Registered in Jersey No. 88556

SECURITISATION OF CATALOGUE ASSETS LIMITED

Annual Report and Financial Statements

For the year ended 30 September 2020

SECURITISATION OF CATALOGUE ASSETS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

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SECURITISATION OF CATALOGUE ASSETS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	John Pendergast Angelo Orosco
SECRETARY	Sanne Secretaries Limited IFC 5 St Helier Jersey JE4 5UT Channel Islands
REGISTERED OFFICE	IFC 5 St Helier Jersey JE1 1ST Channel Islands
ADVOCATES	Mourant Ozannes 22 Grenville Street St Helier Jersey JE4 8PX Channel Islands
BANKER AND TRUSTEE	HSBC Bank Plc 8 Canada Square London United Kingdom E14 5HQ
INDEPENDENT AUDITOR	Deloitte Ireland LLP 29 Earlsfort Terrace Dublin 2 Ireland D02 AY28

DIRECTORS' REPORT

The directors (the "Directors") present their annual report and the audited financial statements of Securitisation of Catalogue Assets Limited (the "Company") for the year ended 30 September 2020.

PRINCIPAL ACTIVITIES

The Company was incorporated in Jersey on 17 September 2004.

The Company was established as a special purpose vehicle to enter into securitisation or repackaging transactions by acquiring, dealing with or providing finance in respect of receivables or other assets and entering into transactions having a similar effect, each such transaction to be funded by borrowings.

The Company provides finance to Securitisation of Catalogue Assets Receivables Trust Limited ("SOCA RT") and Securitisation of Catalogue Assets (UK) Limited ("SOCA UK"), which in turn provides finance to SOCA RT, in order to fund SOCA RT's purchase of catalogue receivables from Shop Direct Finance Company Limited ("SDFCL"). Until 20 November 2013, the Company financed these activities by issuing discounted loan notes to various subscribers. On 20 November 2013, the Company fully redeemed the discounted loan notes.

The Company finances its activities by issuing funding notes, having issued Class A-S and Class A-J variable funding notes (the "Class A-S Notes" and "Class A-J Notes" respectively) to the Royal Bank of Scotland Plc ("RBS"), Royal Bank of Canada ("RBC"), Deutsche Bank, Sheffield, Regency Assets and KFL2, Class B and C funding notes (the "Class B Notes" and "Class C Notes") to multiple investors under the CarVal group and Insight group (together, the Class A-S Notes, Class A-J Notes, Class B Notes and Class C Notes are referred to as the "Notes").

The aggregate nominal amount of the Notes in issue as at 30 September 2020 was: Class A-S – £949.08m; Class A-J – £93.83m; Class B – £105m; Class C1 – £105m; Class C2 - £50m. The aggregate nominal amount of the Notes in issue as at 30 September 2019 was: Class A-S – £981.31m; Class A-J – £111.99m; Class B – £105m; Class C – £105m.

The Notes are listed on The International Stock Exchange ("TISE") located in Guernsey.

BUSINESS REVIEW

The key performance indicator for the Company is its finance income from interest and fees. Total finance income was £46m in 2020 compared with £45m in 2019. Total funding costs were £46m (2019: £45m).

RESULTS AND DIVIDENDS

The results for the year and the state of the Company's affairs are set out in the accompanying financial statements.

The profit for the year was £nil (2019: £nil)

No dividends were declared or paid by the Company during the year (2019: £nil) and the Directors do not propose a final dividend (2019: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Coronavirus outbreak has caused ongoing disruption to businesses and economic activity worldwide. Global markets have reacted sharply to this pandemic, with concerns regarding the economic impact this may have on a global scale.

Although the Coronavirus outbreak may have a material adverse impact on the assets held by the Company, it is not likely to have a material adverse effect on the overall financial position and/or net results of the Company due to the fact that the Company has attempted to match the properties of its financial liabilities to those of its financial assets to mitigate significant elements of risk generated by mismatches of investment performance caused by market risks and/or any other risks such as credit risks against its obligations. Accordingly, the risks associated with the Company's financial assets and financial liabilities are ultimately borne by the Noteholders.

The principal risks facing the Company are liquidity risk, interest rate risk and credit risk. The Company has policies in place to mitigate these risks; refer to note 15 of the financial statements for details.

DIRECTORS' REPORT (continued)

GOING CONCERN

The Directors confirm that there are no arrears of interest on current borrowings and the conditions on current borrowings are satisfied as at the reporting date. The Directors are not aware of any indicators that SOCA RT will be unable to meet its loan obligations to the Company or to SOCA UK and, in turn, SOCA UK to the Company. Immaterial impairment indicators have been noted on the customer loans and therefore a £nil provision has been recognised (2019: £nil). As the Directors believe that the Coronavirus outbreak is not likely to have a material adverse effect on the overall financial position and/or net results of the Company, the Coronavirus outbreak has had no material impact on the Directors' going concern assessment. Based on these reasons and those as discussed in note 1, the financial statements have been prepared on the going concern basis.

