

**SAF GROUP HOLDCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**SAF GROUP HOLDCO LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	F E Athill R J McDougall Y C Oertengren M C Randall B J Dhenin J E Wiles J S Wolvaardt R C Chadwick R R Goscomb
<b>Registered number</b>	10587968
<b>Registered office</b>	5th Floor Harling House 47-51 Great Suffolk St London SE1 0BS
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Accountants</b>	Venthams Chartered Accountants Millhouse 32-38 East Street Rochford Essex SS4 1DB

**SAF GROUP HOLDCO LIMITED**

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## SAF GROUP HOLDCO LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **Introduction**

The directors present their report and financial statements for the year ended 31 December 2022.

#### **Principal activity**

The principal activity of SAF Group Holdco Limited (the 'Company') is that of a holding company for investments in a group of companies engaged in the provision and supply of lending to UK SMEs. The Company is non-trading and acts only to hold the investment in its wholly owned subsidiary SAF Group Finance Limited and its subsidiaries (the 'Group' or 'Simply').

#### **Business review**

The directors are pleased with the performance of the Company's investment in SAF Group Finance Limited and subsidiaries during the year.

Despite the rising interest rate environment and impact of supply chain delays continuing into 2022 new business origination of £305.3m (2021: £241.3m) resulted in a 36% increase in the loan book to £417.4m (2021: £307.1m).

The number of employees increased by 12% to 123 (2021: 110) to provide additional support to existing customers, deliver growth and continue investment in technology.

**SAF GROUP HOLDCO LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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 mitigations.

<b>Risk</b>	<b>Mitigation</b>
<p><b>Liquidity Risk</b> 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.</p>	<p>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 &amp; Governance Committees and Board Meetings.</p> <p>This reporting includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>- cashflow forecasting;</li> <li>- stress testing;</li> <li>- medium term budgeting and planning; and</li> <li>- daily monitoring and bank reconciliations</li> </ul> <p>At any point in time, the Group targets sufficient cash and funding headroom to support 12 months of operational cash requirements and origination.</p>
<p><b>Credit Risk</b> 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.</p>	<p>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.</p> <p>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 &amp; balance' to assuring the advance being sought is within a client's borrowing capacity.</p> <p>The Group further seeks to minimise exposure to credit losses by:</p> <ul style="list-style-type: none"> <li>- maintaining consistent and conservative loan to value ratios;</li> <li>- maintaining regular and timely collections and arrears management processes;</li> <li>- operating tiered levels of underwriting authority; and</li> <li>- regular review of the portfolio at the monthly Credit Committee.</li> </ul>
<p><b>Market Risk</b> 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.</p>	<p>The Group has strong controls in place to manage this risk which includes regular monitoring and reporting in addition to match funding.</p> <p>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.</p> <p>Interest rate exposure is managed using fixed rate agreements to customers matched with fixed rate funding from the senior debt providers.</p>

**SAF GROUP HOLDCO LIMITED****GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022****Financial key performance indicators**

The key performance indicators which the directors regularly monitor are:

	<b>2022</b>	<b>2021</b>
New business volumes	£305.3m	£241.3m
Gross loan book (Note 14)	£417.4m	£307.1m
Turnover (Note 4)	£43.4m	£34.0m
Bad debt ratio	0.3%	1.0%

**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; and
- continued focus on collections and arrears management.

The directors continue to monitor the impact of increased interest rates, supply chain delays and the cost-of-living crisis which are all contributing to challenges faced in levels of investment made by UK SMEs. Whilst the conflict between Russia and Ukraine remains sensitive there has been minimal impact on Simply, although the Board will continue to monitor closely. The directors remain cautiously optimistic and continue to be vigilant for any further uncertainty and economic impact.

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

DocuSigned by:  
  
 .....4926D18392194EC.....  
**J S Wolvaardt**  
 Director

Date: 18 April 2023

**SAF GROUP HOLDCO LIMITED****DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report and the financial statements for the year ended 31 December 2022.

**Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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 Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The profit for the year, after taxation, amounted to £5,082,951 (2021 -£1,489,419).

**Directors**

The directors who served during the year were:

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

**Engagement with suppliers, customers and others**

The Board considers matters under section 172 of the Companies Act 2006 on a monthly basis which requires directors to run the company for the benefit of its shareholders as a whole, and in doing so the Board takes into account the long term impact of any decision, maintaining stakeholder relationships, the external impact of its activities and maintaining a reputation for high standards of business conduct.

**SAF GROUP HOLDCO LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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.

DocuSigned by:  
  
.....4926D18392194EC.....  
**J S Wolvaardt**  
Director

Date: 18 April 2023



**SAF GROUP HOLDCO LIMITED****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAF GROUP HOLDCO LIMITED**

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**Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SAF Group Holdco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, 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).

**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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**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 Group or Parent 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.

**SAF GROUP HOLDCO LIMITED****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAF GROUP HOLDCO LIMITED  
(CONTINUED)**

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**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 auditor's 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Director's responsibilities statement, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

**SAF GROUP HOLDCO LIMITED****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAF GROUP HOLDCO LIMITED  
(CONTINUED)**

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**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 auditor's 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.

*Extent to which the audit was capable of detecting irregularities, including fraud*

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:

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which the Group operates and considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006 and relevant accounting standards.

We considered compliance with this framework through discussions with management and performed audit procedures on these areas as considered necessary. Our procedures involved enquiries with Management, review of the reporting to the directors with respect to compliance with laws and regulation, review of board meeting minutes and review of legal correspondence.

We focused on laws and regulations that could give rise to a material misstatement in the company financial statements.

Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- testing of journal postings made during the year to identify potential management override of controls;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.


**SAF GROUP HOLDCO LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAF GROUP HOLDCO LIMITED  
(CONTINUED)**

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**Use of our report**

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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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).

Date: 18 April 2023

## SAF GROUP HOLDCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	43,397,794	34,036,318
Cost of sales		(18,562,928)	(12,954,084)
<b>Gross profit</b>		<b>24,834,866</b>	<b>21,082,234</b>
Administrative expenses		(15,734,062)	(15,955,512)
Fair value movements		939,592	667
<b>Operating profit</b>	5	<b>10,040,396</b>	<b>5,127,389</b>
Interest payable and similar expenses	9	(6,268,688)	(5,630,022)
<b>Profit/(loss) before tax</b>		<b>3,771,708</b>	<b>(502,633)</b>
Tax on profit/(loss)	10	1,311,243	1,992,052
<b>Profit for the financial year</b>		<b>5,082,951</b>	<b>1,489,419</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		5,082,951	1,489,419
		<b>5,082,951</b>	<b>1,489,419</b>

The results stated above are derived from continuing operations.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 17 to 38 form part of these financial statements.

**SAF GROUP HOLDCO LIMITED**  
**REGISTERED NUMBER:10587968**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	As restated 2021 £
<b>Fixed assets</b>			
Intangible assets	11	984,137	813,123
Tangible assets	12	147,791	243,667
		<u>1,131,928</u>	<u>1,056,790</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	14	233,674,798	169,033,197
Debtors: amounts falling due within one year	14	190,927,395	143,781,884
Cash at bank and in hand	16	34,428,709	13,593,393
		<u>459,030,902</u>	<u>326,408,474</u>
Creditors: amounts falling due within one year	17	(130,403,464)	(106,393,961)
<b>Net current assets</b>		<u>328,627,438</u>	<u>220,014,513</u>
<b>Total assets less current liabilities</b>		<u>329,759,366</u>	<u>221,071,303</u>
Creditors: amounts falling due after more than one year	18	(352,152,475)	(248,547,363)
<b>Net liabilities</b>		<u>(22,393,109)</u>	<u>(27,476,060)</u>
<b>Capital and reserves</b>			
Called up share capital	22	1,288	1,288
Other reserves	23	(4,294,297)	(5,562,700)
Profit and loss account	23	(18,100,100)	(21,914,648)
<b>Deficits attributable to owners of the parent company</b>		<u>(22,393,109)</u>	<u>(27,476,060)</u>

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

DocuSigned by:  
  
 .....4926D1839219AEC.....  
**J S Wolvaardt**  
 Director

Date: 18 April 2023

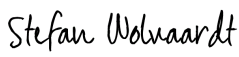
The notes on pages 17 to 38 form part of these financial statements.

