

Octopus First Loss Limited

(formerly known as Octopus Liquidity Provider Limited)

Annual report and financial statements

For the period from 29 January 2016 to 30 April 2016

Registered number: 09977535



COMPANY INFORMATION

Directors

S Handfield-Jones (appointed 29 January 2016)
C R Hulatt (appointed 29 January 2016)
S A Rogerson (appointed 29 January 2016)
R Wazacz (appointed 29 January 2016)
M A Harris (appointed 29 January 2016, resigned 4 July 2016)

Company Secretary

S Ludlow (appointed 8 March 2016)
T Spevack (appointed 29 January 2016, resigned 8 March 2016)

Company Registration Number

09977535

Registered Office

6th Floor
33 Holborn
London
EC1N 2HT

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Bankers

HSBC plc
31 Holborn
London
EC1N 2HR

Table of Contents

DIRECTORS' REPORT	4
DIRECTORS' RESPONSIBILITIES STATEMENT	6
INDEPENDENT AUDITOR'S REPORT	7
STATEMENT OF COMPREHENSIVE INCOME.....	9
BALANCE SHEET.....	10
STATEMENT OF CHANGES IN EQUITY.....	11
NOTES TO THE FINANCIAL STATEMENTS.....	12

DIRECTORS' REPORT

For the period ended 30 April 2016

The directors present their first report on the affairs of Octopus First Loss Limited (formerly Octopus Liquidity Provider Limited) ("the Company"), together with the financial statements and auditor's report, for the period from 29 January 2016 to 30 April 2016. The Company changed its name from Octopus Liquidity Provider Limited, effective 11 March 2016.

Principal activities

The principal activity of the Company during the period was that of owning loans. The Company's revenues are derived from loan interest. The Company is part of a group that provides an online platform which allows individuals and companies to invest in asset backed loans.

Results

The results for the Company show a pre-tax profit of £235 on turnover of £235 for the period from 29 January 2016 to 30 April 2016. The profit for the period, after taxation, amounted to £235.

The Company has no debt and shareholders' funds amount to £235.

Dividends

The directors do not recommend a final dividend to be paid in the current period.

Directors

The directors who served throughout the period and as of the date of this report were as follows, except as noted:

S Handfield-Jones

C R Hulatt

S A Rogerson

R Wazacz

M A Harris (resigned 4 July 2016)

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Small company provisions

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption; accordingly no separate strategic report has been presented.

Future Developments

The directors expect the general level of activity and growth to increase in the forthcoming year. This is as a result of the early stage of the business and the current growth rate.

DIRECTORS' REPORT (continued)

For the period ended 30 April 2016

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has indicated its willingness to be reappointed for another term and a resolution to reappoint them will be proposed at the next Annual General Meeting.

Approved by the Board and signed on its behalf by:



C R Hulatt
Director
31 August 2016

Registered Office:
6th Floor
33 Holborn,
London,
EC1N 2HT

DIRECTORS' RESPONSIBILITIES STATEMENT

For the period ended 30 April 2016

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS FIRST LOSS LIMITED (formerly known as Octopus Liquidity Provider Limited)

We have audited the financial statements of Octopus First Loss Limited (formerly known as Octopus Liquidity Provider Limited) for the period from 29 January 2016 to 30 April 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2016 and of its profit for the period from 29 January 2016 to 30 April 2016;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS FIRST LOSS LIMITED (formerly known as Octopus Liquidity Provider Limited) (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors report.



Stuart McLaren (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
31 August 2016

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 April 2016

		29 January 2016 to 30 April 2016
	Notes	£
Turnover	1	235
OPERATING PROFIT		235
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		235
Tax on profit on ordinary activities	5	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		235

All amounts relate to continuing operations.

There is no other comprehensive income and as such no separate statement of other comprehensive income has been prepared.

The notes on pages 12 to 16 form part of these financial statements.

BALANCE SHEET

At:30 April 2016

	Notes	2016 £
CURRENT ASSETS		
Debtors – due within one year	6	235
Financial Assets	4	22,109
CREDITORS: amounts falling due within one year	7	(22,109)
NET CURRENT ASSETS		235
TOTAL ASSETS LESS CURRENT LIABILITIES		235
NET ASSETS		235
CAPITAL AND RESERVES		
Called-up share capital	8	-
Profit and loss account		235
SHAREHOLDERS' FUNDS		235

The financial statements of Octopus First Loss Limited (formerly known as Octopus Liquidity Provider Limited) (registered number: 09977535) were approved by the Board of Directors and authorised for issue on 31 August 2016. They were signed on its behalf by:



C R Hulatt
Director

The notes on pages 12 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the period ended 30 April 2016

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 29 January 2016	-	-	-
Issue of share capital	-	-	-
Dividends paid	-	-	-
Total comprehensive income for the period	-	235	235
At 30 April 2016	-	235	235

The notes on pages 12 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 April 2016

1. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

General information

Octopus First Loss Limited (formerly known as Octopus Liquidity Provider Limited) is a company incorporated in the United Kingdom under the Companies Act. The Company is a private Company limited by shares and is registered in England and Wales. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 4.

