

## **ORE Lending Limited**

Annual report and financial statements

For the year from 1 May 2021 to 30 April 2022

Registered number: 12908588

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## COMPANY INFORMATION

**DIRECTORS**                      B T K Davis  
   D J Zaprzala (Resigned 7 September 2021)  
   S A Matthews (Appointed 7 September 2021)

**COMPANY NUMBER**              12908588

**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 2022

The Directors present their annual report on the affairs of ORE Lending Limited ('the Company'), together with the audited financial statements and auditor's report, for the year from 1 May 2021 to 30 April 2022.

### **Principal activities**

The Company was incorporated on 28 September 2020. The principal activity of the Company was that of originating loans for borrowers. These loans are made on residential property and are typically Buy To Let in nature with the substance of the loans being sold on upon inception to a third-party funder.

### **Results**

The results for the Company show a profit after tax of £nil.

### **Directors**

The Directors who served throughout the year and up to the date of signing were as follows:

B T K Davis  
D J Zaprzala (resigned 7 September 2021)  
S A Matthews (appointed 7 September 2021)

### **Director's indemnities**

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

### **Small Companies Exemption**

In preparing this report, the Directors have taken advantage of the small company 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.

### **Reduced disclosure**

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The notable area of disclosure which will be affected is remuneration of key personnel, the cash flow statement, and transactions within the Group: these will be disclosed in the annual accounts of the Company's parent company, Octopus Capital Limited, but not the Company or other subsidiary companies, who will adopt the exemption to disclose in its own accounts.

### **Future developments & going concern**

During the current financial year and to the date the financial statements were approved, the Coronavirus outbreak (Covid-19) continued to cause disruptions to businesses and economic activities globally.

However, with the reopening across the UK and Europe and the fact that the Company has a predominantly domestic focus in terms of funds it manages, the impact thus far has not been significant.

The conflict in Ukraine is having significant ramifications to many businesses both that have direct operations in Ukraine and Russia as well as in their wider supply chain. The knock-on effect has caused unprecedented increases in inflation across the world that have not been seen for over a generation.

However, the Company has a long-term investment management agreement across its fund managed with a recurring revenue base. The fund is managed by an experienced investment team who collectively manage over £1bn in AUM. The Company itself has a small, fixed cost base and thus is insulated from any potential inflationary increases that may be seen in costs. Any other variable costs other are borne by Octopus Investments Limited. As such 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. With view of the prevailing economic conditions, the Directors are satisfied that there is no material uncertainty leading to a significant doubt in this regard and that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

**DIRECTORS' REPORT (continued)**

For the year ended 30 April 2022

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note in the financial statements.

**Dividends**

The Directors do not recommend a dividend to be paid (2021 period: £nil).

**Events after the balance sheet date**

Details of significant events since the balance sheet date are contained in note 10 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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 was appointed as auditor to the Company during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



B T K Davis

Director

22<sup>nd</sup> August 2022

Registered Office: 6<sup>th</sup> Floor, 33 Holborn, London, EC1N 2HT

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

For the year ended 30 April 2022.

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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORE LENDING LIMITED**

For the year ended 30 April 2022

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of ORE Lending Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 April 2022 and of its result 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 10

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORE LENDING LIMITED (continued)**

For the year ended 30 April 2022

**Other information (continued)**

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.

**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 directors 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](http://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.

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 and tax legislation.
- 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. This included General Data Protection Regulation (GDPR).



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORE LENDING LIMITED (continued)**

For the year ended 30 April 2022

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

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.

As a result of performing the above, we identified the greatest potential for fraud to be presented in connection with deal arrangement fees, and our specific procedures performed to address it are described below:

- assessing the accuracy of deal arrangement fees by reviewing the contracts with counterparties and testing completeness and accuracy of the inputs and recalculated the fees; and
- inspecting the Company's board minutes and enquired management as to whether specific transactions were with related parties.

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 in house 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.

**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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORE LENDING LIMITED (continued)**

For the year ended 30 April 2022

**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.



Allee Bonnard (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

22<sup>nd</sup> August 2022

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2022

		2022	28 September 2020 – 30 April 2021
	Notes	£	£
Turnover	4	595,227	84,005
Cost of goods sold		(595,227)	(84,005)
<b>OPERATING RESULT</b>		-	-
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		-	-
Tax on result	5	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR/PERIOD</b>		-	-

All amounts relate to continuing operations.

There were no items of other comprehensive income during the year (2021 period: £nil), accordingly, no statement of other comprehensive income is presented.

