

Registered number: 07669210

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**EVERGREEN FINANCE LONDON LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2024**

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## COMPANY INFORMATION

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<b>Director</b>	Y N Perkel
<b>Registered number</b>	07669210
<b>Registered office</b>	5 Broadbent Close Highgate London N6 5JW
<b>Trading Address</b>	2/2a Newman Road Bromley Greater London BR1 1RJ
<b>Independent auditor</b>	MHA 6 <sup>th</sup> Floor 2 London Wall Place London EC2Y 5AU

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## STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2024

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### Introduction

The director presents his strategic report for the for the 15-month period ended 31 March 2024.

The principal activity of the Company was that of providing short-term loans to individuals using an online application process. The Company has traded under its online instalment and short-term loan product, moneyboat.co.uk, which offers loans up to £1,500 at a rate equivalent to 0.7% per day.

### Business review

The Company is a financial services company focused on servicing underbanked consumers in a responsible, fair and respectful way. The Company uses proprietary software and analytics, along with a deep understanding of data, to provide its lending stream via an online lending platform to underbanked consumers who do not have adequate access to credit and banking services in the UK.

The Company's turnover has increased in the period from £14.02 million to £26.58 million. This is due to the increase in number of loans provided consistent with the Company's strategy of growing its customer base to service an underserved segment of the consumer credit market, and the comparative being a 12-month period. The Company's main key performance indicator is capital funds advanced compared to budget.

The Company has recorded a profit before tax of £1.54 million in the period compared to a profit of £0.22 million in the prior year. The profit was driven mainly by the increase in the revenue.

The Company's aim is to continue to grow the business by increasing its customer base. The director considers the state of the Company to be satisfactory and remain optimistic about the future trading conditions of the market that that Company operates in.

### Principal risks and uncertainties

#### ***Financial Liquidity risk***

In terms of financial risk management, the director ensure that the Company's liquidity is maintained by entering into long-term and short-term financial instruments as necessary, to support its operations and other funding requirements. The risk arising from unexpected cash outflows or expected cash inflows which fail to materialise is monitored regularly.

#### ***Reputational risk***

The Company defines this as the risk of a fall in market share and consumer demand due to reputational damage.

Adverse media sentiment and attention regarding the short-term consumer credit industry and individual companies may have a negative impact on the ability to attract new customers and retain existing customers.

The Company manages this risk through embedding strong corporate values culture across the business from the board down to front line employees. This ensures effective communication and brand building, effective governance and management of legal and regulatory risk, execution of its strategy and maintaining adequate plans for response to crises.

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2024**

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**Principal risks and uncertainties (continued)**

***Credit Risk***

The main financial risk of the Company is deemed to be credit risk given the nature of the industry the Company operates in. The Company defines this as the risk of financial losses as a result of the non-recoverability of monies owed to it.

The Company's core credit risk exposure arises from its outstanding loan book receivables from customers. Credit risk on the loan book is primarily managed by the business lending decision systems which apply lending rules to prospective borrowers. These rules and the lending strategies from which they are derived are continually re-evaluated. To the extent that there is objective evidence that losses have been incurred, the financial losses have been provided for during the reporting period.

The director considers that its policies and procedures that it has in place are robust enough to reduce this risk to an acceptable level, whilst acknowledging that it cannot eliminate fully and is a commercial risk of operating in the short-term loan market.

***Regulatory risk***

The Company defines this as the risk in two parts, the risk of failure to comply with regulatory requirements applying to the business arrangements and activities in the current environment, and the risk associated with the Company's adaptation to future changes in regulatory requirements.

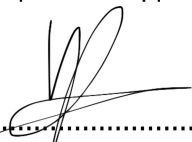
Failure to comply with relevant regulation could result in regulatory censure leading to the suspension or termination of the Company's ability to conduct business and could result in substantial fines or penalties.

The director considers that its policies and procedures that it has in place are robust enough to reduce this risk to an acceptable level, whilst acknowledging that it cannot eliminate fully and is a commercial risk of operating in the short-term loan market.

**Financial key performance indicators**

The Company's main Key Performance Indicator to track progress against its plans is capital funds against budget. The Company's capital funds advanced was within 1% of budget for 2024.

