COMPANY REGISTRATION NO. 06137875 (England and Wales)

BUSINESS MORTGAGE FINANCE 6 PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

BUSINESS MORTGAGE FINANCE 6 PLC

COMPANY INFORMATION

Directors	Ms C Bidel (Resigned 13th July 2023) Mr M Speight Apex Trust Corporate Limited (Appointed 13th July 2023) Apex Corporate Services (UK) Limited (Appointed 13th July 2023)
Secretary	Apex Trust Corporate Limited
Company number	06137875
Registered office	6th Floor 125 London Wall London EC2Y 5AS
Auditor	Ecovis Wingrave Yeats LLP Chartered Accountant & Statutory Auditor Waverley House 7-12 Noel Street London W1F 8GQ
Banker	Barclays Bank Plc One Churchill Place London E14 5HP
Solicitor	Simmons & Simmons LLP Citypoint 1 Ropemaker Street London EC2Y 9SS United Kingdom Moore Barlow Gateway House Tollgate, Chandler's Ford Eastleigh SO53 3TG

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The directors present The Strategic Report for the year ended 30 November 2022.

Business Review

The Company continues to hold a mortgage portfolio as part of the legacy Commercial First programme of securitisations.

During the financial year we continued to see the effects of the Coronavirus outbreak which impacted the global economy and supply chain. The UK Government has attempted to support businesses with employment furlough schemes, grants, business rates reductions, deferred tax payments and various loans schemes. UK Finance introduced a holiday payment scheme for borrowers which the company implemented, this scheme ended in July 2021 and since then no more customers are on any such scheme.

The Company appointed servicing outsourcers took measurement to ensure staff safety while continuing to provide the support that customers require. The business had constant communication with its key suppliers, to ensure they could continue to provide the service required during this time. The Company did not experience any significant disruption to its business model and was able to serve its customers throughout this difficult period.

The principal risks and uncertainties faced by the Company are reviewed below. However, in the worst-case scenario the Notes are a limited recourse obligation of the SPV, therefore payment of them is dependent upon redemptions on the Securitised assets.

Risk Management and Control

The Company seeks to manage the risks that arise from its activities. The risk framework in which the Company operates was documented in the Offering Circular together with an assessment of how the Company would mitigate the risks through the use of financial derivatives.

The principal risk left within the business is liquidity and credit risk, liquidity risk is the risk that the Company will not have sufficient liquid funds to meet its liabilities as they fall due. The previous deterioration in the commercial mortgage market means that the future estimated cashflows received from the Company's assets are expected to be less than originally expected and that might affect the Company's ability to repay all its creditors. Furthermore, the liquidity risk has been mitigated with cash reserves and liquidity facilities with external parties.

The credit risk reflects the risk that the underlying borrowers or other transaction parties will not meet their obligations as they fall due. The Company's principal business objective rests on the performance of a commercial loan portfolio. Although the underlying mortgage loans are secured by a charge over commercial premises in the UK, the Company considers the evaluation of a borrower's ability to service a loan according to its terms to be the principal factor in assessing the credit risk.

In addition, there is also risk that an enforcement notice is issued which results in the transaction being wound up. This means the Company then will not be able to realise its assets and discharge liabilities accordingly. (Detailed further in note 1.2).

Future Developments

During the year the underlying mortgage portfolio continues to produce sufficient cashflows to meet the senior notes interest payments.

The directors believe that whilst currently the liabilities of the Company exceed the assets, the payment of the liabilities of the Company is principally governed by the cash generated by the mortgage portfolio. The directors are satisfied that with the available liquidity facility, the Company will continue to meet the sums due and payable on the loan notes in accordance with the Offering Circular.

Redress

The Company, in common with many financial institutions, receives and deals with claims/complaints on legacy products. Each claim/complaint is considered and treated on the basis of its own merits and is treated accordingly. Where claims/complaints are made that are believed to be without merit or opportunistic they will be defended. Where a claim/complaint is determined to have merit then an adjustment may be made to an account to allow for redress. (Detailed further in note 9).

Key Performance Indicators

The Company's sole purpose was to provide funding for a portfolio of mortgages. The portfolio is closed and is now in run off.