The notes on pages 14 to 16 form part of these financial statements.

# **BALANCE SHEET**

As at 30 April 2022

	Notes	2022 £	2021 £
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		1	1
<b>NET CURRENT ASSETS</b>		<b>1</b>	<b>1</b>
<b>NET ASSETS</b>			
		<b>1</b>	<b>1</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	1	1
<b>SHAREHOLDER'S FUNDS</b>		<b>1</b>	<b>1</b>

The financial statements of ORE Lending Limited (registered number: 12908588) were approved by the Board of Directors and authorised for issue on 22 August 2022. They were signed on its behalf by:



B T K Davis

Director

The notes on pages 14 to 16 form part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2022

	Called up Share Capital	Profit and loss account	Total
	£	£	£
<b>At 28 September 2020</b>	-	-	-
Profit/(loss) for the period	-	-	-
Shares Issued	1	-	1
<b>At 30 April 2021</b>	<b>1</b>	-	<b>1</b>
Profit/(loss) for the year	-	-	-
<b>At 30 April 2022</b>	<b>1</b>	-	<b>1</b>

The notes on pages 14 to 16 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2022

### 1. Accounting Policies

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

#### Comparative figures

Since the Company was incorporated during the prior year, the comparative figures disclosed are for a period less than 12 months (28 September 2020 – 30 April 2021).

#### General information

ORE Lending Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. 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 ORE Lending 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 convention 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 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 immediate parent, Octopus Capital Limited, which may be obtained from the Company Secretary, Octopus Capital Limited, 6th floor 33 Holborn, London, EC1N 2HT. Exemptions have been taken in these Company financial statements in relation to the presentation of a cash flow statement, remuneration of key management personnel and disclosure of transactions withing the Group.

#### Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, 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.

#### *Critical judgements in applying the accounting policies*

No critical judgements or estimates were made by the Directors in the process of applying the Company's accounting policies. There are no key sources of estimation uncertainty.

#### Going concern

Current operations have been in line with expectations as at inception of the Company and the Directors see no issues which may hinder the ability of the Company to remain a going concern. As the Company has no assets, all costs other than the management fee, are borne by the Octopus Investments Limited. 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 2022

**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.

**Turnover**

Turnover comprises revenue recognised by the Company in respect of management fees applied to the purchased and unredeemed loan book sold onto the Third-party funder as dictated by the sale agreements.

**Cost of Goods Sold**

Cost of goods sold comprises of the management fees recognised in turnover which is passed onto Octopus Investments Limited.

**Third Party Cash**

The Company holds two bank accounts. It has been determined that in substance the cash within these bank accounts is client money and as such the Company does not believe this cash meets the definition of an asset and is therefore excluded from the balance sheet.

**Restricted Cash**

There Company does not hold any restricted cash.

**2. Staff Costs**

There were no employees during the current year (2021 period: no employees), other than the Directors (Note 4).

**3. Directors' Remuneration and Transactions**

Directors received their remuneration through Octopus Investments Limited, a fellow Group company, however they received no remuneration in relation to services to the Company during the year (2021 period: £nil).

**4. Turnover**

An analysis of the Company's turnover, generated wholly from the UK is set out below:

	2022	28 September 2020 – 30 April 2021
	£	£
Management Fees	595,227	84,005
	<b>595,227</b>	<b>84,005</b>

**5. Taxation**

Nil profit/loss before taxation for the year (2021 period: £nil).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2022

**6. Audit Fees**

Audit fees with respect to the Company for the year ending 30 April 2022 were £18,200 (2021: £18,470) and are borne by Octopus Investments Limited, a fellow Group company, and not recharged. The Company's auditor did not provide any non-audit services to the Company (2021 period: nil).

**7. Called-Up Share Capital**

	2022	2021
	£	£
<b>Allotted, called-up and fully-paid</b>		
1 ordinary share of £1 each	1	1
	<b>1</b>	<b>1</b>

During the year no shares were issued (2021 period: the Company issued 1 Ordinary Shares at £1 per share). There were no reserves held in the year (2021 period: £nil).

**8. Related Party Transactions**

In line with paragraph 33.1A of FRS 102, the company did not 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.

**9. Ultimate Parent Undertaking and Controlling Party**

The immediate and ultimate parent company and 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 registered address of the parent company; The Company Secretary, Octopus Company Secretarial Services Limited, 33 Holborn, London, EC1N 2HT.

**10. Subsequent Events**

Since 30 April 2022, other than those already listed, the Directors are not aware of any matters or circumstances that have significantly affected or may significantly affect the Company.