CREDIT RISK

The Company is exposed to credit risk on its loans made to SOCA RT to finance SOCA RT's purchase of finance charge receivables originated by SDFCL. The principal risks associated with SDFCL is the exposure to bad debts and late payments by individual customers. However, individual customers are closely monitored with clear procedures on the establishment and monitoring of credit. The credit risk of the Company is also mitigated by the limited recourse nature of the Company's funding.

The maximum exposure to credit risk arising on the Company's financial assets as of the reporting date and prior year end is the amount on the statement of financial position. There are no impaired or past due assets held at year-end (2019: £nil).

LIQUIDITY RISK

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due.

The Company reduces its liquidity risk by matching the maturity profile of the Company's funding to the maturity profile of the assets being funded. Currently the Company's assets are funded through limited recourse loans whereby the maturity profile of the Company's funding effectively matches the underlying assets. The Company receives funding from a number of co-funders. Each co-funder that primarily finances itself through issuance of commercial paper is required under the securitisation programme to ensure sufficient liquidity facilities exist to enable them to continue to fund the Company in the event that they are unable to obtain finance in the commercial paper market.

Interest receipts from the loan assets and payments on the loan notes are matched on the fixed rate loan notes.

INTEREST RATE RISK

The Company financed the provision of loans to SOCA RT through the issue of Notes.

The interest payments on the Notes issued by the Company are matched by the interest receipts on the respective loans to SOCA RT and SOCA UK. Consequently, the Company is not exposed to material interest rate risk.

DIRECTORS' DETAILS

The Directors of the Company who served throughout the year unless stated otherwise were as follows:

John Pendergast
Angelo Orosco

EMPLOYEES

The Company had no employees during the current year or prior year. Sanne Fiduciary Services Limited performs the administration function. Sanne Secretaries Limited performs the Company's secretarial functions.

AUDITOR

On 13th February 2020 Deloitte Ireland LLP was appointed as independent auditor. The auditor, Deloitte Ireland LLP Auditors, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

Angelo Orosco
Approved by the Board of Directors
and signed on behalf of the Board

Director
25 May 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

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

The Companies (Jersey) Law 1991, as amended (the "Law") requires the Directors to prepare financial statements for each financial year. Under the Law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to 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.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that 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 Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Securitisation of Catalogue Assets Limited

Report on the audit of the financial statements

Opinion on the financial statements of Securitisation of Catalogue Assets Limited

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 30 September 2020 and of the results for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Company (Jersey) Law 1991.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Statement of Cash flow and
- the related notes 1 to 18, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Company (Jersey) Law 1991 and International Financial Reporting Standards (IFRSs) as adopted by the European Union ("the relevant financial reporting framework").

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 described below 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 Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, as applied to listed entities, 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.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current financial year were: • Valuation of loans receivable
Materiality	The materiality that we used in the current financial year was £26,058,000, or approximately 2% of the loan notes.
Scoping	We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined.
Significant changes in our approach	There are no significant changes to our approach which require disclosure.

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Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Loan Receivable	
Key audit matter description	For the financial year ended 30 September 2020 the loans receivable of the company of £1,302,909,000 make up approximately 98% of the company's total assets £1,323,558,000. The carrying value of the loan receivable adjusted for any provision for impairment is considered a key audit matter as the determination of an appropriate impairment charge requires a significant amount of management judgment over key assumptions and relies on available data. There is a potential risk that the loans receivable may be impaired and the provision for impairment may not represent an appropriate estimate of the losses incurred. This could have a material impact on the financial statements. Refer also to note 1 and 9 in the financial statements.
How the scope of our audit responded to the key audit matter	We performed the following procedures over the carrying value of loans receivable: We obtained an understanding and assessed the design and implementation of the key controls that have been implemented over the valuation process for the loans receivable. We challenged whether the impairment policy adopted for the loans receivable is in line with IFRS and agreed the carrying value of loan and receivable recognised by management to an independent loan confirmation. We reviewed the judgements and assumptions made by management in estimating the impairment calculation to independently assess whether they are reasonable and supported by the available internal data and external market indicators. We assessed that the overall impairment number is within a range we would consider reasonable, however we have recommended to management that the approach to expected credit loss calculation should adopt an appropriate model based methodology.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the company to be £26,058,000 or 2% of the loan notes. We have considered the loan note to be the critical component for determining materiality because the main objective of the company is to provide investors with a long term risk adjusted return. We have considered quantitative and qualitative factors such as understanding the company and its environment, complexity of the company and the reliability of control environment.

We agreed with the Board of Directors (the "Board") that we would report to the Board any audit differences in excess of 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit is a risk based approach taking into account the structure of the company, types of financial assets, the involvement of the third party service providers, the accounting processes and controls in place, and the industry in which the company operates.

