Pfida Ltd

Annual Report and Financial Statements

For the period ended 31 December 2023

Company Registration No. 10347817 (England and Wales)

pfida.com

COMPANY INFORMATION

Directors

Raza Ullah
Badrul (Salman) Hasan
Syed Imran Sharaf
Azhar Khan
Omar El-Said (resigned 5 December 2023)
Forhad Ahmed (resigned 31 March 2024)

Registered address

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Company number

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CONTENTS

INTRODUCTION 4
CEO'S STATEMENT 5
STRATEGIC REPORT 9
DIRECTORS' REPORT 15
DIRECTORS' RESPONSIBILITY STATEMENT 16
INDEPENDENT AUDITOR'S REPORT 17
FINANCIAL STATEMENTS 19
- Income Statement 19
- Statement of Financial Position 19
- Statement of Changes in Equity 20
- Statement of Cash Flows 20

NOTES TO THE FINANCIAL STATEMENTS 21

INTRODUCTION

Pfida is an ethical fintech on a mission to provide everyone with equal and fair opportunities to save, invest and ultimately own a home without interest and debt. We initially started with the aim of creating a better solution for home buying in the UK, and rapidly became a provider of both finance and investment savings products. As winners of ‘Technology Innovator’ and ‘World Islamic Fintech’ awards, we have fast become a disruptive player in the market. Our goal is to create an ethical and fair world by providing financial products and services that benefit everyone, whilst eradicating debt.

In 2019, we successfully launched our first home finance product as an initial pilot, having already completed our operational set-up, built our tech, and concluded discussions with the UK financial regulator. Since then, we have continued to grow and develop, gaining new customers, expanding our infrastructure, building our team, and launching our Grow Your Savings (“GYS”) and other investment savings products. Both the home finance and investment savings products are operated within the separate Pfida Finance plc company (“PLC”)[1]. This separate company has been established within the operating structure to provide segregation, and safeguard assets on behalf of our customers.

We believe in putting our customers at the heart of everything that we do. In addition to providing innovative and flexible solutions for home ownership, we are committed to providing ethical investment savings products. These provide customers with an attractive return or allow them to save towards owning their own home with us, whilst also being confident that they are part of an initiative that is doing good for society by contributing to debt-alleviation and economic stability.

These financial statements are for Pfida Ltd (the “Company”). As the key drivers of the results of the Company include the home finance and investment savings transactions held within PLC, the reports which follow include details and considerations of both the Company and PLC taken together, to provide a description of the overall business (“Pfida”) and its progression.

Partnership-based **finance** and **savings** solutions, powered by **tech**

2023 Awards

2024 Nominations and Awards

[1] Pfida Finance plc, a company registered in England and Wales with company number 12880960

CEO'S STATEMENT

"I believe in a better system, where homebuyer and financier are equal partners sharing mutual trust and respect, ultimately giving customers flexibility, control, and security in their finance agreements. Pfida provides this system, where nobody has to worry about the roof over their head, and both sides of the equation are protected."

Raza Ullah - CEO & Founder

I founded Pfida driven by the vision above. I am delighted to be writing this statement eight years later with the Company having firmly established itself as a provider of home finance and investment savings products in line with this vision.

The journey to get to this point has not been without challenge – this is always the case when trying to create something different. But I am immensely proud that, together with my co-founder and team and with the support of our customers, we have created the foundations of what I believe will redefine the way finance and savings are structured, with both the customer and sustainable economic value creation at the heart of how we do things.

I have great pleasure in now presenting the Annual Report and Financial Statements for the period ended 31 December 2023. These continue to reflect the current development phase of the business and are in line with our plans for the period. They demonstrate and prove the concept and foundations that have been laid and which will now be developed as we continue to grow.

In this reporting period, we continued to enhance our operating infrastructure, tech and product offering. We also focussed on developing and introducing a wider variety of investment savings products, offering higher returns to investors who do not require a place on the home finance waitlist. With a wider demographic of investors in mind, we launched a suite of products tailored to businesses and charities to complement the products offered to individual investors.

In mid-2023, we completed the first phase of our second external equity fundraising which proved even more successful than our first fundraising. I will forever be grateful to those shareholders who are putting their trust in us and supporting us. I am particularly proud that our investors included Venture Studio from Crisis, the renowned homelessness charity. Venture Studio was launched by Crisis to support and invest in companies creating solutions to accelerate the end of homelessness. The fact that they selected us as one of their portfolio companies, after 18 months of due diligence, is testament to the benefits of the model we have created, and the potential opportunities that we have in the wider ethical market.

I believe that the progress we have made, both in the reporting period and subsequently, will make our shareholders proud. At the time of writing this report we have now embarked on the second phase of the planned fundraising, in preparation for the next stages in the Company's development.

In line with this, we have continued to further grow our team. We now employ a dedicated team of almost 50 individuals providing capacity and scalability for future growth. We have added a highly experienced Chief Strategy Officer to our leadership team to help drive our strategic and growth plans. We have also strengthened our operational management team, ensuring that we have the right skills and experience within the business, and with future succession planning and growth in mind.

CEO'S STATEMENT (CONTINUED)

I am pleased with the progress we have made, both in terms of the developments above and with regards to our completed home finance transactions. The income of the Company is currently driven by a share of the net profits generated by the property finance transactions, which are shown in the separate PLC accounts. At the end of the reporting period, a total of 99 finance transactions had been completed in PLC, representing a total transaction value of £32.9 million.