**SAF GROUP HOLDCO LIMITED**  
**REGISTERED NUMBER:10587968**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	13	1	1
		<u>1</u>	<u>1</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	201	534
Cash at bank and in hand	16	961	628
		<u>1,162</u>	<u>1,162</u>
<b>Total assets less current liabilities</b>		<b>1,163</b>	<b>1,163</b>
<b>Net assets</b>			
		<u><b>1,163</b></u>	<u><b>1,163</b></u>
<b>Capital and reserves</b>			
Called up share capital	22	1,288	1,288
Profit and loss account brought forward		(125)	(103)
Profit/(loss) for the year		-	(22)
		<u>(125)</u>	<u>(125)</u>
Profit and loss account carried forward		<u><b>1,163</b></u>	<u><b>1,163</b></u>

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

DocuSigned by:  
  
 4926D10092194EC.....  
**J S Wolvaardt**  
 Director

Date: 18 April 2023

The notes on pages 17 to 38 form part of these financial statements.

## SAF GROUP HOLDCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Other reserves	Profit and loss account	Deficits attributable to owners of parent company	Total deficits
	£	£	£	£	£
<b>At 1 January 2021</b>	<b>1,288</b>	<b>(6,568,921)</b>	<b>(22,397,846)</b>	<b>(28,965,479)</b>	<b>(28,965,479)</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	1,489,419	1,489,419	1,489,419
Transfer to/from profit and loss account	-	1,006,221	(1,006,221)	-	-
<b>At 1 January 2022</b>	<b>1,288</b>	<b>(5,562,700)</b>	<b>(21,914,648)</b>	<b>(27,476,060)</b>	<b>(27,476,060)</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	5,082,951	5,082,951	5,082,951
Transfer to/from profit and loss account	-	1,268,403	(1,268,403)	-	-
<b>At 31 December 2022</b>	<b>1,288</b>	<b>(4,294,297)</b>	<b>(18,100,100)</b>	<b>(22,393,109)</b>	<b>(22,393,109)</b>

The notes on pages 17 to 38 form part of these financial statements.



## SAF GROUP HOLDCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 January 2021</b>	1,288	(103)	1,185
<b>Comprehensive expense for the year</b>			
Loss for the year	-	(22)	(22)
<b>At 1 January 2022</b>	<u>1,288</u>	<u>(125)</u>	<u>1,163</u>
<b>At 31 December 2022</b>	<u><u>1,288</u></u>	<u><u>(125)</u></u>	<u><u>1,163</u></u>

The notes on pages 17 to 38 form part of these financial statements.

## SAF GROUP HOLDCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
<b>Cash flows used in operating activities</b>		
Profit for the financial year	5,082,951	1,489,419
<b>Adjustments for:</b>		
Amortisation of intangible assets	309,950	310,219
Depreciation of tangible assets	203,528	200,368
Loss on disposal of tangible assets	-	16,381
Interest paid	6,268,688	5,630,022
Taxation charge	(1,311,433)	(1,992,242)
(Increase) in debtors	(109,536,087)	(92,208,253)
(Decrease)/increase in creditors	(1,019,154)	1,513,432
Net fair value (gains) recognised in P&L	(939,592)	(667)
<b>Net cash used in operating activities</b>	<b>(100,941,149)</b>	<b>(85,041,321)</b>
<b>Cash flows used in investing activities</b>		
Purchase of intangible fixed assets	(480,964)	(176,303)
Purchase of tangible fixed assets	(107,652)	(264,826)
<b>Net cash used in investing activities</b>	<b>(588,616)</b>	<b>(441,129)</b>
<b>Cash flows from financing activities</b>		
Other new loans	124,352,423	80,343,843
Interest paid	(1,987,342)	(1,600,115)
<b>Net cash from financing activities</b>	<b>122,365,081</b>	<b>78,743,728</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>20,835,316</b>	<b>(6,738,722)</b>
Cash and cash equivalents at beginning of year	13,593,393	20,332,115
<b>Cash and cash equivalents at the end of year</b>	<b>34,428,709</b>	<b>13,593,393</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	34,428,709	13,593,393
	<b>34,428,709</b>	<b>13,593,393</b>

The notes on pages 17 to 38 form part of these financial statements.