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

  
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**Y N Perkel**  
Director

Date: 22 August 2024

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## DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 MARCH 2024

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The director presents his report and the financial statements for the period ended 31 March 2024.

### **Director's responsibilities statement**

The director is responsible for preparing the Strategic report, the Director's 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 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.

The audited financial statements are for the 15-month period ended 31 March 2024. The comparative amounts presented in the financial statements are not directly comparable. The reporting period was extended to better align financial reporting with the business cycle.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

### **Future Developments**

The director does not anticipate any change in the nature of the Company's activities going forward and the Company will continue to focus on providing short term loans to individuals.

### **Financial Instruments**

The Company enters into forward foreign currency contracts to mitigate exchange rate risk for certain foreign currency payables.

### **Going Concern**

The director has assessed the ability of the Company to continue as a going concern for the next 12 months from the date of approval of these financial statements. This assessment includes the impact of the international conflict.

The ongoing international conflicts have not had any impact on the Company as it does not have any clients in the affected regions.

**DIRECTOR'S REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2024**

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**Going Concern (continued)**

The director considers that the Company has sufficient liquid resources and existing and expected agreements for the provision of their services, so that the Company can cover its costs and pay its liabilities for the next 12 months from the date of approval of these financial statements.

Therefore, the director has concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern for the next 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on the going concern basis.

**Results and dividends**

The profit for the period, after taxation, amounted to £1,206,617 (*year 2022 £176,610*).

The director does not recommend a dividend (2022: £nil).

**Director**

The director who served during the year was:

Y N Perkel

**Disclosure of information to auditor**

The director at the time when this Director's report is approved has confirmed that:

- so far as the director 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.

**Post balance sheet events**

There have been no significant events affecting the Company since the period end.

**Independent Auditor**

The director appointed MacIntyre Hudson LLP trading as MHA, to act as auditors. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

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

  
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**Y N Perkel**  
Director

Date: 22 August 2024

# Independent Auditor's Report to the Members of Evergreen Finance London Limited

## Opinion

We have audited the financial statements of Evergreen Finance London Limited (the "Company") for the period ended 31 March 2024, which comprise the Statement of income and retained earnings, the Balance Sheet, the Statement of cash flows, the Analysis of net debt, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024, 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 other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.



# Independent Auditor's Report to the Members of Evergreen Finance London Limited (continued)

Opinions 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 Strategic report and the Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report 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 our 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
- we have not received all the information and explanations we require for our audit.

## Responsibilities of the director

As explained more fully in the director's responsibilities statement set out on page 3, 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.

## 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance, around actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Reviewing correspondences with the Financial Conduct Authority and inquiring with management to assess compliance with financial services regulations.

# Independent Auditor's Report to the Members of Evergreen Finance London Limited (continued)

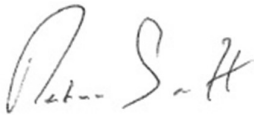
## Auditor's responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://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 Scott  
Senior statutory auditor  
For and on behalf of MHA  
London, United Kingdom

22 August 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE PERIOD ENDED 31 MARCH 2024

	Note	2024 £	2022 £
Turnover	4	26,575,290	14,019,014
Cost of sales		(16,379,542)	(8,904,737)
<b>Gross profit</b>		<b>10,195,748</b>	<b>5,114,277</b>
Administrative expenses	5	(7,446,995)	(3,975,218)
<b>Operating profit</b>	6	<b>2,748,753</b>	<b>1,139,059</b>
Interest receivable and similar income	9	270,937	260,150
Interest payable and similar expenses	10	(1,483,445)	(1,180,471)
<b>Profit before tax</b>		<b>1,536,245</b>	<b>218,738</b>
Taxation	11	(329,628)	(42,128)
<b>Profit after tax</b>		<b>1,206,617</b>	<b>176,610</b>
<b>Total comprehensive income for the period/ year</b>		<b>1,206,617</b>	<b>176,610</b>
Retained earnings at the beginning of the period/ year		2,859,454	2,682,844
Profit for the period/ year		1,206,617	176,610
<b>Retained earnings at the end of the period/ year</b>		<b>4,066,071</b>	<b>2,859,454</b>

The notes on pages 12 to 23 form part of these financial statements.