After the end of the reporting period, early in 2024 we achieved a significant milestone moment when we completed our 100th home finance transaction. I had the privilege of being able to personally hand our 100th homeowner the keys to their new home. I was so proud that we had been able to help 100 families achieve debt-free homeownership. When I set out with my initial vision, I imagined the day when we would make a real difference to the lives of so many families. I now look forward to the days when we celebrate many more future milestones beyond this!

At the date of writing this statement, a total of 121 finance transactions have been completed, with a total transaction value of £41.0 million. The business is now generating stable, predictable and recurring customer payments of over £2.1 million per annum, of which over £1.1 million is top-line annual rental revenue in PLC. The continued growth of this rental revenue will directly generate recurring and increasing income for the Company. Further details are provided in the Strategic Report.

In April 2023 we rebranded from Primary Finance to Pfida. This new name came with a refocussed vision and a fresh new website. Once the rebrand was complete we set out to make a splash and expand our social media presence. I was honoured to have been asked to share my story and the Pfida journey on multiple podcasts and presentations throughout the period. Sharing experiences and expertise industry-wide has helped us reach the stage we are at, and I am extremely humbled and grateful for these opportunities.

Since we launched, we have not had a single material default on our finance portfolio. I attribute this partly to excellent underwriting processes – we conduct very detailed due diligence on every single customer and property we take on, and ensure we adhere to our risk policy parameters. I also consider a large part of this is due to the revolutionary tech we have built, which enables customers to flex their payments on demand, and empowers them to manage their own finance agreements according to their point-in-time needs. Finally, the debt-free nature of our product, coupled with our 'equity buffer' mechanism, make for a highly effective form of in-built risk mitigation, protecting both sides of the financing agreement, as evidenced in the results to date.

Our focus now remains on further growth. This will continue to be delivered in a controlled manner, ensuring that our operating infrastructure and control environment develop in line with the expanding requirements. We are committed to robust risk management and providing excellent customer service and will continue to focus on these areas.

We are working on developing new financing and investment offerings with soft launches of bridge and offset finance products having been completed. We have also recently launched a term investment savings account offering market-leading returns. Additionally, we are progressing work on B2B and other institutional partnerships as a means of achieving further growth in an efficient manner. Together with starting work on structured funding solutions, we are creating diversified channels to fuel the next phase of accelerated growth.

All of the above is hugely positive and I am very excited about the future. But we also need to ensure that we remain ready for this next stage of our growth. In addition to the developments I have described above, we have started the discovery phase of a comprehensive upgrade exercise for our tech platform. This is to ensure that as the business moves forward we have best in class security, a streamlined code database and a well-governed change process, ensuring scalability and resilience. By completing this exercise, it enables us to futureproof our tech to a greater extent, so that we can add new products and features with greater efficiency and whilst providing an excellent customer experience.

CEO'S STATEMENT (CONTINUED)

The Pfida brand is fast becoming known for its disruptive alternatives to conventional financial products, and ethical culture. The proof is in our reviews and testimonials, from both customers and community figures, and this defines who we are. As an ethical business, helping people is at the core of our principles. The ongoing humanitarian crisis in Gaza has left us all feeling helpless and heartbroken and we wanted to do whatever little we could. We asked our investment savings account holders if they would like to donate one month's return for us to match. The response was overwhelming and together with our amazing customers we were able to donate £50,000 to 'Medical Aid for Palestinians' who are a UK charity providing humanitarian aid.

This again reiterates to me the overall vision and purpose of our Company and why this is so important to me. I would once again like to thank our customers and shareholders for their ongoing and unwavering support, and also to the team at Pfida for their commitment and dedication.

I look forward to providing further positive updates as Pfida goes from strength to strength.

Raza Ullah
CEO & Founder

25 September 2024

Leadership Team

Raza Ullah

Chief Executive Officer & Founder

18+ years' experience: Finance & Actuarial Services

Raza is a qualified actuary by background, with over 18 years of experience. Raza has previously worked within consultancy at PwC, where he advised multinational blue-chip organisations on technical reserving processes and capital validation. He has also worked in-house within the Lloyd's of London marketplace and at the Bank of England's Prudential Regulation Authority as risk specialist.

Salman Hasan

Chief Legal Officer & Co-Founder

20+ years' experience: Solicitor & Islamic Finance Scholar

Salman is an English qualified solicitor and scholar with over 20 years of legal and Islamic finance experience. He has advised banks and financial institutions in the UK and the Middle East, practicing as a lawyer at an international law firm and later as an independent consultant. Previously, he advised the Bank of England on its Alternative Liquidity Facility, a first of its kind.

Richard Tugwell

Chief Strategy Officer

30+ years' experience: Sales, Marketing & Strategy

Richard has devised and implemented sales and distribution strategies and processes in both B2B and B2C environments, created and managed the outputs of focused data analysis and instigated research and customer experience programs. He has also managed, measured, motivated and mentored high performing sales teams through active targeting, support and incentivisation, as well as implemented market leading oversight and governance processes and reporting to keep companies safe.

Azhar Khan

Chief Financial Officer

25+ years' experience: Finance, Risk Management & Consultancy

Azhar qualified as an ACA chartered accountant with, then global, accountancy firm Arthur Andersen. Following executive roles at Charles Schwab Europe and Barclays Stockbrokers, he was part of the founding management team of Islamic Bank of Britain, the UK's first standalone retail Islamic bank. His further roles have included CFO of Al Rayan Bank and CFO & Executive Director of Qatar Islamic Bank (UK). He has extensive experience in finance, risk management and governance.