The principal balance of the Securitised asset, a key performance indicator, held by the Company, decreased from £84,901k at 30 November 2021 to £71,669k at 30 November 2022 due to the effect of early redemption options availed by the underlying borrowers, scheduled amortisation and write offs.

During the year there were £18k of write offs applied to the principal (2021: £Nil), and capital repayments received were £14,265k (2021: £14,007k).

The impairment provision held against the Loans at the year end, to cover any shortfall on realisation of proceeds from the sale of the underlying properties was £1,454k as at 30 November 2022 compared to £1,623k as of 30 November 2021.

Also, the percentage of the pool by balances greater than 3 months in arrears was 11.41% (2021: 11%).

At the year end the balance of the Notes outstanding amounted to £122,918k (2021: £140,683k).

Other key performance indicators are the credit rating assigned to the most senior Loan Note within the transaction:

Moody's	**Jan-18**	**Fitch**	**May-23**
Class	**Rating**	**Class**	**Rating**
M1	Caa3 (sf)	M1	CCCsf

Section 172(1) Statement

Section 172(1) of Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long term,
b) the interests of the Company's employees,
c) the need to foster the Company's business relationships with suppliers, customers and others,
d) the impact of the Company's operations on the community and the environment,
e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
f) the need to act fairly as between members of the Company.

As a special purpose vehicle the governance structure of the Company is such that the key policies have been predetermined at the time of issuance. The directors have had regards to the matters set out in section 172(1) of Companies Act 2006 as follows:

With reference to the likely consequences of any decision in the long term, the Transaction Documents have been formulated to achieve the Company's purpose and business objectives, safeguard the assets and promote the success of the Company with a long term view and in accordance with relevant securitisation legislation.

The matters set out in subsections (b)–(f) have limited or no relevance to the Company for the following reasons:

- The Company has no employees;
- The Company has appointed various professional third parties to perform certain roles governed by the Transaction Documents. Fee arrangements have been agreed in advance and invoices have been paid strictly in accordance with the Transaction Documents including a priority of payments, if applicable;
- As a special purpose vehicle, the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment and
- The Company has a sole member with the issued shares all held on a discretionary trust basis for charitable purposes

On behalf of the Board

Mr M Speight
Director
13 September 2023

The directors present their annual report and financial statements for the year ended 30 November 2022.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ms C Bidel (Resigned 13th July 2023)
Mr M Speight
Apex Trust Corporate Limited (Appointed 13th July 2023)
Apex Corporate Services (UK) Limited (Appointed 13th July 2023)

None of the directors have any beneficial interest in the ordinary share capital of the Company (2021: Nil).

Employees
The Company has employed no staff during the period under review (2021: Nil). None of the directors received any remuneration or emoluments from the Company in respect of qualifying services provided to the Company (2021: Nil).

Results and dividends
The results for the year are set out on page 15.

No ordinary dividends were paid (2021: Nil). The directors do not recommend payment of a final dividend.

Financial instruments
The financial instruments held by the Company are made up of securitised assets, borrowings and cash that arise directly from its operations.

The Company has also entered into a derivative transaction; an interest rate swap, the purpose of which is to manage the interest rate risk arising from the Company's operations and funding.

The Company's policy is that it has not and will not trade in financial instruments.

The directors' review of and policies for managing each of the risks are summarised as follows.

Liquidity Risk
The Company's policy is to manage liquidity risk by matching the timing of cash receipts from mortgage assets with those of the cash payments due on the loan notes. The cash generated means that the directors consider that they will be able to pay any interest due on all classes of loan notes and repayment of principal due on the most senior notes.

Interest Rate Risk
Interest rate risk exists where assets and liabilities have interest rates set under different bases or which reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar. Where this is not possible the Company has used derivative financial instruments to mitigate any residual interest rate risk, details of which are set out in the offering circular.

Foreign Currency Risk
Foreign currency risk exists where assets and liabilities are denominated in different currencies. The Company, as part of the securitisation programme have issued Euro denominated Floating Rate Notes. The Company's policy is to manage foreign currency risk by entering into currency swaps that match all future liabilities in foreign currencies that hedge against any movement in exchange rates.