## SAF GROUP HOLDCO LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	<b>As restated at 1 January 2022 £</b>	<b>Cash flows £</b>	<b>At 31 December 2022 £</b>
Cash at bank and in hand	13,593,393	20,835,316	34,428,709
Debt due after 1 year	(248,547,363)	(103,605,112)	(352,152,475)
Debt due within 1 year	(101,350,837)	(25,028,657)	(126,379,494)
	<u>(336,304,807)</u>	<u>(107,798,453)</u>	<u>(444,103,260)</u>

The notes on pages 17 to 38 form part of these financial statements.

**SAF GROUP HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

SAF Group Holdco 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 a holding company of a group providing asset finance leasing services.

**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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**SAF GROUP HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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 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; and
- future and stressed projections on profitability, cash flows and capital resources

The Group is mindful of ongoing uncertainty in its market and the broader economic environment in particular with the tapering of government support schemes and rising interest rates, which is leading to higher funding costs. The directors are closely monitoring market conditions 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 using various assumptions. 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 Consolidated 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'.

**SAF GROUP HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)****2.5 Revenue****Interest income**

Turnover from finance leases is recognised in accordance with the Group'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.

**Documentation fees and charges**

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.

**Commission income**

The revenue of the Group predominantly comes directly from finance leases but also represents commissions earned on asset financing deals in its role as an agent. In these cases, the value of the commission earned is governed by agreements in place with the asset finance lender.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**2.6 Cost of sales**

Cost of sales represents commissions paid or payable to employees and third parties derived from the successful asset finance deals that they initiate and funding interest payable to third parties.

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.

Cost of sales is recognised to the extent that it is probable that the economic benefits will flow from the Group and the commission can be reliably measured. It is measured as the fair value of the commission paid or payable calculated in accordance with company policy. The assumptions used to calculate the commissions payable are considered reasonable.

**2.7 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**SAF GROUP HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)****2.8 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.9 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.10 Finance costs**

Finance costs are charged to profit or loss 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Borrowing costs**

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

**2.12 Pensions****Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**SAF GROUP HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****2. Accounting policies (continued)****2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.14 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5 years straight line
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The estimated useful life is based on the contract length and the work involved in changing platforms being too complex to change in a period shorter than 5 years.



**SAF GROUP HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)****2.15 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 3 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.16 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.17 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.

**2.18 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**SAF GROUP HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)****2.19 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.

Deep Discounted Bonds and Zero Coupon Notes issued by the Group are measured at fair value with the adjustment to cost, as a result of the discount, reflected as a movement to the capital contribution reserve which is subsequently unwound over the life of the instrument. The fair value is calculated as a function of the value of maturity and the market rate of standard UK corporate bonds at the balance sheet date.

**2.20 Financial instruments**

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 Consolidated Statement of Comprehensive Income.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Objective evidence that a financial asset, or group of assets, is impaired includes observable data that comes to the attention of the Group 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.

**SAF GROUP HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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.

The Deep Discounted Bonds and Zero Coupon Notes included within creditors falling due after more than one year are held at fair value. Management have calculated the fair value by using a discount factor of 6% based on the assumption that the instruments are comparable to current market rates for corporate bonds with the same dates of maturity.

Fair value of derivatives is measured using mark-to-market valuation provided by external counterparty.