Imran Sharaf

Non-Executive Director

20+ years' experience: Finance & Investments

Imran is a qualified chartered financial analyst having begun his career at Morgan Stanley in the UK before moving to the Middle East where he has held a number of senior positions, including as Director of Oman Investment Authority. He is currently the Chief Investment Officer for a subsidiary of the Saudi Public Investment Fund. He has extensive experience in investments and is helping the executive team at Pfida implement their strategic plan and providing oversight and assurance to the Company.

STRATEGIC REPORT

The directors present the strategic report for the Company for the period ended 31 December 2023. This was a longer 16-month period due to the reporting date being changed to 31 December, from 31 August, to align reporting years to the operational planning cycle. Prior period comparatives are for the year ended 31 August 2022.

Financial performance
The financial statements for the period ended 31 December 2023 are shown on pages 19 to 28.

Although the Company was incorporated in 2016, the periods through to 2021 were mainly a research and development pre-operational phase. More substantial operations commenced in 2021 following which the Company continued through its start-up phase, and the financial performance for the period reflects this stage of the Company's development. The financial loss for the period of £2,571,143 (2022: £576,545) reflects the costs incurred to build the team, operational infrastructure and capability of the Company in readiness for future growth.

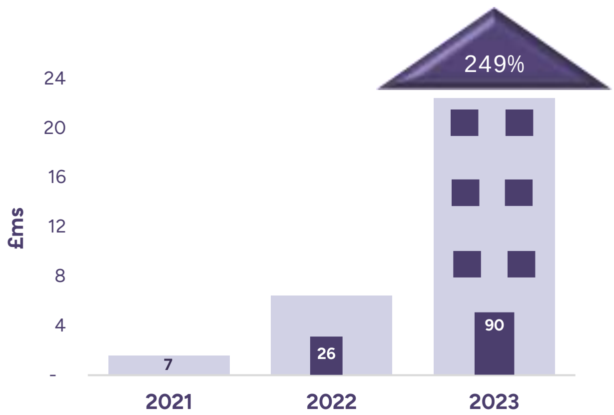
The Company manages the operations of PLC under a management services agreement. A fee for these management services is paid to the Company, which is effectively a part of the net income generated by the completed finance transactions held in PLC. In the period, such income generated increased to £477,078 (2022: £55,498) as the number of properties financed increased. The Company also generates income through arrangement and administration fees. Total income for the period increased to £719,751 (2022: £126,175).

People
Staff numbers as at the end of the period increased to a full time equivalent of 47 (2022: 16). Particular focus has been on Underwriting and Customer Relations to ensure customers are offered the best and most efficient customer journey. Hires were also made in IT, Legal, Operations and Finance as all areas of the operating infrastructure were strengthened. Additionally, the management team was enlarged adding an experienced Chief Strategy Officer to the leadership team, which is summarised on page 8.

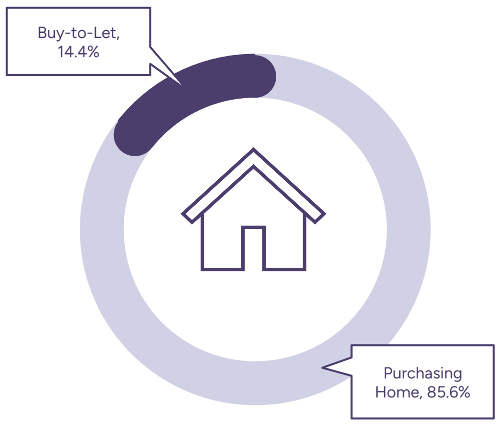
Strategic plan
The Company's focus is on continuing to grow the business and further strengthen its operating infrastructure. As highlighted above, the Company's income at this stage is driven by the completion of home finance transactions held in PLC. During the period, finance assets in PLC grew by 249% to £22.4m (2022: £6.4m). This represents the finance amount outstanding on the PLC balance sheet and reflects a total transaction value of £23.0 million in the period. 64 new homes were financed in the period (2022: 19). At the date of approving this annual report, the total number of homes that have been financed is 121, with a total transaction value of £41.0 million. There is a waiting list of over 15,000 prospects for the home finance product, demonstrating the strong demand. The level of asset growth is therefore set to continue and will be further aided by the launch of new products currently in the development phase. This will lead to increased regular and recurring income for the Company as the level of finance assets continue to grow.

There is also a continued focus on robust risk management and controls. Target profit payments were consistently paid to all investment savings account holders throughout the period and, underpinned by robust underwriting processes, there were zero delinquencies on payments from home finance customers.

Outstanding finance asset value (£) and number of properties financed as at end of period (after redemptions):



Finance by type as at 31 December 2023:



In addition to focussing on continuing to grow the overall finance asset book, the Company is actively working on new products and services, including partnerships. These will lead to diversified income streams in the future.

Current products

The main products currently offered are summarised below. These products provide customers with solutions for purchasing a residential property, either as their home or for buy-to-let purposes, and a range of investment savings accounts. Net income from these products will contribute to the Company's revenue through the management services fees paid by PLC. Additionally, the Company will receive arrangement and administration fees relating to these products.

The key mission is to provide genuinely ethical products – putting the interests of customers first.