Credit risk
Credit risk is the risk that borrowers will not be able to meet their obligations as they fall due. The ongoing credit risk of the portfolio is monitored by the directors on a monthly basis with particular focus on the arrears accounts.

Operational Risk
The Company outsources its administration activities to an unconnected third party. The risk associated with this arrangement is controlled by a Service Level Agreement, performance against which is monitored on a regular basis.

Political and charitable donation
None paid (2021: nil).

Post Balance Sheet Event

Following the year end, in May 2023, the liquidity facility was renewed for another year.

Independent auditor
The auditors, Ecovis Wingrave Yeats LLP, were appointed by the directors of the Company subsequent to the year-end under review. Having expressed their willingness to continue in office, pursuant to section 489 of the Companies Act 2006, a resolution for the re-appointment of Ecovis Wingrave Yeats LLP will be proposed.

Statement of disclosure to the auditor
The directors who held office at the date of approval of this directors' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps he/she ought to have taken as director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board

Mr M Speight
13 September 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 its profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the directors in respect of the annual financial report
We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the strategic report and directors' report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Mr M Speight
Director
13 September 2023

Opinion

We have audited the financial statements of Business Mortgage Finance 6 Plc (the 'Company') for the year ended 30 November 2022, which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes, 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 Company's affairs as at 30 November 2022 and of its result 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw your attention to the going concern disclosures made in note 1.2 in the financial statements concerning the Company's ability to continue as a going concern. The most senior class of notes outstanding have the right to request the security trustee issues an enforcement notice to the Company, which could result in determining the winding up of the transaction. As such, the Company's ability to continue as a going concern is dependent on the senior noteholders not issuing such a request within the next twelve months.

No such request is reasonably expected to be made within the next twelve months and accordingly the financial statements have been prepared on a going concern basis. However, the Company's performance, and dependence on the support of senior note holders represents a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period 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 conduct 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.

Key audit matters – Impairment of Securitised assets

The Company holds a portfolio of mortgage loans, consisting of residential properties in England, Scotland, Wales and Northern Ireland.

A provision for impairment is made which represents the Directors' best estimate of losses incurred within the portfolio of loans at the balance sheet date. The impairment provision is derived from a model that incorporates subjective judgements, in particular on the key assumptions of probability of default and forced sale discounts against collateral. There is a risk that the provision is not reflective of the incurred losses at the end of the period to which these judgments are made.

Audit response
We performed the following procedures:
- We assessed the impairment model used for its sensitivity to changes in the key assumptions of probability of default and forced sale discount by performing stress testing.
- We reviewed the performance of the Loans post year-end to gain assurance that the impairment model was valid and no further adjustment or disclosure was required.
- As disclosed in the strategic report, the Notes are limited recourse, secured over the Securitised assets, and the Company's ability to pay amounts due on the Notes are, in substance, limited to the application of the receipts from the Securitised assets under the terms of the priority of payments as set out in the terms and conditions of the Notes. Consequently, there is a right of set off of any impairment of the Securitised assets against the related amount due on the Notes. This limited recourse condition mitigates for the Company any impairment loss on Securitised assets.

Key observations
Based on the evidence we did not identify any material misstatements.

Key audit matters – Customer redress provision
The estimate of a customer redress provision requires the Directors to apply judgement in estimating the value of its obligation to complaints received from customers, relating to undisclosed commission between the mortgage broker and the original lender, which later assigned the Securitised asset to the Company. In addition, there was a High Court ruling on the undisclosed commission. The key elements of judgement are the estimation of total customer complaints and the estimated redress cost per complaint. These judgements are informed by the Company's legal advice and claims experience to date. Given the limited historical information, there is risk that the actual experience may differ from the Company's expectation.

Audit response
We performed the following procedures:
- We assessed the recognition of the provision against the requirements of the accounting standard.
- We inspected legal correspondence with the Company's legal advisor to identify any legal matters that impact the customer redress provision.
- We recalculated the provision based on the key assumptions and input data.
- We assessed whether the disclosures appropriately disclose and address the uncertainty that exists when determining the provision for the undisclosed commission claims.

