

Company Registration No. 07572383 (England and Wales)

OBLIX CAPITAL LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR

OBLIX CAPITAL LTD

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OBLIX CAPITAL LTD

BALANCE SHEET

AS AT 31 MARCH 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	4		216,460		272,908
Investments	5		2		2
			<u>216,462</u>		<u>272,910</u>
Current assets					
Debtors	8	72,368,288		92,168,414	
Cash at bank and in hand		1,167,382		152,331	
		<u>73,535,670</u>		<u>92,320,745</u>	
Creditors: amounts falling due within one year	9	<u>(47,694,417)</u>		<u>(60,822,162)</u>	
Net current assets			<u>25,841,253</u>		<u>31,498,583</u>
Total assets less current liabilities			<u>26,057,715</u>		<u>31,771,493</u>
Creditors: amounts falling due after more than one year	10		<u>(25,953,470)</u>		<u>(31,473,470)</u>
Provisions for liabilities			<u>(20,090)</u>		<u>(17,975)</u>
Net assets			<u><u>84,155</u></u>		<u><u>280,048</u></u>
Capital and reserves					
Called up share capital			300		300
Profit and loss reserves			83,855		279,748
Total equity			<u><u>84,155</u></u>		<u><u>280,048</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime within part 15 of the Companies Act 2006.

The financial statements were approved by the board of directors and authorised for issue on 4 June 2021 and are signed on its behalf by:

Anuj Nehra
Director

Company Registration No. 07572383

OBLIX CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Oblix Capital Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Acre House, 11-15 William Road, London, United Kingdom, NW1 3ER.

1.1 Basis of preparation of financial statements

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.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to small companies regime within part 15 of the Companies Act 2006. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost concept except for fair value treatment of certain instruments as discussed in note 1.9.

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group as disclosed in note 6. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

The financial statements have been prepared on a going concern basis under the historical cost concept except for fair value treatment of certain instruments as disclosed in note 1.9. The principal accounting policies adopted are set out below. These policies have been consistently applied from year to year, unless stated otherwise.

Management has applied judgement to recognise bad and doubtful debt provisions against secured loans and deemed loan and made estimates to bad and doubtful provisions against secured loans and fair value the deemed loan on its initial recognition and re-measurement at the year end assessed based on future cash flows as disclosed in note 1.3 and 1.9 respectively.

1.2 Going concern

Going concern of the company has been assessed as part of the going concern assessment of the group. The Directors prepared the forecasts over a period of foreseeable future of 12 months the date of approval of these financial statements. The forecasts consider the potential impact of the Covid pandemic.

The group adopted a policy of remote working in line with government guidelines and have continued to be operational. The group has taken swift action and implemented strategies to withstand the effect on operations primarily by aligning its cost base to the income from the secured loan portfolio. This includes effective cash management and reducing overheads. A conservative loan to value threshold allows the group to withstand credit losses and drop in market of the underlying securities. The group has continued support and access to a credit facility from the shareholder.

The company has adequate resources to remain operational throughout the pandemic and continue to be in operational existence for the foreseeable future. The Directors believe that the company is well placed to manage its business risks successfully within the expected economic outlook. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

OBLIX CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.3 Revenue

Revenue comprises the interest received or receivable and fees recognised on loans. Revenue is recognised as follows: Interest income is recognised in the income statement for all financial assets measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life, or contractual term if shorter, of the financial asset to the net carrying amount of the financial asset. When calculating the EIR, the company estimates cash flows considering all contractual terms of the financial instruments, but does not include an expectation for future credit losses. The calculation includes all fees (arrangement and broker fees payable at the time the loan is advanced and exit fees payable when the last payment is made under the loan agreement) charged to customers, and direct and incremental transaction costs.

Estimates of bad and doubtful debt provisions

The Company assesses at each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset or portfolio of financial assets is impaired and impairment loss is incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

If there is objective evidence that an impairment loss on a financial asset classified as loans and receivable has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of the estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

1.4 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:

Leasehold improvements	over the period of the lease
Website designing	25% straight line
Office equipment	25% straight line
Computer software	25% straight line

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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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.

1.6 Impairment of fixed assets

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

OBLIX CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.7 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.

1.8 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 balance sheet 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 and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the EIR 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 of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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, bank loans and loans from fellow group companies 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. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Offsetting

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

OBLIX CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.9 Deemed loan

As a part of the funding arrangements with banks the company entered into mortgage sale agreements with Safalta Venture Limited and Safalta Venture 2 Limited. The loans sold, under the agreements, have not satisfied the criteria for the de-recognition of assets under FRS 102 and as a result these assets have been treated as a "deemed loan" due to Safalta Venture Limited and a "deemed loan" due to Safalta Venture 2 Limited respectively.

The company also entered into subordinated loan agreements with Safalta Venture Limited and Safalta Venture 2 Limited which have been offset against the respective deemed loans to show the "net" position. The deemed loans net of the subordinated loans as a single instruments were recognised at fair value which was the deemed net transaction price.