Property Finance	
Home Provision Scheme (HPS)	This product aims to change the way home finance works, providing customers with unparalleled levels of flexibility and transparency putting them firmly in control. This is supported by information and functionality available at their fingertips through the web app. Through the app, customers are able to change their payments or length of financing with enormous flexibility and can see the impact of any considered changes immediately, allowing them to make informed decisions. HPS is designed to protect customers if their circumstances change, with the flexibility to switch to a period of renting should they require. A truly ethical product by design, providing customers with the comfort and security that they will have the ability to adapt their financing should the unexpected happen. In turn, these mechanisms ensure that the Company maintains a steady income stream without the risk of default.
Buy-to-Let Purchase Plan (BPP)	With similar flexibility to HPS, BPP enables customers to purchase residential property for investment purposes.

GYS Investment Savings	
GYS Home	The GYS Home account is designed for customers who are saving for a deposit to purchase their home or who wish to obtain a place on the priority list for home finance. Customers who have placed money in the GYS Home account are subsequently eligible to obtain preferential rates on their HPS or BPP – meaning that they may achieve significant savings for the long-term over the life of that product.
Other GYS accounts	A range of other GYS accounts are being offered, to cater for a range of requirements. These accounts are designed for customers who are not seeking to purchase their home with us, but are attracted by the flexibility, low-risk and competitive returns that these accounts offer. GYS, Charity and Business accounts were launched in the period which offer institutions a competitive return, but also provide comfort that funds are being utilised ethically and in line with their values. Monies placed in GYS accounts are secured directly against assets, in the form of physical UK properties, providing strong risk mitigation and a low-risk option for placing funds. Whilst obtaining competitive returns, account holders are also safe in the knowledge that their money is being used for genuine social impact, contributing positively to society.

Looking forward

Key focus areas for the future	
Customers	Continuing to keep our customers at the heart of everything that we do and providing: ▪ flexible, ethical and competitively priced solutions for home financing. ▪ a range of GYS and other investment savings accounts, providing returns in an ethical manner helping to provide benefit to society.
New products	There are a number of additional products in development. As with the existing products, the aim will be to put the customer first, and provide solutions that redefine how finance products are designed. In addition to the current suite of products, new property finance and investment savings products will be launched, as well as developing partnership relationships in 2024.
Growth	At the time of approving this annual report, there is a home finance portfolio of 112 properties, after redemptions, with an outstanding finance balance of £27.5 million. This is after the redemption of 9 transactions from the cumulative total of 121 completions. The outstanding finance balance arises from a total transaction value of £41.0 million. The Company will continue to focus on further controlled growth to help more customers achieve their goals of owning their own home.
Technology	The Company will continue to invest in its in-house tech to offer the best customer experience possible. A growing team of IT developers continue to work in the background to make ongoing improvements to the customer journey.
Operations	In addition to enhancing the customer journey through tech, there will be an ongoing focus on strengthening operational processes and controls to ensure that these remain in line with future growth. This will be achieved by ensuring that operational capability is scaled, monitored and remains in line with business growth.
People	The Company invested in its workforce which grew from a full time equivalent of 16 at the end of the prior reporting year to 47 at the end of the reporting period. Ongoing investment in training and staff development is now a key focus.
Research and development	A number of different offerings are currently in the research and development phase and will be launched in 2024. These will help to raise the profile of Pfida as a brand as well as contributing to the Company's profitability.
Risk management	The Company is committed to a strong risk management framework and processes, and work will continue to further enhance these to ensure that the internal control environment fully supports strong risk management. This includes risk management through product design, risk management policies, and through the operational processes, procedures and controls. Principal risks and mitigations are detailed on pages 12 to 13.

Corporate governance
The Company has implemented a corporate governance structure and processes to ensure the adequate and appropriate management of overall business operations, including the management of services provided to PLC. This structure is headed by the board of directors (the "Board"), which met on a regular basis during the reporting period. Details of the directors are shown on page 8. Day-to-day management of the Company is delegated to the Chief Executive Officer and Executive Committee, who are responsible for executing the Board-approved strategy and plans, in a controlled and effective manner.

Additional sub-committees of the Executive Committee have been established to ensure adequate focus on specific areas. A Business Committee is in place to provide oversight over new business initiatives and change management. There is also a separate Risk Committee to ensure that risks and related controls are monitored and reviewed. The main areas of risks, and the methods utilised to manage these risks, including further governance structures and processes, are outlined in the section below. Maintaining robust and effective corporate governance and internal controls is a key focus for the Company. Work is ongoing to ensure that all such processes remain in line with requirements as the business grows.

Principal risks & uncertainties
As with any business, the Company is subject to risks. These risks can be impacted by external factors such as the current or evolving political and economic climate. As the primary income drivers for the Company are the transactions within PLC, the Company must consider risks of both entities as a whole. Therefore the section below includes details covering both companies, and references to the Company encompass this overall assessment across Pfida as a business.

