

Nino Limited

Unaudited Annual report and financial statements

For the year ended 30 April 2022

Registered number: 09015082

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COMPANY INFORMATION

Directors P S Latham
B T K Davis

Company Secretary Octopus Company Secretarial Services Limited

Company Number 09015082

Registered Office 6th Floor
33 Holborn
London
EC1N 2HT

Bankers HSBC Bank plc
60 Queen Victoria Street
London
EC4N 4TR

Table of Contents

Directors' Report	4
Directors' Responsibilities Statement	6
Financial Statements	7
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10-15

DIRECTORS' REPORT

For the year ended 30 April 2022

The directors present their report on the affairs of Nino Limited ("the Company"), together with the financial statements, for the year ended 30 April 2022.

Small Companies Exemption

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

Principal activities

The principal activity of the Company is as an intermediary loan provider, taking loan finance from independent third party companies; Fern Trading Limited, BridgeCo Limited, Terido LLP and Dragonfly Finance Sarl and distributing residential mortgages. Most of the Company's revenue is derived from loan arrangement, servicing fees and interest income. Nino Limited's ultimate parent company is Octopus Capital Limited. Octopus Capital Limited and all its subsidiaries together is referred to as, "Octopus".

Results

The profit for the period, after taxation, amounted to £91,937 (2021: £59,509).

Dividends

There were no recommended dividend payments in the current year (2021: nil).

Directors

The directors who served throughout the period and up to the date of this report were as follows:

P S Latham

B T K Davis

Director's indemnities

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

Events after the balance sheet date

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

Going Concern

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

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

However, with the reopening across the UK and Europe and the fact that the Company does not own the ultimate risk and reward and only earns servicing fee income on the loan book size, the Directors are satisfied that there is no material uncertainty leading to a significant doubt in this regard. As such, the Directors deem it appropriate for the financial statements to be prepared on a going concern basis.

DIRECTORS' REPORT (continued)

For the year ended 30 April 2022

Future developments

Since 30 April 2022, the directors are not aware of any matters or circumstances that have significantly affected or may significantly affect the Company.

Approved by the Board and signed on its behalf by:



B T K Davis
Director
23 September 2022

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

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 30 April 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standards applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2022

	Notes	2022 £'000	2021 £'000
TURNOVER	4	163	863
Cost of Sales	5	155	(798)
GROSS PROFIT		8	65
Other Income		855	(285)
Admin Expenses		(855)	258
OPERATING PROFIT		-	(27)
PROFIT BEFORE TAXATION		8	38
Tax credit/(charge) on profit	7	84	22
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		92	60

All amounts relate to continued operations. There were no items of other comprehensive income in the current or prior period.

The notes on pages 10 to 15 form part of these financial statements.

BALANCE SHEET

As at 30 April 2022

	Notes	2022 £'000	2021 £'000
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	19	537
Loans	6	165	264
Cash at bank and in hand		640	632
		<u>824</u>	<u>1,433</u>
CURRENT LIABILITIES			
Amounts falling due within one year	9	(96)	(697)
Loans	6	(153)	(252)
		<u>(249)</u>	<u>(949)</u>
NET CURRENT ASSETS		<u>576</u>	<u>484</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>576</u>	<u>484</u>
NET ASSETS		<u>576</u>	<u>484</u>
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account		576	484
SHAREHOLDER'S FUNDS		<u>576</u>	<u>484</u>

The notes on pages 10 to 15 form part of these financial statements.

For the year ended 30 April 2022, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Each Director who is the Director of the Company at the date of approval of these financial statements confirms

- The members have not required the Company to obtain an audit of its accounts for the period in questions in accordance with Section 476; and
- The Directors acknowledge their responsibilities for complying with their requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Nino Limited (registered number: 09015082) were approved by the Board of Directors and authorised for issue on 23 September 2022. They were signed on its behalf by:



B T K Davis
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2022

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 30 April 2020	-	424	424
Profit and Comprehensive income for the financial year	-	60	60
Dividends paid	-	-	-
At 30 April 2021	-	484	484
Profit and Comprehensive income for the financial year	-	92	92
Dividends paid	-	-	-
At 30 April 2022	-	576	576

The notes on pages 10 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2022

General information

Nino Limited ("the Company") is incorporated in the United Kingdom under the Companies Act. Nino Limited is a private Company limited by shares and is registered in England and Wales. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the directors' report on page 4.

The functional currency of Nino Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

1. Accounting Policies

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

Basis of accounting and preparation of financial statements

The financial statements have been prepared under the historical cost method, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its ultimate parent, Octopus Capital Limited. Exemptions have been taken in these Company financial statements in relation to the presentation of a cash flow statement.

Going concern

The fact that the Company does not own the ultimate risk and reward and only earns servicing fee income on the loan book size, the Directors are satisfied that there is no material uncertainty leading to a significant doubt in this regard. As such, the Directors deem it appropriate for the financial statements to be prepared on a going concern basis.

Credit risk

The Company does not consider itself to be exposed to credit risk, as, for a large majority of the loan book, the credit risk of the third-party loan balances lies solely with Fern Trading Limited, BridgeCo Limited, Terido LLP and Dragonfly Finance Sarl due to the legal set up of the arrangements. These entities are providers of its credit, with the Company's involvement being that of an intermediary.