Key observations
Based on the evidence we did not identify any material misstatements.

Key audit matters – Subordinated loan notes
The Company holds a subordinate loan, which was issued upon incorporation. During the course of the audit, we were unable to obtain third party confirmation for the closing balance, which is highly material. This therefore represented a key audit matter, with such risk mitigated by the audit response below.

Audit response

We performed the following procedures:

- We agreed the opening balance to the prior-year financial statements and acknowledged that the historical balance has also been audited.
- We agreed the principal drawdowns of the subordinated loan balance to the original agreement.
- We reviewed the interest movement during the year, performing an interest recalculation. We also confirmed that there had been no additional drawdowns or repayments.

Key observations
Based on the evidence we did not identify any material misstatements.

Other information
The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
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 Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page 9, 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.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We determined that the laws and regulations which are directly relevant to the financial statements are those that relate to the reporting framework FRS 102 and the relevant tax compliance regulations in the jurisdictions in which the Company operates. We evaluated the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- As required by the auditing standards, auditing procedures in respect of non-compliance with these identified laws and regulations are limited to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.
- We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur, by meeting with a number of individuals, and conducted interviews to understand where they considered there was susceptibility to fraud. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimate and judgement in the financial statements (significantly the assessment of impairment of securitised assets and the redress provision).
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and fraud risks identified in the paragraphs above. In addition to the audit procedures, we remained alert to any indications of non-compliance throughout the audit. The specific audit procedures performed included:
    - Review of Board minutes;
    - Reviewed large and unusual bank transactions;
    - Challenging assumptions and judgements made by management in its significant accounting estimates, in particular in relation to assessment of impairment of securitised assets, and the customer redress provision; and
    - Review of all manual inputs into the financial statements.

There are inherent limitations of an audit. There is a higher risk that irregularities, including fraud, will not be detected during the audit as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The primary responsibility for the prevention and detection of non-compliance with all laws and regulations and fraud lies with both those charged with governance of the entity and management.

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 Auditors' Report.

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 Auditors' 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.

Gerry Collins

Gerard Collins **(Senior Statutory Auditor)**

for and on behalf of Ecovis Wingrave Yeats LLP

Chartered Accountants & Statutory Auditor
Waverly House
7-12 Noel Street
London
W1F 8GQ
Date: 15 September 2023

BUSINESS MORTGAGE FINANCE 6 PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £ 000	2021 £ 000
Interest receivable and similar income	4	4,405	3,900
Interest payable and similar expenses	5	(4,915)	(3,959)
		(510)	(59)
Net interest expense		(510)	(59)
Operating expenses	3	(2,336)	(1,849)
Release to bad debt provisioning	7	151	778
Foreign exchange gain		1,132	7,464
Fair value losses on foreign exchange contracts		(912)	(8,098)
Operating loss before taxation		(2,475)	(1,764)
Tax on loss	6	-	-
Loss for the financial year		(2,475)	(1,764)

All amounts relate to continuing operations.

There was no other comprehensive income (2021: £Nil)

The Financial Statements are to be read alongside the notes on pages 19 to 32.

BUSINESS MORTGAGE FINANCE 6 PLC
BALANCE SHEET
FOR THE YEAR ENDED 30 NOVEMBER 2022

				Restated*	
		2022		2021	
	Notes	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Current assets					
Securitised assets > 1 year	7	66,926		78,875	
Securitised assets < 1 year	7	4,743		6,026	
Debtors	8	18,946		20,340	
Cash at bank and in hand		11,573		12,351	
		102,188		117,592	
Creditors: amounts falling due within one year	9	(38,721)		(36,100)	
Net current assets			63,467		81,492
Total assets less current liabilities			63,467		81,492
Creditors: amounts falling due after more than one year	10		(145,346)		(160,896)
Net liabilities			(81,879)		(79,404)
Capital and reserves					
Called up share capital	12		13		13
Profit and loss reserves			(81,892)		(79,417)
Total equity			(81,879)		(79,404)

*further information on the restatement is provided in Note 16

The Financial Statements are to be read alongside the notes on pages 19 to 32.

