Zopa Limited (registered number: 05197592)

ZOPA LIMITED

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Company Information

Directors
Christine Farnish
Natasha Wear
Scott Christopher Jones
Nicholas Aspinall

Registered office and head office
First Floor Cottons Centre
47-49 Tooley Street
London
England
SE1 2QG

Company registered number
05197592

Principal Bankers
National Westminster Bank
1 Princes Street
London
EC2R 8BP

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

STRATEGIC REPORT

Review of the business

Zopa Limited (hereafter the 'company', 'we' or 'us' for the for the purposes of this strategic report) is a private limited liability company registered in England and Wales and authorised and regulated by the Financial Conduct Authority (FCA). In 2021, the company operated a marketplace lending platform which allowed retail investors and institutional investors to lend their funds to pre-screened individual consumers or purchase loan contracts made by other investors to such consumers.

In December 2021, a decision was made to wind down the retail part of the P2P business.

In order to deliver the best outcome for its retail customers the Zopa Limited Board agreed to Zopa Bank Limited ('Zopa Bank'), an affiliate of Zopa Limited, buying all outstanding loans from retail investors at par between December 2021 and January 2022. The institutional investors' consumer loans continued with the institutions.

In February 2022, Zopa Group sold Zopa Limited to Plata Holdings UK Limited, an affiliate of a shareholder in Zopa Group.

Performance of the business

The overall progress of the company against its targets is monitored at Board meetings. Performance during the year, together with prior year comparatives, is summarised below:

KPI (£000)	**2021**	**2020**	**Commentary**
Fee and commission income	12,410	22,372	The overall reduction in the KPIs is driven by the decision to close the P2P platform to new investors in December 2020. This decision had a direct impact on the fee and commission income which declined by 45%. Similarly, the lower origination activity led to a reduction in fee and commission expense by 23%. The 47% decrease in administrative expenses was mainly due to lower payroll costs.
Fee and commission expense	(4,564)	(5,919)	
Administrative expenses	(17,406)	(33,018)	
Loss before tax	(5,955)	(8,514)	
Total equity	3,727	9,272	

Future developments

The current strategy is to maintain the existing institutional investors and continue to grow the institutional P2P business bringing in new investors and making new consumer loans. Zopa Limited is moving onto a new lending platform which it expects to go live in May 2022. Origination channels will continue to be solely digital with automated credit modelling and an origination and customer services centre at hand to provide personal assistance where necessary or preferred by the customer. The new platform will be licensed from the new owner's affiliate.

s.172 disclosure

This strategic report sets out how the Board seeks to comply with the requirements of section 172(1) of the Companies Act 2006. That is, how the Board seeks to promote the success of the Company for the benefit of its stakeholders, notably customers, employees and shareholders. The Board considers that the Pillars supporting the company's business to be:

- likely long-term consequences of any decision
- interests of the company's employees
- need to foster the company's business relationships with suppliers, customers and others
- impact of the company's operations on the community and the environment
- desirability of the company maintaining a reputation for high standards of business conduct
- need to act fairly between members of the company

These Pillars support the generation of franchise and brand value for our shareholders and our employees.

The company strives to understand the views and needs of its broad range of stakeholders. The directors recognise that conflicting needs may arise across the company's stakeholders and that not every decision made will create the desired outcomes for all stakeholders. The main groups of the company's stakeholders during the period were its shareholders, P2P investors, employees and its regulators (the Prudential Regulation Authority and the Financial Conduct Authority).

In 2021, some examples of how the Directors had regard to the matters set out above, were as follows:

- As noted above, in December 2021 a decision was made to concentrate on institutions. Contractual provisions with P2P retail investors required their outstanding loans to be acquired at full value ensuring a smooth exit for retail P2P investors and the timely return of their money
- The employee engagement section of the Directors' Report sets out the importance of employees as a key stakeholder
- The company engaged with the regulators before proceeding with the sale of the the P2P retail investors outstanding loans

Risk management

Culture and people

Effective risk management plays a key role in the execution of the company's strategy. The Board and senior management seek to ensure that the risks the company takes are clearly identified, managed, monitored and reported and that the company's resources are capable of withstanding both expected and unexpected levels of risk performance.

Zopa's management recognises that its culture and human capital are key tools in delivering its strategy within the defined risk limits set out in the risk appetite statement. The risk culture is defined by the Board, and management is tasked with taking the lead on communicating and actively demonstrating that message.

The Board's definition of an effective and healthy risk environment is that of:

- Risk-focused and open communication
- Prudent risk management
- Risk-informed decision-making

Risk monitoring and management
Policies, as set by the second line, set out the minimum standards that the company must follow in its business activities to ensure that risk types are managed within the risk appetite.

Procedures, as set by the first line, set out the detailed operational steps that must be taken in first line activities to implement policies and, more broadly, ensure that risks are managed within the established appetite.

Within the overall structure outlined, numerous risk management activities are conducted continuously for each risk type under the following categories:

- **Identification and assessment** – Risks in each business area are identified and their significance assessed.
- **Control and mitigation** – Action is taken to reduce identified risks.
- **Monitoring** – Identified risks are monitored continuously by first and second-line owners to: ensure that agreed controls and mitigating actions have been implemented; verify whether outcomes are as expected; identify instances where risk is increasing.
- **Reporting** – The results of the company's risk management activities are reported regularly to the relevant executive and the Board.
- **Response and learning** – When risks materialise, action is taken to reduce the risk of similar events in future.

Principal risks and uncertainties

The principal risks faced by the company given its business model are strategic risk, financial risk, and operational risk. The company also considers conduct risk – the risk that its actions result in poor outcomes for customers – which is a lens through which customer-impacting aspects of operational risk are viewed.

Risk	Mitigation
Strategic risk The risk of opportunity loss from the failure to optimise the earnings potential of the P2P platform.	• Maintain a Board and Management Committee composed of skilled and experienced individuals. • Conduct periodic strategic planning exercises and hold regular Board strategy discussions.
P2P platform credit risk In the context of the company's P2P product, credit risk is the risk that borrowers on the P2P platform default on their loans or obligations, resulting in investors making a loss on their investment or not achieving their	• Operate in selected sectors, where we have expertise. • Consistently apply the approved credit policy, and price credit facilities for risk. • Undertake robust in-life management of the credit portfolio, including by careful management of customers in collections.

targeted returns.	• Perform regular monitoring and reporting of credit performance against investors' stated risk appetite.
Financial risk The risk that the company has insufficient resources (capital and liquidity) to support its business model and strategy.	• Maintain a capital buffer above minimum regulatory requirements and expected wind down costs. • Perform regular monitoring and reporting of capital adequacy against risk appetite. • Perform regular monitoring and reporting of liquidity against risk appetite.
Operational risk The risk that the company suffers losses stemming from inadequate or failed internal processes or outsourced supplier performance, including from the performance of Zopa Bank Limited. Includes fraud or risks from the impact of external events including legal risks. Operational risk includes compliance risk (the risk that the company fails to meet its regulatory obligations including those in relation to client money) and conduct risk (the risk that the company's actions result in poor customer outcomes).	• Identify and allocate owners to all material business processes, and conduct risk assessments on these. • Set, and implement controls to monitor and ensure compliance with, policies designed to mitigate operational risks. • Monitor compliance with the servicing agreement between Zopa Limited and Zopa Bank Limited. • Perform regular monitoring of controls performance and risk events against risk appetite and escalate swiftly if internal triggers or limits are breached. • Perform periodic deep-dive testing of operational risk management in individual process areas. • Conduct regular business continuity, disaster recovery, and cyber security vulnerability testing. • Conduct regular compliance testing and monitoring of customer outcomes. • Ongoing focus on treating customers fairly regardless of strategic direction.

