Registered number: 10920900

SAF1 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

VENTHAMS

SAF1 LIMITED

COMPANY INFORMATION

Directors	F E Athill B Dhenin R J McDougall Y C Oertengren M C Randall J Wiles J S Wolvaardt R C Chadwick R R Goscomb
Registered number	10920900
Registered office	5th Floor Harling House 47-51 Great Suffolk Street London SE1 0BS
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU
Accountants	Venthams Millhouse 32 - 38 East Street Rochford Essex SS4 1DB

SAF1 LIMITED

CONTENTS

Introduction

The directors present their report and financial statements for the year ended 31 December 2020.

Principal Activity

The principal activity of SAF1 Limited (the 'Company') is that of a funder to UK SMEs within SAF Group Holdco Limited (the 'Group' or 'Simply').

Business review

The Directors are pleased with the performance of SAF1 Limited during the year.

Despite the impact of Covid-19 new business origination of £154.5m (2019: £160.0m) resulted in a 27% increase in the loan book to £217.5m (2019: £171.5m).

The Company pays Simply Asset Finance Operations Limited a management fee for the services it performs on the Company's behalf. These functions include customer on boarding, customer services, underwriting, collections, finance, treasury and technology. The fee charged for 2020 is £12.3m which is an increase of £1.5m on the previous year (2019: 10.8m) reflecting the increase in the loan book.

The Company has reported a loss before tax of £2.7m compared to £3.1m in the year ended 31 December 2019.

Principal risks and uncertainties

The Group faces a number of risks in the normal course of business providing lending to UK SMEs. The Board of Directors have set monthly meetings to discuss and review the relevant risks and mitigants.

Risk	Mitigation
Liquidity Risk is the risk that Simply will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Simply's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Simply's reputation.	The Group has strong controls in place to identify and monitor this risk with a Policy owned by the CFO. Regular reporting is reviewed by the CFO and at the monthly Risk & Governance Committees and Board Meetings. This reporting includes, but is not limited to: - Cashflow forecasting - Stress testing - Medium term budgeting and planning - Daily monitoring and bank reconciliations At any point in time the Group targets sufficient cash and funding headroom to support 12 months of operational cash requirements and origination.
Credit Risk is the risk of a loss to the Group due to a default on a debt that may arise from a customer failing to repay the money advanced to them. The objective of credit risk management is to manage and control credit risk exposure to within acceptable tolerances.	The Group is first and foremost an asset-based lender, principally offering finance products as a secured lender. Understanding the assets to be financed, and the risks to value, is key to minimising loss to the Group on default. Central to the Group's lending approach is affordability. Each proposal is initially appraised by the account manager prior to submission to underwriting. The underwriter will then fully appraise the proposal and assess affordability throughout the term of the finance arrangement. This two-stage process provides a 'check & balance' to assuring the advance being sought is within a client's borrowing capacity. The Group further seeks to minimise exposure to credit losses by: - maintaining consistent and conservative loan to value ratios; - maintaining regular and timely collections and arrears management processes; - operating tiered levels of underwriting authority; - regular review of the portfolio at the monthly Credit Committee.
Market Risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will adversely affect Simply's income or the value of its financial instruments. The objectives of market risk management are to manage and control market risk exposure to within acceptable tolerances, whilst optimising the return on risk.	The Group has strong controls in place to manage this risk which includes regular monitoring and reporting in addition to match funding. Foreign exchange ('FX') exposure is managed through only providing lending in Sterling with any FX requirements transacted before writing the agreement and covered by a customer indemnity. Interest rate exposure is managed using fixed rate agreements to customers matched with fixed rate funding from the senior debt providers.