Principal risks & uncertainties	Mitigations
Credit risk Credit risk is the risk of loss resulting from (a) the failure of other parties to meet their financial obligations to the Company (b) the deterioration of creditworthiness of parties to which the Company is exposed.	▪ The home finance product mitigates default risk in two key ways: o Customers can switch between making additional home purchase payments and rental-only payments in line with their changing intentions or financial situation. o Customers having payment difficulties can use their 'equity buffer'. This enables them to make rent payments for short periods of time using their equity which significantly reduces the risk of default. ▪ Credit risk is mitigated through adopting a conservative risk appetite framework and metrics, supporting this policy with appropriate concentration risk limits, a focus on the provision of products to markets where the Company has specific expertise, and appropriate level of supporting asset cover security. The approach is encompassed within detailed credit risk underwriting procedures including assessment of affordability when reviewing home purchase applications. ▪ The Company did not experience any adverse or delayed payments during the period, providing confidence that the controls outlined above were operating effectively. ▪ Credit risk is impacted by wider economic factors. The future impacts of cost of living pressures will continue to be monitored, to ensure that the Company proactively reacts to any changes in credit risk profile.
Operational risk and resilience Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.	▪ The Company mitigates operational risk by ensuring that risk appetite, policies and processes are aligned to the Company's structure and operating model. ▪ The Company adopts a hybrid working pattern with employees having the ability to work from home part of the time. This has provided assurance of the Company's IT infrastructure and operational procedures. ▪ The Company has expanded its team to ensure that the operating infrastructure and controls remain in line with planned business growth. ▪ A Risk function is in place, which oversees the completion of departmental risk assessments and action plans.
Reputational risk The Company provides all of its products and services in line with the principles of ethical finance, with the Company having been established with this underlying ethos. There is inherent reputational risk resulting from failure to comply with these stated parameters.	▪ This risk is mitigated by ensuring products, services, policies, procedures, transactions, and behaviours are aligned to ethical principles and the ethical code of the Company. Processes are in place for the monitoring, oversight, and challenge of the Company's activities through a Risk Committee. Controls include the review of products and initiatives prior to launch or any changes being implemented, to ensure continued compliance across all areas of the business and product offerings.

STRATEGIC REPORT (CONTINUED)

Principal risks & uncertainties (continued)	Mitigations
Compliance and legal risk Compliance and legal risk is the risk of loss resulting from failing to comply with laws, rules, regulations, standards and codes of conduct. As part of its commitment to high standards of governance, the Company seeks to ensure complete regulatory compliance with no appetite or tolerance for deviation.	▪ The Company has mitigated compliance and legal risk by benefitting from the services of a highly experienced Chief Legal Officer (CLO) and obtaining specialist legal advice on its products and business model. Based on this work, the Company has implemented robust compliance policies and procedures. The Company conducts continued horizon scanning and forward planning to ensure ongoing compliance with regulatory requirements. Additionally, there is regular monitoring of policies, including refinement of processes and controls to ensure ongoing suitability as the business develops. ▪ A dedicated Compliance function is in place, including a specialist Compliance Manager.
Conduct risk Conduct risk is the risk of loss resulting from unfair customer outcomes.	▪ The product structure is designed to provide maximum flexibility to customers to match their economic circumstances. The Company is committed to dealing with all of its customers and investors with transparency and fairness, working closely with them to carefully understand and consider their specific circumstances, and to offer products accordingly.
Strategic risk This is the risk of loss resulting from a failure to define or deliver the Company's strategy.	▪ Strategic risk is mitigated by clear setting of the Company's risk appetite by the Board with a focus on identification and reduction of risks, with financial limits in place to limit exposure to risks where appropriate. ▪ Processes for the continued monitoring of performance against the Company's strategy and financial plans are in place, through financial and non-financial KPIs. There is also ongoing review of external risks, including competitor analysis and operational dependencies on third parties. Additionally, the Company conducts analysis of the overall market and competitor landscape to inform the strategic plan and approach to market to ensure that strategic objectives remain achievable. ▪ The Company benefits from the services of an experienced Chief Strategy Officer.
Information risk Information risk is the risk of loss resulting from the compromise of information relating to its confidentiality, integrity, accessibility, or availability.	▪ This risk is mitigated by maintenance and monitoring of policies, including continued refinement of processes and controls to ensure ongoing suitability. Robust IT security policies and controls have been implemented and the performance of these is monitored.
Financial crime risk This is the risk of loss through engaging with or facilitating criminal conduct in breach of financial crime laws, rules, and regulations.	▪ The Company mitigates this risk by ensuring that risk appetite, policies and processes are aligned to the Company's structure and operating model, and by implementing dedicated policies, standards and guidelines across anti-money laundering (AML) / counter terrorist financing (CTF), sanctions, anti-bribery and corruption, anti-fraud, politically exposed persons (PEPs) and tax transparency. Financial crime customer risk assessments, including the use of enhanced due diligence and enhanced governance via a risk-based approach are utilised. ▪ Ongoing monitoring activities, including customer due diligence and sanctions screening are adopted within the Company's procedures and its policies also cover transaction monitoring and suspicious activity reporting (SAR) according to a risk-based approach where these may be required. The Company ensures the maintenance and monitoring of policies, including continued refinement of processes and controls to ensure ongoing suitability. ▪ The Company reviews and monitors the suitability of system infrastructure and technology to meet operational requirements for customer due diligence and transaction monitoring. Ongoing staff awareness training and assurance mechanisms, including dedicated Company-wide financial crime training has been delivered during the period.

Key performance indicators

The Board reviews key performance indicators (KPIs) which will develop further over time. Over the period, KPIs remained in line with the plan. The following summarises key data impacting the Company. Again, these cover key indicators both in the Company and PLC, as indicators within the latter directly drive the Company's performance and results of Pfida as a whole.