The company has identified the following key uncertainties about events that could adversely impact it:

Theme	Risk	Mitigation
Financial risk from climate change	The company has assessed the financial risks it faces from climate change and determined that the potential impacts come under the following categories: • Strategic risk: Zopa may be unable to achieve future strategic goals if long-term shifts in the climate or the UK's economy creates conditions that don't support its strategic goals.	• While the immediate risk is deemed as low, given Zopa's product set and target customers, ongoing monitoring is undertaken to ensure that the company is resilient to those risks, particularly in terms of operational stability.
Major cyber or IT incident	A major cyberattack or IT outage could result in loss of customer data and/or prevent the company from providing its critical business services, thus leading to customer harm, loss of revenue and reputational damage.	• Robust business continuity, disaster recovery and back-up arrangements. • Ongoing information security threat monitoring to ensure that countermeasures are up to date and effective.
Failure of a critical outsourcing provider or supplier	A failure or defect in an outsourcing provider's performance of critical functions for the company could cause service outages or customer detriment.	• Initial and ongoing due diligence on all critical outsourcing providers including on business continuity, information security, data protection and customer treatment. • Ensuring service-level agreements and contracts are in place with providers together with effective monitoring to ensure services are delivered to the specified standards. • Identification and classification of important business services and impact tolerances.

The Strategic Report has been approved by the Board of Directors and signed on its behalf by:

Scott Christopher Jones
Director
26 April 2022

DIRECTORS' REPORT

The Directors of Zopa Limited (henceforth 'the company') present their annual report together with the audited financial statements for the year ended 31 December 2021 (together the 'Annual Report and Accounts').

The Directors are required under Section 414 of the Companies Act 2006 to present a strategic report in the Annual Report and Accounts. The information can be found on pages 3 to 7. As noted in the table below, the company has chosen, in accordance with Section 414C(11) of the Companies Act 2006, to include certain matters in its Strategic Report that would otherwise be disclosed in this Directors' Report.

Subject	Pages
Business review and future developments	3
Results for the year	3
Risk management	4 to 7

Appointment and resignations of Directors

The appointment and resignations of the Directors is governed by the company's Articles of Association and the Companies Act 2006. The company's Articles of Association may only be amended by a special resolution passed by shareholders at a general meeting.

The Directors who held office during the year and up to the date of the approval of these financial statements, unless otherwise noted, are listed below:

Director	Appointed	Resignation
Christine Farnish	04.05.2018	
Natasha Wear	28.03.2019	
Nicholas Aspinall	10.02.2022	
Scott Christopher Jones (Chair)	10.02.2022	
Michael Woodburn		10.02.2022
Doris Honold		10.02.2022
Zitah McMillan-Ward		31.12.2021

Scott Christopher Jones was appointed as Chair of the Board on 21st March 2022, following his appointment to the Board. Christine Farnish resigned as Chair on 21st March 2022, but remains on the Board as an Independent Non-Executive Director.

Post balance sheet events

On 9th February 2022, Zopa Group sold Zopa Limited to Plata Holdings UK Limited, an affiliate of IAG Silverstripe LLC, who are also a significant stakeholder in Zopa Group. As a result of the change in ownership of Zopa Limited on 9th February 2022, all employees (except the one director) have moved to Zopa Bank Limited.

In January 2022, Zopa Bank completed the acquisition of the second tranche of loans from retail P2P investors.

Going concern

The UK economy has emerged from the pandemic stronger than had been initially anticipated as successive economic forecasts have showed improving trends with lower unemployment and stronger growth forecast. In late 2021 with post-pandemic supply chain disruption and higher energy prices, the Bank of England increased its forecasts for inflation and interest rates. Wage growth is being seen in different market sectors.

The Directors have made an assessment in preparing these financial statements as to the level of assurance they can have on the Company's future financial circumstances and trading prospects and consider that the uncertainties are not of such severity and magnitude that they should alter their individual and collective view that it is reasonable to consider the Company will continue as a Going Concern, but there can be no guarantees. The Directors consider the Company has adequate resources to continue in operational existence for the foreseeable future, considered to be 12 months from the signing of these financial statements. This is based on forecasts and projections which included an assessment of a range of scenarios including a severe but plausible scenario.

Dividends

The Directors are not recommending any dividend in respect of the year ended 31 December 2021 (2020: £nil).

Political donations

The company made no political donations in 2021 (2020: £nil).

Charitable donation

The company made no charitable donations in 2021 (2020: £nil).

Engagement with employees

Our people are key to the success of our business model. We're proud of the contribution our people make to our business through innovation, excellent customer service and dedication. The Board is committed to embedding a culture where high performance, accountability and doing the right thing are celebrated and rewarded.

Employees with disabilities

As part of the application and onboarding process, new employees are asked whether they require any special adjustments to be made to ensure their needs are met. The company employs people with disclosed disabilities and makes suitable adjustments to create an inclusive and safe working space for them. For example, our offices are fully wheelchair accessible.

Suppliers and outsourcing

The company has a well-established procurement process that ensures we select appropriate suppliers who will help us maintain our high standards of service. We also have a wellestablished supplier management process so that suppliers are managed to minimise any risk they could pose to the company and to ensure good customer outcomes.

Financial management

As a result of its normal business activities, the company is exposed to a variety of risks. Further disclosures regarding financial risk management objectives and policies, and the company's exposure to these risks can be found in note 20 to the financial statements.

Directors and their interests

Details of the Directors' beneficial interests are set out in the note 6 to the financial statements.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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 auditors are aware of that information.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The Directors' Report has been approved by the Board of Directors and signed on its behalf by:

Scott Christopher Jones
Director
26 April 2022

Independent auditors' report to the members of Zopa Limited

Report on the audit of the financial statements

Opinion

In our opinion, Zopa Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise: the statement of financial position as at 31 December 2021; the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to rules of the Financial Conduct Authority (FCA), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessment of matters reported on the entity's whistleblowing helpline and the results of management's investigation of such matters;
- Reading correspondence with the FCA;
- Reading minutes of the board to identify any matters of audit relevance; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or journal entries posted by senior management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Nick Morrison

Nick Morrison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 April 2022

FINANCIAL STATEMENTS

Statement of comprehensive income

For the year ended 31 December

	Note	2021 £000	2020 £000
Interest income		70	209
Interest expense		(109)	(205)
Net interest (expense) / income	2	**(39)**	**4**
Fee and commission income		12,410	22,372
Fee and commission expense		(4,564)	(5,919)
Net fee and commission income		**7,846**	**16,453**
Other operating Income	3	2,274	7,112
Net gains on derecognition of financial assets measured at amortised cost		20	-
Changes in fair value of financial instruments measured at FVTPL		152	-
Total operating income		**10,253**	**23,569**
Administrative expenses	4	(17,406)	(33,018)
Operating loss		**(7,153)**	**(9,449)**
Net gains on disposal of property, plant and equipment and ROU asset	12,13	877	-
Gain on disposal of business	19	-	2,168
Change in expected credit losses and other credit impairment charges	20	222	7
Change in provisions for other liabilities and charges		99	-
Impairment of other assets		-	(1,240)
Loss before taxation		**(5,955)**	(8,514)
Taxation	8	-	(374)
Loss and total comprehensive expense for the year		**(5,955)**	**(8,888)**

The notes on pages 16-46 form part of these financial statements.

