

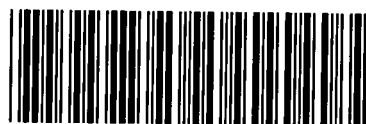
Company No. 11253475

Bamboo Funding Limited

Annual report and financial statements

For the year ended 31 December 2021

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Bamboo Funding Limited

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Bamboo Funding Limited

Officers and registered address

Directors

Intertrust Directors 1 Limited
Intertrust Directors 2 Limited
Susan Abrahams

Company secretary

Intertrust Corporate Services Limited

Company number

11253475 (England and Wales)

Registered address

1 Bartholomew Lane
London
United Kingdom
EC2N 2AX

Independent auditor

Grant Thornton UK LLP
30 Finsbury Square
London
United Kingdom
EC2A 1AG

Bamboo Funding Limited
Company registration No. 11253475

Strategic report for the year ended 31 December 2021

The directors present the strategic report of Bamboo Funding Limited (the "Company") for the year ended 31 December 2021.

Incorporation, principal activities, business review and future developments

The Company was established as a special purpose vehicle for the principal purpose of raising funding by entering into loan facilities (the "Loan Facilities") to fund the acquisition of consumer loans (the "Loan Portfolio") from Bamboo Limited (the "Seller") under a loan sale and purchase agreement (the "Flow Agreement"). Both the agreements for the Loan Facilities (the "Loan Agreements") and the Flow Agreement include limited recourse and non-petition provisions common in structured finance and securitisation arrangements such that the Company is a so-called "bankruptcy remote" vehicle.

The Loan Portfolio acquired by the Company from the Seller remains recognised by the Seller under the applicable IAS 39 accounting standard and therefore the Loan Portfolio remains on the balance sheet of the Seller. Therefore, instead of recognising the Loan Portfolio in the balance sheet, the Company has recognised a loan to the Seller (the "Deemed Loan") on the statement of financial position of the Company (see note 7).

It is intended that the Loan Portfolio will be refinanced by a future transaction which could involve a sale of the Loan Portfolio to a company that at the time of the transfer is, or as a result of the transfer will become, an assets-holding company or a note-issuing company.

The directors do not anticipate any changes to the activities, or the nature, of the Company's business in the foreseeable future.

Due to the bankruptcy remote nature of the contractual arrangements under the Loan Agreements the Company has a negligible risk profile.

Results

The Statement of Comprehensive Income of the Company is set out on page 12 and shows the profit £3,402 for the year (2020: £3,402 profit). Under the terms of the securitisation the Company retains an "issuer profit" amount equal to £350 each interest payment date ("IPD").

Key performance indicators, principal risks and uncertainties

No impairment provisions are held against the deemed loan at the year end.

The Company provides a full breakdown of the performance of the Loan Portfolio on a monthly basis. Some of the key performance indicators at the statement of financial position date are:

| | 31 December 2021 | 31 December 2020 |
|--|-----------------------------|-----------------------------|
| | £ | £ |
| Deemed Loan and other current assets | 113,568,366 | 45,475,939 |
| Outstanding balance of the Loan Facilities | 112,168,011 | 44,463,554 |

At 31 December 2021 the Deemed Loan included above was £97,219,302 (2020 : £37,136,570). The key movements during the year on the Deemed Loan are set out in note 7.

The principal risks and uncertainties faced by the Company are set out below and under Financial Instruments (note 11).

Bamboo Funding Limited
Company registration No. 11253475

Strategic report for the year ended 31 December 2021 (continued)

Financial instruments

The Company's operations are financed primarily by the Loan Facilities. The Company has entered into the Loan Facilities agreements to finance the acquisition of the Loan Portfolio from the Seller as explained in the business review above.

The directors monitor the Company's performance by reviewing monthly reports on the performance of the Loan Portfolio. Such review is designed to ensure that the terms of the transaction documentation have been complied with, that no unforeseen risks have arisen and that the Lenders have been paid on a timely basis.