There were no other items of comprehensive income for the current period or prior year other than those included in the statement of comprehensive income above.  
All amounts relate to continuing operations.

**BALANCE SHEET  
AS AT 31 MARCH 2024**

	Note	2024	2022
		£	£
<b>Fixed assets</b>			
Tangible assets	12	52,576	29,535
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	15,502,725	11,616,699
Cash at bank	14	2,467,407	2,338,406
		<u>17,970,132</u>	<u>13,955,105</u>
Creditors: amounts falling due within one year	15	(11,906,750)	(7,923,328)
<b>Net current assets</b>		<u>6,063,382</u>	<u>6,031,777</u>
<b>Total assets less current liabilities</b>		<u>6,115,958</u>	<u>6,061,312</u>
Creditors: amounts falling due after more than one year	16	(829,630)	(1,936,574)
<b>Provisions for liabilities</b>			
Deferred tax	11	(12,149)	(6,937)
Other provisions	18	(1,207,108)	(1,257,347)
		<u>(1,219,257)</u>	<u>(1,264,284)</u>
<b>Net assets</b>		<u><u>4,067,071</u></u>	<u><u>2,860,454</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	1,000	1,000
Profit and loss account		4,066,071	2,859,454
		<u>4,067,071</u>	<u>2,860,454</u>

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

  
.....  
**Y N Perkel**  
Director

Date: 22 August 2024

The notes on pages 12 to 23 form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2024

	2024	2022
	£	£
<b>Cash flows from operating activities</b>		
Profit for the financial period/ year	1,206,617	176,610
<b>Adjustments for:</b>		
Depreciation of tangible assets	21,559	14,190
Interest charged	1,483,445	1,180,470
Interest earned	(270,937)	(260,150)
Corporation taxation charged	329,628	51,900
Increase in debtors	(3,886,026)	(895,220)
Increase in amounts owed by related parties	(100,000)	(100,000)
(Decrease)/Increase in creditors excluding related party, taxation and loans	(1,431,647)	1,077,712
(Decrease)/Increase in provisions and deferred tax liability	(45,027)	934,034
Corporation tax paid	(102,007)	(185,000)
<b>Net cash (used in)/ generated from operating activities</b>	<b>(2,794,395)</b>	<b>1,994,546</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(44,600)	(18,212)
Interest received	270,937	260,150
<b>Net cash generated from investing activities</b>	<b>226,337</b>	<b>241,938</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new loans	936,000	136,000
Repayment of loans	(174,500)	(117,556)
Revolving Credit Facility	3,419,004	75,916
Interest paid	(1,483,445)	(1,180,470)
<b>Net cash generated from/ (used in) financing activities</b>	<b>2,697,059</b>	<b>(1,086,110)</b>
<b>Net increase in cash</b>	<b>129,001</b>	<b>1,150,374</b>
Cash at beginning of period/ year	2,338,406	1,188,032
<b>Cash at the end of period/ year</b>	<b>2,467,407</b>	<b>2,338,406</b>
<b>Cash at bank at the end of period/ year comprise:</b>		
Cash at bank	2,467,407	2,338,406

The notes on pages 12 to 23 form part of these financial statements.

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ANALYSIS OF NET DEBT  
FOR THE PERIOD ENDED 31 MARCH 2024

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	At 1 January 2023	Movement	At 31 March 2024
	£	£	£
Cash at bank	2,338,406	129,001	2,467,407
Debt due after 1 year	(1,936,574)	1,106,944	(829,630)
Debt due within 1 year	(3,276,210)	(5,709,498)	(8,985,708)
	<u>(2,874,378)</u>	<u>(4,473,553)</u>	<u>(7,347,931)</u>

The notes on pages 12 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024**

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**1. General information**

Evergreen Finance London Limited is a private company limited by shares incorporated in England and Wales. The Company's registered office address is 5 Broadbent Close, Highgate, London, United Kingdom, N6 5JW.

The principal activity of the Company is that of short-term online lending in the United Kingdom.