	2023	2022
No of employees at end of period (full time equivalent)	**47**	**16**
Properties financed in period	**64**	**19**
Cumulative total properties being financed at period end	**90**	**26**
Cumulative total properties financed (including redeemed)	**99**	**34**
Total transaction value of properties financed at period end	**£32.9m**	**£11.2m**
Total payment inflows from properties in period	**£1.23m**	**£336k**
Number of payment defaults from properties	**nil**	**nil**
Cumulative GYS investment savings account inflows	**£32.5m**	**£10.7m**
% of target returns paid to GYS account holders	**100%**	**100%**

Promoting the success of the Company

In accordance with Section 172 of the Companies Act 2006, the directors are required to act in a way they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have had regard, among other matters, to:

- The likely consequence of any decision in the long term;
- The interests of the Company's employees in the future;
- The need to foster the Company's business relationships with suppliers, service providers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly with members of the Company.

The directors have approved the Company's strategy and business plan for 2023 after ensuring the above matters were given due consideration and the needs of all stakeholders were incorporated.

The Board regularly receives reports from management on issues concerning customers, finances, service providers and regulators, which it takes into account in its decision-making process. The Board also reviews the financial and operational performance of the Company, including key risk areas and legal, regulatory, and other compliance.

The focus of the Board is to ensure the continued growth of the Company in a controlled manner in line with the strategic plans, through offering its customers exceptional products and service.

DIRECTORS' REPORT

The directors present their annual report and financial statements for the 16-month period ended 31 December 2023. Prior period comparatives are for the year ended 31 August 2022.

Principal activities
The principal activity of the Company is to provide an alternative product to allow homebuyers the ability to acquire their homes or investment properties free from debt. This is completed through raising of capital from GYS investors who are seeking attractive investment returns and where the ethical nature of the organisation they are dealing with is important. Capital raised is utilised to acquire properties for the use of homebuyers.

Results and dividends
The results for the period are set out on pages 19 to 28.

Directors
The directors who held office during the period and up to the date of approval of the financial statements were as follows:

Raza Ullah
Badrul (Salman) Hasan
Omar El-Said (resigned 5 December 2023)
Syed Imran Sharaf
Azhar Khan
Forhad Ahmed (resigned 31 March 2024)

Financial instruments
The Company's approach to financial risk management is outlined in the strategic report.

Energy and carbon report
As the Company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Auditor
AGP Consulting was appointed as auditor to the Company in accordance with section 485 of the Companies Act 2006.

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.

On behalf of the Board

Raza Ullah
Director

Date: 25 September 2024

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR’S REPORT

Opinion
We have audited the financial statements of Pfida Ltd (the 'Company') for the period ended 31 December 2023 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 December 2023 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 directors' 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 directors 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 other than the financial statements and our auditor's report thereon. The directors are 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the financial reporting framework, the Companies Act 2006 and the relevant tax compliance regulations.

We considered the provisions of other laws and regulations that do not have a direct effect on the financial statement but compliance with which may be fundamental to the ability of the Company to operate and hence may affect the Company's ability to continue as a going concern. Though not directly relevant to this Company it was relevant to its related trading entity and we deemed these to therefore to be relevant to this Company. These include compliance with laws and regulations in relation to raising finance and capital, laws in relation to investment and letting of properties and obligations towards tenants. The main specific risks in this Company are whether all staffing and consultancy costs are for bona fide business purposes and whether payments and expenses are properly authorised.

We assessed the susceptibility of the Company's financial statements to material misstatements, including how fraud might occur, by discussing with the directors, where they considered there was a susceptibility to fraud. Due to the small nature of the business more weight was put in terms of discussion with management rather than review of Company minutes and documentation.

Our audit planning identified fraud risks in relation to management override. We considered the processes and controls the Company had established to address risks identified or that otherwise prevent, deter, and detect fraud; and how management monitors those processes and controls.

We designed our audit procedures to detect irregularities, including fraud. Our procedures included review of the on-boarding of new shareholders and review of loan agreement and based on our understanding of the business, together with enquires of the directors.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: https://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.

For and on behalf of AGP Consulting

Date: 25 September 2024

Forhad Ahmed
Senior Statutory Auditor

Q West
Great West Road
Brentford
TW8 0GP

FINANCIAL STATEMENTS

Income Statement

For the period ended 31 December 2023

	Notes	2023 £	2022 £
Income	3	719,751	126,175
Administrative expenses		(3,290,894)	(702,720)
Loss before tax		**(2,571,143)**	**(576,545)**
Tax	8	-	-
Loss for the period		**(2,571,143)**	**(576,545)**

The income statement has been prepared on the basis that all operations are continuing operations. There is no other comprehensive income for the period, other than the loss shown above.

Statement of Financial Position

As at 31 December 2023

	Notes	2023 £	2022 £
ASSETS			
Cash		896,990	2,083,324
Receivables	9	2,584,065	58,131
Investments	10	105,061	-
Fixed assets	11	84,444	47,087
Intangible assets	12	303,113	41,001
Total assets		**3,973,673**	**2,229,543**
LIABILITIES			
Payables	13	266,464	52,039
Total liabilities		**266,464**	**52,039**
EQUITY			
Share capital	15	52,633	52,633
Additional capital	15	6,828,848	2,728,000
Reserves		(3,174,272)	(603,129)
Total equity		**3,707,209**	**2,177,504**
Total liabilities & equity		**3,973,673**	**2,229,543**

The financial statements were approved by the Board and authorised for issue on 25 September 2024 and are signed on its behalf by:

