



IMF Bentham ROW SPV 1 LIMITED

Financial Statements

For the period from 1 August 2020 to 30 June 2021



IMF Bentham ROW SPV 1 LIMITED

Financial Statements

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IMF Bentham ROW SPV 1 LIMITED

Directors' Report

For the period from 1 August 2020 to 30 June 2021

The Directors hereby present their statement to the members together with unaudited financial statements of IMF Bentham ROW SPV 1 LIMITED (the "Company") for the period from 1 August 2020 to 30 June 2021.

Incorporation

The Company was incorporated on 26 July 2019.

Directors

The Directors who served the Company during the year were as follows:

| | |
|-----------------|--|
| Andrew Saker | (appointed 26/07/2019) (resigned 23/04/2021) |
| Jeremy Sambrook | (appointed 26/07/2019) |
| Stuart Mitchell | (appointed 23/04/2021) |

Political Donations and Expenditure

During the year the Company has made no political contributions.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board of Directors on 18 November 2021 and signed on behalf of the Board by:



Jeremy Sambrook
Director

18/11/2021

IMF Bentham ROW SPV 1 LIMITED

Profit and Loss Account

For the period from 1 August 2020 to 30 June 2021

| | Notes | For the period from 1-Aug-20 to 30-Jun-21 £ | For the period from 26-Jul-19 to 31-Jul-20 £ |
|--|-------|--|---|
| Interest revenue | 3 | 871,500 | 393,099 |
| Total income | | 871,500 | 393,099 |
| Finance costs | 4 | 152,491 | 83,161 |
| Professional fees | | 37,238 | - |
| Profit on ordinary activities before taxation | | 681,771 | 309,938 |
| Income tax expense | 5 | (129,537) | (58,888) |
| Profit for the financial period | | 552,234 | 251,050 |

The notes form part of these financial statements.

IMF Bentham ROW SPV 1 LIMITED

Balance Sheet As at 30 June 2021

| | Notes | 30-Jun-21 £ | 31-Jul-20 £ |
|--|-------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Other receivables | 6 | 384,867 | 238,659 |
| Total Current Assets | | 384,867 | 238,659 |
| Non-Current Assets | | | |
| Purchased claims | 7 | 4,022,668 | 3,153,447 |
| Intangible assets - litigation contracts in progress | 8 | 152,519 | - |
| Deferred tax assets | 5 | - | 15,801 |
| Total Non-Current Assets | | 4,175,187 | 3,169,248 |
| TOTAL ASSETS | | 4,560,054 | 3,407,907 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Income tax payable | | 129,537 | - |
| Loan from related companies | 9 | 876,449 | 378,863 |
| Total Current Liabilities | | 1,005,986 | 378,863 |
| Non-Current Liabilities | | | |
| Other non-current liabilities | 10 | 2,750,684 | 2,703,205 |
| Deferred tax liabilities | 5 | - | 74,689 |
| Total Non-Current Liabilities | | 2,750,684 | 2,777,894 |
| TOTAL LIABILITIES | | 3,756,670 | 3,156,757 |
| NET ASSETS | | 803,384 | 251,150 |
| EQUITY | | | |
| Contributed equity | 11 | 100 | 100 |
| Retained earnings | | 803,284 | 251,050 |
| TOTAL EQUITY | | 803,384 | 251,150 |

The notes form part of these financial statements

For the period ending 30 June 2021, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.


Director's responsibilities:

- (a) The members have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476.
- (b) The Directors acknowledges their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with small companies provisions.

These financial statements were approved by the Board of Directors and authorised for issue on 18 November 2021.

Signed on behalf of the Board by:


Jeremy Sambrook
Director

18/11/2021

IMF Bentham ROW SPV 1 LIMITED

Notes to the Financial Statements

For the period from 1 August 2020 to 30 June 2021

Note 1: Company information

The financial statements of IMF Bentham ROW SPV 1 LIMITED ("the Company") for the period from 1 August 2020 to 30 June 2021.

The registered office of the Company is located at Suite 212, 81 Chancery Lane, London, WC2A 1DD.

The principal activity of the Company is funding of litigation.

Note 2: Significant accounting judgments and estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgments on historical experience and on other factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Taxation

The Company's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the Balance Sheet. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future income, operating costs, capital expenditure, dividends and other capital management transactions. Judgments and assumptions are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the Balance Sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Profit and Loss Account.