**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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company has changed its financial reporting period from 31 December 2023 to 31 March 2024. The change in the financial reporting period is due to better align financial reporting with the business cycle and regulatory requirements. To facilitate comparability, the financial statements for the current reporting period cover the extended period from 1 January 2023 to 31 March 2024, which is 15 months compared to the previous full 12-month period. Users should exercise caution when comparing these periods, as the current period represents 15 months.

The following principal accounting policies have been applied:

**2.2 Going concern**

The director has assessed the ability of the Company to continue as a going concern for the next 12 months from the date of approval of these financial statements. This assessment includes the impact of the international conflict.

The ongoing global conflict has not had any impact on the Company as they do not have any clients that are based/have any relation to the conflict.

The director considers that the Company has sufficient liquid resources and existing and expected agreements for the provision of their services, so that the Company can cover its costs and pay its liabilities for the next 12 months from the date of approval of these financial statements.

Therefore, the director has concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern for the next 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

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**2. Accounting policies (continued)**

**2.3 Foreign currency translation Functional and presentation currency**

The Company's functional and presentational currency is pound sterling.

***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.

**2.4 Revenue**

Turnover is recognised at the fair value of interest receivable on lending activities undertaken in the normal course of business. When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Affiliate marketing revenue is recognised upon the sale of customer leads to affiliates based on the date of the lead sale. Affiliates are credit brokers and other companies conducting business similar to that of the Company.

Revenue is 100% generated in the United Kingdom.

**2.5 Operating leases: the Company as lessee**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 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.

**2.8 Borrowing costs**

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



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024

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**2. Accounting policies (continued)**

**2.9 Pensions**

**Defined contribution pension plan**

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

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

**2.10 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior years. Tax is calculated in the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Managements periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**2.11 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%
Computer equipment	-	33%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024

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**2. Accounting policies (continued)**

**2.11 Tangible fixed assets (continued)**

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognized in profit or loss and included in 'other operating (losses)/gains.

**2.12 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.

**2.13 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.

**2.14 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.

**2.15 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the period that the Company becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.16 Financial instruments**

A Financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic Financial Instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Financial assets, including loan sales, are measured at cost and reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024

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**2. Accounting policies (continued)**

**2.16 Financial instruments (continued)**

Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Recoverability of Loan sales are assessed on actual repayments post period end and historical data trends on loan recoverability. Any reversals of impairment are recognised in the Profit and loss Immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Allowances and reserves on loans and receivables, and reserves for refunds related to customer complaints and voluntary redress programs are significant estimates that are subject to revision in the near term as management obtains additional information and refunds estimates. Actual results for all estimates could differ from those established estimates.

*Reserves for Customer Complaints and voluntary redress*

The Company uses reserves for multiple forms of customer redress, including customer complaints, Financial Ombudsman Services ("FOS") adjudication fees and voluntary redress programs.

The underlying reserve is based on the open complaint volume, recent historical averages for customer redress, further estimates for complaints settled internally versus those elevated to the FOS, as well as FOS case fees paid to FOS regardless of the complaint outcome. The Company continues to assess the underlying assumption on an ongoing basis. Under FCA rules, the Company is required to adapt its complaints handling policy and process in response to decisions made by FOS. As a result, the basis of future complaints expenses may change. The impact of these changes, associated risk, and the required changes to our operations, including the operational cost of handling such complaints, are closely monitored, and evaluated on an ongoing basis. As a result, the claims and estimated reserves may have a material impact on the results.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024

**4 Turnover**

An analysis of turnover by class of business is as follows:

	2024 £	2022 £
Interest on Short-term loans	26,330,204	13,853,266
Affiliate and other income	245,086	165,748
	<u>26,575,290</u>	<u>14,019,014</u>

Revenue is 100% generated in the United Kingdom.

**5 Cost of sales and administrative expenses**

Cost of sales include marketing expense and legal costs directly related to the issuance of the contracts.

Administrative expenses include staff costs, professional fees, foreign exchange gains and losses, and other miscellaneous costs.