The operating loss of the company is derived from continuing operations in the current and prior year.

Statement of financial position

As at 31 December

	Note	2021 £000	2020 £000
Assets			
Cash and balances with banks		4,112	4,779
Loans and advances to customers	10	22	83
Amounts due from other Group undertakings	19	-	6,244
Prepayments and accrued income		233	1,188
Other assets	11	1,558	2,644
Current tax asset		88	720
Property, plant and equipment	12	-	52
Right of use assets	13	-	5,102
Total assets		**6,013**	**20,812**
Liabilities			
Amounts due to banks		-	151
Amounts due to other Group undertakings	19	1,739	3,063
Accruals and deferred income		246	941
Provisions	14	80	1,154
Other liabilities	15	221	733
Lease liabilities	13	-	5,498
Total liabilities		**2,286**	**11,540**
Equity			
Share capital	16	200	200
Share premium		5,816	5,816
Other reserves		44,681	44,271
Accumulated losses		(46,970)	(41,015)
Total equity		**3,727**	**9,272**
Total liabilities and equity		**6,013**	**20,812**

The notes on pages 19-46 form part of these financial statements.

The financial statements of Zopa Limited (Registered Number 05197592) on pages 13-46 were approved by the Board of Directors on 26 April 2022 and were signed on its behalf by:

Scott Christopher Jones
Director
26 April 2022

Statement of changes in equity

For the year ended 31 December

	Note	Share Capital £000	Share Premium £000	Other Reserves £000	Accumulated Losses £000	**Total Equity £000**
Balance at 1 January 2020		**200**	**5,816**	**45,651**	**(32,127)**	**19,540**
Comprehensive expense						
Loss for the year		-	-	-	(8,888)	**(8,888)**
Total comprehensive expense		**-**	**-**	**-**	**(8,888)**	**(8,888)**
Transactions with owners						
Share based payment charge	18	-	-	238	-	**238**
Capital contribution	19	-	-	(1,618)	-	**(1,618)**
Total transactions with owners		**-**	**-**	**(1,380)**	**-**	**(1,380)**
Balance at 31 December 2020		**200**	**5,816**	**44,271**	**(41,015)**	**9,272**
Balance at 1 January 2021		**200**	**5,816**	**44,271**	**(41,015)**	**9,272**
Comprehensive expense						
Loss for the year		-	-	-	(5,955)	**(5,955)**
Total comprehensive expense		**-**	**-**	**-**	**(5,955)**	**(5,955)**
Transactions with owners						
Share based payment charge	18	-	-	410	-	410
Total transactions with owners		**-**	**-**	**410**	**-**	**410**
Balance at 31 December 2021		**200**	**5,816**	**44,681**	**(46,970)**	**3,727**

The notes on pages 19-46 form part of these financial statements.

Other reserves consist of a share-based payments reserve and a capital contribution reserve, see Notes 18 and 19 for further details.

Statement of cash flows
For the year ended 31 December

	Note(s)	2021 £000	2020 £000
Cash flows from operating activities			
Loss before taxation		(5,955)	(8,514)
Adjustments for:			
Change in operating assets and liabilities		1,597	451
Gain on disposal of business		-	(2,168)
Non-cash and other items		270	2,005
Net cash used in operating activities		**(4,088)**	**(8,226)**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	-	(50)
Purchase of intangible assets		-	(1,099)
Payment for lease surrender	13	(400)	-
Proceeds from disposal of non-current assets		-	9,106
Net cash (used in) / generated from investing activities		**(400)**	**7,957**
Cash flows from financing activities			
Change in intercompany loan balances	19	4,920	3,386
Payment of lease liabilities	13	(1,099)	(2,205)
Interest received on intercompany loans	2, 19	-	7
Net cash generated from financing activities		**3,821**	**1,188**
Net (decrease)/increase in cash and cash equivalents		**(667)**	**919**
Cash and cash equivalent at the start of the year		4,779	3,860
Movement during the year		(667)	919
Cash and cash equivalents at the end of the year		**4,112**	**4,779**

The notes on pages 19-46 form part of these financial statements. Comparative information for 2020 has been represented. Refer to Note 1 for further details.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation and significant accounting policies

Overview
This section sets out Zopa Limited's (the 'company') accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

1.1 General information

The company is incorporated and domiciled in England & Wales in the United Kingdom under the Companies Act 2006. The company is a private company and is limited by shares. The address of the registered office is detailed on page 2.

1.2 Basis of preparation

The financial statements of the company comply with the UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006.

Accounting policies have been applied consistently, other than where new policies have been adopted.

The financial statements have been prepared under the historical cost convention modified by derivatives held at fair value through profit and loss.

In the Statement of Cash Flows, the comparative information for 2020 has been represented to reflect the cash outflows for lease liabilities of £2,205k as a financing activity rather than an operating activity. The proceeds from disposal of non-current assets were also represented to reflect the gain on disposal as an adjustment to the cash flow from operating activities (note 19). There was no impact on the closing cash and cash equivalent balance.

1.3 Going concern

The financial statements have been prepared on a Going Concern basis, as the Directors are satisfied that the Company will have the resources to continue business for the foreseeable future.

The Directors have made an assessment in preparing these financial statements as to the level of assurance they can have on the Company's future financial circumstances and trading prospects and consider that the uncertainties are not of such severity and magnitude that they should alter their individual and collective view that it is reasonable to consider the Company will continue as a Going Concern, but there can be no guarantees. The Directors consider the Company has adequate resources to continue in operational existence for the foreseeable future, considered to be 12 months from the signing of these financial statements. This is based on forecasts and projections which included an assessment of a range of scenarios including a severe but plausible scenario.

1.4 Functional and presentational currency
The financial statements are presented in Pounds Sterling ('GBP'), which is the functional and presentational currency of the company. All amounts have been rounded to the nearest thousand ('£000'), except where otherwise indicated.

Foreign currency transactions are translated into functional currency using the spot exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the spot exchange rate at the reporting date. Foreign exchange gains and losses resulting from the restatement and settlement of such transactions are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured on a historical cost basis and denominated in foreign currencies are translated into the functional currency using the spot exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value and denominated in foreign currencies are translated into the functional currency at the spot exchange rate at the date of valuation.

1.5 Cash flows statement
The statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities. The cash flows from operating activities are determined by using the indirect method. Under that method, loss before tax is adjusted for non-cash items and changes in operating assets and liabilities to determine net cash inflows or outflows from operating activities. Cash flows from investing and financing activities are determined using the direct method which directly reports the cash effects of the transactions.

1.5 Net fee and commission income

The Company recognises fee and commission income when services are provided to customers and the Company has satisfied its performance obligations under the contract, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services, and management concludes that there is a high probability that there will be no significant reversal of the estimated income.

Where fees and commissions are incremental costs that are directly attributable to the issue of a financial instrument, they are included in interest income/expense as part of the EIR calculation, rather than within fee and commission income/expense. Where not incremental, these costs are classified as Fee & Commission expenses.

1.6 Presentation of risk and capital disclosures
Principal risks and uncertainties are disclosed in the Strategic Report, whilst IFRS 7 disclosures for financial risks, including capital risk, are disclosed in Note 20.

1.7 Use of estimates and judgements

The preparation of financial statements in conformity with UK adopted International Accounting Standards requires management to make judgements and accounting estimates that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amount of income and expenses during the reporting period. Management evaluates its judgements and accounting estimates on an ongoing basis. This takes into account any historical experience and various other factors that are believed to be reasonable under the circumstances.