Whilst the directors have overall responsibility for the establishment and oversight of the Company's risk management framework, this obligation has been allocated and managed in accordance with the transaction documents.

The Company is primarily exposed to credit risk, liquidity risk and market risk. The principal nature of such risks are summarised below and in note 11. However, such risks are absorbed by the Deemed Loan and the Loan Facilities under the bankruptcy remote contractual arrangements.

Credit risk

Credit risk reflects the risk that the underlying borrowers will not be able to meet their obligations on the Loan Portfolio as they fall due.

The Company's principal business objective is the purchase of the Loan Portfolio. The Company considers the evaluation of a borrower's ability to service a loan within the Loan Portfolio according to its terms to be the principal factor in assessing the credit risk.

The recoverability of the Deemed Loan to the Seller is dependent on the collections from the underlying borrowers' loans. The Deemed Loan is considered impaired when it is probable that the Company will be unable to collect sufficient amounts due according to the contractual terms of the underlying borrowers' loan agreements. However, it will not result in an impairment loss if the cash flows from the Loan Portfolio are still expected to be sufficient to meet the Company's obligations to repay the Loan Facilities and the Deemed Loan. The financial loss incurred on the Loan Portfolio will not trigger an impairment charge as long as such loss does not exceed the credit enhancement provided by the Seller.

The credit quality of the Loan Portfolio is set out in note 11. The directors have assessed the latest information provided by the servicer, Bamboo Limited, and have decided not to provide an impairment provision against the value of the Deemed Loan at 31 December 2021.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial instruments, should the cash flows from the assets differ from those expected.

The Loan Portfolio is financed principally by the Loan Facilities and the Deemed Loan. The financing policy substantially reduces the Company's liquidity risk by matching the payment profile of the Company's funding obligations to the payment profile of the assets being funded.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk and interest rate risk.

Currency risk

The Company is not exposed to currency risk as all its financial instruments are denominated in GBP.

Interest rate risk

Interest rate risk exists where interest rates on assets and liabilities are set on different bases or reset at different times. The underlying borrowers' loans in the Loan Portfolio are based on a fixed interest rate range and are not exposed to market driven fluctuations and interest on the Loan Facilities which is lower is calculated by reference to benchmark interest rates plus a margin. Given the size of the net interest margin between the Company's weighted average interest rate charged to its customers and its blended cost of financing, the Company does not currently hedge its interest rate risk exposure.

Bamboo Funding Limited

Company registration No. 11253475

Strategic report for the year ended 31 December 2021 (continued)

Capital management

The Company is not subject to any external capital requirements, except for the minimum requirement under the Companies Act 2006. The Company has satisfied this minimum requirement.

The Strategic Report was approved and authorised for issue by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Ian Hancock', with a stylized flourish at the end.

Ian Hancock
Per pro **Intertrust Directors 1 Limited**
Director
30 May 2022

Bamboo Funding Limited

Company registration No. 11253475

Directors' report for the year ended 31 December 2021

The directors present their annual report together with the audited financial statements for the Company for the year ended 31 December 2021.

Going concern

In order to form a view as to the most appropriate basis of preparation of these financial statements, the directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Company into liquidation.

Subject to the non-recourse nature of the Loans the Company is obliged to repay the Loans at their principal amount outstanding. However, due to the non-recourse nature of the Loans, the Company's ability to pay amounts due on the Loans is, in substance, limited to the application of the receipts from the Loan Portfolio under the terms of the priority of payments as set out in the Loan Facilities agreements.

It is the intention of the directors of the Company to continue operations until such a time as the amounts due from the Loan Portfolio have been fully realised. Ultimately, due to the limited recourse nature of the Loans, any shortfall in the proceeds of the Loan Portfolio will be a risk to the Lenders and not the Company.

If the proceeds from the Loans are insufficient to pay amounts due to the Lenders, such amounts will cease to be due. Therefore, the directors consider that the Company is able to meet its liabilities as they fall due, and accordingly, the financial statements have been prepared on a going concern basis.