**4. Turnover**

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

	2022 £	2021 £
Interest income	37,627,735	29,547,363
Commission income	1,061,218	1,027,915
Documentation fees and charges	750,077	616,494
Settlement profit	3,958,764	2,844,546
	<u>43,397,794</u>	<u>34,036,318</u>

All turnover arose within the United Kingdom.

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**5. Operating profit**

The operating profit is stated after charging/(crediting):

	<b>2022</b>	<i>2021</i>
	£	£
Exchange differences	<b>373</b>	<i>(116,497)</i>
Other operating lease rentals	<b>333,761</b>	<i>288,610</i>
	<u><u>333,761</u></u>	<u><u>288,610</u></u>

**6. Auditors' remuneration**

	<b>2022</b>	<i>2021</i>
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<b>210,000</b>	<i>168,000</i>
	<u>210,000</u>	<u>168,000</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	£	£	£	£
Wages and salaries	<b>7,778,364</b>	<i>7,133,193</i>	-	-
Social security costs	<b>1,312,025</b>	<i>1,131,780</i>	-	-
Cost of defined contribution scheme	<b>556,354</b>	<i>502,665</i>	-	-
	<u><b>9,646,743</b></u>	<u><i>8,767,638</i></u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	No.	No.	No.	No.
Employees & directors	<b>121</b>	<i>106</i>	<b>9</b>	<i>9</i>
	<u><b>121</b></u>	<u><i>106</i></u>	<u><b>9</b></u>	<u><i>9</i></u>

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**8. Directors' remuneration**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Directors' emoluments	<b>1,533,765</b>	1,549,012
Group contributions to defined contribution pension schemes	<b>39,337</b>	42,015
	<b><u>1,573,102</u></b>	<u>1,591,027</u>

During the year, retirement benefits were accruing to 3 directors (2021 -4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £346,874 (2021 -£341,597).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 -£NIL).

**9. Interest payable and similar expenses**

	<b>2022 £</b>	<i>2021 £</i>
Other loan interest payable	<b>6,268,688</b>	5,630,022
	<b><u>6,268,688</u></b>	<u>5,630,022</u>

**10. Taxation**

	<b>2022 £</b>	<i>2021 £</i>
<b>Corporation tax</b>		
Current tax on profit/(loss) for the year	<b>190</b>	190
Tax losses carried forward	<b>(1,311,433)</b>	(1,992,242)
	<b><u>(1,311,243)</u></b>	<u>(1,992,052)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<b><u>(1,311,243)</u></b>	<u>(1,992,052)</u>

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**10. Taxation (continued)****Factors affecting tax credit for the year**

The tax assessed for the year is lower than (2021 -lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	<b>3,771,708</b>	(502,633)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 -19%)	<b>716,625</b>	(95,500)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>16,765</b>	6,986
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	<b>(178,522)</b>	(127)
Adjustment in research and development tax credit leading to a decrease in the tax charge	<b>(179,518)</b>	(192,656)
Changes in provisions leading to an (decrease)/increase in the tax credit	<b>(105,260)</b>	73,340
Impact of tax rate change	<b>(258,000)</b>	(478,000)
Deferred tax unrecognised	<b>(1,323,333)</b>	(1,306,095)
<b>Total tax credit for the year</b>	<b>(1,311,243)</b>	(1,992,052)

**Factors that may affect future tax credit**

The net unrecognised deferred tax asset amount is as follows:

	Gross		Net	
	2022 £	2021 £	2022 £	2021 £
Losses carried forward	7,467,566	5,881,795	1,866,892	1,470,449
Non-trading loan relationships	20,655,997	14,387,309	5,163,999	3,596,827
Fixed asset timing difference	<u>40,154,227</u>	<u>40,856,474</u>	<u>10,038,557</u>	<u>10,214,119</u>
<b>Total</b>	<b><u>68,277,790</u></b>	<b><u>61,125,578</u></b>	<b><u>17,069,448</u></b>	<b><u>15,281,395</u></b>

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**11. Intangible assets****Group**

	<b>Software development £</b>
<b>Cost</b>	
At 1 January 2022	1,554,619
Additions	480,964
At 31 December 2022	<u>2,035,583</u>
<b>Amortisation</b>	
At 1 January 2022	741,496
Charge for the year on owned assets	309,950
At 31 December 2022	<u>1,051,446</u>
<b>Net book value</b>	
At 31 December 2022	<u>984,137</u>
<i>At 31 December 2021</i>	<u>813,123</u>

The company incurs costs in respect of the computer software that it develops and utilises within the group. The development costs are capitalised on the basis that they meet the conditions set out in section 18 of FRS 102.