**6 Operating profit**

The operating profit is stated after charging:

	2024 £	2022 £
Staff costs	2,305,121	1,204,873
Operating lease rentals	296,153	103,772
Exchange differences	272,972	24,110
Depreciation	21,559	14,190
	<u>2,895,805</u>	<u>1,346,945</u>

**7 Auditor's remuneration**

During the period, the Company engaged the following services from the Company's auditor:

	2024 £	2022 £
Audit fees	55,200	43,000
Taxation compliance services	6,300	5,000
Other services	4,800	3,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024

**8 Employees**

Staff costs were as follows:

	2024 £	2022 £
Wages and salaries	2,090,326	1,090,388
Social security costs	186,756	96,933
Cost of defined contribution scheme	28,039	17,522
	<u>2,305,121</u>	<u>1,204,873</u>

The director did not receive any remuneration during the period (year 2022: £nil).

The average monthly number of employees, including the director, during the period/ year was as follows:

	2024 No.	2022 No.
Employees	<u>52</u>	<u>43</u>

**9. Interest receivable and similar income**

	2024 £	2022 £
Loan interest receivable	266,824	258,875
Bank interest receivable	4,113	1,275
	<u>270,937</u>	<u>260,150</u>

**10. Interest payable and similar expenses**

	2024 £	2022 £
Loan interest payable	<u>1,483,445</u>	<u>1,180,471</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024

11. Taxation

	2024	2022
	£	£
<b>Corporation tax</b>		
Current tax on profits for the period/ year	324,416	40,791
<b>Total current tax</b>	<u>324,416</u>	<u>40,791</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	5,212	1,337
<b>Total deferred tax</b>	<u>5,212</u>	<u>1,337</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>329,628</u></u>	<u><u>42,128</u></u>

**Factors affecting tax charge for the period/ year**

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 25% (year 2022 - 19%) as set out below:

	2024	2022
	£	£
Profit on ordinary activities before tax	<u>1,536,245</u>	<u>218,738</u>
Profit on ordinary activities multiplied by the effective UK corporation tax rate ranging from 19% to 25% (2022 - 19%)	325,411	41,560
<b>Effects of:</b>		
Expenses not deductible for tax purposes	4,051	736
Accelerated capital allowances	(85)	(1,081)
Adjustments in respect of prior years	(522)	-
Tax credits	501	-
Other timing differences	272	913
<b>Total tax charge for the period/ year</b>	<u><u>329,628</u></u>	<u><u>42,128</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024

11. Taxation (continued)

Deferred taxation Liability

	2024 £	2022 £
At beginning of period/ year	6,937	5,600
Charged to profit or loss	5,212	1,337
At end of period/ year	<u>12,149</u>	<u>6,937</u>

The provision for deferred taxation is made up as follows:

	2024 £	2022 £
Accelerated capital allowances	<u>12,149</u>	<u>6,937</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

An increase in the UK corporation tax rate from 19% to 25% was substantively enacted in June 2021 and took effect from 1 April 2023 for profits over £250,000. For profits under £50,000 the tax rate remains the same at 19% and for profits between these figures it is subject to 25% but reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

12. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2023	26,495	62,080	88,575
Additions	-	44,600	44,600
Disposals	<u>(17,984)</u>	<u>(5,027)</u>	<u>(23,011)</u>
At 31 March 2024	<u>8,511</u>	<u>101,653</u>	<u>110,164</u>
<b>Depreciation</b>			
At 1 January 2023	23,170	35,870	59,040
Charge for the period	2,275	19,824	21,559
Disposals	<u>(17,984)</u>	<u>(5,027)</u>	<u>(23,011)</u>
At 31 March 2024	<u>7,461</u>	<u>50,127</u>	<u>57,588</u>
<b>Net book value</b>			
At 31 March 2024	<u>1,050</u>	<u>51,526</u>	<u>52,576</u>
At 31 December 2022	<u>3,325</u>	<u>26,210</u>	<u>29,535</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024

13. Debtors

	2024 £	2022 £
Trade debtors net of bad debt provisions	13,221,804	9,165,248
Amounts owed by related parties	1,233,556	1,948,556
Prepayments and accrued income	1,012,433	408,396
Other debtors	34,932	55,095
Derivatives	-	39,404
	<u>15,502,725</u>	<u>11,616,699</u>

Trade debtors are stated after provisions for impairment of £20,003,567 (2022: £15,958,191).

14. Cash at bank

	2024 £	2022 £
Cash at bank	<u>2,467,407</u>	<u>2,338,406</u>

As at period end, there are no restricted funds (year end 2022: nil).