The financial statements were approved by the Board of Directors and authorised for issue on 13 September 2023 and are signed on its behalf by:

On behalf of the Board

Mr M Speight
13 September 2023

BUSINESS MORTGAGE FINANCE 6 PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2022

	Share capital	Profit and loss reserves	Total
	£ 000	£ 000	£ 000
Year ended 30 November 2021	13	(79,417)	(79,404)
Loss for the year	-	(2,475)	(2,475)
Balance at 30 November 2022	13	(81,892)	(81,879)

The Financial Statements are to be read alongside the notes on pages 19 to 32.

BUSINESS MORTGAGE FINANCE 6 PLC
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2022

		2022		2021	
	Notes	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Cash flows from operating activities					
Cash (absorbed)/generated by operations	15		(725)		7,970
Net cash from operating activities			(725)		7,970
Investing activities					
Movement in securitised assets		13,232		14,550	
Interest received		4,405		3,900	
Net cash from investing activities			17,637		18,450
Financing activities					
Movement in loan notes		(10,822)		(19,712)	
Movement in liquidity facility		-		-	
Interest paid		(6,868)		(3,959)	
Net cash from financing activities			(17,690)		(23,671)
Net (decrease)/increase in cash and cash equivalents			(778)		2,749
Cash and cash equivalents at beginning of year			12,351		9,602
Cash and cash equivalents at end of year			11,573		12,351

The Financial Statements are to be read alongside the notes on pages 19 to 32.

Company information
Business Mortgage Finance 6 PLC is a public company, limited by shares, incorporated in England and Wales. The registered office is 6th Floor, 125 London Wall, London, EC2Y 5AS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £ 000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern
The Company is an SPV for a single securitisation transaction. The economics of that transaction are set out in an Offering Circular which instructed and informed investors how cash flows received from the assets securitised would be distributed and would have been the basis for making their investment decision. The Company continues to be governed by the strict terms set out in the Offering Circular determining the amount and timing of any payments that the Company is obliged to make. The payment of interest and principal on finance issued by the Company is principally dependent on the performance of its pool of mortgages.

Conditions in the UK commercial mortgage market were particularly poor during the early years of this transaction and whilst these have stabilised since then remain weak. In addition, there remains considerable uncertainty in the UK economy in particular in relation to the impact of Brexit and Coronavirus and how that will translate to this class of asset. That previous deterioration in the commercial mortgage market means that future estimated cash flows received from the Company's assets are expected to be significantly less than originally expected and affect the Company's ability to repay all of its creditors. Also, the increase in senior expenses experienced and anticipated by the entity driven by legal fees will further erode the expected cashflows.

The Company have assessed the Coronavirus risk impact on the business model. During the current market stress, the Company outsourced servicers has activated their Business Continuity Plans. The Company has been in regular discussion with its outsourced service provider and has assessed their operational resilience. The servicer has been able to continue operating its mortgage servicing activities during this time.

The cash generated by the portfolio itself, and interest received by re-investing the liquidity facility of £8m, means that the directors consider that they will be able to pay any senior interest due and repayment of principal due on the most senior notes. No principal payments are due on the remaining notes until each more senior note has been repaid in full.

The Directors have considered the Company's cashflow projections for the next 12 months from the date of approval of the financial statements, including the ongoing level of overhead expenditure and have considered severe but plausible scenarios with respect to additional professional fees and litigation with respect to undisclosed broker commission.

The most senior class of notes outstanding have the right to request the security trustee issues an enforcement notice to the Company which could result in determining the winding up of the transaction. The holders of the current senior notes have made no such request and the directors have no reason to believe that they will make such a request. At some point in the future a class of note holders whose principal is at significant risk will become the most senior class and at that point it is expected that they will choose to exercise their rights and wind up the transaction. Based on the performance of the portfolio of loans it is unlikely that, at that time, all junior creditors will be paid their principal in full. Whilst the timing of wind up is uncertain, the Directors, however, consider this unlikely in the next 12 months from the date of approval of these financial statements and, therefore, believe it remains appropriate to prepare the financial statements on a going concern basis.