We have conducted our audit based on the books and records maintained by the corporate administrator, Sanne Fiduciary Services Limited. We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Audited 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.

Responsibilities of directors

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

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

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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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude 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 auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

For listed entities and public interest entities, the auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, including the Ethical Standard for Auditors (Ireland) 2016, and communicates with them all relationships and other matters that may reasonably be thought to bear on the auditor’s independence, and where applicable, related safeguards.

Where the auditor is required to report on key audit matters, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. The auditor describes these matters in the auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This report is made solely to the company's members, as a body, in accordance with Companies (Jersey) Law 1991. 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.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Company (Jersey) Law 1991

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the strategic report and the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Company (Jersey) Law 1991.

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

Matters on which we are required to report by exception

Under the Companies (Jersey) Law, 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

John McCarroll
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 1 June 2021

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 September 2020

	Notes	2020 £'000	2019 £'000
REVENUE			
Net interest income	3	43,803	42,770
Net interest expense	4	(43,803)	(42,770)
GROSS PROFIT		-	-
Other income	5	2,259	2,391
Other expenses	6	(2,259)	(2,391)
PROFIT BEFORE TAX		-	-
Tax charge for the year	8	-	-
PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

The notes on pages 14 to 21 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 September 2020

	Notes	**2020**	2019
		£'000	£'000
ASSETS			
Loans receivable	9	1,302,909	1,303,296
Cash and cash equivalents	11	17,333	18,284
Other receivables	10	3,316	3,149
TOTAL ASSETS		1,323,558	1,324,729
LIABILITIES AND EQUITY			
LIABILITIES			
Other payables	12	20,646	21,430
Loan Notes	13	1,302,909	1,303,296
TOTAL LIABILITIES		1,323,555	1,324,726
EQUITY			
Share capital	14	-	-
Retained earnings		3	3
TOTAL EQUITY		3	3
TOTAL LIABILITIES AND EQUITY		1,323,558	1,324,729

The financial statements were approved by the Board of Directors and authorised for issue on 25 May 2021
Signed on behalf of the Board of Directors

John Pendergast

John Pendergast
Director
25 May 2021
Director

The notes on pages 14 to 21 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2020

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
Balance as at 1 October 2018	-	3	3
Profit for the year	-	-	-
Balance as at 1 October 2019	-	3	3
Profit for the year	-	-	-
Balance as at 30 September 2020	-	3	3

The notes on pages 14 to 21 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
For the year ended 30 September 2020

	Notes	2020 £'000	2019 £'000
Operating activities			
Profit before tax		-	-
Increase in other receivables	10	(167)	(214)
Decrease in other payables	12	(784)	11,051
Net cash inflow from operating activities		(951)	10,837
Investing activities			
Loans advanced during the year	9	387	(13,342)
Net cash inflow/(outflow) from investing activities		387	(13,342)
Financing activities			
Net proceeds from Notes issued	13	(387)	13,342
Net cash inflow/(outflow) from financing activities		(387)	13,342
Net increase/(decrease) in cash and cash equivalents		(951)	10,837
Cash and cash equivalents at beginning of year		18,284	7,447
Cash and cash equivalents at end of year		17,333	18,284
Net Interest paid during the year		(43,803)	(42,770)
Net Interest received during the year		43,803	42,770

The notes on pages 14 to 21 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2020

1 ACCOUNTING POLICIES

General information

Securitisation of Catalogue Assets Limited is a company incorporated in Jersey. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report.

Basis of accounting

The financial statements have been prepared in accordance with IFRS as adopted for use in the European Union. The financial statements have been prepared on a going concern basis as explained in the Directors' Report.

The financial statements have been prepared on the historical cost basis.

Going concern

The Company's business activities, performance and position, as well as principal risks and uncertainties are set out in the Business Review on page 2.

The Coronavirus outbreak has caused ongoing disruption to businesses and economic activity worldwide. Global markets have reacted sharply to this pandemic, with concerns regarding the economic impact this may have on a global scale.

Although the Coronavirus outbreak may have a material adverse impact on the assets held by the Company, it is not likely to have a material adverse effect on the overall financial position and/or net results of the Company due to the fact that the Company has attempted to match the properties of its financial liabilities to those of its financial assets to mitigate significant elements of risk generated by mismatches of investment performance caused by market risks and/or any other risks such as credit risks against its obligations. Accordingly, the risks associated with the Company's financial assets and financial liabilities are ultimately borne by the Noteholders.

The Company's debt obligations are limited-recourse, as a result of which the maturity profile of the Company's funding is effectively matched to the maturity profile of the funded assets. Each funder that primarily finances itself through issuance of commercial paper is required under the securitization programme to ensure sufficient liquidity facilities exist to enable them to continue to fund the Company in the event that they are unable to obtain finance in the commercial paper market. Management are not aware of any issues relating to the availability of liquidity facilities to the funders and the funders have continued to be able to provide funding to the Company despite the uncertainties set out on page 2.