Financial key performance indicators

The key performance indicators which the Directors regularly monitor are:

	2020	2019
Turnover	£23.2m	£16.2m

Outlook

The Directors are confident about the outlook for the Group and its ambition to continue increasing market share through organic growth. This will be achieved through a combination of:

- maintaining disciplined and asset secured underwriting approach
- continued investing in technology to improve customer and introducers experience and relationships
- continued focus on collections and arrears management

The UK left the EU on 31 December 2020. The group has experienced minimal impact, but the board continues to monitor this very closely.

The impact of the Covid-19 pandemic on the 2020 results can be seen in the lower origination year on year and the higher bad debt ratio. The Directors remain cautiously optimistic that most of the impact has been absorbed but continue to be vigilant for any further uncertainty and economic impact.

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

....
J S Wolvaardt
Director

Date: 15 April 2021

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £2,709,995 *(2019 -£3,140,156)*.

Directors

The directors who served during the year were:

F E Athill
B Dhenin
R J McDougall
Y C Oertengren
M C Randall
J Wiles
J S Wolvaardt
R C Chadwick
R R Goscomb

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

....

J S Wolvaardt
Director

Date: 15 April 2021

Opinion

We have audited the financial statements of SAF1 Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year 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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Testing of interest income;
- Review of all laws and regulations for which the entity must comply; and
- Testing of journals within our review of management override.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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.

Kelly Sheppard

Kelly Sheppard, Senior statutory auditor

For and on behalf of BDO LLP, Statutory Auditor

London, UK
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

15 April 2021

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	*2019* *£*
Turnover	2.5,4	**23,153,853**	*16,176,863*
Cost of sales		**(8,897,956)**	*(6,443,231)*
Gross profit		**14,255,897**	*9,733,632*
Administrative expenses		**(16,965,892)**	*(12,873,788)*
Operating loss		**(2,709,995)**	*(3,140,156)*
Loss for the financial year		**(2,709,995)**	*(3,140,156)*

There was no other comprehensive income for 2020 (2019:£NIL).

SAF1 LIMITED
REGISTERED NUMBER:10920900

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £		*2019 £*
Current assets					
Debtors: amounts falling due after more than one year	9	**120,609,424**		*95,488,956*	
Debtors: amounts falling due within one year	9	**95,924,208**		*74,140,973*	
Cash at bank and in hand	11	**5,162,065**		*1,529,450*	
		221,695,697		*171,159,379*	
Creditors: amounts falling due within one year	12	**(115,094,203)**		*(84,784,157)*	
Net current assets			**106,601,494**		*86,375,222*
Total assets less current liabilities			**106,601,494**		*86,375,222*
Creditors: amounts falling due after more than one year	13		**(100,908,917)**		*(77,972,650)*
Net assets			**5,692,577**		*8,402,572*
Capital and reserves					
Called up share capital	15		**16,005,000**		*16,005,000*
Profit and loss account	16		**(10,312,423)**		*(7,602,428)*
			5,692,577		*8,402,572*

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

....
J S Wolvaardt
Director

Date: 15 April 2021

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	**5,000**	**(4,462,272)**	**(4,457,272)**
Comprehensive income for the year			
Loss for the year	-	(3,140,156)	(3,140,156)
Shares issued during the year	16,000,000	-	16,000,000
At 1 January 2020	**16,005,000**	**(7,602,428)**	**8,402,572**
Comprehensive income for the year			
Loss for the year	-	(2,709,995)	(2,709,995)
At 31 December 2020	**16,005,000**	**(10,312,423)**	**5,692,577**

1. General information

SAF1 Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is 5th Floor, Harling House, 47-51 Great Suffolk Street, London, SE1 0BS.

The principal activity of the company continued to be that of an asset finance leasing company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SAF Group Holdco Limited as at 31 December 2020 and these financial statements may be obtained from Companies House.

2. *Accounting policies (continued)*

2.3 Going concern

The financial statements have been prepared on a going concern basis as the Directors are satisfied that the Company and the Group has adequate resources to continue in the ordinary course of business for the foreseeable future.

