

Asertis SPV 2 Ltd

Directors' Report and Unaudited

Financial Statements

Year Ended

29 June 2023

Company Number 13437907

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28/03/2024

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Asertis SPV 2 Ltd

Company Information

Directors	I J Madej H Thakerar
Registered number	13437907
Registered office	100 Barbirolli Square Manchester England M2 3AB
Accountant	BDO LLP 3 Hardman Street Manchester M3 3AT

Asertis SPV 2 Ltd

Contents

	Page
Directors' Report	1 - 2
Accountant's Report	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Notes to the Financial Statements	6 - 9

Asertis SPV 2 Ltd

Directors' Report For the Year Ended 29 June 2023

The Directors present their report and the unaudited financial statements for the year ended 29 June 2023. The comparative period was from incorporation on 4 June 2021 to 29 June 2022.

Principal activity

The principal activity of Asertis SPV 2 Limited was that of litigation funding services.

Directors

The Directors who served during the year were:

I J Madej
H Thakerar

Directors' responsibilities statement

The Directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

Qualifying third party indemnity provisions

The Company has indemnified its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in place during the year for the Asertis group and is in force at the date of approving the financial statements.

Asertis SPV 2 Ltd

Directors' Report (continued) For the Year Ended 29 June 2023

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 March 2024 and signed on its behalf.


[2024/03/27 18:24 GMT]

I J Madej
Director

Asertis SPV 2 Ltd

Chartered Accountant's Report to the Board of Directors on the Unaudited Financial Statements of Asertis SPV 2 Ltd for the year ended 29 June 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Asertis SPV 2 Ltd for the period ended 29 June 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes from the company's accounting records and from information and explanations you have given us.

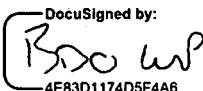
As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that Asertis SPV 2 Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and result of Asertis SPV 2 Ltd. You consider that Asertis SPV 2 Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Asertis SPV 2 Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of report

This report is made solely to the board of Directors of Asertis SPV 2 Ltd, as a body, in accordance with the terms of our engagement letter dated 17 February 2023. Our work has been undertaken solely to prepare for your approval the accounts of Asertis SPV 2 Ltd and state those matters that we have agreed to state to the board of Directors of Asertis SPV 2 Ltd, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Asertis SPV 2 Ltd and its board of Directors as a body for our work or for this report.

DocuSigned by:

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BDO LLP
Chartered Accountants
Manchester
United Kingdom

28/3/2024

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

Asertis SPV 2 Ltd

Statement of Comprehensive Income For the Year Ended 29 June 2023

The Company has not traded during the period. During the period, the Company received no income and incurred no expenditure and therefore made neither a profit or loss.

Asertis SPV 2 Ltd
Registered number:13437907

Statement of Financial Position
As at 29 June 2023

	Note	2023 £	2023 £	2022 £	2022 £
Current assets					
Debtors: amounts falling due within one year	6	100		100	
Litigation funding cases in progress	5	7,619,379		2,716,417	
Current liabilities		7,619,479		2,716,517	
Creditors: amounts falling due within one year	7	(7,619,379)		(2,716,417)	
Net current assets			100		100
Total assets less current liabilities			100		100
Net assets			100		100
Capital and reserves					
Called up share capital			100		100
			100		100

For the year ended 29 June 2023 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 were approved and authorised for issue by the board and were signed on its behalf on 27 March 2024


I J Madej (27/03/2024 18:24 GMT)

I J Madej
Director

The notes on pages 6 to 9 form part of these financial statements.

Asertis SPV 2 Ltd

Notes to the Financial Statements For the Year Ended 29 June 2023

1. General information

Asertis SPV 2 Ltd is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report.

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

The following principal accounting policies have been applied:

2.2 Going concern

The Directors believe that it is appropriate to prepare the financial statements on a going concern basis which assumes that the Company will continue in operational existence.

