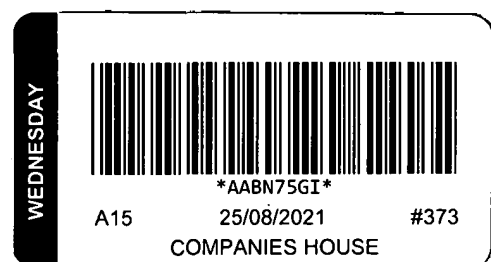


Octopus First Loss Limited

Annual report and financial statements

For the year ended 30 April 2021

Registered number: 09977535



COMPANY INFORMATION

Directors

C R Hulatt
S A Rogerson
R Wazacz (resigned 29 September 2020)

Company Secretary

Octopus Company Secretarial Services Ltd

Company Registration Number

09977535

Registered Office

6th Floor
33 Holborn
London
EC1N 2HT

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ
United Kingdom

Bankers

HSBC plc
31 Holborn
London
EC1N 2HR



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DIRECTORS' REPORT

For the year ended 30 April 2021

The directors present their report on the affairs of Octopus First Loss Limited ("the Company"), together with the financial statements and auditor's report, for the year ended 30 April 2021.

Principal activities

The Company is part of a group that provides an online platform which allows individuals and companies to invest in asset backed loans. The principal activity of the Company during the year was that of co-investing in loans alongside the investors via the online platform. In the event of impairment of the underlying assets the Company loses its investment before the other investors and therefore takes greater risk.

Results

The results for the Company show a pre-tax profit of £1,022,263 (2020: £1,037,303) on turnover of £971,421 (2020: £1,370,995) for the year ended 30 April 2021. The profit for the year, after taxation, amounted to £868,799 (2020: £873,661).

The Company has no debt (2020: £ nil) and shareholders' funds amount to £3,663,253 (2020: £2,794,454).

Directors

The directors who served throughout the year and as of the date of this report were as follows:

C R Hulatt

S A Rogerson

R Wazacz (resigned 29 September 2020)

Director's indemnities

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

Dividends

The directors do not recommend a final dividend to be paid in the current year (2020: £ nil).

Future Developments & Going Concern

Towards the end of the previous financial year, and continuing in the current period, the coronavirus (Covid-19) outbreak caused extensive disruption to businesses and economic activities globally. In March 2020, the directors of Octopus Colend Limited, the Trustee of Octopus Choice, made the decision to close the Octopus Choice Platform to new investment, as well as withdrawals, protecting the liquidity of the platform and stabilising the Company's financial position in times of market stress. As a result of the continuing uncertainty in the market, the Platform continues to remain closed with options to provide liquidity to remaining investors being sought and considered.

During the current financial year, there have been a significant number of redemptions through borrowers repaying their capital and interest, and a batch of loans being sold to a third-party funder. As a result, loan parts held by the Company have fallen by £7.6m and continue to decrease after year-end.

While the Company has incurred no realised losses (2020: none), given that borrowers may face financial difficulty in the coming months and that the Company incurs losses ahead of other investors on the platform, the likelihood of impairment losses remains elevated. To protect against this increased risk, the Company maintains a high cash balance at year-end of £669k (2020: £1m) and has net assets of £3.8m (2020: £2.8m). Furthermore, the loans that are funded on the Platform have a conservative loan-to-value ratio of 64% and are secured against security of the underlying asset so although the Company will incur the first 5% of any loss that arises, the headroom that is available before this arises helps to shield the Company from more significant financial impacts.

DIRECTORS' REPORT (continued)

For the year ended 30 April 2021

Future Developments & Going Concern (continued)

£1m (2020: £10.5m) of the amounts due within one year are owed to Octopus Capital Limited, the ultimate parent company, and while this is repayable on demand, it is not expected that significant repayments would have to be made in the coming year. Octopus Capital Limited has also provided the Company with an undertaking that for at least 12 months from the date of these financial statements, it will continue to provide support to enable the Company to meet all its current and future obligations.

As such, and with view of the prevailing economic conditions, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing of these financial statements. As such it is appropriate to continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note in the financial statements.

Small company provisions

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

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 13 to the financial statements.

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 have indicated their willingness to be reappointed for another term and will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



C R Hulatt
Director

19 August 2021

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

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 30 April 2021

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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS FIRST LOSS LIMITED

For the year ended 30 April 2021

Opinion

In our opinion the financial statements of Octopus First Loss Limited (the Company):

- give a true and fair view of the state of the Company's affairs as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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.