The estimated useful life is based on the contract length and the work involved in changing platforms being too complex to change in a period shorter than 5 years.

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

## 12. Tangible fixed assets

## Group

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	276,182	394,205	670,387
Additions	6,783	100,869	107,652
At 31 December 2022	<u>282,965</u>	<u>495,074</u>	<u>778,039</u>
<b>Depreciation</b>			
At 1 January 2022	145,024	281,696	426,720
Charge for the year on owned assets	135,755	67,773	203,528
At 31 December 2022	<u>280,779</u>	<u>349,469</u>	<u>630,248</u>
<b>Net book value</b>			
At 31 December 2022	<u>2,186</u>	<u>145,605</u>	<u>147,791</u>
<i>At 31 December 2021</i>	<u>131,158</u>	<u>112,509</u>	<u>243,667</u>



## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**13. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2022	1
At 31 December 2022	<u>1</u>

**Direct subsidiary undertaking**

The following was a direct subsidiary undertaking of the company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
SAF Group Finance Limited	5th Floor, Harling House, 47-51 Great Suffolk Street, London, SE1 0BS	Ordinary	100%

**SAF GROUP HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****13. Fixed asset investments (continued)****Indirect subsidiary undertakings**

The following were indirect subsidiary undertakings of the company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Simply Asset Finance Operations Limited	5th Floor, Harling House, 47-51 Great Suffolk Street, London, SE1 0BS	Ordinary	100%
SAF1 Limited	5th Floor, Harling House, 47-51 Great Suffolk Street, London, SE1 0BS	Ordinary	100%
SAF2 Limited	5th Floor, Harling House, 47-51 Great Suffolk Street, London, SE1 0BS	Ordinary	100%
SAF3 Limited	5th Floor, Harling House, 47-51 Great Suffolk Street, London, SE1 0BS	Ordinary	100%
SAF4 Limited	5th Floor, Harling House, 47-51 Great Suffolk Street, London, SE1 0BS	Ordinary	100%
SAF6 Limited	5th Floor, Harling House, 47-51 Great Suffolk Street, London, SE1 0BS	Ordinary	100%

All direct and indirect subsidiaries of the company are included within these consolidated accounts.

The consolidated accounts also include the results of Simply Funding Limited, a special purpose entity that is under the control of the group, though not owned via a shareholding.

SAF3 Limited, SAF4 Limited and SAF6 Limited are exempt from audit under section 479A Companies Act.

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

## 14. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due after more than one year</b>				
Other debtors	10,460	35,460	-	-
Loan and lease receivable	228,372,064	167,882,828	-	-
Deferred tax asset	3,303,675	1,042,242	-	-
Interest rate derivative	1,988,599	72,667	-	-
	<u>233,674,798</u>	<u>169,033,197</u>	<u>-</u>	<u>-</u>
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due within one year</b>				
Trade debtors	10,448	18,323	-	-
Amounts owed by group undertakings	-	-	201	534
Other debtors	1,719,769	4,243,723	-	-
Prepayments and accrued income	1,898,232	1,657,972	-	-
Deferred tax asset	-	950,000	-	-
Loan and lease receivable	187,298,946	136,911,866	-	-
	<u>190,927,395</u>	<u>143,781,884</u>	<u>201</u>	<u>534</u>

The derivative is in relation to three interest rate caps. One cap with a termination date of November 2024 and a capped interest rate of 3%, one with a termination date of July 2025 and a capped interest rate of 3.88% and one with a termination date of November 2025 and a capped interest rate of 3.88%. The derivatives have been included within debtors at fair value. The method used to calculate the fair value has taken the valuation provided at the year end given in USD, converted into GBP using the year end rate. The difference between the converted valuation amount and the purchased value has been recorded in the profit or loss as a fair value movement.