Future developments

Information on future developments is included in the Incorporation, principal activities, business review and future developments section of the Strategic report.

Financial risk management

Information on financial risk management is included in the financial instruments section of the Strategic report.

Share capital

The issued share capital consists of 1 fully paid ordinary share of £1.

Directors and their interests

The directors of the Company during the year, and subsequently, were:

Intertrust Directors 1 Limited
Intertrust Directors 2 Limited
Sue Abrahams

No director had any interest in the share capital of the Company at any time during the year (2020: nil).

None of the directors had any interest either during or at the end of the year in any material contract or arrangement with the Company (2020: None).

Dividends

The directors do not recommend the payment of a dividend (2020: nil).

Third party indemnities

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force as at the date of approval of the annual reports and financial statements.

Company secretary

Intertrust Corporate Services Limited acted as Company Secretary during the year, and subsequently.

Bamboo Funding Limited

Company registration No. 11253475

Directors' report for the year ended 31 December 2021 (*continued*)

Statement of disclosure of information to the auditor

The directors at the date of approval of this report confirm that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006 ("the Act").

Independent auditor

The auditor, Grant Thornton UK LLP, have expressed their willingness to continue in office until the next annual general meeting. Pursuant to section 489 of the Companies Act 2006, a resolution for the re-appointment of Grant Thornton UK LLP will be proposed at the forthcoming annual general meeting of the Company.

The Directors' Report was approved and authorised for issue by the board and signed on its behalf by:



Ian Hancock
Per pro **Intertrust Directors 1 Limited**
Director
30 May 2022

Bamboo Funding Limited

Company registration No. 11253475

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with the Companies Act 2006, applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Act. 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.

On behalf of the Board



Ian Hancock
Per pro **Intertrust Directors 1 Limited**
Director
30 May 2022

Independent Auditor's Report to the Members of Bamboo Funding Limited

Opinion

We have audited the financial statements of Bamboo Funding Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Independent Auditor's Report to the Members of Bamboo Funding Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Members of Bamboo Funding Limited

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

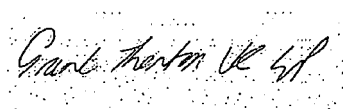
- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors. We determined that the most significant laws and regulations were United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006
- We enquired of the directors and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's board meetings.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
 - Evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
 - testing journal entries, including manual journal entries processed at the year-end for financials statement preparation and journals with unusual accounting combinations; and
 - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
 - knowledge of the industry in which the Company operates; and
 - understanding of the legal and regulatory frameworks applicable to the Company.

Independent Auditor's Report to the Members of Bamboo Funding Limited

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialist, and remained alert to any indications of fraud or non compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Pearson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
30 May 2022

Bamboo Funding Limited**Statement of comprehensive income for the year ended 31 December 2021**

| | Notes | Year Ended 31 December 2021 £ | Year Ended 31 December 2020 £ |
|--|-------|--|--|
| Interest receivable and similar income | 2 | 7,577,305 | 7,369,429 |
| Interest payable and similar charges | 3 | (3,695,612) | (3,637,721) |
| Net Interest Income | | 3,881,693 | 3,731,708 |
| Other operating expenses | | (3,877,493) | (3,727,508) |
| Profit before taxation | | 4,200 | 4,200 |
| Tax on profit on ordinary activities | 6 | (798) | (798) |
| Profit after taxation | | 3,402 | 3,402 |
| Total comprehensive income for the year | | 3,402 | 3,402 |

All amounts relate to continuing activities.

The notes on pages 15 to 24 form part of these financial statements.