As at 31 December 2021, no significant judgements or estimates have been made in the process of applying the accounting policies. Management believe that the underlying assumptions applied as at 31 December 2021 are appropriate and that the financial statements therefore present the financial position and results of the company fairly.

1.8 New accounting standards, interpretations, and changes to accounting policies

A number of new and revised standards issued by the International Accounting Standards Board (IASB) are yet to come into effect. None of these are expected to have a material impact on the company's financial statements. Furthermore, there are no standards, amendments and interpretations to existing standards that are not yet effective that have been early adopted by the Company.

The Company did not make any changes to its accounting policies during the year.

2. Net interest (expense) / Income

Accounting policy
The effective interest rate ("EIR") is the rate that, at the inception of the financial asset and liability, exactly discounts expected future cash payments and receipts over the expected life of the instrument back to the initial carrying amount. When calculating the EIR, the company estimates cash flows considering all contractual terms of the instrument but does not consider the assets' future credit losses. Management judgement is required in determining the expected life of the loans. The calculation of the EIR includes all transaction costs and fees paid or received that are an integral part of the interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset.

Interest income and expense presented in the income statement consists of interest on financial assets measured at amortised cost calculated on an EIR basis.

	Note	2021 £000	2020 £000
Interest income under the effective interest method on:			
- Cash and cash equivalent		1	-
- Loans and advances to customers at amortised cost		11	24
- Loans and advances to other group undertakings at amortised cost	19	58	185
Total interest income arising from financial assets measured at amortised cost		**70**	**209**

	Note	2021 £000	2020 £000
Interest expense under the effective interest method on:			
- Lease liabilities	13	109	205
Total interest expense arising from financial liabilities measured at amortised cost		109	**205**
Net interest (expense)/ income		**(39)**	**4**

3. Other operating income

Accounting policy
The company recognises other income when services are provided to customers and the company has satisfied its performance obligations under the contract, at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services, and management concludes that there is a high probability that there will be no significant reversal of the estimated income.

Other income relates to support services the company provides to other entities in the Zopa Group. The consideration is measured at arm's length, using the "cost plus" method, where the mark-up is benchmarked by reference to similar independent service providers.

	Note	2021 £000	2020 £000
Intercompany recharges	19	2,274	7,112
Total other operating income		**2,274**	**7,112**

4. Administrative expenses

	Note(s)	2021 £000	2020 £000
Staff costs	5	(1,285)	(9,151)
Information technology		(268)	(2,414)
Intercompany recharges		(12,283)	(15,604)
Legal and professional		(805)	(983)
Depreciation	12, 13	(1,248)	(2,158)
Amortisation		-	(706)
Other		(1,517)	(2,002)
Total administrative expenses		**(17,406)**	**(33,018)**

5. Staff Costs

Wages and salaries include non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service.

Bonus costs are recognised when the company has a present obligation that can be reliably measured. Bonus costs are recognised over the relevant service period required to entitle the employee to the reward.

The company operates a defined contribution pension plan. The company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. It has no further payment obligations once the contributions have been paid.

The accounting policies on share-based payments are included in Note 18.

	Note	2021 £000	2020 £000
Wages and salaries		(747)	(7,737)
Social security costs		(101)	(830)
Other pension costs		(26)	(346)
Share based payments	18	(411)	(238)
Total staff costs		**(1,285)**	**(9,151)**

Wages and salaries are reduced by government grants in relation to COVID-19 totalling £18k (2020: £153k). There are no unfulfilled conditions attached to these grants. Pension costs relate to amounts paid into defined contribution pension schemes. The average monthly number of persons (including Directors) employed during the year was:

	2021 Number	2020 Number
Loan operations and servicing staff	4	86
Administration	7	49
Total staff	**11**	**135**

6. Directors' Remuneration

This table sets out emoluments, pension and share awards in respect of 2021 and 2020.

	2021 £000	2020 £000
Directors' emoluments	265	271
Payments in respect of personal pension plans	10	8
	275	**279**

Highest paid Director
The below amounts include the following in respect of the highest paid Director:

	2021 £000	2020 £000
Emoluments	154	66
Payments in respect of personal pension plans	10	3
	164	**69**

Directors' emoluments are the aggregate amount of remuneration (including salary, fees, bonuses and benefits in kind) paid/payable within the year.

Pension contributions in 2021 and 2020 relate to payments into personal pension plans of 3 directors.

There were no share-based options exercised by the Directors in 2021 and 2020.

7. The Company's Auditors

Services provided by the Company's auditors are presented excluding VAT.

Services provided by the company's auditors (excluding VAT):	2021 £000	2020 £000
Fees payable to the company's auditors for the audit of the financial statements	139	71
Audit related assurance services	105	105
Other assurance services	81	86
	325	**262**

Auditors' remuneration to PricewaterhouseCoopers LLP for 2021 in relation to the statutory audit includes £47k which pertains to additional fees for 2020 that were paid during the year.

8. Taxation

Accounting policy

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. At the balance sheet date, the Company is not recognising any deferred tax assets.

The company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime in the UK or other investment allowances). The financial statements account for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

a) Tax charge

	2021 **£000**	**2020** **£000**
Over provision in previous periods	-	374
Total current tax charge	**-**	**374**
Total deferred tax charge	**-**	**-**
Total tax charge	**-**	**374**

At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2021 and 2022 would remain at 19%.

Deferred taxes at the reporting date have been measured using these expected tax rates and reflected in these statements.

In the 2021 Budget, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2023 would increase to 25%. This has been considered within deferred tax asset position.

b) Reconciliation of effective tax rate
The tax assessed for both 2021 and 2020 differ from that arising from applying the standard rate of corporation tax in the UK of 19%. A reconciliation from the credit implied by the standard rate to the actual tax charge is as follows:

	2021 **£000**	**2020** **£000**
Loss before tax	**(5,955)**	**(8,514)**
Tax at 19% (2020: 19.00%)	(1,132)	(1,618)
Expenses not deductible for tax purposes	98	74
Over provision in previous periods	-	374
Losses for which no deferred tax asset is recognised	1,041	1,659
Other differences	(7)	(115)
Total tax charge	**-**	**374**

c) Unrecognised deferred tax assets
Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefits therefrom.

	2021 **£000**	**2020** **£000**
Deductible temporary differences	475	283
Tax losses carried forward	11,176	7,504
	11,651	**7,787**

9. Financial Instruments

Accounting policy

Recognition and derecognition

A financial asset or a financial liability is recognised on the statement of financial position when the company becomes party to the contractual provisions of the instrument. The company measures a financial asset or liability on initial recognition at its fair value, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. The exception to this are financial assets or liabilities measured at Fair Value Through Profit or Loss ('FVTPL'), where transaction costs are recognised directly in the income statement as they are incurred. Purchases and sales of financial assets are recognised on trade date.

Derecognition of financial instruments

Financial assets are derecognised when and only when:

- the contractual rights to receive the cash flows from the financial asset expire; or
- the company has transferred substantially all the risks and rewards of ownership of the assets.

On derecognition of a financial asset, the difference between the carrying amount (or the carrying amount allocated to the portion being derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in the income statement.

A financial liability is derecognised when the obligation is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability derecognised and the consideration paid is recognised in the income statement.

Classification of financial assets

There are three principal classification categories for financial assets:

- measured at amortised cost,
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVTPL).