## 15. 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 of the Group:

	IA £	IBNR £	Total £
At 1 January 2022	1,440,000	849,000	2,289,000
Movement in year	<u>(597,000)</u>	<u>43,000</u>	<u>(554,000)</u>
At 31 December 2022	<u>843,000</u>	<u>892,000</u>	<u>1,735,000</u>

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**16. Cash and cash equivalents**

	<b>Group 2022</b>	<i>Group 2021</i>	<b>Company 2022</b>	<i>Company 2021</i>
	£	£	£	£
Cash at bank and in hand	<b>34,428,709</b>	13,593,393	<b>961</b>	628
	<b>34,428,709</b>	13,593,393	<b>961</b>	628

**17. Creditors: Amounts falling due within one year**

	<b>Group 2022</b>	<i>Group As restated 2021</i>
	£	£
Other loans	<b>126,379,494</b>	101,350,837
Trade creditors	<b>250,964</b>	334,143
Corporation tax	<b>190</b>	190
Other taxation and social security	<b>739,096</b>	511,090
Other creditors	<b>369,338</b>	558,121
Accruals and deferred income	<b>2,664,382</b>	3,639,580
	<b>130,403,464</b>	106,393,961

**18. Creditors: Amounts falling due after more than one year**

	<b>Group 2022</b>	<i>Group As restated 2021</i>
	£	£
Other loans	<b>352,152,475</b>	248,547,363
	<b>352,152,475</b>	248,547,363

At the Balance Sheet date, other loans comprised the block discounting agreements between the group and facility providers, a warehouse facility with British Banking Bank and Citibank NA, and the Zero Coupon Notes and Deep Discounted Bonds detailed in note 19. 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 group.

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**19. Loans**

Analysis of the maturity of loans is given below:

	<b>Group</b>	<i>Group</i>
	<b>2022</b>	<i>As restated</i>
	<b>£</b>	<i>2021</i>
		<b>£</b>
<b>Amounts falling due within one year</b>		
Other loans	<b>126,379,494</b>	<i>101,350,837</i>
<b>Amounts falling due 1-2 years</b>		
Other loans	<b>88,235,202</b>	<i>69,702,329</i>
<b>Amounts falling due 2-5 years</b>		
Other loans	<b>101,505,423</b>	<i>81,631,929</i>
<b>Amounts falling due after more than 5 years</b>		
Other loans	<b>162,411,850</b>	<i>97,213,105</i>
	<b>478,531,969</b>	<i>349,898,200</i>

Included within creditors falling due after more than five years is £7,693,450 (2021: £7,257,972) relating to Zero Coupon Notes, £67,933,737 (2021: £64,097,786) in respect of Deep Discounted Bonds and £166,407 (2021: £166,407) in respect of a block discounting facility and a warehouse facility with British Banking Bank and Citibank NA.

The Deep Discounted Bonds are redeemable in May 2027 at their nominal value of £90,923,935 (2021: £90,923,935). An interest charge of £4,281,345 (2021: £4,039,005) has been recognised in interest payable and similar charges in the Statement of Comprehensive Income reflecting the amortisation of the discount on issue. The Zero Coupon Notes will become repayable at their nominal value of £10,295,572 (2021: £10,295,572) in May 2027.

The block discounting facilities 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. The values included above reflect actual amounts to be repaid, including interest.

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**20. Financial instruments**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>417,411,686</b>	<i>309,092,200</i>	-	<i>534</i>
Financial assets measured at fair value through profit or loss	<b>1,988,599</b>	<i>72,667</i>	-	<i>-</i>
	<b>419,400,285</b>	<i>309,164,867</i>	-	<i>534</i>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>405,946,759</b>	<i>282,914,508</i>	-	<i>-</i>
Other financial liabilities measured at fair value through profit or loss	<b>75,627,187</b>	<i>71,345,841</i>	-	<i>-</i>
	<b>481,573,946</b>	<i>354,260,349</i>	-	<i>-</i>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other loans and other debtors.