Bamboo Funding Limited
Company registration No. 11253475

Statement of financial position as at 31 December 2021

| | Notes | 2021 £ | 2020 £ |
|--|-------|--------------------|-------------------|
| Current assets | | | |
| Deemed loan | 7 | 97,219,302 | 37,136,570 |
| Debtors | 8 | 7,019,955 | 2,520,227 |
| Cash at bank and in hand | 11 | 9,329,109 | 5,819,142 |
| | | 113,568,366 | 45,475,939 |
| Creditors: amount falling due within one year | 9 | (1,389,413) | (1,004,845) |
| Net current assets | | 112,178,953 | 44,471,094 |
| Total assets less current liabilities | | 112,178,953 | 44,471,094 |
| Creditors: amounts falling due after more than one year | 9 | (112,168,011) | (44,463,554) |
| Net assets | | 10,942 | 7,540 |
| Capital and reserves | | | |
| Called up share capital | 10 | 1 | 1 |
| Profit and loss account | | 10,941 | 7,539 |
| Total shareholders' funds | | 10,942 | 7,540 |

The notes on pages 15 to 24 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 30 May 2022 and signed on their behalf by:



Ian Hancock
Per pro **Intertrust Directors 1 Limited**
Director

Bamboo Funding Limited**Statement of changes in equity for the year ended 31 December 2021**

| | Called up share Capital £ | Profit and loss account £ | Total shareholders' funds £ |
|---|--|--|--|
| Balance as at 31 December 2019 | 1 | 4,137 | 4,138 |
| Total comprehensive income for the year | - | 3,402 | 3,402 |
| Balance as at 31 December 2020 | 1 | 7,539 | 7,540 |
| Total comprehensive income for the year | - | 3,402 | 3,402 |
| Balance as at 31 December 2021 | 1 | 10,941 | 10,942 |

The notes on pages 15 to 24 form part of these financial statements.

Bamboo Funding Limited**Notes to the financial statements for the year ended 31 December 2021 (continued)**

1) Accounting policies (continued)***Deemed Loan***

Where a transfer of a financial asset does not qualify for de-recognition, the transferee does not recognise the transferred asset as its asset. The transferee derecognises the cash or other consideration paid and recognises a receivable from the transferor. In relation to the Loan Portfolio transferred to the Company, de-recognition is considered to be inappropriate for the portfolio's seller as they have retained significant risks and rewards of that financial asset. The Company's financial statements are therefore prepared on the basis that its acquisition of beneficial interests in the Loan Portfolio are recognised as a collateralised non-recourse loan to the Seller, based on the amount the Company paid to the Seller to acquire the Loan Portfolio net of deferred consideration due to Seller.

The Loan Portfolio acquired by the Company from the Seller fails the de-recognition criteria of IAS39 and therefore the Loan Portfolio remains on the balance sheet of the Seller. Therefore instead of recognising the Loan Portfolio in the balance sheet, the Company has recognised a loan to the Seller (the "Deemed Loan") on the statement of financial position of the Company.

The Company retains the right to receive £350 each month of available revenue receipts from the beneficial interest in the Loan Portfolio. Available revenue receipts are defined by the transaction documentation and include interest on the Loan Portfolio and interest received on the bank accounts. Interest receipts on the Loan Portfolio in excess of those required by the Company to meet its obligations under the transaction documents, including in relation to retained profit accrued to the Seller of the Loan Portfolio as deferred consideration. The payments of deferred consideration are strictly governed by the priority of payments that sets out how cash can be utilised. The deferred consideration has been incorporated with the Deemed Loan, due to its linkage with the cash flows associated with the Loan Portfolio.

Due to the non-recourse nature of the Loans, the Company's ability to pay amounts due on the Loans is, in substance, limited to the application of the receipts from the Loan Portfolio under the terms of the priority of payments as set out in the Loan Facilities agreements. If the proceeds from the Loans are insufficient to pay amounts due to the Lenders, such amounts will cease to be due. However, the Deemed Loan is subject to impairment reviews in accordance with IAS 39 and the directors consider that no impairment exists. Impairment would be recognised if a risk was identified that the future amounts realised from the Loan Portfolio which collateralises the Deemed Loan would not be sufficient to meet the Company's obligations to repay the Loan Facilities.

Loan Facilities

The Loan Facilities are classified as other financial liabilities and are initially recognised at fair value at the date of issuance of the liability, and are subsequently measured at amortised cost using the effective interest rate method.