Turnover

Turnover comprises revenue recognised by the Company in respect of services supplied and interest on loans, exclusive of value added tax, if any. Other income within turnover includes admin, extension, servicing, and exit fees.

Other Income

Other Income comprises of the equal and opposite of bad debt provisions booked in the year to the bad debt provision code. This is income due from the loan provider.

Admin Expenses

Admin expenses is made up of bad debt provisions and bad debts written off in the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 April 2022

1. Accounting Policies (continued)

Taxation

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

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

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

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

Deferred tax assets and liabilities are not discounted.

Financial instruments

Loans are classified and accounted for, according to the substance of the underlying contractual arrangement, with all loans within the Company being held at fair value. The Company's financial instruments are financial liabilities in the form of interest bearing loan credit which is then offset in direct correlation to financial assets in the form of bridging loans on properties.

Initial recognition of the Company's financial assets and liabilities is at fair value which it considers to be par. The Company considers par to be the appropriate fair value as its financial assets are directly correlated to its financial liabilities, and the legal structure surrounding these transactions transfers all the risks and rewards of these contracts to an external party.

Furthermore, the loans are typically short-term bridging loans and balances can be repaid at any time; hence the Company consider the amount they would receive, and subsequently pay over to Fern Trading Limited, BridgeCo Limited, Terido LLP, and Dragonfly Sarl were the loans to be repaid immediately to be the most accurate approximation of its fair value.

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

All the Company's financial assets are derecognised at the point of the commercial mortgages being repaid by the client. The Company's financial liabilities are derecognised upon the transfer of mortgage repayments being used to repay the Company's loan creditors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances relating to the Company at year end.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 April 2022

2. Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no key sources of estimated uncertainty.

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

Financial Instruments

Financial instruments are recorded at fair value or at amounts whose carrying values approximate fair value. Valuations of investments are based on assumptions that the Company believes are reasonable under the circumstances. Please refer financial instruments section in note 1.

All loans are subject to review within portfolio meetings and those loans where borrowers are in default of terms and conditions or the Loan to Value is such that a provision may be required, are taken to quarterly Bad and Doubtful Debt (B&DD) Committee meetings for further review, with provisions added/adjusted where necessary.

3. Staff Costs

The Company has no employees other than the directors, who did not receive any remuneration for their services to this Company (2021: nil).

4. Turnover

Turnover is all generated by one segment, that of arranging and servicing short term bridging loans, and in the UK, hence no segmental or geographical analysis is required.

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

	2020 £'000s	2021 £'000s
Servicing Fees	8	68
Loan Interest	155	767
Other Income	-	28
	163	863

Within turnover, the loan interest income has decreased in line with the loan book winding down which can be seen in the loan book size and number of live loans on the book at each year-end 2022: 4 (2021: 5).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 April 2022

5. Cost of sales

Cost of sales comprises interest and arrangement fees payable to the third party that provided the finance for the loan. Also included in cost of sales are extension fees payable and audit fees.

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

	2022	2021
	£'000s	£'000s
Interest payable	155	771
Extension fee expense	-	27
	155	798

6. Loans

The Company's loans which are due within one year are held as current assets; repayment dates are based on legal agreements.

The Company's loans are designated at fair value through the Company's statement of comprehensive income.

	Current Assets	
	2022	2021
	£'000	£'000
Debt instrument at fair value		
Loans	165	264
	165	264

	Current Liabilities	
	2022	2021
	£'000	£'000
Debt instrument at fair value		
Loans	153	(252)
	153	(252)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 April 2022

7. Taxation

The deferred tax assets and liabilities as at 30 April 2022 have been calculated based on UK corporation tax rates of 19.0%.

The tax charge comprises:

	2022	2021
	£'000	£'000
Profit before tax	8	38
	<u>8</u>	<u>38</u>
Tax on profit at blended UK corporation tax rate of 19.0% (2021: 19.0%)		
Expenses not deductible for tax purposes	2	7
UK corporation tax on profits for the period	(86)	(29)
Adjustments to tax charge/(credit) in respect of prior periods	-	-
Group Relief	-	-
Total and current tax charge/(credit) for the year	<u>(84)</u>	<u>(22)</u>

8. Debtors

	2022	2021
	£'000	£'000
Due within one year		
Prepayments and accrued income	19	537
	<u>19</u>	<u>537</u>

9. Creditors

	2022	2021
	£'000	£'000
Due within one year		
Accruals and deferred income	16	534
Intercompany for group relief	27	156
Corporation tax	53	7
	<u>96</u>	<u>697</u>

10. Called-Up Share Capital

	2022	2021
	£	£
Allotted, called-up and unpaid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

The Company issued nil shares in the period (2021: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 April 2022

11. Related Party Transactions

In line with paragraph 33.1A of FRS 102, the company did not disclose transactions with wholly owned Group companies wherein any subsidiary undertaking which is a party to the transactions is wholly owned by a member of the Group.

12. Ultimate Parent Undertaking and Controlling Party

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

13. Subsequent Events

After care consideration, it has been agreed to write-off off a loan in the name of Gravitas due to exhausting all efforts of recovering the remaining outstanding balance. This has a net impact of nil to the figures given there is a provision that offsets 100% of the asset value held on the balance sheet at year end.

The directors are not aware of any further matters or circumstances that have significantly affected or may significantly affect the Company.