciation	456
	<hr/>
	223,241
	<hr/> <hr/>