Note 3: Interest revenue

Interest revenue is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

| | For the period from 1-Aug-20 to 30-Jun-21 | For the period from 26-Jul-19 to 31-Jul-20 |
|-------------------------------------|---|--|
| | £ | £ |
| Interest revenue on purchase claims | 871,500 | 393,099 |

Note 4: Finance costs

Finance costs consist of interest calculated on the net present value of the variable consideration relating to purchased claims using a discount rate of 5.95%.

| | For the period from 1-Aug-20 to 30-Jun-21 | For the period from 26-Jul-19 to 31-Jul-20 |
|---------------|---|--|
| | £ | £ |
| Finance costs | 152,491 | 83,161 |

Note 5: Income tax expense

The major components of income tax expense are:

| | For the period from 1-Aug-20 to 30-Jun-21 | For the period from 26-Jul-19 to 31-Jul-20 |
|---------------------|---|--|
| | £ | £ |
| Current income tax | 129,537 | - |
| Deferred income tax | - | 58,888 |
| | 129,537 | 58,888 |

IMF Bentham ROW SPV 1 LIMITED

Notes to the Financial Statements (continued)

For the period from 1 August 2020 to 30 June 2021

Note 5: Income tax expense (continued)

The reconciliation between tax expense and accounting loss multiplied by the applicable corporate tax rate for the financial period from 1 August 2020 to 30 June 2021 is as follows:

| | For the period from 1-Aug-20 to 30-Jun-21 £ | For the period from 26-Jul-19 to 31-Jul-20 £ |
|---|--|---|
| Profit before tax | 681,771 | 309,938 |
| Tax at statutory rate of 19% | 129,537 | 58,888 |
| Income tax expense recognised in profit or loss | <u>129,537</u> | <u>58,888</u> |
| Deferred tax consist of the following: | | |
| Deferred income tax liabilities | | |
| Non-assessable interest income | - | 74,689 |
| Deferred income tax assets | | |
| Non-deductible interest expense | - | 15,801 |
| Net deferred income tax liabilities | <u>-</u> | <u>58,888</u> |

Note 6: Other receivables

| | 30-Jun-21 £ | 31-Jul-20 £ |
|-------------------|----------------|----------------|
| Other receivables | <u>384,867</u> | <u>238,659</u> |

Other receivables relate to amount receivable from co-funding of a purchase claim.

Note 7: Purchased claims

Purchased claims are purchased credit-impaired financial assets which are initially recognised at fair value, being the consideration paid. The effective interest rate on these financial assets is calculated taking into account the initial lifetime expected credit loss in the estimated cash flows. Purchased claims are subsequently measured at amortised cost by applying the credit-adjusted effective interest rate.

| | 30-Jun-21 £ | 31-Jul-20 £ |
|------------------|------------------|------------------|
| Purchased claims | <u>4,022,668</u> | <u>3,153,447</u> |

Note 8: Intangible assets - litigation contracts in progress

Litigation Contracts in Progress are recognised as intangible assets in the financial statements. The carrying value of Litigation Contracts In Progress includes external costs such as solicitors' fees, counsels' fees and experts' fees funded by the company and the capitalisation of certain directly attributable internal costs of managing the litigation funding investment.

The carrying value of Litigation Contracts In Progress can be summarised as follows:

| | 30-Jun-21 £ | 31-Jul-20 £ |
|----------------------------|----------------|----------------|
| External costs | 142,541 | - |
| Capitalised internal costs | <u>9,978</u> | <u>-</u> |
| Gross carrying amount | <u>152,519</u> | <u>-</u> |

Note 9: Loan from related companies

| | 30-Jun-21 £ | 31-Jul-20 £ |
|-----------------------------|----------------|----------------|
| Loan from related companies | <u>876,449</u> | <u>378,863</u> |

Loan from related companies is a financial liability measured at amortised cost. The amount is interest free, unsecured and repayable on demand.

IMF Bentham ROW SPV 1 LIMITED

Notes to the Financial Statements (continued)

For the period from 1 August 2020 to 30 June 2021

Note 10: Other non-current liabilities

| | 30-Jun-21 | 31-Jul-20 |
|---|-----------|-----------|
| | £ | £ |
| Variable consideration – Purchased claims | 2,750,684 | 2,703,205 |

Variable consideration relating to purchased claims is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

Note 11: Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from proceeds.

| | 30-Jun-21 | 31-Jul-20 |
|---------------------------------------|-----------|-----------|
| | £ | £ |
| Contributed equity | | |
| Issued and fully paid ordinary shares | 100 | 100 |