The functional currency of Octopus First Loss Limited (formerly known as Octopus Liquidity Provider Limited) is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

Basis of accounting and preparation of financial statements

The financial statements have been prepared under the historical cost, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. The Company has not applied the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about the group of which it is a part.

There have been no new or revised Standards and Interpretations adopted in the current period. There have been no new or revised Standards and Interpretations which have been early adopted in the current period.

Going concern

The Company's business activities, together with the factors likely to affect its future development are set out in the Directors' Report.

The Company has sufficient financial resources together with support from the wider group. As such, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 30 April 2016

1. Accounting Policies (continued)

The auditor's remuneration of £2,000 for the audit of this company, is borne by Octopus Investments Limited, a subsidiary of the parent company.

Turnover

Turnover comprises revenue which is recognised to the extent that it is probable that economic benefits will flow to the Company and such revenue can be reliably measured. Revenue represents loan interest receivable on the portion of loan parts owned by the Company. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one period.

Loan interest receivable relating to the interest owed on the loan parts owned by the Company are recorded in the financial statements on the date of the transaction.

Turnover is all generated by the one segment of receiving loan interest and is in the UK, hence no segmental or geographical analysis is required.

An analysis of the Company's turnover is set out below:

	2016
	£
Loan arrangement and servicing fees	235

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains or losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time that the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are not discounted.

Financial instruments

The Company buys and sells loan parts from Octopus Administrative Services Financial Limited, with the loans sourced from Bridgenco Limited. These have been classified as basic financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 30 April 2016

1. Accounting Policies (continued)

Financial instruments (continued)

Financial instruments are classified and accounted for, according to the substance of the underlying contractual arrangement, with all financial instruments within the Company being held at fair value. Initial recognition of the Company's financial assets is at fair value which it considers to be par. The loan balances can be repaid at any time and are traded daily at par hence the Company consider the amount they would receive, and subsequently pay over to the peers, were the loans to be repaid immediately to be the most accurate approximation of its fair value.

Subsequent measurement of the Company's financial instruments is that all interest relating to the Company's financial instruments is recognised on an accruals basis in the Company's statement of comprehensive income. As the loans are repayable at the discretion of the borrower, the receipt of any interest guaranteed is in line with the terms of each agreement, typically this is a penalty of one month of interest if the loan is repaid early.

All of the Company's financial assets are derecognised at the point of the loan parts being repaid by the client or sold to peers.

Cash flow

The Company is taking the available exemption from FRS 102 in preparing a cash flow statement as it is a wholly-owned subsidiary of an entity preparing consolidated accounts that are publicly available.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

i. Financial Instruments

Financial instruments are recorded at fair value or at amounts whose carrying values approximate fair value. Valuations of investments are based on assumptions that the Company believes are reasonable under the circumstances.

3. Staff Costs

The company has no employees other than the directors, who did not receive any remuneration.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 30 April 2016

4. Financial Instruments

The Company's financial asset instruments which are due within one year are held as current assets, those which are due greater beyond one year are held as fixed assets. The Company's financial instruments are designated at fair value through the Company's statement of comprehensive income.

	2016 £
Financial Assets:	
- Debt instrument at fair value	22,109
Changes in value of financial instruments at fair value for the year:	
- Charge to the statement of comprehensive income	-

All financial assets as at 30 April 2016 were held as current assets.

5. Tax on profit on ordinary activities

The tax charge comprises:

	2016 £
Total comprehensive income on ordinary activities before tax	235
Tax on total comprehensive income on ordinary activities at blended UK corporation tax rate of 20%	47
Effects of:	
Group relief surrendered not paid	(47)
Total and Current tax charge for the year	-

The Company has tax losses of £ nil available for offset against future taxable profits.

6. Debtors

	2016 £
Amounts falling due within one period:	
Prepayments and accrued income	235

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 30 April 2016

7. Creditors

	2016
Amounts falling due within one period:	£
Amounts owed to group undertakings	(22,109)

8. Called-Up Share Capital

	2016
	£
Allotted, called-up and fully-paid	-
1 Ordinary share of £0.01p each	

The Company issued 1 Ordinary share during the period.

9. Related Party Transactions

The company has taken advantage of the exemption in paragraph 33.1A of FRS 102 not to disclose transactions with wholly owned Group companies wherein any subsidiary undertaking which is a party to the transactions is wholly-owned by a member of the Group.

10. Ultimate Parent Undertaking and Controlling Party

The immediate and ultimate parent company and the ultimate controlling party is Octopus Capital Limited, a company incorporated in the United Kingdom and registered in England and Wales which is the smallest and largest level of consolidated accounts that are prepared. Copies of these accounts can be obtained from the Company Secretary, Octopus Capital Limited, 6th Floor, 33 Holborn, London, EC1N 2HT.

11. Subsequent Events

After the balance sheet date and in line with trading activities, Octopus First Loss Limited (formerly known as Octopus Liquidity Provider Limited) purchased £390,176 worth of loan parts at par and sold £21,069 worth of loan parts at par. These loan parts are secured against residential UK property.