Financial assets measured at fair value through profit and loss comprise non-basic financial instruments such as interest rate caps.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, other loans and accruals.

Other financial liabilities measured at fair value through profit and loss comprise Zero Coupon Notes and Deep Discounted Bonds.

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

## 21. Deferred taxation

## Group

	2022 £
At beginning of year	1,992,242
Charged to profit or loss	1,311,433
<b>At end of year</b>	<b>3,303,675</b>

The deferred tax asset is made up as follows:

	Group 2022 £	Group 2021 £
Tax losses carried forward of SAF1 Limited	3,303,675	1,992,242
	<b>3,303,675</b>	<b>1,992,242</b>

The net unrecognised deferred tax asset amount is as follows:

	Gross		Net	
	2022 £	2021 £	2022 £	2021 £
Losses carried forward	7,467,566	5,881,795	1,866,892	1,470,449
Non-trading loan relationships	20,655,997	14,387,309	5,163,999	3,596,827
Fixed asset timing difference	40,154,227	40,856,474	10,038,557	10,214,119
<b>Total</b>	<b>68,277,790</b>	<b>61,125,578</b>	<b>17,069,448</b>	<b>15,281,395</b>

## SAF GROUP HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**22. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
73,890 (2021 -73,890) Ordinary A shares of £0.010 each	739	739
25,000 (2021 -25,000) Ordinary B shares of £0.010 each	250	250
1,621 (2021 -1,621) Ordinary C shares of £0.010 each	16	16
24,630 (2021 -24,630) Ordinary D shares of £0.010 each	246	246
36,945 (2021 -36,945) Ordinary A1 shares of £0.001 each	37	37
	<u>1,288</u>	<u>1,288</u>

The Ordinary A shares entitle the holder to receive notice of and attend general meetings of the Company and be entitled to one vote for each share held and they do not confer any rights of redemption. The A shareholders are entitled to dividends once the return target has been received.

The Ordinary B shares entitle the holder to receive notice of and attend any general meetings of the Company but shall not be entitled to vote on any resolution thereat and they do not confer any rights of redemption. The B shareholders are entitled to dividends once the return target has been received.

The Ordinary C shares entitle the holder to receive notice of and attend any general meetings of the Company but shall not be entitled to vote on any resolution thereat and they do not confer any rights of redemption. The C shareholders are entitled to dividends once the return target has been received.

The Ordinary D shares entitle the holder to receive notice of and attend general meetings of the Company and be entitled to one vote for each share held and they do not confer any rights of redemption. The D shareholders are not entitled to any distribution.

The Ordinary A1 shares entitle the holder to receive notice of and attend any general meetings of the Company but shall not be entitled to vote on any resolution thereat and they do not confer any rights of redemption. The A1 shareholders are entitled to dividends once the return target has been received.

**23. Reserves****Other reserves**

Other reserves consist of a capital contribution reserve in relation to long term loans that have been discounted in accordance with FRS 102.

**Profit and loss account**

All reserves in respect of profit and loss are distributable reserves.

**24. Prior year adjustment**

A prior period adjustment was made to reclassify liabilities amounting to £13,072,627 from current to non-current liabilities. This is in relation to senior loan notes issued by a subsidiary, Simply Funding Ltd.



**SAF GROUP HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**25. Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £556,354 (2021: £502,665). Contributions totalling £84,163 (2021: £71,937) were payable to the fund at the balance sheet date and are included in creditors.

**26. Commitments under operating leases**

At 31 December 2022, the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Not later than 1 year	<b>278,246</b>	278,246
Later than 1 year and not later than 5 years	<b>216,499</b>	494,745
	<b>494,745</b>	772,991
	<b>494,745</b>	772,991

**27. 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.

**28. Controlling party**

The ultimate controlling party is Cabot Square Capital Nominee Limited by virtue of its majority shareholding in the company.