

Zvilo Limited
Filleled Financial Statements
for the Year Ended 31 December 2022

Zvilo Limited

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Zvilo Limited

Company Information

Directors	Ronald Leslie Boddy Shahem Nidal Samain Admir Imami
Company secretary	Avery Law Cossec Ltd
Registered office	124 City Road London EC1V 2NX
Auditors	Carbon Accountancy Limited Chartered Accountants 80-83 Long Lane London EC1A 9ET

Zvilo Limited

(Registration number: 11342079) Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>4</u>	9,151	-
Tangible assets	<u>5</u>	5,084	2,880
Investments	<u>6</u>	505,891	204,807
		<u>520,126</u>	<u>207,687</u>
Current assets			
Debtors	<u>7</u>	22,326	50,602
Cash at bank and in hand		68,461	200,321
		90,787	250,923
Creditors: Amounts falling due within one year	<u>8</u>	(40,724)	(14,680)
Net current assets		50,063	236,243
Total assets less current liabilities		570,189	443,930
Creditors: Amounts falling due after more than one year	<u>8</u>	(130,425)	-
Provisions for liabilities		(966)	-
Net assets		<u>438,798</u>	<u>443,930</u>
Capital and reserves			
Called up share capital	<u>9</u>	9	9
Share premium reserve		1,058,265	714,207
Retained earnings		(619,476)	(270,286)
Shareholders' funds		<u>438,798</u>	<u>443,930</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 7 July 2023 and signed on its behalf by:

.....
Shahem Nidal Samain
Director

Zvilo Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

124 City Road
London
EC1V 2NX
United Kingdom

These financial statements were authorised for issue by the Board on 7 July 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Audit report

The Independent Auditor's Report was unqualified. . The name of the Senior Statutory Auditor who signed the audit report on 7 July 2023 was John Leyden FCA, who signed for and on behalf of Carbon Accountancy Limited.

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Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Zvilo Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	25% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life. No amortisation have been provided for internally developed software which remained under development stage at year end.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Zvilo Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

The company operates growth shares scheme under the employee share option scheme. Growth shares are non-voting shares initially recognized at their nominal cost on the date of issuance. The growth shares are attached to vesting criteria and only 'vest' once criteria is met, otherwise it can be forfeited. The shares are assigned a 'hurdle rate' and the recipient of the growth shares only participate in value over and above the hurdle rate. At the year end none of the growth shares has been vested.

Zvilo Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Financial instruments

Classification

Financial assets within the scope of Section 11 of FRS 102 are classed as basic financial instruments.

Recognition and measurement

Financial assets are initially recognised as the present value of the future payments discounted at a market rate of interest for similar debt instruments, as per Section 11 of FRS 102. They are subsequently measured at amortised cost using the effective interest method, which allocates the interest income or expense over the expected life of the debt security until maturity, less any deductions for impairment.

However, in the specific context of Class B Notes held by the Company, the Board believes that recording these financial assets at face value, rather than discounted present value, provides a more accurate and fair representation of their economic reality. This departure from the standard practice is due to the following unique circumstances:

i) The Class B Notes are funded by an intercompany loan from Zvilo Factor LLC, a subsidiary of the Company. According to the intercompany agreement, Zvilo Factor LLC assumes all the risk on the Class B Notes. In the event of an underlying obligor default, both the Class B Note asset and the intercompany payable are written off simultaneously. Hence, the Company does not contribute any capital or bear any risk for these Notes, and accordingly does not expect a return necessitating discounting.

ii) When the Company reaches £3m of Class B Notes (at nominal face value), they become redeemable upon a 90 day notice. The Company expects that the Class B Notes will reach the £3m threshold by 31/12/2023. Upon reaching this threshold, the Notes will become redeemable, making any prior discounting inappropriate as all discounts would be credited to the Profit & Loss statement in a single instance.

The board therefore believes that discounting these Notes in line with the standard practices would distort the Company's true and fair view. Consequently, the Class B Notes are initially recognised at the transaction price (equivalent to face value) as per the loan agreement, and subsequently measured at amortised cost, excluding the effect of discounting.

Below is a comparison of the financial impact on the company's accounts under the applied policy (no discounting) versus the standard policy (discounting):

With Departure from Standard Policy (Actual)

Financial Asset (Balance Sheet) £222,324

Other Comprehensive Income (P&L) -£Nil

Without Departure from Standard Policy

Financial Asset (Balance Sheet) £181,076

Other Comprehensive Income (P&L) £41,248

Under the standard policy, the discounted amount of £41,248 would gradually unwind in subsequent years, increasing the value of the Financial Asset and crediting the P&L account.

This deviation from standard discounting practices is in accordance with the principle-based approach of FRS 102, ensuring that financial statements present a true and fair view. If circumstances surrounding the Class B Notes or the relevant accounting standards or interpretations change significantly, this accounting policy will be subject to review and possible revision.