Furthermore, the Company is entitled to reimbursement from loan borrowers of amounts paid relating to operating expenses incurred by the Company.

After making enquiries, and considering the principal risks and uncertainties set out on page 2, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and account.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of loan assets, in particular over recoverability of assets as discussed in note 15. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements on carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates used in the financial statements.

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 the current and future periods.

1 ACCOUNTING POLICIES (continued)

New standards, amendments or interpretations

(i) Effective for annual periods beginning after 1 January 2020

In the current financial year, the Company has adopted the following new standards, applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments are effective for annual periods beginning on or after January 1, 2020. Early application is permitted.

Definition of a Business (Amendments to IFRS 3)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; add guidance and illustrative examples to help entities assess whether a substantive process has been acquired; remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for annual periods beginning on or after January 1, 2020. Early application is permitted.

Definition of Material (Amendments to IAS 1 and IAS 8)

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

The amendments are effective for annual periods beginning on or after January 1, 2020. Early application is permitted.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

The amendments are effective for annual periods beginning on or after January 1, 2020. Early application is permitted.

Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

The amendments are effective for annual periods beginning on or after June 1, 2020. Early application is permitted.

1 ACCOUNTING POLICIES (continued)

New standards, amendments or interpretations (continued)

(ii) Standards not yet effective, but available for early adoption

Description	Effective date*
Amendments to IFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to IAS 16: Property, Plant and Equipment- Proceeds before intended use	1 January 2022
Amendments to IAS 37: Onerous Contracts- Cost of Fulfilling a contract	1 January 2022
IFRS 1: First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	1 January 2022
IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial	1 January 2022
IAS 41 Agriculture: Taxation in fair value measurement	1 January 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 17: Insurance contracts	1 January 2023**

*Where new requirements are endorsed, the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable to the Company, it will apply them from their EU effective date.

**Not endorsed.

The Directors have considered the new standards, amendments and interpretations as detailed in the above table and does not plan to adopt these standards early. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company. The Directors have concluded that none of the above may be relevant.

Financial assets and financial liabilities

Classification

IFRS 9 contains three principal classification categories for financial assets: Measured at amortised cost, fair value through other comprehensive income and fair value through profit and loss. IFRS 9 largely retains the previous requirements in IAS 39 for the classification and measurement of financial liabilities.

Financial assets are classified at amortised cost if held within a business model where the objective is to hold the asset to collect its contractual cash flows, and the contractual terms of the financial asset give rise to cash flows on specified dates that represent payments of solely principal and interest on the outstanding principal amount, provided it has not been designated as fair value through profit and loss.

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable are added to or deducted from fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Recognition and measurement

The measurement at initial recognition did not change on adoption of IFRS 9. All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'trade/other receivables'. Trade/other receivables are measured at amortised cost using the effective interest method, less any impairment.

1 ACCOUNTING POLICIES (continued)

Financial assets and financial liabilities (continued)

Financial liabilities, including borrowings, are initially measured at fair value. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Assessment whether contractual cash flows are sole payments of principal and interest ("SPPI")

For the purposes of this assessment, 'principal' is defined as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular financial period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rate).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amounts plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Implementation of classification and measurement policy changes

The Company has concluded the work necessary to prepare for transition to IFRS 9 for classification and measurement. The SPPI test was applied based on the assessment of the contractual features of each product. All instruments assessed passed the SPPI test. This outcome is in line with management's expectation given the nature of the Company's business model and risk appetite.

Financial assets - subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on DE recognition is recognised in profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss is also recognised in profit or loss.

Financial liabilities at amortised cost:

- This includes other liabilities.

1 ACCOUNTING POLICIES (continued)

Impairment

IFRS 9 introduces an impairment model that requires the recognition of ECL on all financial assets at amortised cost. ECL are estimated based on the repayment profile of the Loans. The assessment is performed annually.

As required by IAS 39 and IFRS 9, all financial assets, except those carried at fair value through profit or loss, are subject to review for impairment at each reporting date. IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model in the measurement of impairment loss. At initial recognition, an impairment allowance is required for expected credit loss/losses ("ECL") resulting from possible default events within the next 12 months. If an event were to occur that significantly increased the credit risk of the counterparty, an allowance for ECL would be required for possible defaults over the term of the financial instrument. Such a change in credit risk of the counterparty would also have an impact on the recognition of income on the financial asset.

As permitted under IFRS 9, the Company has elected to utilize the practical expedient under which any necessary impairment allowance may be measured by estimating the twelve-month ECL.

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

Significant Increase in Credit Risk

For the purposes of the Company's credit risk oversight, a significant increase in credit risk is identified when the financial asset goes into arrears exceeding 30 days. This period is reasonable given the structure of the Loans.

Definition of Default

An event of default is defined as when SOCA RT goes into payment arrears and the Company determines that the borrower can no longer repay the Loan. The primary evidence of an event of default is SOCA RT going into payment arrears. No such instances exist in the Company as at the Statement of comprehensive income date (2019: none). Credit risk is monitored through SOCA RT's performance.