At each year end, the deemed loans have been measured at fair value using the expected future cash flows of the loans discounted at a market rate, with the changes in the fair values taken to the statement of income.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

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

Current tax

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

Deferred tax

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

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to expenses on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

OBLIX CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

1.14 Related party transactions

Under FRS 102 sections 33.1A and 33.14, the company is not required to disclose any related party transactions including transactions with directors and inter-company balances.

2 Employees

The average monthly number of persons employed by the company during the year was 25 (2019 - 22).

	2020 Number	2019 Number
Total	25	22

3 Directors' remuneration

During the year no remuneration has been paid to the directors of the company.

4 Tangible fixed assets

	Leasehold improvements £	Plant and machinery etc £	Total £
Cost			
At 1 April 2019	180,764	236,647	417,411
Additions	-	31,934	31,934
At 31 March 2020	180,764	268,581	449,345
Depreciation and impairment			
At 1 April 2019	27,887	116,616	144,503
Depreciation charged in the year	36,153	52,229	88,382
At 31 March 2020	64,040	168,845	232,885
Carrying amount			
At 31 March 2020	116,724	99,736	216,460
At 31 March 2019	152,877	120,031	272,908

5 Fixed asset investments

	2020 £	2019 £
Investment in subsidiaries	2	2

The value of investments above are stated at cost.

OBLIX CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost	
At 1 April 2019 & 31 March 2020	2
Carrying amount	
At 31 March 2019 & 31 March 2020	2

6 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Exito Holdings Limited	United Kingdom	Ordinary	100.00	-
Exito Holdings 2 Limited	United Kingdom	Ordinary	100.00	-
Safalta Venture Limited	United Kingdom	Ordinary	0	100.00
Safalta Venture 2 Limited	United Kingdom	Ordinary	0	100.00

7 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	72,073,845	91,896,328
Carrying amount of financial liabilities		
Measured at fair value	73,607,689	92,019,343

OBLIX CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Debtors

	2020	2019
	£	£
Amounts falling due within less than one year:		
Secured loans	67,624,230	79,124,797
Corporation tax recoverable	246,049	-
Amounts due from group undertakings	21,625	242,200
Other debtors	247,279	285,997
Prepayments	48,394	272,086
	<u>68,187,577</u>	<u>79,925,080</u>
Amounts falling due after one year:		
Secured loans	<u>4,180,711</u>	<u>12,243,334</u>
Total debtors	<u>72,368,288</u>	<u>92,168,414</u>

9 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	56,607	59,305
Amounts due to group undertakings	2	8,257
Deemed loan due to Safalta Venture Limited	3,617,893	11,753,979
Deemed loan due to Safalta Venture 2 Limited	40,398,219	45,499,604
Corporation tax	-	234,549
Other taxation and social security	40,198	41,740
Other creditors	343,381	34,158
Accruals	<u>3,238,117</u>	<u>3,190,570</u>
	<u>47,694,417</u>	<u>60,822,162</u>

The deemed loans are secured on the mortgage loans purchased. The subordinated loans have been offset against the deemed loans to show the net position. At the year end, the deemed loans represent the fair value of loans transferred net of subordinated loans from Safalta Venture Limited and Safalta Venture 2 Limited.

10 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other loans	<u>25,953,470</u>	<u>31,473,470</u>

Other loan is provided by a shareholder of the company, interest is charged at a market rate. The net movement on the loan during the year was a decrease of £5,520,000. The loan will be fully repayable by 31 March 2021. Therefore the carrying loan balance as at the year end of £25,953,470 is shown under creditors falling due within one year.

OBLIX CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Provisions for liabilities

	2020	2019
	£	£
Deferred tax liabilities	20,090	17,975
	<u> </u>	<u> </u>

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was David Pearson.
The auditor was Grant Thornton UK LLP.

13 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2020	2019
£	£
649,324	878,497
<u> </u>	<u> </u>

14 Parent company

The company is a wholly owned subsidiary of Oblix Group Limited, a company incorporated in England and Wales with a registered address of Acre House, 11-15 William Road, London, NW1 3ER. The smallest group into which the company is consolidated into is that of Oblix Group Limited.

The ultimate controlling party is Y London International Limited incorporated in the British Virgin Islands.

15 Contingent liabilities

The company is party to a cross guarantee relating to a bank loan amounting to £5,763,407 (2019: £12,542,805) in Safalta Venture Limited and £40,350,081 (2019: £45,593,773) in Safalta Venture 2 Limited, fellow group companies.

In the period since 31 March 2020, the subsidiary entity Safalta Venture Limited has repaid the RBS loan that it was holding on in its Balance Sheet. As a result of this Oblix Capital Limited has repaid the deemed loan due to Safalta Venture Limited and has bought back all the loans previously held in Safalta Venture Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.