To classify financial assets the company performs two tests: one to evaluate the business model in which financial assets are managed and the other to assess their cash flow characteristics.

The 'business model assessment' determines whether the company's objective is to generate cash flows from collecting contractual cash flows, or by both collecting contractual cash flows and selling financial assets. The assessment is performed at a portfolio level as this best reflects the way business is managed and how information is provided to management. The assessment is based on expected scenarios. If cash flows are realised in a manner that is different from the original expectation, the classification of the remaining assets in that portfolio is not changed but such information is used when assessing new financial assets going forward.

The assessment of cash flow characteristics determines whether the contractual cash flows of the financial asset are solely payments of principal and interest on the principal amount outstanding (SPPI) and is referred to as the 'SPPI test'. For the purposes of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition. Interest is defined as consideration for the time value of money and credit risk associated with the principal amount outstanding and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a reasonable profit margin. The SPPI test is performed at an instrument level based on the contractual terms of the instrument at initial recognition. Only debt instruments can meet the SPPI test. Since both the SPPI and business model tests are passed, almost all the financial assets held by the company are classified as measured at amortised cost.

Based on the two assessments and the financial assets held by the company, all are classified as measured at amortised cost.

Subsequent to initial recognition, financial assets are reclassified only when the company changes its business model for managing financial assets. Where this is the case, the company reclassifies all affected financial assets in accordance with the new business model. The reclassification is applied prospectively.

Measurement of financial assets

Financial assets measured at amortised cost are initially measured at fair value plus transaction costs that are directly attributable to the financial asset. Subsequently, these are measured at amortised cost using the EIR method. The amortised cost is the amount advanced less principal repayments, plus or minus the cumulative amortisation using the EIR method of any difference between the amount advanced and the maturity amount, less allowance for expected credit losses. Financial assets measured at amortised cost mainly comprise loans and advances to customers and cash and balances with other banks.

The company does not have any financial assets measures at fair value through other comprehensive income nor at fair value through profit or loss.

The accounting policies on the expected credit loss of financial instruments are included in note 20.

Financial liabilities at amortised cost

Financial liabilities are contractual obligations to deliver cash or another financial asset. Financial liabilities are recognised initially at fair value, net of directly attributable transaction costs for financial liabilities other than derivatives. Subsequently they are measured at amortised cost. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the period of the borrowings using the EIR method.

Derivatives

Derivative financial instruments are mandatorily classified as fair value through profit or loss. Derivatives are classified as financial assets where their fair value is positive and financial liabilities where their fair value is negative. Where the counterparties are under common control derivatives are initially recognised in equity as a capital contribution with subsequent fair value movements through profit and loss. To calculate fair values, the company uses discounted cash flow models, further details of fair values can be found in note 20.

Offsetting

The company only offsets its financial assets and liabilities when it has a legally enforceable right to do so, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The net amount is then presented on the statement of financial position, either as an asset or a liability.

Impairment of financial assets

This policy applies to financial assets measured at amortised cost.

The estimation of credit risk of loans and advances for credit risk management purposes is complex and requires the use of models, as exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The company measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). Expected credit loss (ECL) is the product of these 3 values.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality. A financial instrument that is not credit impaired on initial recognition is classified as in Stage 1 and has its credit risk continually monitored by the Company. If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed credit impaired. If the financial instrument is classified as credit impaired, the financial instrument is then moved to Stage 3. The key judgements and assumptions adopted by the company in addressing the requirements of the standard are discussed below:

<u>Significant increase in credit risk (SICR) - Movement from Stage 1 to Stage 2</u>

The company considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met.

<u>Quantitative Criteria</u>

The remaining lifetime PD at the reporting date has increased significantly, compared to the residual lifetime PD expected when the exposure was first recognised. Loans that have a revised PD ratio of more than or equal to the PD ratio threshold as determined by the company are deemed to have suffered a SICR. The revised PD ratio is the remaining lifetime PD over the residual lifetime PD expected when the exposure was first recognised. It reflects the probabilities of default for the remaining life of a loan. The remaining lifetime PD is the weighted average PD across different economic scenarios.

Qualitative Criteria

- The borrower has agreed to an alternative payment plan
- The borrower is in arrears

Backstop

A backstop is applied, and the financial instrument considered to have experienced a SICR if the borrower is more than 30 days past due on their contractual payments.

Definition of default and credit impaired assets - Movement from Stage 2 to Stage 3

The company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative Criteria

The borrower is more than 90 days past due or more.

Qualitative Criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where the borrower is subject to bankruptcy proceedings, distressed restructuring, is deceased, or similar circumstances.

All financial instruments in default are considered to be in Stage 3.

No loans are currently subject to permanent forbearance arrangements and all loans and advances to customers are originated within the United Kingdom.

Write-Off and Recoveries

Write-off shall occur when either part, or all, of the outstanding debt is considered irrecoverable and all viable options to recover the debt have been exhausted. Any amount received after a provision has been raised or debt has been written-off, will be recorded as a recovery and reflected as a reduction in the impairment loss reflected in the income statement.

The following table summarises the classification and carrying amounts of the company's financial assets and liabilities:

	FVTPL	Amortised cost	**Total**
31 December 2021	£000	£000	**£000**
Cash and balances with banks	-	4,112	4,112
Loans and advances to customers	-	22	22
Other assets	-	1,265	1,265
Total financial assets	**-**	**5,399**	**5,399**

Amounts due to other Group undertakings	387	1,352	1,739
Other liabilities	43	145	188
Total financial liabilities	**430**	**1,497**	**1,927**

31 December 2020	FVTPL £000	Amortised cost £000	**Total £000**
Cash and balances with banks	-	4,779	4,779
Loans and advances to customers	-	83	83
Amounts due from other Group undertakings	-	6,244	6,244
Other assets	-	1,536	1,536
Total financial assets	**-**	**12,642**	**12,642**
Amounts due to banks	-	151	151
Amounts due to other Group undertakings	1,618	1,445	3,063
Other liabilities	148	560	708
Lease liabilities	-	5,498	5,498
Total financial liabilities	**1,766**	**7,654**	**9,420**

10. Loans and advances to customers

	Note	**2021 £000**	**2020 £000**
Gross loans and advances to customers		42	121
less: allowance for credit impairment losses		(20)	(38)
Total loans and advances to customers	20	**22**	**83**

11. Other assets

Refer to Note 13 for the accounting policy on right-of-use assets.

	2021	2020
	£000	£000
Rental deposits	1,265	1,536
Deferred expenses	293	945
Others	-	163
	1,558	**2,644**

12. Property, plant and equipment

Accounting policy

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation. The cost of tangible assets is their purchase cost together with incidental costs of acquisition. Incidental costs only include those that are necessary to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

We depreciate property, plant and equipment on a straight-line basis to its residual value using the following useful economic lives:

- Office equipment 3-5 years
- Fixtures and fittings 3 years

Depreciation is charged from the first full month after the date of acquisition of the asset. Residual values and useful economic lives for tangible assets are reviewed regularly and revised when necessary.