Therefore, a three-stage approach to impairment has been applied as follows:

Stage 1	Performing - the recognition of 12 month ECL, that is the portion of lifetime ECL from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition;
Stage 2	Underperforming – Loan is in arrears as at the reporting date of 30 days, lifetime ECL are recognised reflecting the increased credit risk since initial recognition; and
Stage 3	Non-performing loans - lifetime ECL for loans that are in default and a repayment is not expected reflecting the impairment of the asset.

There has been no such instance whereby there were delays in repayment. As such, the loan is classified under Stage 1.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to

ECLs are discounted at the effective interest rate of the financial asset. The ECL was computed using a credit adjusted effective interest rate ("CA-EIR").

The Company recognises the financial assets measured at amortised cost as POCI assets (credit-impaired) at the reporting date based on the substantial discount at which the financial assets were originally acquired.

Write-off

The gross carrying amount of a financial liability is written off when the Company has no reasonable expectations of recovering a financial liability in its entirety or a portion thereof.

Write back

The gross carrying amount of a financial liability is written back when the Company has reasonable expectations of recovering a financial liability in its entirety or a portion thereof."

1 ACCOUNTING POLICIES (continued)

Measurement of ECLs (continued)

Conclusion

In the Directors' opinion, the credit risk of a default at the level of the loans receivable and the cash and cash equivalents was low at initial recognition and the Directors have assessed that such risk remains low as at the reporting date. Consequently, in the Directors' opinion, the ECL for these financial assets for the twelve-month period after the reporting date is immaterial.

Interest income

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount.

Interest expense

Interest expense is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash outflows through the expected life of the financial liability to that liability's carrying amount.

Other income and expense

Fee income comprises loan facility, other fees and recharge of operational expenses. Fee expense includes loan facility, legal, administration, advisory and audit fees.

Fee income and expenses are accounted for on an accruals basis.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and are classified as loans and receivables. Interest income receivable on cash and cash equivalents is accounted for on an accrual basis.

Loans receivable

The Company is an Investor Beneficiary of a trust which owns a portfolio of home shopping receivables. This beneficial interest is economically equivalent to a loan and so has been classified as a financial asset measured at amortised cost under IFRS 9. The loans receivable are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Loan Notes issued

The Loan Notes issued are classified as financial liabilities measured at amortised cost under IFRS 9. The Loan Notes are initially measured at fair value at the date of issuance of the liability, and are subsequently measured at amortised cost using the effective interest method.

De-recognition Assessment

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation is discharged, cancelled or expired).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2020

1 ACCOUNTING POLICIES (continued)

De-recognition Assessment (continued)

According to the structure of the Company, the pool collections that would have otherwise been due to SOCA RT and eventually to the VFN investors are reinvested to purchase new receivables from SDFCL. The Company and SOCA RT do not meet the derecognition criteria of the pass-through test for funds to be passed on without material delay and to be invested only in cash and cash equivalents.

The Company also has funding available under a liquidity facility agreement, under which the liquidity reserve funds are to be used if the available amounts received from the pool collection on an interest payment date are not sufficient to pay the Noteholders.

Netting / Offsetting Assessment

Netting / Offsetting assessment performed according to IFRS 9 (previously IAS32 paragraph 42). A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

2 DIRECTORS AND EMPLOYEES

None of the Directors received any emoluments for their services to the Company during the year (2019: £nil).

None of the Directors had any material interest in any contract of significance in relation to the business of the Company (2019: none).

The Company does not have any employees (2019: none).

3 NET INTEREST INCOME

	2020	2019
	£'000	£'000
Net interest income on loans	43,803	42,770

All income is derived from SOCA RT and SOCA UK. The interest rate on the loan to SOCA UK is fixed at 5% per annum.

4 NET INTEREST EXPENSE

	2020	2019
	£'000	£'000
Net interest on loan notes	43,803	42,770

5 OTHER INCOME

	2020	2019
	£'000	£'000
Administration fees reclaim	2,226	2,279
Management fees reclaim	6	18
Audit fees reclaim	23	23
Other reclaim	4	71
	2,259	2,391

6 OTHER EXPENSES

	2020	2019
	£'000	£'000
Administration fees	2,226	2,279
Management fees	8	20
Audit fees	21	21
Other fees	4	71
	2,259	2,391

7 REMUNERATION OF THE AUDITOR

	2020 £'000	2019 £'000
Audit services for the audit of the Company's statutory accounts	21	21

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Profits arising in the Company are subject to Jersey Income Tax, currently at the tax rate of 0%.