Cash at bank and in hand

Cash at bank and in hand comprise cash at bank.

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 statement of financial position date.

Under the powers conferred by the Finance Act 2005 (the "Act"), secondary legislation was enacted in 2006 which ensures that, subject to certain conditions being met and an election being made, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the profit of the securitisation company required to be retained in accordance with the relevant capital market arrangement.

The directors are satisfied that this Company meets the definition of a 'securitisation company' as defined by both the Act and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise.

Bamboo Funding Limited**Notes to the financial statements for the year ended 31 December 2021 (*continued*)**

1) Accounting policies (*continued*)***Use of estimates and judgments***

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The judgments and estimates involved in the Company's accounting policies that are considered by the directors to be the most important to the portrayal of the Company's financial condition and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment

The recoverability of the Deemed Loan to the Seller is dependent on the collections from the underlying borrowers' loans. The Loan Portfolio is considered impaired when it is probable that the Company will be unable to collect sufficient amounts due according to the contractual terms of the underlying borrower loan agreements comprised in the Loan Portfolio to be able to meet its obligations. Currently the directors consider that no impairment exists. The key assumptions for recoverability relate to estimates of the probability of any account going into default, cash flows from borrowers' accounts, their timing and expected proceeds from the sale of repossessed collateral. These key assumptions are based on observed data from historical patterns and are updated by the servicer as new data becomes available.

In addition, the directors consider how appropriate past trends and patterns could impact the current economic climate and may make any adjustments they believe are necessary to reflect the current economic and market conditions.

The accuracy of impairment calculations would therefore be affected by unexpected changes to the economic situation, variances between the models used and the actual results, or assumptions which differ from the actual outcomes.

Bamboo Funding Limited**Notes to the financial statements for the year ended 31 December 2021 (continued)**

| | Year Ended 31 December 2021 £ | Year Ended 31 December 2020 £ |
|--|--|--|
| 2) Interest receivable and similar income | | |
| Deemed Loan Interest | <u>7,577,305</u> | <u>7,369,429</u> |

| | Year Ended 31 December 2021 £ | Year Ended 31 December 2020 £ |
|--|--|--|
| 3) Interest payable and similar charges | | |
| Interest on Loan Facilities | <u>3,695,612</u> | <u>3,637,721</u> |

| | Year Ended 31 December 2021 £ | Year Ended 31 December 2020 £ |
|---|--|--|
| 4) Profit before taxation | | |
| This has been arrived at after charging: | | |
| Auditors' remuneration - - audit of the Company's annual financial statements | <u>23,162</u> | <u>15,500</u> |
| | <u>23,162</u> | <u>15,500</u> |

5) Directors and employees

The Company has no employees and services required are contracted from third parties. The directors received no remuneration from the Company in respect of qualifying services rendered to the Company during the year (2020: nil). Please see related party note 13 for details of corporate services fees payable to a related party for the provision of director services.

| | Year Ended 31 December 2021 £ | Year Ended 31 December 2020 £ |
|---|--|--|
| 6) Taxation on profit | | |
| a) Analysis of Company tax charge for the period | | |
| Current tax: | | |
| UK corporation tax charge on profit | <u>798</u> | <u>798</u> |
| | <u>798</u> | <u>798</u> |

Bamboo Funding Limited**Notes to the financial statements for the year ended 31 December 2021 (continued)****6) Taxation on profit (continued)****b) Factors affecting tax charge for period**

The charge in respect of taxation for the period is based on the UK standard rate of corporation tax of 19%.

The differences are explained below:

| | Year Ended 31 December 2021 £ | Year Ended 31 December 2020 £ |
|--|--|--|
| Profit before tax | 4,200 | 4,200 |
| Current tax charge at 19% | 798 | 798 |
| Effects of: | | |
| Accounting profits not taxed in accordance with SI 2006/3296 | (798) | (798) |
| Cash retained profit taxed in accordance with SI 2006/3296 | 798 | 798 |
| Total tax | 798 | 798 |

For UK corporation tax purposes, the Company has been considered as a Securitisation company under the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296). Therefore, the Company is not required to pay corporation tax on its accounting profit nor recover tax on its loss. Instead, the Company is required to pay tax based on its retained profits of £350 for each interest payment date.