If impairment is indicated, the asset's recoverable amount, being the greater of value in use based on expected future cash flows and fair value less costs to sell, is estimated. If the carrying value of the asset is greater than the greater of the value in use and the fair value less costs to sell, an impairment loss is recognised in the income statement. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

	Office Equipment £000	Fixtures and fittings £000	Total £000
Cost			
Balance at 1 January 2020	2,459	1,323	3,782
Additions	50	-	50
Transferred to a related party	(2,509)	(335)	(2,844)
Balance at 31 December 2020	**-**	**988**	**988**
Balance at 1 January 2021	-	988	988
Disposals	-	(988)	(988)
Balance at 31 December 2021	**-**	**-**	**-**
Accumulated depreciation			
Balance at 1 January 2020	1,624	1,117	2,741
Depreciation charge for the year	269	139	408
Transferred to a related party	(1,893)	(320)	(2,213)
Balance at 31 December 2020	**-**	**936**	**936**
Balance at 1 January 2021	-	936	936
Depreciation charge for the year	-	52	52
Disposals	-	(988)	(988)
Balance at 31 December 2021	**-**	**-**	**-**
Carrying amounts			
Balance at 31 December 2019	835	206	1,041
Balance at 31 December 2020	-	52	52
Balance at 31 December 2021	**-**	**-**	**-**

There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year ended 31 December 2021 and 2020.

Further details on the transfers of office equipment and fixtures and fittings to a related party can be found in note 19.

As at 31 December 2020, assets with historic cost of £634k have fully depreciated but are still in use.

In 2021, all fixtures and fittings were disposed.

13. Leases as a lessee

Accounting policy & commentary

The company leases various property for office space and data centres.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lessee leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In the absence of any borrowing history, the company determined its incremental borrowing rate to be 10%.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Information about the leases for which the company is a lessee is presented below. Leases all relate to leasehold property.

a) Right-of-use assets

	Leasehold Property £000	Total £000
Balance at 1 January 2020	6,852	6,852
Depreciation charge for the year	(1,750)	(1,750)
Balance at 31 December 2020	**5,102**	**5,102**
Balance at 1 January 2021	**5,102**	**5,102**
Depreciation charge for the year	(1,196)	(1,196)
Disposals	(3,906)	(3,906)
Balance at 31 December 2021	-	-

b) Lease Liabilities

	Leasehold Property £000	Total £000
Balance at 1 January 2020	7,498	7,498
Interest charge for the year	205	205
Payments during the year	(2,205)	(2,205)
Balance at 31 December 2020	**5,498**	**5,498**
Balance at 1 January 2021	5,498	5,498
Interest charge for the year	109	109
Disposals	(4,508)	(4,508)
Payments during the year	(1,099)	(1,099)
Balance at 31 December 2021	-	-

	2021 £000	2020 £000
Current	-	(2,057)
Non-current	-	(3,441)
Total	-	**(5,498)**

	2021 £000	2020 £000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	-	(2,199)
One to five years	-	(3,542)
Total undiscounted lease liabilities	-	**(5,741)**

c) Amounts recognised in the income statement

	2021 £000	2020 £000
Interest on lease liabilities	109	205
Depreciation of right-of-use assets	1,196	1,750
Gain on disposal of ROU assets	877	-

d) Amounts recognised in the statement of cash flows

	2021 £000	2020 £000
Total cash outflows for leases	(1,099)	(2,205)

Until September 2021, the office space consisting of two lease agreements was leased by the Company, with a proportion of the lease costs recharged to the Zopa Bank Limited, a related party. Subsequent to September 2021, one of the leases is now owned by Zopa Bank Limited with a proportion recharged to the Company; while the second lease has been surrendered.

14. Provisions

Accounting policy & commentary

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

	Total £000
As at 1 January 2020	2,071
Released during the year	(917)
Balance at 31 December 2020	**1,154**
Balance at 1 January 2021	1,154
Utilised during the year	(1,074)
Balance at 31 December 2021	**80**

As at 31 December 2020, provisions includes £678k for dilapidations of leased properties. This was the cost expected to be incurred to return the properties back to the landlords at their initial state. The figure is an estimate based on the incurred costs to furnish the properties on commencement of each lease. In 2021, the ROU asset and the related provision was derecognised. The balance as at 31 December 2021 (2020: £476k) relates to operational risk events in relation to loans disbursed in the year.

15. Other Liabilities

	2021 £000	2020 £000
Other taxation and social security	33	25
Trade creditors	22	78
Other payables	123	482
Derivative	43	148
Total other liabilities	221	733
Current Portion	178	585
Non-current portion	43	148

Derivative relates to the fair value of yield commitments payable to institutional investors. Further details on fair values can be found in Note 21.

16. Share Capital

	2021 £000	2020 £000
Authorised:		
200,000 ordinary shares of £1 each (2020: 200,000)	200	200
Share Capital	**200**	**200**
Allotted and fully paid:		
199,824 ordinary shares of £1 each (2020: 199,824)	200	200
Share Capital	**200**	**200**

As at 31 December 2021, there were 199,824 ordinary £1.00 shares in issue resulting in share capital of £200k (31 December 2020: 199,824 shares and £200k respectively).

17. Ultimate parent undertaking and controlling party

Zopa Group Limited (UK company number 10624955) held 100% of the issued capital of Zopa Limited as at 31 December 2021 and was therefore regarded as the immediate parent undertaking. Zopa Group Limited prepares consolidated financial statements, including the results of the company, which are available from Companies House, for all group entities.

Following the sale of Zopa Limited to a subsidiary of Silverstripe International Holdings LLC in February 2022, it is the ultimate parent and controlling party. The registered office address of Silverstripe International Holdings LLC is at 251 Little Falls Drive, Wilmington, Country of New Castle, Delaware, US 19808.

18. Share based payments

Accounting policy
Equity-settled share-based compensation benefits are provided to employees of the Group's subsidiaries. They are all granted, and equity settled by the parent company, Zopa Group Limited. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted which is calculated using a Black-Scholes model. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each year, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. In the event of a modification of an award the fair value of the original award and of the modified or replacement award are assessed at the date of the modification. Where a modification is beneficial the incremental fair value is recognised in profit and loss over the remaining vesting period with the incremental fair value for vested awards recognised immediately.

Employees receive equity option instruments (share options) of the parent as consideration for their services. These equity option instruments are granted by Zopa Group Limited. The Group operates six equity-settled share-based compensation plans, the 2005 Stock Incentive Plan, 2015 Stock Incentive Plan and the Non-Tax Advantaged Share Option Plan, together the Option Plans. Additionally, the Zopa Group Limited Company Share Option Plan (CSOP), the Zopa Group Limited Joint Share Ownership Plan (JSOP) and the Management Incentive Plan (MIP). All instruments vest over time, have a maximum life of 10 years and require a continuous relationship with the Group.

The fair value of the employee services received in exchange for the grant of options is expensed on the equity basis each reporting period, based on the company's estimate of shares that will eventually vest and the value of the options as at the date of grant.

Set out below are the range of exercise prices and the weighted average lifetime of outstanding share options held by employees of the company at the end of the year.

	Option Plans	CSOP	JSOP	Total	Weighted Average Exercise Price
Outstanding options at 1 January 2020	**697,234**	**897,433**	**941,274**	**2,535,941**	**3.6703**
Granted during 2020	19,207	-	3,500	22,707	4.4229
Exercised during 2020	(262,945)	(1,115)	-	(264,060)	0.7664
Modified instruments	22,759	(82,983)	60,244	-	n/a
Employee transfer	(385,102)	(791,227)	(705,873)	(1,882,202)	2.9430
Lapsed during 2020	(56,629)	(22,108)	(76,498)	(155,235)	4.0046
Balance at 31 December 2020	**34,524**	**-**	**222,627**	**257,151**	**4.1956**
Granted during 2021	30,000	-	191,469	221,469	4.8653
Employee transfer	8,273	-	(6,834)	1,439	6.38
Lapsed during 2021	(3,893)	-	(18,591)	(22,484)	6.998
Balance at 31 December 2021	**68,904**	**-**	**388,671**	**457,575**	**4.6925**
Range of exercise prices (£)	2.18-3.5	n/a	3.5-6.75	2.18-6.75	n/a
Weighted average remaining contractual life (years)	7.58	n/a	7.85	7.81	n/a
Exercisable options at 31 December 2021	38,014	n/a	221,422	259,526	4.631

The table above reflects the details of the share options for the company alone. During 2021, the Group discovered that the movement table of the share options had been erroneously presented in its 2020 financial statements. The error has been corrected by restating the number of modified instruments and those lapsed during 2020. The error relates mainly to the reclassification of shares between share schemes and did not impact the balance sheet and income statement.