9 NET LOANS RECEIVABLE

	2020 £'000	2019 £'000
Opening balance	1,303,296	1,289,954
Add: Loans advanced during the year	(387)	13,342
Closing balance	1,302,909	1,303,296

As at 30 September 2020, funds from the issuance of the Notes amounting to £1,270,462,068 had been advanced to SOCA RT and £32,447,061 had been advanced to SOCA UK, which in turn had issued a variable funding note to SOCA. The Directors are not aware of any indicators that SOCA RT will be unable to meet its loan obligations to the Company or to SOCA UK and, in turn, SOCA UK to the Company.

The interest rate on the variable funding note issued by SOCA UK is fixed at 5% per annum. The funding advanced to SOCA UK from the issuance of the variable funding note has been used to buy an interest in the receivables from SOCA RT, the interest rate on which has been set at the cost of funds plus a margin.

10 OTHER RECEIVABLES

	2020 £'000	2019 £'000
Other debtors	318	235
Interest receivable on the loans	2,998	2,914
	3,316	3,149

11 CASH AND CASH EQUIVALENTS

	2020 £'000	2019 £'000
Cash at bank	17,333	18,284

In November 2013, the Company established a Liquidity reserve fund. The amount standing to the credit of the liquidity reserve account will be utilised only in case of a liquidity shortfall.

Cash at bank represents £17,330k (2019: £18,281k) of required liquidity reserve fund and £3k (2019: £3k) held in the transaction account.

12 OTHER PAYABLES

	2020 £'000	2019 £'000
Interest payable on notes issued	2,998	2,914
Other creditors	17,648	18,516
	20,646	21,430

*Other creditors include fee payable of £318k (2019: £235k) and liquidity reserve payable to SDFCL of £17,330k (2019: £18,281k).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2020

13 LOAN NOTES

	2020	2019
	£'000	£'000
Opening Balance	1,303,296	1,289,954
Add: Variable Funding Notes issued/(redeemed) during the year	(387)	13,342
Closing Balance	1,302,909	1,303,296

There are two types of Funding Notes issued and outstanding:

	2020	2019
	£'000	£'000
Class A-S Variable Funding Note at Cost of funds +2%*	949,080	981,305
Class A-J Variable Funding Note at Cost of funds +2%*	93,829	111,991
Class B Fixed Funding Note at Cost of funds + 2.50%*	105,000	105,000
Class C1 Fixed Funding Note at Cost of funds + 6%*	105,000	105,000
Class C2 Fixed Funding Note at Cost of funds + 6%*	50,000	-
	1,302,909	1,303,296

*Cost of funds - the aggregate cost of funds incurred by each Class A VFN Note Purchaser funding the relevant Class A Variable Funding Note. The margin on Class A Variable Funding Notes remained at 2.00% during the year.

At year end, the Notes payable consisted of the net proceeds from issuing Variable Funding Notes to seven co-funders (described below). The borrowing was secured on the Company's loans receivable. Interest on Notes payable was set as per cost of funds plus margin.

The Company finances its activities by issuing Class A Variable Funding Notes to the Royal Bank of Scotland Plc ("RBS"), Royal Bank of Canada ("RBC"), Deutsche Bank, Sheffield, Regency Assets and KFL2, Class B, C1 and C2 funding Notes to multiple investors under the CarVal group and Insight group.

At year end, the amount available under these facilities from A-S Note purchasers was £949m, A-J Note purchasers was £94m and from B Note purchasers was £105m and from C1 Note purchasers was £105m and from C2 Note purchasers was £50m.

Pursuant to the Class A Note Issuance Facility Agreement and the Class B Note Issuance Facility Agreement entered into between the Company and the Note Purchasers on 20 November 2013, during the availability period and subject to the conditions, the Company obtained funding from the co-funders by issuing Variable Funding Notes from time to time to fund the purchase of certain interests in the finance charge receivables or to repay maturing variable funding notes, rolling on a monthly basis up to the limits above, until 1 December 2019.

14 SHARE CAPITAL

	2020	2018
	£	£
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid-up		
10 ordinary share of £1 each	10	10

The Ordinary shares of £1 each were issued on 17 September 2004 to Lively Limited and Juris Limited (five shares each) ("the shares"). The shares were transferred on 1 June 2013 to Sanne Nominees Limited and Sanne Nominees 2 Limited. The shares are held on trust for the Securitisation of Catalogue Assets Charitable Trust under the terms of declarations of trust dated 22 September 2004 with the ultimate beneficiaries being charities chosen by the Sanne Trustee Services Limited as Trustee of the Securitisation of Catalogue Assets Charitable Trust.

15 FINANCIAL INSTRUMENTS

The Company's financial instruments comprise Notes issued to various co-funders. The proceeds of these Notes is passed on to SOCA RT in exchange for a beneficial interest in the non-finance charge receivables, and loaned to SOCA UK to fund its purchase of a beneficial interest in the finance charge receivables from SOCA RT. At year-end, interest on the SOCA UK loan is at 5% fixed, while SOCA is entitled to receive its cost of funds plus a margin from the trust assets.