1 Accounting policies (continued)

1.2 Going concern (continued)

However, the Directors believe these matters represent a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. It may, therefore, be unable to continue realising its assets and discharging its liabilities in the normal course of business.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income using the Effective Interest Rate ("EIR") method. The EIR is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the EIR, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Securitised assets

The Securitised assets are non-derivative financial assets with variable repayments that are not quoted in an active market. They are classified as loans and receivables.

Securitised assets are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowance for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the assets are impaired.

1 Accounting policies (continued)

1.5 Financial instruments (continued)

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment indicators relate primarily to arrears in payments, and the potential shortfall in amounts recoverable from collateral held.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and loan notes, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities
Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1 Accounting policies (continued)

1.6 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.8 Foreign Exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of Securitised assets

As a securitisation SPV the key critical judgement for the Company is the future cash flow being generated from the loan portfolio. Each loan is considered at least quarterly for any indications that future cashflows could be compromised. Where there is evidence of potential stress the individual asset will be assessed for likely impairment. In determining impairment, the Company will make an assessment of the value of the underlying collateral, consider the probability of default and estimate the value and timing of impairment.

As at 30 November 2022 the directors have assumed impairment of mortgage assets using a forced sale discount of the underlying collateral based on historic experience of forced sales. The discount for future collateral sales will be dependent upon the quality of stock together with underlying market factors.

2 Judgements and key sources of estimation uncertainty (continued)

A movement in the forced sale discount with all other variables held constant would impact the Company's impairment provisions as follows:

	2022	2021
	£ 000	£ 000
Additional provision of a 5% depreciation in prices	(259)	(380)
Release in provision following a 5% appreciation	220	284

A movement in the probability of default (PD) with all other variables held constant would impact the Company's impairment provisions as follows:

	2022	2021
	£ 000	£ 000
Additional increase of 5% basis point in all PD	38	52
A reduction of a 5% basis point in all PD	(38)	(52)

Effective Interest rate (EIR)
In order to determine the EIR applicable to the mortgage loans, an estimate must be made of the expected early redemption of the transaction and the cashflows related thereto. These estimates are based on the earliest occurrence of the call options defined in the deal documents. Any changes in these estimates would result in an adjustment to the carrying value of the loan notes. The corresponding charge or release to the profit and loss will be included in the period in which the estimates are revised.

For all the financial liabilities, expenses are recognised in the profit and loss on an EIR basis. The EIR adjustments to each Class of Loan Notes can be seen in note 10.

Redress
Provisions have been recognised in respect of potential claims brought against the issuer regarding legacy products. These claims are reviewed on a case by case basis to determine the amount of the provision. Judgement is required to assess whether an event has occurred in the past that would result in a claim.

The key considerations applied in the calculation of the estimates are:

- Origin of claim
- Underlying evidence
- Legal counsel advice
- Prior claims outcomes

Estimated redress costs are the expected legal costs to defend any potential claims and loan balance of live claims (if any) depending on stage of claim, less any amounts awarded in counter-restitution. The timing of the settlement of the provision is uncertain and an accurate estimation on the timing cannot be made, based on historic cases this varies significantly and in certain cases has taken over a decade.

3 Operating loss

	2022	2021
Operating loss for the year is stated after charging:	£ 000	£ 000
Exchange losses	(1,132)	(7,464)
Fees payable to the Company's auditor for the audit of the Company's financial statements (excl. VAT)	50	65
	(1,082)	(7,399)

4 Interest receivable and similar income

	2022 £ 000	2021 £ 000
Interest income		
On securitised assets	4,405	3,900
	4,405	3,900

5 Interest payable and similar expenses

	2022 £ 000	2021 £ 000
Interest on financial liabilities measured at amortised cost:		
Interest on subordinated loan	1,154	1,066
Mortgage backed loan notes	5,715	4,461
EIR adjustment*	(1,954)	(1,568)
	4,915	3,959

*The EIR adjustments to each Class of Loan Notes can be seen in note 10. The interest payable amount above captures the movement between the opening and closing EIR amounts recognised.