7) Deemed Loan

| | 2021 £ | 2020 £ |
|------------------------------------|-------------------|-------------------|
| Opening balance | 37,136,570 | 57,031,538 |
| Purchase of new loans | 125,151,965 | 61,045,662 |
| Redemptions & loan write-offs | (93,529,010) | (81,402,703) |
| Suspense receipts | (7,867) | (7,269) |
| EIR Adjustment | (1,180,185) | (2,683,704) |
| Movement in deferred consideration | 29,647,829 | 3,153,046 |
| Net Deemed Loan | 97,219,302 | 37,136,570 |

The maturity profile of the Deemed Loan was as follows:

| | 2021 £ | 2020 £ |
|-----------------------|-------------------|-------------------|
| In one year or less | 32,696,103 | 37,136,570 |
| In more than one year | 64,523,199 | - |
| | 97,219,302 | 37,136,570 |

Bamboo Funding Limited**Notes to the financial statements for the year ended 31 December 2021 (continued)**

| 8) Debtors | 2021 £ | 2020 £ |
|------------------------------|-------------------------|-------------------------|
| Prepayment | 10,447 | 10,447 |
| Amounts owed by the Servicer | 7,009,508 | 2,509,780 |
| | <u>7,019,955</u> | <u>2,520,227</u> |

| 9) Creditors: Amounts falling due within one year: | 2021 £ | 2020 £ |
|---|-------------------------|-------------------------|
| Accrued interest payable on Loan Facilities | 233,591 | 96,963 |
| Corporation tax creditor | 798 | 798 |
| Accrued expenses | 1,155,024 | 907,084 |
| | <u>1,389,413</u> | <u>1,004,845</u> |

Creditors: Amounts falling due after one year:

| | | |
|-----------------|---------------------------|--------------------------|
| Loan Facilities | 112,168,011 | 44,463,554 |
| | <u>112,168,011</u> | <u>44,463,554</u> |

The maturity profile of the Notes is detailed below under Note 11 – 'Liquidity Risk'.

| 10) Called up share capital | 2021 £ | 2020 £ |
|---------------------------------------|-------------------|-------------------|
| <i>Called up, allotted and issued</i> | | |
| 1 ordinary share of £1: fully paid | 1 | 1 |
| | <u>1</u> | <u>1</u> |

Intertrust Corporate Services Limited is the sole member of the Company.

11) Financial instruments

The narrative disclosure required by Financial Reporting Standard 102 in relation to the nature of the financial instruments used during the period to mitigate credit, interest rate and liquidity exposure is shown in the Strategic report under the heading 'Financial instruments'.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The Company's exposure to risk on its financial instruments and the management of such risk is largely determined from inception of the transaction. The Company's activities and the role of each party to the transaction is clearly defined and documented.

Bamboo Funding Limited**Notes to the financial statements for the year ended 31 December 2021 (continued)****11) Financial instruments (continued)**

| Categories of financial instruments | 2021 £ | 2020 £ |
|--|-------------------------|-------------------------|
| Financial assets | | |
| Deemed Loan | 97,219,302 | 37,136,570 |
| Cash and cash equivalent | 9,329,109 | 5,819,142 |
| Other debtors | 7,019,955 | 2,520,227 |
| | 113,568,366 | 45,475,939 |
| Financial liabilities | | |
| Loan Facilities | 112,168,011 | 44,463,554 |
| Other creditors | 1,389,413 | 1,004,845 |
| | 113,557,424 | 45,468,399 |

Credit risk

Credit risk reflects the risk that the underlying borrowers will not be able to meet their obligations on the Loan Portfolio as they fall due and will cause a financial loss by failing to discharge an obligation.