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 we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS FIRST LOSS LIMITED (CONTINUED)

For the year ended 30 April 2021

Other information (continued)

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

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, 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 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 members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered 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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS FIRST LOSS LIMITED (CONTINUED)

For the year ended 30 April 2021

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included UK Companies Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

- Judgement is required by the Company as to whether any of the loans should be impaired based on the financial position and future prospects. To respond to the risk, we obtained an understanding of the relevant internal controls and evaluated the effectiveness of the design and implementation of these controls. We evaluated significant inputs in the impairment analysis, we challenged management around material input and assumptions and performed a retrospective analysis of previous impairment assessment in order to identify any indications of historical management bias.

In Common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS FIRST LOSS LIMITED
(CONTINUED)**

For the year ended 30 April 2021

Matters on which we are required to report by exception

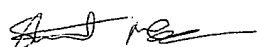
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the director's report and from the requirement to prepare a strategic report

We have nothing to report in respect of these matters.

Use of our report

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.



Stuart McLaren (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

19 August 2021

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2021

	Notes	2021 £	2020 £
Turnover	3	971,421	1,370,995
Administrative expenses	7	46,394	(340,816)
OPERATING PROFIT		1,017,814	1,030,179
PROFIT BEFORE FINANCE INCOME		1,017,814	1,030,179
Finance income	5	4,449	7,121
PROFIT BEFORE TAXATION		1,022,263	1,037,303
Tax on profit	8	153,464	(163,642)
PROFIT & TOTAL COMPREHENSIVE INCOME FOR THE YEAR		868,799	873,661

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 13 to 19 form part of these financial statements.

BALANCE SHEET

As at 30 April 2021

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors – due within one year	9	193,103	642,241
Financial assets	7	4,103,468	11,741,126
Cash and cash equivalents		668,885	1,128,398
CREDITORS: amounts falling due within one year	10	(1,302,203)	(10,717,311)
NET CURRENT ASSETS		3,663,253	2,794,454
TOTAL ASSETS LESS CURRENT LIABILITIES		3,663,253	2,794,454
NET ASSETS		3,663,253	2,794,454
CAPITAL AND RESERVES			
Called-up share capital	11	-	-
Profit and loss account		3,663,253	2,794,454
SHAREHOLDERS' FUNDS		3,663,253	2,794,454

The financial statements of Octopus First Loss Limited (registered number: 09977535) were approved by the Board of Directors and authorised for issue on 19 August 2021. They were signed on its behalf by:



C R Hulatt
Director

The notes on pages 13 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2021

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 1 May 2019	-	1,920,793	1,920,793
Issue of share capital	-	-	-
Dividends paid	-	-	-
Profit and total comprehensive income for the year	-	873,661	873,661
At 1 May 2020	-	2,794,454	2,794,454
Issue of share capital	-	-	-
Dividends paid	-	-	-
Profit and total comprehensive income for the year	-	868,799	868,799
At 30 April 2021	-	3,663,253	3,663,253

The notes on pages 13 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2021

1. Accounting Policies

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

General information

Octopus First Loss 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 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 and the Companies Act 2016.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Octopus Capital Limited, which may be obtained at Company Secretary, Octopus Capital Limited, 6th Floor, 33 Holborn, London EC1N 2HT. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, disclosure of related party transactions and remuneration of key management personnel.

Going concern

Towards the end of the previous financial year, and continuing in the current period, the coronavirus (Covid-19) outbreak caused extensive disruption to businesses and economic activities globally. In March 2020, the directors of Octopus Colend Limited, the Trustee of Octopus Choice, made the decision to close the Octopus Choice Platform to new investment, as well as withdrawals, protecting the liquidity of the platform and stabilising the Company's financial position in times of market stress. As a result of the continuing uncertainty in the market, the Platform continues to remain closed with options to provide liquidity to remaining investors being sought and considered.

During the current financial year, there have been a significant number of redemptions through borrowers repaying their capital and interest, and a batch of loans being sold to a third-party funder. As a result, loan parts held by the Company have fallen by £7.6m and continue to decrease after year-end.

While the Company has incurred no realised losses (2020: none), given that borrowers may face financial difficulty in the coming months and that the Company incurs losses ahead of other investors on the platform, the likelihood of impairment losses remains elevated. To protect against this increased risk, the Company maintains a high cash balance at year-end of £669k (2020: £1m) and has net assets of £3.8m (2020: £2.8m). Furthermore, the loans that are funded on the Platform have a conservative loan-to-value ratio of 64% and are secured against security of the underlying asset so although the Company will incur the first 5% of any loss that arises, the headroom that is available before this arises helps to shield the Company from more significant financial impacts.