For options granted during the year the weighted average fair value of the options at the measurement date was £0.7580.

For share options exercised during the year, the weighted-average share price at the date of exercise was £3.5662 (2020: £3.1696).

The share-based payment charge for the year materially represents the value of services provided to the company by staff either employed directly by the company or by other Group entities, whom are part of the equity settled plans disclosed above.

Employees of the company are granted share options by the parent company. Employees of the company also provide services to other entities within the Group and therefore the Share Based Payment charge recorded in the income statement reflects the proportion of the services provided to the company. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. A Black Scholes option pricing model has been used to calculate the fair value of the options granted or modified in the year.

	2021	2020
Expected volatility	47-48%	30-42%
Expected life (in years)	5	5
Weighted average share price	£4.4855	£3.1696
Exercise price	£3.50-£7.00	£3.50-4.50
Expected dividends	None	None
Risk free rate	(0.4%)-0.8%	(0.1%) - 0.4%

Expected volatility has been set based on the volatility of similar listed companies. Non-vesting conditions are factored into the calculation of fair value at the measurement date.

The share-based payment charge in the year was £410k (2020: £238k).

19. Related parties

Key management personnel

IAS 24 Related party disclosures requires additional information for key management compensation. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Directors are considered to be the key management personnel for disclosure purposes. Directors' remuneration relating to emoluments and payments in respect of personal pension plans are disclosed within note 19. The share-based compensation expense recognised during the year attributable to Directors amounted to £62k (2020: £89k). In total, the key management personnel compensation amounted to £337k in 2021 (2020: £368k).

Other transactions with related parties

Intercompany balances are repayable on demand with the exception of the Zopa Bank Limited open credit facility and the yield support derivative.

The accounting policies on the intercompany derivative are included in Note 21.

31 December 2021	Income £000	Expenditure £000	Amounts due from related parties £000	Amounts due to related parties £000
Zopa Group Limited - trading balances	-	180	-	2
Zopa Group Limited – intercompany loan	32	-	-	-
Zopa Bank Limited - intercompany loan	26	-	-	-
Zopa Bank Limited - trading balances	2,453	12,283	-	1,350
Zopa Bank Limited - yield support derivative	152	-	-	387
Total	**2,663**	**12,463**	**-**	**1,739**

All trading balances have been settled in full post year end.

31 December 2020	Income £000	Expenditure £000	Amounts due from related parties £000	Amounts due to related parties £000
Zopa Group Limited - trading balances	510	596	44	-
Zopa Group Limited – intercompany loan	-	44	-	-
Zopa Bank Limited - intercompany loan	-	134	3,128	-
Zopa Bank Limited - trading balances	6,904	15,518	-	**1,445**
Zopa Bank Limited - yield support derivative	-	-	-	**1,618**
Total	**7,414**	**16,292**	**3,172**	**3,063**

The loan due from a fellow group company Zopa Bank Limited is repayable on 31 December 2022, with an option to extend, and bears an arm's length interest equal to the Bank of England base rate plus a 2% margin.

The loan due from the ultimate parent company Zopa Group Limited is repayable on 18 September 2024, with an option to extend, and bears an arm's length interest equal to the Bank of England base rate plus a 2% margin.

In 2020, the company recognised an additional payable of £1,618k to Zopa Bank Limited based on loans already disbursed. Zopa Bank Limited purchased the loans and contractual rights from a P2P investor during the year. Yield commitments by the company on this loan portfolio were reflected in a new agreement with Zopa Bank. The agreement is classified as a derivative and is measured at fair value. It has been recognised in equity as a capital contribution with subsequent fair value movements through profit and loss. Further details on fair values can be found in Note 21.

In 2020, intangible assets, workforce and office equipment were transferred to Zopa Bank Limited for a total consideration of £9,106k. A profit of £2,168k was recognised in relation to the transfer.

The company was not charged interest for any loans with Zopa Group Limited in 2021 and 2020.

In December 2021, the Zopa Bank Limited acquired a loan portfolio consisting of both unsecured personal loans and hire purchase auto loans. These were purchased from Retail investors serviced by the company's peer-to-peer lending platform.

All transactions are at arm's length. There are no related party transactions in relation to key management personnel. Key management personnel are Company Directors.

20. Financial Risk Management

20.1 Credit risk

Credit risk arises from the company's borrowers or other counterparties on their loans or obligations. The credit quality of the financial assets has been assessed and expected credit losses (ECL) recognised.

Counterparty credit risk arises from the company's non-consumer counterparties with whom the company has cash deposits. For deposits at commercial banks, the financial institutions considered need to have a credit rating above BBB-. The financial stability of partners is assessed prior to and at regular intervals during the relationship. Where available, the external credit rating of partners is monitored.

Maximum exposure to credit risk

The following table contains an analysis of the company's maximum exposure to credit risk on financial assets.

	2021 £000	2020 £000
Cash and balances with banks	4,112	4,779
Loans and advances to customers	42	121
Amounts due from other group undertakings	-	6,244
Other assets	1,265	1,699
Gross credit risk exposure	**5,419**	**12,843**
Less: allowance for credit losses	(20)	(38)
Net credit risk exposure	**5,399**	**12,805**

Comparative information for 2020 in other assets has been represented in line with the current year disclosure.

Loans and advances to customers

The table below provides analysis of loans and advances to customers.

	Total
31 December 2021	**£000**
Gross loans and advances to customers	42
less: allowance for credit losses	(20)
Total loans and advances to customers	**22**
Amounts expected to be recovered more than 12 months after the reporting date	-

31 December 2020	Total £000
Gross loans and advances to customers	121
less: allowance for credit losses	(38)
Total loans and advances to customers	**83**
Amounts expected to be recovered more than 12 months after the reporting date	3

The movement in the gross carrying amounts and the related loss allowance recognised in 2021 and 2020 was mainly impacted by the derecognition/ maturity and write-offs.

The company does not enter into any netting or offsetting arrangements with counterparties.

20.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. This is limited by managing the maturity profile of its assets and liabilities to avoid material liquidity gaps and holding sufficient liquidity resources to meet its liquidity needs, and minimum regulatory requirements. The liquidity position is monitored on an ongoing basis.