The Company's business objective rests on the purchase of a Loan Portfolio. The Company considers the evaluation of the underlying borrower's ability to service the Loan Portfolio according to its terms to be the principal factor in assessing credit risk and the decision to acquire the Loan Portfolio.

The recoverability of the Deemed Loan is dependent on the collections from the underlying loans. The Deemed Loan is considered impaired when it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the underlying borrowers loan agreements. However, it will not result in an impairment loss if the cash flows from the Loan Portfolio are still expected to be sufficient to meet the Company's obligations to repay the Loan Facilities and the Deemed Loan. The financial loss incurred on the Loan Portfolio will not trigger an impairment charge as long as it does not exceed the credit enhancement granted by the Seller.

The directors have assessed the latest information provided by the servicer and have decided to provide no impairment provision (2020: Nil).

The maximum exposure to credit risk pre-collateral as stated above arising on the Company's financial assets at the reporting date is disclosed in the table below and is equivalent to the book value of the financial assets.

| | Carrying Value 2021 £ | Maximum Exposure 2021 £ | Carrying Value 2020 £ | Maximum Exposure 2020 £ |
|---------------------------|--|--|--|--|
| Assets: | | | | |
| Deemed Loan | 97,219,302 | 97,219,302 | 37,136,570 | 37,136,570 |
| Cash and cash equivalents | 9,329,109 | 9,329,109 | 5,819,142 | 5,819,142 |
| | 106,548,411 | 106,548,411 | 42,955,712 | 42,955,712 |

Bamboo Funding Limited**Notes to the financial statements for the year ended 31 December 2021 (continued)****11) Financial instruments (continued)****Credit risk (continued)**

The credit quality of the Loan Portfolio is summarised as followed:

| | 2021 | 2020 |
|-------------------------------|---------------------------|--------------------------|
| | £ | £ |
| Loans | | |
| Neither past due nor impaired | 111,057,918 | 77,494,015 |
| Past due but not impaired | 3,688,262 | 4,378,157 |
| Individually impaired | 3,285,268 | 4,535,492 |
| | <u>118,031,448</u> | <u>86,407,664</u> |

Market risk

Market risk is defined as the potential loss in value or earnings of an organisation arising from changes in external market factors.

Interest rate risk

Interest rate risk exists where interest rates on assets and liabilities are set on different bases or reset at different times. The underlying borrowers' loans in the Loan Portfolio are based on a fixed interest rate range and are not exposed to market driven fluctuations and interest on the Loan Facilities which is lower is calculated by reference to SONIA benchmark interest rates plus a margin. Given the size of the net interest margin between the Company's weighted average interest rate charged to its customers and its blended cost of financing, the Company does not currently hedge its interest rate risk exposure.

Interest on the book value of the liabilities is determined and payable monthly in arrears. As at 31 December 2021 the following rates were applicable:

| | 2021 | 2020 | Interest rate |
|-------------------------------------|---------------------------|--------------------------|----------------------|
| | £ | £ | |
| Loan Facilities | 112,835,915 | 44,721,307 | SONIA + Margin |
| | <u>112,835,915</u> | <u>44,721,307</u> | |
| Accrued interest on Loan Facilities | 233,591 | 96,963 | |
| | <u>113,069,506</u> | <u>44,818,270</u> | |

Under the terms of the documentation governing the transaction, payments of interest are limited to the extent that sufficient revenue receipts are available.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at an unacceptably high cost. The Company's ability to meet payments on the Loans as they fall due is dependent on timely receipt of funds on the Loan Portfolio.