As such, and with view of the prevailing economic conditions, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing of these financial statements. As such it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

1. Accounting Policies (continued)

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 borrowers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Loan interest receivable relating to the interest owed on the loan parts owned by the Company are recorded in the financial statements on an accruals basis.

Finance income

Interest receivable, where received, comprises interest earned on bank balances, and is recognised when received.

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. These have been classified as basic financial instruments. As at 30 April 2021, the Company owned 150 (2020: 391) loans totalling £4,103,468 (2020: £12,555,021) which are classified as current assets. This is due to the fact that the borrowers of these loans may repay any time at their discretion.

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 through the statement of comprehensive income. 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 have been traded in the financial year 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

Financial instruments (continued)

Investments are reviewed for impairment if there are any indications that the carrying value may not be recoverable. For investments carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired investment to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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

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.

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 is the critical judgement 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.

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.

Key assumptions that underlie these decisions are around the estimated net realisable value of loan parts held. This includes the amount that could be recovered from a borrower in an event that the loan was to go into default (the 'estimated gross realisable value'), as well as any costs of recovery that have to be incurred in order to receive such funds to arrive at the net proceeds available for distribution to Octopus First Loss Limited and other investors on the Platform. As at year-end, the estimated gross realisable value is determined in line with likely sales prices given the current market conditions, actual offers received for security held within the loans or of final settlements received from the borrower in event of bankruptcy proceedings being reached.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

3. Turnover

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:

	2021 £	2020 £
Loan Interest Receivable	<u>971,421</u>	<u>1,370,995</u>

4. Auditor's remuneration

Fees payable for the audit of the Company's annual accounts were £13,653 (2020: £16,240). The Company's auditor did not provide any non-audit services to the Company.

5. Finance income (net)

	2021 £	2020 £
Interest receivable and similar income	<u>4,449</u>	<u>7,124</u>

6. Staff costs

The Company has no employees other than the directors, who did not receive any remuneration (2020: nil) in relation to their time at the Company. Any staff costs associated to managing the company is borne by Octopus Co-Lend Limited, a member of the group headed up by the company's parent company, Octopus Capital Limited.

7. Financial assets

The Company's financial assets which are due within one year are held as current assets, those which are due after more one year are held as fixed assets. The Company's financial assets are designated at fair value through profit and loss.

	Financial assets £
Valuation at 1 May 2020	11,741,126
Additions	-
Fair value adjustments	64,926
Disposals	<u>(7,702,584)</u>
Valuation at 30 April 2021	<u>4,103,468</u>

As at 30 April 2021 impairment loss reversals of £64,926 (2020: losses of £256,709) have been recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

8. Tax on profit

The tax charge comprises:

	2021 £	2020 £
Profit before tax	1,022,263	1,037,303
Tax on profit at blended UK corporation tax rate of 19% (2020: 19%)	194,230	197,088
Effects of:		
Adjustment in respect of previous periods		(33,446)
Effects of group relief	(40,766)	-
Total and Current tax charge for the year	153,464	163,642

Subsequent to the year-end in the March 2021 budget, the UK government announced their intention to increase the main rate of corporation tax from 19% to 25% from 01 April 2023. This change has not been substantively enacted into UK law yet.

The Company has tax losses of £nil (2020: £nil) available for offset against future taxable profits.

9. Debtors

	2021 £	2020 £
Amounts falling due within one period:		
Accrued income	192,043	257,022
Other debtors	-	-
Amounts owed by group undertakings	1,061	385,219
	193,104	642,241

Amounts owed by group undertakings relates to amounts payable from Octopus Administrative Services Financial Limited for general loan related items. These are unsecured, and repayable on demand.

10. Creditors

	2021 £	2020 £
Amounts falling due within one period:		
Amounts owed to group undertakings	(1,148,739)	(10,553,669)
Tax	(153,464)	(163,642)
	(1,302,203)	(10,717,311)

Amounts owed to group undertakings is loans due to Octopus Capital Limited, the ultimate parent. This loan is interest free and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

11. Called-Up Share Capital

	2021	2020
	£	£
Allotted, called-up and fully-paid		
1 Ordinary share of £0.01p each	-	-

The profit and loss reserve represents cumulative profits or losses.

12. 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 Financial Statements can be obtained from the registered office Company Secretary, Octopus Capital Limited, 6th Floor, 33 Holborn, London EC1N 2HT.

13. Subsequent Events

Since 30 April 2021, the directors are not aware of any matters or circumstances that have significantly affected or may significantly affect the Company.