15. Creditors: Amounts falling due within one year

	2024 £	2022 £
Loans (Note 17)	8,980,152	6,512,065
Trade creditors	2,006,302	799,014
Corporation tax	413,655	191,246
Accruals	277,775	257,303
Other creditors	156,368	128,644
Other taxation and social security	56,604	29,500
Derivatives	10,338	-
Bank loans (Note 17)	5,556	5,556
	<u>11,906,750</u>	<u>7,923,328</u>

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

	2024 £	2022 £
Loans (Note 17)	800,000	1,900,000
Bank loans (Note 17)	29,630	36,574
	<u>829,630</u>	<u>1,936,574</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024

17. **Loans**

Analysis of the maturity of loans is given below:

	2024	2022
	£	£
<b>Amounts falling due within one year</b>		
Bank loans	5,556	5,556
Other loans	8,980,152	6,512,065
	<u>8,985,708</u>	<u>6,517,621</u>
 <b>Amounts falling due 1-2 years</b>		
Other loans	800,000	1,900,000
<b>Amounts falling due 2-5 years</b>		
Bank loans	22,222	22,222
<b>Amounts due after more than 5 years</b>		
Bank loans	7,408	14,352
	<u>9,820,894</u>	<u>8,454,195</u>

18. **Provisions**

	2024	2022
	£	£
<b>Customer Complaints and voluntary redress</b>		
At beginning of period/ year	1,257,347	346,650
Charged to profit or loss	(50,239)	910,347
At end of period/ year	<u>1,207,108</u>	<u>1,257,347</u>

The customer complaints and voluntary redress provisions represents the director's best estimate of amounts that may be repayable to former customers in respect of loans entered into prior to the balance sheet date. The director has compiled an estimate based on historic data available to them but the timing and amount of any outflows is subject to considerable uncertainty.

19. **Share capital**

	2024	2022
	£	£
<b>Allotted, called up and fully paid</b>		
100,000 (2022 - 100,000) Ordinary shares of £0.01 each	1,000	1,000

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

20. **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 £28,039 (2022: £17,552). Contributions totalling £5,779 (2022: £4,336) were payable to the fund at the balance sheet date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2024**

**21. Related party transactions**

During the year, the Company invoiced a company in which the director holds an interest in of £266,825 (2022: £342,509). At the year-end £25,513 (2022: £57,706) was outstanding and included within trade debtors.

During the year, the Company received invoices from a company in which the director holds an interest in of £11,826,545 (2022: £3,097,218). At the year-end £918,856 (2022: £541,189) was outstanding and included within trade creditors.

During the year, the Company received invoices from a company in which a shareholder holds an interest in of £30,000 (2022: £24,000). At the year-end £nil (2022: £nil) was outstanding and included within trade creditors.

Included within Debtors is £985,012 (2022: £1,700,012) due from a company in which the director holds an interest in. This amount is repayable on demand and interest is charged on the balance outstanding at commercial rates.

Included within Debtors is £248,544 (2022: £248,544) due from a company in which the director holds an interest in. This amount is interest free and repayable on demand.

Included within Other loans due after 1 year is an amount of £800,000 (2022: £124,000) due to the director. Interest is payable on the balance outstanding at commercial rates.

Included within Other loans due Within 1 year is an amount of £124,000 (2022: £0) due to the director. Interest is payable on the balance outstanding at commercial rates.

Included within Other loans due after 1 year is an amount of £12,000 (2022: £12,000) due to a shareholder. Interest is payable on the balance outstanding at commercial rates.

Included within Other loans due Within 1 year is an amount of £650,000 (2022: £650,000) due to a Company in which a shareholder is the controlling party. Interest is payable on the balance outstanding at commercial rates.

**22. Commitments under operating leases**

At 31 March 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2024</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	130,000	59,733
Later than 1 year and not later than 5 years	0	150,300
	<b>130,000</b>	<b>210,033</b>

**23. Ultimate controlling party**

Y. Perkel is the ultimate controlling party of the Company. Accordingly, there is no parent entity.

**24. Post-balance sheet events**

There have been no significant events affecting the Company since the period-end.