In coming to this decision, the Directors have considered a range of information including, but not limited to:

- The performance of the portfolio to date
- Current market conditions
- Support from Shareholders
- Existing and future debt facilities
- Future and stressed projections on profitability, cash flows and capital resources

Specifically, in relation to Covid-19, the Directors have considered the adequacy of the Company's liquidity structure, the impact on the volumes and the potential for increased credit losses. The directors are closely monitoring any new developments and have enhanced the governance and control processes of the organisation with regular management meetings. Forecasting and stress testing analysis has been completed for a number of scenarios with a number of assumptions used in these scenarios. A letter of support from the shareholder is the ultimate mitigating action available in this downside scenario. The results of these have satisfied the Directors that there are sufficient resources for the foreseeable future to continue as a going concern.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2. Accounting policies (continued)

2.5 Revenue

Interest income

Turnover from finance leases is recognised in accordance with the company's policies on finance leases. A finance lease is a lease or hire purchase contract that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Finance leases are recognised as loans at an amount equal to the gross investment in the lease discounted at its implicit rate.

Doc fees

Finance charges on finance leases are taken to profit and loss account in proportion to the net funds invested.

Settlement profit

Income from assets settled before the end of the term, the difference between the carrying value and sum equal to future receivables discounted at a given rate.

2.6 Cost of sales

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.

2.7 Borrowing costs

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

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.9 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.

Individual impairment provisions are determined as the difference between the carrying value and the present value of estimated future cash flows, discounted at the loans' original effective interest rate.

2.10 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. Accounting policies (continued)

2.11 Creditors

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

2.12 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

Objective evidence that a financial asset, or group of assets, is impaired includes observable data that comes to the attention of the Company about the following loss events:

- delinquency in contractual payments of principal or interest;
- breach of conditions; and
- initiation of insolvency proceedings

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

Administrative expenses include management charges payable to Simply Asset Finance Operations Limited and SAF Group Finance Limited, fellow group companies, being the overheads incurred in those companies recharged proportionally on the basis of net group income.

Finance receivables are stated net of provisions against doubtful debts which are made on the basis of regular review by management. The provision raised is an estimate of the amount needed to reduce the carrying value of the asset to its expected net realisable value and takes into account management's assessment of a combination of factors including past and expected credit losses and business and economic conditions.

Loan impairment provisions represent management's estimate of the losses incurred in the loan portfolio at the balance sheet date and are a key source of estimation uncertainty.

Management assesses on a monthly basis whether there is evidence that a finance receivable is impaired. Individual impairment provisions are determined as the difference between the carrying value and the present value of estimated future cash flows, discounted at the loans' original effective interest rate. Estimating the amount and timing of future recoveries involves significant judgement including the assessment of matters such as the economic environment, demand and condition of the collateral, and the impact on its value.

A formulaic approach is also utilised which allocates a loss rate dependent on the overdue period. Loss rates are benchmarked against actual outcomes to ensure they remain appropriate.

4. Turnover

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

	2020	*2019*
	£	*£*
Interest income	**20,727,356**	*14,660,357*
Doc fees	**513,958**	*427,140*
Settlement profit	**1,912,540**	*1,089,366*
	23,153,854	*16,176,863*

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2020	*2019*
	£	*£*
Exchange differences	**110,327**	*(20,651)*

6. Auditors' remuneration

Fees payable to the company's auditor are charged to its operating subsidiary company, Simply Asset Finance Operations Limited. The total fee payable for the audit of the financial statements of all audited companies within the group is £130,000 (2019: £110,000).

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. Employees

The company has no employees other than the directors, who did not receive any remuneration (2019 - £NIL).

8. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2019 -higher than)* the standard rate of corporation tax in the UK of 19% *(2019 - 19%)*. The differences are explained below:

	2020 £	*2019* *£*
Loss on ordinary activities before tax	**(2,709,995)**	*(3,140,156)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	**(514,899)**	*(596,630)*
Effects of:		
Changes in provisions leading to an increase (decrease) in the tax charge	**(105,385)**	*350,105*
Unrelieved tax losses carried forward	**620,284**	*246,525*
Total tax charge for the year	**-**	*-*

Factors that may affect future tax charges

The company has losses of £8,409,423 (2019: £5,144,768) available to carry forward against future trading profits.