Zvilo Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 3 (2021 - 3).

4 Intangible assets

	Other intangible assets £	Total £
Cost or valuation		
Additions internally developed	9,151	9,151
At 31 December 2022	9,151	9,151
Amortisation		
Carrying amount		
At 31 December 2022	9,151	9,151

Intangible assets includes internally developed software which remained under development phase at the year-end. Therefore, no amortisation has been charged for the year.

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Notes to the Financial Statements for the Year Ended 31 December 2022

5 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2022	3,167	3,167
Additions	3,589	3,589
	<hr/>	<hr/>
At 31 December 2022	6,756	6,756
	<hr/>	<hr/>
Depreciation		
At 1 January 2022	287	287
Charge for the year	1,385	1,385
	<hr/>	<hr/>
At 31 December 2022	1,672	1,672
	<hr/>	<hr/>
Carrying amount		
At 31 December 2022	5,084	5,084
	<hr/>	<hr/>
At 31 December 2021	2,880	2,880
	<hr/>	<hr/>

6 Investments

	2022 £	2021 £
Investments in subsidiaries	283,567	204,807
Other investments	222,324	-
	<hr/>	<hr/>
	505,891	204,807
	<hr/>	<hr/>

Other investments include investment in Class B Notes issued by Fasanara Securitisation S.A. which have 0% interest rate. This investment is directly related to factoring activity of Zvilo Factor L.L.P in Kosovo which unlocks capital from the Fasanara Securitisation S.A..The notes will be redeemable on 22 September 2024 in accordance with the Conditions of debt facility agreement, in particular the Principal and Accrued Interest, subject to availability of funds in accordance with the applicable Priority of Payments and to comply with the Conditions with respect to the Notes.

Zvilo Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Subsidiaries	£
Cost or valuation	
At 1 January 2022	204,807
Additions	<u>78,760</u>
At 31 December 2022	<u>283,567</u>
Provision	
Carrying amount	
At 31 December 2022	<u>283,567</u>
At 31 December 2021	<u>204,807</u>

Zvilo Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Zvilo Facor L.L.C.	Prishtina, Vicianum, Lgj Arberia, Llam. C27, Entrance 283, Floor 1/4 Kosovo	Ordinary shares	100%	100%

Subsidiary undertakings

Zvilo Facor L.L.C.

The principal activity of Zvilo Facor L.L.C. is financial service activities. Its financial period end is 31 December.

7 Debtors

	Note	2022 £	2021 £
Amounts owed by related parties	<u>10</u>	-	29,951
Other debtors		21,708	20,033
Prepayments		618	618
		<u>22,326</u>	<u>50,602</u>

Zvilo Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

8 Creditors

Creditors: amounts falling due within one year

	2022 £	2021 £
Due within one year		
Trade creditors	22,949	-
Taxation and social security	2,935	2,150
Accruals and deferred income	10,371	8,100
Other creditors	4,469	4,430
	<u>40,724</u>	<u>14,680</u>

Creditors: amounts falling due after more than one year

	2022 £	2021 £
Due after one year		
Amounts owed to group undertakings	<u>130,425</u>	<u>-</u>

Zvilo Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary share of £0.000001 each	9,318,266	9.32	8,963,566	8.96
Vn Share of £0.000001 each	893,213	0.89	-	-
	<u>10,211,479</u>	<u>10.21</u>	<u>8,963,566</u>	<u>8.96</u>

Share issued during the period include 354,700 ordinary shares and 893,213 Vn shares. Vn shares represent growth shares, which are non-voting shares issued as a form of employee incentive scheme.

10 Related party transactions

Summary of transactions with subsidiaries

Zvilo Factor L.L.C.

At the balance sheet date, the amount due to/(from) Zvilo Factor L.L.C was £130,425 (2021: (£29,951)). The loan is directly related to purchase of 0% Class B loan notes from Fasanara Securitisation S.A on behalf of Zvilo Factor L.L.C. for factoring activity in Kosovo which unlocks capital from the debt facility for factoring of receivables of Zvilo Factor. Therefore, these loan are also recognised at face value and are repayable once the Class B loan notes are redeemed on 24 September 2024.

11 Parent and ultimate parent undertaking

The company's immediate parent is AIGA Lab Limited, incorporated in England and Wales.
The ultimate controlling party is Admir Imami.

12 Off-balance sheet arrangements

Guarantees

The Company has entered into debt facility arrangement with Fasanara securitisation S.A. acting for and behalf of its compartment AY. The parties of this agreement are Zvilo Limited as originator and guarantor for its subsidiary Zvilo Factor LLC which acts as servicer.

These guarantees are provided to secure performance obligation required by the contract in the event subsidiary fails to perform its obligation as servicers and then Zvilo Limited will act as servicer.

As of the balance sheet date, there are no issues regarding the performance of its obligations.

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.