Azhar Khan
Director and Chief Financial Officer

Company Registration No. 10347817

Statement of Changes in Equity

For the period ended 31 December 2023

	Share Capital £	Reserves £	Total £
Period ended 31 August 2022			
Balance as at 1 September 2021	50,000	(26,584)	23,416
Total comprehensive income for the period	-	(576,545)	(576,545)
Issued share capital	2,633	-	2,633
Additional capital	2,728,000	-	2,728,000
Balance as at 31 August 2022	**2,780,633**	**(603,129)**	**2,177,504**
Period ended 31 December 2023			
Balance as at 1 September 2022	2,780,633	(603,129)	2,177,504
Total comprehensive income for the period	-	(2,571,143)	(2,571,143)
Issued share capital	-	-	-
Additional capital	4,100,848	-	4,100,848
Balance as at 31 December 2023	**6,881,481**	**(3,174,272)**	**3,707,209**

Statement of Cash Flows

For the period ended 31 December 2023

	Notes	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash absorbed from operations	**17**	(4,820,716)	(643,596)
Taxes paid		-	-
Net cash outflow from operating activities		**(4,820,716)**	**(643,596)**
INVESTING ACTIVITIES			
Purchase of investments	**10**	(105,061)	-
Purchase of fixed assets	**11**	(59,048)	(51,056)
Purchase of intangible assets	**12**	(302,357)	(44,910)
Net cash used in investing activities		**(466,466)**	**(95,966)**
FINANCING ACTIVITIES			
Proceeds from issuance of additional capital	**15**	4,100,848	2,728,000
Net cash generated from financing activities		**4,100,848**	**2,728,000**
Net increase in cash and cash equivalents		**(1,186,334)**	**1,988,438**
Cash and cash equivalents at beginning of period		2,083,324	94,886
Cash and cash equivalents at end of period		**896,990**	**2,083,324**

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2023

1. Accounting policies

Company information
Pfida Ltd (formerly called Primary Finance Ltd) is a private company limited by shares incorporated in England and Wales. The registered office is 124 City Road, London EC1V 2NX.

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.

The financial statements are prepared in pound 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 and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors have adopted the going concern basis of accounting in preparing the financial statements.

The directors are satisfied having modelled a range of possible macroeconomic scenarios, that there are no factors that will impact the Company's ability to continue as a going concern.

Reporting period
The financial statements of the Company are presented for the longer 16-month period ended 31 December 2023. Prior period comparatives are for the year ended 31 August 2022.

Turnover
Fee and commission income that relates mainly to transaction and service fees is recognised as the related services are performed.

Directly attributable administrative fees relating to the Home Provision Scheme (HPS) and Buy-to-let Purchase Plan (BPP) transactions are recognised as they arise as the related expenditure is recorded in the same period.

Fees for the provision of management services provided to PLC are recognised as they are generated, whereby net income from finance transactions within PLC is shared with the Company.

Research and development expenditure
Research expenditure is written off against profits in the period in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial, and financial feasibility can be demonstrated.

Intangible fixed assets other than goodwill
Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

IT development: Straight line over 5 Years

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:

Fixtures and fittings: Straight line over 5 Years
IT hardware: Straight line over 5 Years

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.

For the period 31 December 2023

1. Accounting policies (continued)

Impairment of fixed assets
At each reporting period end date, the Company reviews the carrying amounts of its tangible and intangible 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.

Investments
A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Company holds a long-term interest and where the Company has significant influence. The Company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the Company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Cash and cash equivalents
Cash and cash equivalents 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.

Financial instruments
The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 assets
Basic financial assets, which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using an effective rate method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the instrument is measured at the present value of the future payments discounted at a market rate. Financial liabilities classified as payable within one year are not amortised. Instruments are subsequently carried at amortised cost, using an effective rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

For the period ended 31 December 2023

1. Accounting policies (continued)

Derecognition of financial liabilities
Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

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

Included as part of equity instruments are Simple Agreement for Future Equity (SAFE) notes. A SAFE note is a convertible equity instrument which allows investors to provide share capital at a certain point in time but leaves the price of the shares and the number of shares to be formally issued to be determined at the next equity financing.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employees' 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.

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

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 period. 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.

SAFE note
The Company has entered into Simple Agreement for Future Equity (SAFE) notes. A SAFE is a convertible equity instrument which allows investors to provide share capital at a certain point in time but leaves the price of the shares and the number of shares to be issued to be determined at the next equity financing. The SAFE note is subject to a valuation cap. This means that if the valuation of the Company at the next equity funding is more than the valuation cap, the SAFE will convert into shares at that valuation cap. The SAFE note is also subject to a 20% discount in the event of a down round. This means that if the valuation of the Company at the next equity financing is less than the valuation cap, the SAFE will convert into ordinary shares at a 20% discount.

In the event of a change of control, IPO or dissolution of the Company, the SAFE note is intended to operate like ordinary shares. There are no servicing costs related to it and it is not callable like a loan. As such the directors and the investors agree that the SAFE note is not a legal form of debt and is therefore recorded as additional capital and classed as equity.

For the period ended 31 December 2023

2. Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are 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.

3. Income

	2023 £	2022 £
Income from arrangement and administration fees	242,673	70,677
Income from management services	477,078	55,498
	719,751	**126,175**

Income from management services relates to charges for the overall management of a related entity.