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

The main risks arising from the Company's financial instruments are interest rate, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and these are summarised below. These policies have remained unchanged since the Company commenced operations on 17 September 2004. All transactions and financial instruments are denominated in the Company's functional currency (Sterling) and consequently no currency exposure arises.

Interest rate risk

During the year, interest on loans payable was set at cost of funds plus margin. The effective interest rate on the Company's interest in the trust is set at cost of funds plus margin, while the loan to SOCA UK is at a fixed interest rate. The interest receipts and payments in respect of financial assets and liabilities are matched. Therefore, no interest rate sensitivity analysis has been presented.

At year end, 100% (2019: 100%) of the Company's financial liabilities were at floating rates plus margin ranging from 2% to 8% (2019: 2.00% to 8.00%). 3% (2018: 3%) of the Company's financial assets were at a fixed rate of 5% (2019: 5%) while 97% (2019: 97%) were at floating rates plus margin ranging from 2.00% to 6.00%

The weighted average effective interest rate applicable to each class of financial asset and financial liability are set out below.

	2020 Effective interest rate % p.a.	2020 Carrying amount £'000	2019 Effective interest rate % p.a.	2019 Carrying amount £'000
Financial assets				
Loans receivable	3.191	1,302,909	3.125	1,303,296
Financial liabilities				
Loan notes	3.191	(1,302,909)	3.125	(1,303,296)
Net financial assets		-		-

The weighted average effective interest rate in 2020 was 3.191% (2018: 3.125%).

Capital risk management

The Company manages its capital to ensure it will be able to continue as a going concern.

At year end, the capital structure of the Company primarily comprised Variable and fixed Funding Notes issued by the Company and purchased by third party funders which were, in certain cases, funded via the commercial paper market. For more information

Other sources of funding consist of equity attributable to equity holders of the parent, comprising issued share capital and retained earnings. Please refer to Note 14 for more information on capital.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due.

The Company finances its activities by issuing Class A Variable Funding Notes to the Royal Bank of Scotland Plc ("RBS"), Royal Bank of Canada ("RBC"), Deutsche Bank, Sheffield, Regency Assets and KFL2, Class B and C1 funding notes to multiple investors under the CarVal group and Insight group. The Class A-S and Class A-J Variable Funding Notes issued as at 30th September 2020 was £949m and £94m respectively. The class B funding notes stand at £105m fully drawn as at 30th September 2020. The class C1 funding notes stand at £105m fully drawn as at 30th September 2020. The class C2 funding notes stand at £50m fully drawn as at 30 September 2020.

15 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)
The nature of the Company's debt obligations are limited-recourse. The Company reduces its liquidity risk by matching the maturity profile of the Company's funding to the maturity profile of the assets being funded. At year end, each funder was required under the securitisation programme to ensure sufficient liquidity facilities exist to enable them to continue to fund the Company in the event that they were unable to obtain finance in the commercial paper market.

The table below reflects the discounted contractual cash flows of financial liabilities at the end of the reporting period. The variable funding notes include the liquidity reserve facility from SDFCL and the discounted cash flows for interest fees and commitment fees. The maturities reflect the maturity of the facility provided by the co – funders and SDFCL. Although, the variable funding notes have the nature of a short term revolving facility renewing on a monthly basis, the co-funders have agreed to provide the funding to the structure till 1 December 2019. Hence, the maturity of the facility and by extension the liquidity reserve is set for 1 - 5 years maturity.

As at 30 September 2020	**Carrying amount**	Contractual cash flows	<1 mth	1-3 mths	3mths-1year	1-5 years
	£'000	£'000	£'000	£'000	£'000	£'000
Funding Notes issued (including Liquidity Reserve)	1,302,909	1,313,169	3,457	6,803	30,446	1,272,463
Other creditors	318	318	-	-	318	-
	1,303,227	1,313,487	3,457	6,803	30,764	1,272,463

As at 30 September 2019	**Carrying amount**	Contractual cash flows	<1 mth	1-3 mths	3mths-1year	1-5 years
	£'000	£'000	£'000	£'000	£'000	£'000
Funding Notes issued (including Liquidity Reserve)	1,303,296	1,313,084	3,298	6,490	29,152	1,274,144
Other creditors	235	235	-	-	235	-
	1,303,531	1,313,319	3,298	6,490	29,387	1,274,144

The Company will, from time to time, issue variable funding notes to various co-funders to fund the purchase of certain interests in the non-finance charge receivables or to repay maturing variable funding notes. At year-end, the facility was due to expire on 1 December 2019 on which date the Receivables Securitisation Agreement terminates.

Fair values
The Directors consider the carrying amount of assets and liabilities as at 30 September 2020 approximated fair value due to the short term contractual cash flows. The facility will mature in 2029 and is revolving in nature hence renewed every month. Therefore, book value is considered equivalent to the fair value.

Credit risk
The maximum exposure to credit risk arising on the Company's financial assets as the reporting date and prior year end is the amount on the statement of financial position.