Bamboo Funding Limited**Notes to the financial statements for the year ended 31 December 2021 (continued)****11) Financial instruments (continued)**

The table below reflects the undiscounted contractual cash flows of non-derivative financial liabilities at the statement of financial position date.

| | Carrying value £ | Expected gross cash flows £ | In less than 1 month | 1-3 months £ | 3 -12 months £ | 1 year to 5 years £ | After 5 years £ |
|------------------------------------|---------------------|--------------------------------|----------------------|-----------------|-------------------|------------------------|--------------------|
| As at 31 December 2021 | | | | | | | |
| Loan Facilities | 112,835,915 | 112,835,915 | - | - | - | 112,835,915 | - |
| Interest payable | 233,591 | 10,885,636 | 482,754 | 672,993 | 3,136,834 | 6,593,055 | - |
| Total financial liabilities | 113,069,506 | 123,721,551 | 482,754 | 672,993 | 3,136,834 | 119,428,970 | - |
| As at 31 December 2020 | | | | | | | |
| Loan Facilities | 44,721,307 | 44,721,307 | - | - | - | 44,721,307 | - |
| Interest payable | 96,963 | 6,096,765 | 200,391 | 381,389 | 1,777,662 | 3,737,323 | - |
| Total financial liabilities | 44,818,270 | 50,818,072 | 200,391 | 381,389 | 1,777,662 | 48,458,630 | - |

The Loans do not have any contractual cash flows as they are repaid based on the cash received from the Loan Portfolio. The contractual cash flows included in tables above relate to the contractual cash flows on the Loan Portfolio. Interest payable on the Loans has been based on current SONIA rates.

Currency profile

All of the Company's financial assets and liabilities are denominated in Sterling.

Fair value of financial assets and liabilities

Financial Reporting Standard 102 in relation to the nature of the financial instruments that are measured in the balance sheet at fair value requires them to be put into a fair value measurement hierarchy based on fair value measurement as detailed below:

level 1 - prices (unadjusted) in active markets for identical assets or liabilities.

level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There are no financial instruments included in the Company's statement of financial position that are measured at fair value.

12) Ultimate parent undertaking

The entire issued share capital of the Company is held by the legal parent company Intertrust Corporate Services Limited ("ICSL") a company incorporated in the United Kingdom and registered in England and Wales. ICSL holds the share on a discretionary trust basis under a share trust deed. As the trustees are not entitled to any economic benefit and the beneficiaries do not have any decision-making power, they are not a controlling party. The Company is considered to be a subsidiary of Bamboo Topco Limited on the basis that the activities of the Company are conducted on behalf of Bamboo Limited (itself a subsidiary of Bamboo Topco Limited) and because the residual risks are retained by Bamboo Limited.

Copies of the financial statements of Intertrust Corporate Services Limited may be obtained from 1 Bartholomew Lane, London EC2N 2AX.

Bamboo Funding Limited**Notes to the financial statements for the year ended 31 December 2021 (continued)**

13) Related party transactions

A number of transactions have been entered into with the related parties as part of the Company's normal business. The related parties are Bamboo Limited, Silverstripe International Holdings LLC ("Silverstripe") and Intertrust Management Limited by the virtue of their various roles and input into securitisation arrangements to which the Company is a party.

Bamboo Limited

The total amount due from Bamboo Limited as at 31 December 2021 was £103,316,933 comprising the Deemed Loan £97,219,302 (2020: £37,136,570), amounts owed by the Servicer £7,009,508 (2020: £2,509,780) less amounts owed by the Company of £911,877 (2020: £612,978).

The balance of the Deemed Loan to Bamboo Limited includes a net deferred consideration payable of £29,647,829 (2020: £3,153,046). Interest received during the year on the Deemed Loan amounted to £7,577,305 (2020: £7,369,429).

Silverstripe

Silverstripe, a company incorporated within the United States of America is the ultimate parent of Bamboo Limited. During the year Silverstripe advanced £25,293,704 to the Company (2020: Nil). This amount is included in the Loan Facilities balance and remains outstanding at year end. During the year interest of £601,089 accrued to Silverstripe.

Intertrust Management Limited

During the year, fees of £47,083 (2020: £37,568) were paid to Intertrust Management Limited in respect of corporate services fees provided to the Company. As at year end £10,447 (2020: £10,447) was prepaid.

Intertrust Corporate Services Limited is a wholly owned subsidiary of Intertrust Management Limited.