

Company Registration No. 11259817 (England and Wales)

SAFALTA VENTURE 2 LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR

SAFALTA VENTURE 2 LIMITED

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SAFALTA VENTURE 2 LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Note	2020 £	2020 £	2019 £	2019 £
Current assets					
Debtors	5	40,398,220		45,499,606	
Cash at bank and in hand		55,620		120,223	
		<u>40,453,840</u>		<u>45,619,829</u>	
Creditors: amounts falling due within one year	6	<u>(13,200)</u>		<u>(15,000)</u>	
Net current assets			40,440,640		45,604,829
Creditors: amounts falling due after more than one year	7		(40,350,082)		(45,523,165)
Net assets			<u>90,558</u>		<u>81,664</u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss reserves			90,557		81,663
Total equity			<u>90,558</u>		<u>81,664</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 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. 11259817

SAFALTA VENTURE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Safalta Venture 2 Limited is a private company limited by shares incorporated in England and Wales. The registered office is Acre House, 11-15 William Road, London, NW1 3ER, United Kingdom.

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 on a going concern basis under the historical cost convention except fair value treatment of certain financial instruments as discussed in note 1.5. The principal accounting policies adopted are set out below.

Management has applied judgement to recognise deemed loan and made estimates to 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 1.5.

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 company has support from the group and debt facility provider, who continue to provide funding on the current portfolio as well as supporting the extension of facilities to enable borrowers to manage the settlement. The company has adequate resources to remain operational throughout the pandemic and continue 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.

1.3 Cash and cash equivalents

Cash at bank and in hand 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.

1.4 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.

SAFALTA VENTURE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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 effective interest 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.

1.5 Deemed loan

During the period as part of the funding arrangement with a bank the company entered into a mortgage sale agreement with Oblix Capital Limited. The loans sold to the company have not satisfied the criteria for de-recognition of assets under FRS 102 and as a result these assets have been treated as a "deemed loan" due from Oblix Capital Limited.

The company also entered into a subordinated loan agreement with Oblix Capital Limited which has been offset against the deemed loan to show the "net" position. The deemed loan net of the subordinated loan as a single instrument was recognised at fair value which was the deemed net transaction price.

At each year end, the deemed loan has 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 value taken to the statement of income.

1.6 Taxation

The tax expense represents the tax currently payable.

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.

1.7 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

There were no employees during the year other than the 3 directors of the company.

3 Directors' remuneration and dividends

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

SAFALTA VENTURE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4	Financial instruments	2020	2019
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at fair value	40,398,220	45,499,606
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	40,357,582	45,538,165
		<u> </u>	<u> </u>
5	Debtors	2020	2019
		£	£
	Amounts falling due within one year:		
	Deemed loan due from Oblix Capital Limited	40,398,219	45,499,605
	Amounts owed by group undertakings	1	1
		<u> </u>	<u> </u>
		40,398,220	45,499,606
		<u> </u>	<u> </u>

The deemed loan is secured on the mortgage loans purchased. The subordinated loan has been offset against the deemed loan to show the net position. At the year end, the deemed loan represents the fair value of loan transferred net of subordinated loan.

6	Creditors: amounts falling due within one year	2020	2019
		£	£
	Trade creditors	2,100	-
	Corporation tax	5,700	-
	Accruals	5,400	15,000
		<u> </u>	<u> </u>
		13,200	15,000
		<u> </u>	<u> </u>

7	Creditors: amounts falling due after more than one year	2020	2019
		£	£
	Bank loan (secured)	40,350,082	45,523,165
		<u> </u>	<u> </u>

The bank loan is a four year revolving facility and is secured on the assets of the company and is cross guaranteed by fellow group companies. The loan carries an interest rate ranging from 4% to 6% during the year.

8	Called up share capital	2020	2019
		£	£
	Ordinary share capital		
	Issued and fully paid		
	1 Ordinary share of £1 each	1	1
		<u> </u>	<u> </u>
		1	1
		<u> </u>	<u> </u>

SAFALTA VENTURE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 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 s44(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The impact of uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

The senior statutory auditor was David Pearson.

The auditor was Grant Thornton UK LLP.

10 Parent company

The company is a wholly owned subsidiary of Exito Holdings 2 Limited, a company incorporated in England and Wales and wholly owned by Oblix Group Limited 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.

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.