Liquid assets

	2021 £000	2020 £000
Unencumbered cash and bank balances	4,112	4,779
Total liquid assets	**4,112**	**4,779**

The table below presents the contractual maturities of the assets and liabilities on the balance sheet:

Assets 31 December 2021	Up to 1 month £000	1 to 3 months £000	3 to 12 months £000	1 to 5 years £000	Over 5 years £000	Total £000
Cash and balances with banks	4,112	-	-	-	-	**4,112**
Loans and advances to customers	-	22	-	-	-	**22**
Other assets	1,265	-	-	-	-	**1,265**
Total	**5,377**	**22**	**-**	**-**	**-**	**5,399**

Liabilities 31 December 2021	Up to 1 month £000	1 to 3 months £000	3 to 12 months £000	1 to 5 years £000	Over 5 years £000	Total £000
Amounts due to other group undertakings	-	-	1,739	-	-	**1,739**
Other liabilities	-	-	188	-	-	**188**
Total	**-**	**-**	**1,927**	**-**	**-**	**1,927**

Assets	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
31 December 2020	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Cash and balances with banks	4,779	-	-	-	-	**4,779**
Loans and advances to customers	3	7	5	68	-	**83**
Amounts due from other group undertakings	-	38	-	6,206	-	**6,244**
Other assets	1,529	190	1,062	6,925	-	**9,706**
Total	**6,311**	**235**	**1,067**	**13,199**	**-**	**20,812**

Liabilities 31 December 2020	Up to 1 month £000	1 to 3 months £000	3 to 12 months £000	1 to 5 years £000	Over 5 years £000	Total £000
Amounts due to banks	151	-	-	-	-	**151**
Amounts due to other group undertakings	1,445	-	1,618	-	-	**3,063**
Lease liabilities	-	-	-	5,498	-	**5,498**
Other liabilities	91	947	218	1,572	-	**2,828**
Total	**1,687**	**947**	**1,836**	**7,070**	**-**	**11,540**

20.3 Market risk

Market risk is the risk of a reduction in earnings or the economic value of equity, caused by changes in the prices of financial instruments. The company does not have a trading book. The company's market risk consists primarily of exposure to changes in interest rates, and change in prices of marketable securities held in liquid assets. Interest rate risk is the risk that the net value of, or net income arising from, the firm's assets and liabilities is impacted as a result of changes to interest rates. Financial liabilities include a derivative with yield payments linked to the performance of an existing loan portfolio. Financial assets are limited to fixed interest rate loans and advances to customers and loans to other group entities. The sensitivity analyses performed in 2021 and 2020 showed that the impact on economic the impact on economic value of equity ("EVE") from a two percentage point shift in the interest yield curve is deemed to be insignificant as the related financial liability is no longer material (Note 19).

20.4 Capital risk and management

Capital risk is the risk that the company has insufficient capital to cover regulatory requirements and/or support its growth plans. The company's objective when managing capital is to safeguard its ability to continue as a going concern and to meet the FCA regulatory financial resources. Financial performance is regularly reviewed by various committees in the business. The process includes the monitoring of the annual budget and forecasts.

The Company met all external financial resource requirements at year-end. The Company's capital resources and capital requirements as at 31 December 2021 amounted to £11,378k (2020: £3,727k) and £1,031k (2020: £556k), respectively.

21. Fair values

Accounting policy
Fair value of financial instruments 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which we have access at that date. The fair value of a liability reflects its non-performance risk. The fair values of financial instruments are measured using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. There are three levels to the hierarchy as follows: • Level 1: quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date; • Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). A Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads. Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable in an active market; and • Level 3: inputs that include one or more unobservable input that is significant to the measurement as whole.

All financial instruments are measured at amortised cost except for the derivative with Zopa Bank Limited which is classified as FVPL with a level 3 fair value. There were no reclassifications of financial assets or liabilities during the year ended 31 December 2021.

The derivative included in amounts due to other Group undertakings is level 3 amounting to £387k (2020: £1,618k). A discounted cash flow model is used to estimate its value. Inputs to this model include the amortisation of the notional loan amounts, their expected life and the yield support rate, these are unobservable inputs that require management judgement.

The derivative included in other liabilities is also level 3 with its value estimated using a discounted cash flow model.

The fair value of the financial assets and financial liabilities of the company approximates their carrying amounts.

Key considerations in the calculation of the fair values for those financial assets and liabilities carried at amortised cost include the following:

(a) Cash and balances with banks

These represent either amounts with an initial maturity of less than three months or longer term variable rate deposits placed with banks, where adjustments to fair value in respect of the credit risk of the counterparty are not considered necessary. Accordingly, the carrying value of the assets is considered to be not materially different from their fair value.

(b) Loans and advances to customers

For fixed rate lending products, the company has estimated the fair value of the fixed rate interest cash flows by discounting those cash flows by the current appropriate market reference rate used for pricing equivalent products plus the credit spread attributable to the borrower. Expected credit losses as determined for IFRS 9 purposes are reflected in the fair value amounts.

(c) Amounts due to banks

These relate to payments due in less than 30 days to the credit card provider and the carrying amount is deemed to be a reasonable approximation to their fair value.

The company does not apply any accounting offsetting between financial assets and financial liabilities.

22. Post balance sheet events

On 11 January 2022, Zopa Bank Limited acquired a loan portfolio consisting of both unsecured personal loans and hire purchase auto loans. Identically to the loan acquisition in December 2021, these loans were purchased from Retail P2P investors whose loans were previously serviced by the company.

In February 2022, Zopa Group sold Zopa Limited to Plata Holdings UK Limited, a subsidiary of Silverstripe International Holdings LLC, which is an affiliate of a shareholder in Zopa Group.

Forward-looking statements

The information in this document may include forward-looking statements, which are based on assumptions, expectations, valuations, targets, estimates, forecasts and projections about future events. These can be identified by the use of words such as 'expects', 'aims', 'targets', 'seeks', 'anticipates', 'plans', 'intends', 'prospects', 'outlooks', 'projects', 'forecasts', 'believes', 'estimates', 'potential', 'possible', and similar words or phrases. These forward-looking statements speak only as at the date on which they are made. Forward – looking statements are subject to risks, uncertainties and assumptions about the company its securities, investments and the environment in which it operates , including, among other things, the development of its business and strategy, any acquisitions, combinations, disposals or other corporate activity undertaken by the company, trends in its operating industry, changes to customer behaviours, macroeconomic and/or geo-political factors including but not limited to the economic repercussions of the UK's exit from the European Union and the Russia – Ukraine war, the direct and indirect impacts of the COVID-19 pandemic , changes to its Board and/or employee composition, exposures to terrorist activity, IT system failures and its impact on the company's business and operations, cybercrime, fraud and pension scheme liabilities, changes to law and/or the policies and practices of any governmental or regulatory authority, market related risks including changes in inflation, deflation interest rates and foreign exchange rates, changes in the liquidity, capital, funding and/or asset position and/or credit ratings of the company, future capital expenditures of the company the repercussions of the UK's exit from the EU (including any change to the UK's currency), Eurozone instability, and any referendum on Scottish independence

In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. Forward-looking statements involve inherent risks and uncertainties. Other events not taken into account may occur and may significantly affect the analysis of the forward-looking statements. No member of the Company or their respective directors, officers, employees, agents, advisers or affiliates gives any assurance that any such projections or estimates will be realised or that actual returns or other results will not be materially lower than those set out in this document. All forward-looking statements should be viewed as hypothetical. No representation or warranty is made that any forward-looking statement will come to pass. No member of the company or their respective directors, officers, employees, agents, advisers or affiliates undertakes any obligation to update or revise any such forward-looking statement following the publication of this document nor accepts any responsibility, liability or duty of care whatsoever for (whether in contract, tort or otherwise) or makes any representation or warranty, express or implied, as to the truth, fullness, fairness, accuracy, sufficiency or completeness of, the information in this document. The information, statements and opinions contained in this document do not constitute or form part of any advice, recommendation or guarantee about the future performance of the company and should not be relied upon.