The Company faces the credit risk that the borrower might not be able to meet their obligations as they fall due. The Company is exposed to credit risk on its loans to SOCA RT to finance SOCA RT's purchase of finance charge receivables originated by SDFCL. However the credit risk is mitigated by the limited recourse nature of the Company's funding. The performance of these loans is determined by the performance of the underlying portfolio held by SOCA RT and administered by SDFCL. The Company monitors its credit exposure on a monthly basis. The majority of principal balances and interest payments due on the receivables portfolio were made on time during the financial year. The incidence of delinquency and default on the underlying receivables portfolio were and remain comfortably inside the levels assumed in the modelling and structuring of the transaction and presents a low risk of loss to the funding providers. As such, no impairment was booked as at the year end (2019: £nil).

The notes are secured against a portfolio catalogue receivables to value of £1,302,909,129 , this results in a £1,302,909,129 amount of credit enhancement in credit portfolio

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2020

15 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

	30-Sep-20	30-Sep-19
	£'000	£'000
Net loans receivable	1,302,909	1,303,296
Cash and cash equivalents	17,333	18,284
Other receivables	3,316	3,149
	1,323,558	1,324,729

Cash and cash equivalents

The Company held cash and cash equivalents of £17,332,978 as at 30 September 2020 (2019: £18,283,970) which represent its maximum credit exposure on these assets.

Fitch Ratings has affirmed SECURITISATION OF CATALOGUE ASSETS LIMITED's notes, as follows:
Class A-S notes, affirmed at 'AAAsf'; Outlook Stable
Class A-J notes, affirmed at 'Asf'; Outlook Stable
Class B notes, affirmed at 'BBBsf'; Outlook Stable

Other receivables

Other receivables mainly include interest receivable from financial assets held by the Company as at the financial year end.

Netting / Offsetting Assessment

The financial statements have been presented on a net basis. Relevant disclosures in the policy and notes to accounts have been made according to IFRS 7.

The Company is currently party to arrangement with SOCA RT under the Receivables Securitisation Agreement, which give it the right to offset financial assets and financial liabilities. Further, it is the intention of the Company to settle the amounts net and simultaneously. Hence the assets or liabilities concerned with SOCA RT are presented in "Net".

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set - off in the statement of financial position	Net amounts of Financial Assets presented in the statement of financial position	Related amounts not set off in the statement of financial position	Net loan receivable (Note 9)
	£'000	£'000	£'000	£'000	£'000
Description					
2020					
SOCA RT	1,302,909	(32,447)	1,270,462	-	1,270,462
SOCA UK	(32,447)	32,447	-	-	-
Total Loans	1,270,462	-	1,270,462	-	1,270,462
2019					
SOCA RT	1,303,296	(32,870)	1,270,426	-	1,270,426
SOCA UK	(32,870)	32,870	-	-	-
Total Loans	1,270,426	-	1,270,426	-	1,270,426

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2020

16 RELATED PARTY DISCLOSURES

During the year, Sanne Fiduciary Services Limited ("SFSL") and Sanne Secretaries Limited ("SSL") provided administration and/or secretarial services respectively to the Company at commercial rates. Each of SFSL and SSL is a member of the "Sanne Group" (where the "Sanne Group" means Sanne Group PLC and all its subsidiaries and affiliates of the same). Each of A.Orosco and J. Pendergast is an employee of SFSL and should be regarded as interested in any transaction with any member of Sanne Group.

During the year, fees incurred for management services, legal services and setup services to the affiliates were £12,050 (2019: £21,911) and the amount payable as at 30 September 2020 was £13,195 (2019: £13,195).

17 ULTIMATE AND IMMEDIATE PARENT UNDERTAKING

The management determined that the Company has no ultimate controlling party. As described in Note 14 the shares of the Company are held by the Securitisation of Catalogue Assets Charitable Trust, which is a charitable trust constituted under the laws of Jersey, Channel Islands, and whose trustees are Sanne Trustee Services.

18 SIGNIFICANT EVENTS DURING THE YEAR

The current worldwide Coronavirus outbreak was notified to the World Health Organisation ("WHO") by China on 31 December 2019 and the situation has continued to evolve throughout the period since the reporting date, being declared by the WHO as a Public Health Emergency of International Concern on 30 January 2020 and as a worldwide pandemic on 11 March 2020. The Coronavirus outbreak has caused ongoing disruption to businesses and economic activity worldwide. Global markets have reacted sharply to this pandemic, with concerns regarding the economic impact this may have on a global scale.

As the Directors believe that the Coronavirus outbreak is not likely to have a material adverse effect on the overall financial position and/or net results of the Company, the Coronavirus outbreak has had no material impact on the Directors' going concern assessment. Consequently, these financial statements have been prepared on a going concern basis.

There were no other significant events occurring after the date of the Statement of financial position up to the date of signing of the financial statements.