The Directors have prepared financial forecasts and the Company has sufficient cash and funding resources to continue in operational existence for the foreseeable future. For these reasons, the financial statements have been prepared on a going concern basis. Furthermore, the ultimate parent undertaking, Asertis Ltd, will not enforce repayment of intercompany loans for a period of at least 12 months from the date of these accounts.

Should the going concern basis prove to be inappropriate then adjustments may be required to reduce the carrying value of assets to their recoverable amount, to provide for any additional liabilities that arise, and to reclassify fixed assets and long terms liabilities respectively.

Asertis SPV 2 Ltd

Notes to the Financial Statements For the Year Ended 29 June 2023

2. Accounting policies (continued)

2.3 Litigation funding cases in progress

Litigation funding cases in progress are classified as available for sale financial assets and are measured at fair value plus transaction costs that are directly attributable to the origination of the financial asset.

The gain or loss arising from a change in fair value is recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

In the absence of quoted prices for identical assets or binding sale agreements the fair value is estimated using a discounted cashflow model that takes in to account the probability of a successful outcome against a range of settlement options discounted back to present value using the prevailing market rate of interest for a similar financial asset.

Asertis operates under a valuation policy that relies on objective events to drive valuation changes, in order to minimise reliance on management estimation.

All investments in claims are recognised initially at cost. Where appropriate, investments in claims may be revalued on occurrence of certain objective events. Any fair value adjustments to the value of litigation funding assets are recognised in Asertis SPV 2 Limited accounts through other comprehensive income.

For the vast majority of our claims, the objective events considered under the fair value policy relate to the litigation process. Upon the occurrence of such objective events, Asertis discounts the potential impact of that ruling in line with the remaining litigation and/or enforcement risk. Objective events within the scope of this policy include, but may not be limited to:

- a significant positive ruling or other objective event but where there is not yet a trial court judgement
- a favourable trial court judgement
- a favourable judgment on the first appeal
- the exhaustion of as-of-right appeals
- in arbitration cases, where there are limited opportunities for appeal, issuance of a tribunal award

The policy also calls for impairment losses when there are objective negative events at various stages in a litigation, such as unfavourable court judgements.

2.4 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.

Asertis SPV 2 Ltd

Notes to the Financial Statements For the Year Ended 29 June 2023

2. Accounting policies (continued)

2.5 Financial instruments

Except for the litigation funding cases in progress, 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 Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The most significant estimates relate to the valuation of investments in cases in progress at fair value through other comprehensive income.

Litigation funding cases in progress (note 5)

Fair values of the litigation funding cases in progress are determined based on the specifics of each case. The value will change should it be determined that the case is progressing in such a way that the Company would expect to receive a different amount from that invested to date having regard to an objective event such as a favourable court ruling. Fair value is determined based on the Directors' expectation, at the reporting date, of the likely outcome of each case and their best estimate of the return on each case, discounted at the prevailing market rate of interest for a similar financial asset.

4. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2022 - £NIL).

Asertis SPV 2 Ltd

Notes to the Financial Statements For the Year Ended 29 June 2023

5. Litigation funding cases in progress

	2023 £	2022 £
Valuation		
Additions	<u>7,619,379</u>	<u>2,716,417</u>

The Directors consider the valuation to be accurate at the year end.

6. Debtors: amounts falling due within one year

	2023 £	2022 £
Amounts owed by group undertakings	<u>100</u>	<u>100</u>

Amounts owed by group undertakings are interest free and repayable on demand.

7. Creditors: Amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	<u>7,619,379</u>	<u>2,716,417</u>

Amounts owed to group undertakings are interest free and repayable on demand.

8. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

9. Controlling party

The Company's immediate parent undertaking is Asertis Ltd, a company incorporated in England and Wales and registered at 100 Barbirolli Square, Manchester, United Kingdom, M2 3AB. The results of the company are not included in any consolidated financial statements.

The ultimate controlling party is Asertis Ltd.