

SAF GROUP FINANCE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

SAF GROUP FINANCE LIMITED
REGISTERED NUMBER:10588139

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	4	24,025,200	25,200
		<u>24,025,200</u>	<u>25,200</u>
Current assets			
Debtors: amounts falling due within one year	5	22,437,780	27,937,780
Cash at bank and in hand	6	25,024	25,124
		<u>22,462,804</u>	<u>27,962,904</u>
Creditors: amounts falling due within one year	7	(10,401)	(10,401)
Net current assets		<u>22,452,403</u>	<u>27,952,503</u>
Total assets less current liabilities		<u>46,477,603</u>	<u>27,977,703</u>
Creditors: amounts falling due after more than one year	8	(58,039,177)	(33,976,132)
Net liabilities		<u>(11,561,574)</u>	<u>(5,998,429)</u>
Capital and reserves			
Called up share capital		1	1
Other reserves		(6,844,721)	(4,589,981)
Profit and loss account		(4,716,854)	(1,408,449)
		<u>(11,561,574)</u>	<u>(5,998,429)</u>

SAF GROUP FINANCE LIMITED
REGISTERED NUMBER:10588139

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

J S Wolvaardt
Director

Date: 26 May 2020

SAF GROUP FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 January 2018	1	(524,715)	(47,838)	(572,552)
Comprehensive income for the year				
Loss for the year	-	-	(5,425,877)	(5,425,877)
Transfer to/from profit and loss account	-	27,383	(27,383)	-
Fair value movement	-	(4,092,649)	4,092,649	-
At 1 January 2019	1	(4,589,981)	(1,408,449)	(5,998,429)
Comprehensive income for the year				
Loss for the year	-	-	(5,563,145)	(5,563,145)
Transfer to/from profit and loss account	-	340,490	(340,490)	-
Fair value movement	-	(2,595,230)	2,595,230	-
At 31 December 2019	1	(6,844,721)	(4,716,854)	(11,561,574)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

SAF Group Finance Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is The Embassy Tea House, 195-205 Union Street, London, SE1 0LN.

The principal activity of the company continued to be that of providing finance for subsidiary companies.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

Since the end of 2019 financial year the world has been impacted by a global pandemic resulting from the Covid-19 virus. Throughout this pandemic the company has continued in its ordinary course of business. Forecasting and stress testing analysis has been completed for a number of scenarios with a number of assumptions used in these scenarios, which are predominantly based on the percentage of deals that are completed and payment holidays granted for the assets in SAF1 Ltd. The results of these have satisfied the directors that there is sufficient resources for the next 12 months to continue as a going concern, but due to the unprecedented situation with Covid-19, the directors also acknowledge that there is no guarantee around some of the assumptions used in the forecasting models. Should the situation be worse than the directors anticipate, additional funds may need to be raised from the majority investor who has confirmed their continued support. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments should the going concern basis be inappropriate.

2.4 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Deep Discounted Bonds and Zero Coupon Notes issued by the company are measured at fair value with the adjustment to cost, as a result of the discount, reflected as a movement to the capital contribution reserve which is subsequently unwound over the life of the instrument. The fair value is calculated as a function of the value of maturity and the market rate of standard UK corporate bonds at the balance sheet date.

2.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

3. Employees

The company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

SAF GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	25,200
Additions	24,000,000
	<u>24,025,200</u>
At 31 December 2019	<u>24,025,200</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Holding
Simply Asset Finance Operations Limited	Finance leasing	100 %
SAF1 Limited	Finance leasing	100 %
SAF2 Limited	Dormant company	100 %
SAF3 Limited	Dormant company	100 %
SAF4 Limited	Dormant company	100 %
SAF6 Limited	Dormant company	100 %

5. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	<u>22,437,780</u>	<u>27,937,780</u>

6. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>25,024</u>	<u>25,124</u>

SAF GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	10,401	10,401
	<u>10,401</u>	<u>10,401</u>

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

	2019 £	2018 £
Other loans	58,039,177	33,976,132
	<u>58,039,177</u>	<u>33,976,132</u>

9. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due after more than 5 years		
Other loans	<u>58,039,177</u>	<u>33,976,132</u>

Included within creditors falling due after more than one year is £5,832,157 (2018: £3,312,010) relating to Zero Coupon Notes and £52,207,020 (2018: £30,664,122) in respect of Deep Discounted Bonds. The Deep Discounted Bonds are redeemable in May 2027 at their nominal value of £83,210,059 (2018: £51,806,389). An interest charge of £2,967,815 (2018: £1,333,100) has been recognised in interest payable and similar charges in the Statement of Comprehensive Income reflecting the amortisation of the discount on issue. The Zero Coupon Notes will become repayable at their nominal value of £9,295,572 (2018: £5,595,572) in May 2027.

10. Related party transactions

The company has taken advantage of the exemption under FRS 102 from the requirement to disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

We draw attention to note 2.3 to the financial statements, which indicates that, should the impacts of Covid-19 be worse than the directors anticipate, additional funds may need to be raised from the majority investor. As stated in note 2.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 26 May 2020 by Kelly Sheppard (Senior Statutory Auditor) on behalf of BDO LLP.

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.