9. Debtors

	2020 £	*2019 £*
Due after more than one year		
Loan and lease receivable	**120,609,424**	*95,488,956*

	2020 £	*2019 £*
Due within one year		
Other debtors	**899,108**	*636,451*
Loan and lease receivable	**95,025,100**	*73,504,522*
	95,924,208	*74,140,973*

10. Provision for bad debts

The following table sets out the movement in Individually Assessed (IA) and Incurred But Not Reported (IBNR) provisions for bad debts within the loan and lease receivable balance:

	IA £	*IBNR £*	**Total £**
At 1 January 2020	2,458,000	-	**2,458,000**
Movement in year	(1,218,000)	663,000	**(555,000)**
At 31 December 2020	1,240,000	663,000	**1,903,000**

11. Cash and cash equivalents

	2020 £	*2019 £*
Cash at bank and in hand	**5,162,065**	*1,529,450*

12. Creditors: Amounts falling due within one year

	2020 £	*2019 £*
Other loans	**75,011,818**	*53,954,907*
Amounts owed to group undertakings	**39,630,946**	*30,713,014*
Other creditors	**410,984**	*116,236*
Accruals and deferred income	**40,455**	*-*
	115,094,203	*84,784,157*

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

	2020 £	*2019 £*
Other loans	**100,908,917**	*77,972,650*
	100,908,917	*77,972,650*

At the Balance Sheet date, other loans comprised the block discounting agreements between the company and facility providers. Fixed and floating charges were created in favour of Simply Funding Limited, Aldermore Bank plc, Hitachi Capital (UK) plc, Hampshire Trust Bank plc and Walbrook Asset Finance Limited over all property and undertakings of the company.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2020 £	*2019 £*
Repayable by instalments	**324,657**	*416,847*
	324,657	*416,847*

14. Loans

Analysis of the maturity of loans is given below:

	2020 £	*2019 £*
Amounts falling due within one year		
Other loans	**75,011,818**	*53,954,907*
Amounts falling due 1-2 years		
Other loans	**52,241,242**	*40,255,025*
Amounts falling due 2-5 years		
Other loans	**48,343,019**	*37,300,778*
Amounts falling due after more than 5 years		
Other loans	**324,657**	*416,847*
	175,920,736	*131,927,557*

The above loans comprise a block discounting facility. All loans are at a fixed rate of interest with a fixed repayment profile. The terms of the loans match the underlying customer agreements to which they relate. Values shown above reflect actual amounts to be repaid, including interest.

Interest payable on these loans totalling £6,030,951 (2019: £4,383,282) was expensed as cost of sales through profit and loss during the year.

15. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
16,005,000 *(2019 -16,005,000)* Ordinary shares of £1.00 each	**16,005,000**	*16,005,000*

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

16. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

17. 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.

At the balance sheet date, the company owed £5,854,568 (2019: £4,047,654) to Simply Funding Limited, a special purpose entity that is a fellow group company but not wholly owned by the group.

18. Controlling party

The immediate parent company is SAF Group Finance Limited. Its registered office is 5th Floor, Harling House, 47-51 Great Suffolk Street, London, SE1 0BS.

The ultimate parent company is SAF Group Holdco Limited. Its registered office is 5th Floor, Harling House, 47-51 Great Suffolk Street, London, SE1 0BS.

The ultimate controlling party is CS Capital Partners V LP by virtue of its majority shareholding in the ultimate parent company, SAF Group Holdco Limited.

The parent of the largest and smallest group into which the results of this company are consolidated is SAF Group Holdco Limited. Copies of the group financial statements can be obtained from Companies House.