4. Operating loss

	2023	2022
Operating loss for the period is stated after charging:	£	£
Depreciation of fixed assets	21,691	3,969
Amortisation of intangible assets	40,245	3,909

5. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's financial statements included within administrative expenses	12,600	7,000
	12,600	**7,000**

6. Employees

	2023 Number	2022 Number
The average number of employees in the period	37	10
	37	**10**

Number of employees (full time equivalent) at the period end was 47 (2022: 16).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2023

6. Employees (continued)

	2023 £	2022 £
Wages and salaries	1,683,765	448,513
Social security costs	754,620	104,637
Pension costs	70,158	2,551
	2,508,543	**555,701**

7. Directors' remuneration

	2023 £	2022 £
Remuneration to directors for qualifying services	719,582	213,756
	719,582	**213,756**

The increase is driven by the number of directors increasing from 4 to 6 in the reporting period, and also due to the longer 16-month reporting period compared to the prior year comparative.

8. Taxation

	2023 £	2022 £
Tax for the period	-	-
	-	-

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

	2023 £	2022 £
Loss before taxation	**(2,571,143)**	**(576,545)**
Expected tax charge based on the standard rate of corporation tax in the UK	(488,517)	(109,544)
Unutilised tax losses carried forward	482,654	117,747
Permanent capital allowances in excess of depreciation	(5,905)	(9,700)
Depreciation on assets not qualifying for tax allowance	4,121	743
Amortisation on assets not qualifying for tax allowance	7,647	754
Taxation charge in the financial statements	-	-

9. Receivables

	2023 £	2022 £
Accrued income	532,576	55,498
Prepayments	13,575	-
Other receivables	37,914	2,633
Intercompany bridge	2,000,000	-
	2,584,065	**58,131**

The accrued income relates to fees due from PLC for management services.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2023

10. Investments

	2023 £	2022 £
Investments		
Balance as at 30 August 2022	-	-
Additions in the period	105,061	-
Balance as at 31 December 2023	**105,061**	**-**

11. Fixed assets

	IT hardware £	Fixtures & fittings £	Total £
Cost			
Balance at 1 September 2022	21,077	29,979	51,056
Additions in the period	54,837	4,211	59,048
Balance at 31 December 2023	**75,914**	**34,190**	**110,104**
Depreciation			
Balance at 1 September 2022	2,731	1,238	3,969
Depreciation charges for the period	19,086	2,605	21,691
Balance at 31 December 2023	**21,817**	**3,843**	**25,660**
Net book value	**54,097**	**30,347**	**84,444**

12. Intangible assets

	IT development £
Cost	
Balance at 1 September 2022	44,910
Additions in the period	302,357
Balance at 31 December 2023	**347,267**
Amortisation	
Balance at 1 September 2022	3,909
Amortisation charges for the period	40,245
Balance at 31 December 2023	**44,154**
Net book value	**303,113**

13. Payables

	2023 £	2022 £
Amounts falling due		
Accruals and accounts payable	207,839	7,000
Other payables	58,625	45,039
	266,464	**52,039**

For the period ended 31 December 2023

14. Pension

	2023	2022
	£	£
Company pension scheme		
Charge for the period in respect of defined contribution schemes	40,220	2,551
	40,220	**2,551**

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

15. Capital

	2023	2022	2023	2022
	Number	Number	£	£
Capital issued and fully paid				
Ordinary shares of 50p each	105,265	105,265	52,633	52,633
SAFE notes	-	-	6,828,848	2,728,000
	105,265	**105,265**	**6,881,481**	**2,780,633**

During the period the Company issued Simple Agreement for Future Equity (SAFE) notes, with proceeds of £4,100,848 (2022: £2,278,000). The number of shares issued to the holders will be determined by the price of the note and the applicable discount and valuation cap. The monetary amount of the issued share capital will be the amount already paid. These instruments hold no voting right till conversion; however, they do carry rights to dividends if declared. Due to there being no obligation to repay the SAFE note it is not considered as debt and is therefore classified as capital. The shares will be formally issued on the completion of the round of equity financing.

16. Related party transactions

Pfida Finance plc ("PLC"), a company incorporated in England and Wales, is a related party by virtue of common directorship. PLC receives management services from the Company.

During the period the Company entered into the following transactions with this related party:

	2023	2022
	£	£
Fees charged and due for management services provided	477,078	55,498
	477,078	**55,498**

The fees charged for the management services provided by the Company are effectively a profit share of net rental income generated by property finance transactions held in PLC.

In addition the Company acquired £100,000 of S and W Redeemable 1p Shares of PLC, by investing money into the GYS investment savings account on normal business terms. This resulted in returns of £5,061 being generated which were reinvested to acquire additional shares in PLC.

Pfida Consortium Ltd, a company incorporated in England and Wales, is a related party by virtue of common directorship. Pfida Consortium receives equity investments on behalf of the Company.

	2023	2022
	£	£
The following amounts were outstanding at the reporting end date:		
Amount due from PLC	2,532,576	55,498
Amount due from Pfida Consortium Ltd	29,648	-
	2,562,224	**55,498**

For the period ended 31 December 2023

17. Cash absorbed by operations

	2023	2022
	£	£
Loss for the period after tax	(2,571,143)	(576,545)
Adjustments for:		
Amortisation of intangible assets	40,245	3,909
Depreciation of fixed assets	21,691	3,969
Movements in working capital:		
Increase in receivables	(2,525,934)	(49,954)
Increase / (decrease) in payables	214,425	(24,975)
Cash absorbed by operations	**(4,820,716)**	**(643,596)**

18. Changes in net funds

	1 Sep 2022	Cash flows	31 Dec 2023
	£	£	£
Cash at bank	2,083,324	(1,186,334)	896,990
	2,083,324	**(1,186,334)**	**896,990**