6 Taxation

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £ 000	2021 £ 000
Loss before taxation	(2,475)	(1,764)
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19% (2021: 19%)	(470	(335)
Deferred tax not recognised	470	335
Taxation charge for the year	-	-

The Finance Act 2021 passed Royal Assent on 19 April 2021, which increased the rate of corporation tax to 25% from April 2023 for companies with profits over £250,000. In the September 2022 Mini Budget it was announced that the increase to 25% would not occur and the corporation tax rate would instead be held at 19%. This was subsequently reversed. The 19% rate was not substantively enacted, and as a result the planned increase will take place in April 2023 as expected.

7 Securitised Assets

The Securitised asset comprises a commercial mortgage portfolio. The Securitised asset is denominated in sterling and bears interest at a variable rate. It is secured on the beneficial interest in a portfolio of commercial mortgage loans.

	2022 £ 000	2021 £ 000
Commercial Loans	73,123	86,524
Impairment provision held on portfolio against commercial loans	(1,454)	(1,623)
	71,669	84,901

7 Securitised Assets (continued)

Provision – Impairment

	2022 £ 000	2021 £ 000
Opening Balance	1,623	2,401
Write-off	(18)	-
Movement in provision	(151)	(778)
Closing Balance	1,454	1,623

The maturity of the loan portfolio was as follows:

Amounts due in more than one year	66,926	78,875
Amounts due in one year or less	4,743	6,026
	71,669	84,901

8 Debtors

	2022 £ 000	2021 £ 000
Amounts falling due within one year:		
Other debtors	51	26
	51	26
Amounts falling due after more than one year:		
Other debtors	18,895	20,314
	18,895	20,314

The derivative financial asset relates to foreign currency swaps the Company holds to protect itself against movement in foreign exchange for the bonds held and denominated in Euros. The bonds held are subordinated and are unlikely to require repayment within 12 months, however the holding value of derivative asset is volatile and subject to fluctuations in exchange rates.

9 Creditors: amounts falling due within one year

	2022 £ 000	Restated 2021 £ 000
Loan notes	4,743	6,026
Loan notes - accrued interest	24,766	20,930
Subordinated loan – accrued interest	1,153	1,066
Liquidity facility	8,000	8,000
Interest of liquidity facility	3	3
Amounts due to group undertakings	7	11
Accruals and deferred income	49	64
	38,721	36,100

Unpaid accrued interest on the loan notes and subordinated loan are subject to the same terms as the principal balances as detailed in Note 10.

A liquidity facility is in place with Deutsche Bank AG. In March 2022, the terms of the facility were amended. The Company has a commitment of £8,000k that was due for renewal in March 2023, with interesting being charged at SONIA + 0.9% per annum.

Where the Company expects to be able to recoup previously provided for balances, as a result of settlement of the customer redress provision, this is offset against the customer redress provision. As at the year-end, £Nil (2021: £Nil) of reimbursement is included within the closing provision.

The amounts due to group undertakings are unsecured and repayable on demand.

10 Creditors: amounts falling due after more than one year

	2022	Restated 2021
	£ 000	£ 000
Mortgage backed loan notes due 2040	118,175	134,657
Derivative financial instruments	204	338
Subordinated loan	26,967	25,901
	145,346	160,896

The loan notes are secured over a portfolio of commercial mortgage loans secured by first charges on commercial property in the United Kingdom.

The loan notes are subject to mandatory redemption at each interest repayment date. The amount redeemed is equal to the principal collected on the mortgage loans in the preceding collection period. The loan notes will become due and payable on the interest payment date falling in August 2040 if they have not been redeemed or cancelled beforehand.

The subordinated loan notes accrue interest at SONIA + 4% per annum, payable quarterly in arrears. The principal is due for payment on the maturity date of the loan notes.

		Value at 30 November 2021	Redemption	Exchange rate movements	EIR Adjustment	Value at 30 November 2022
		£ 000	£ 000	£ 000	£ 000	£ 000
Class A1	SONIA + 0.38%	2,324	(2,325)	-	1	-
Class A2	EURIBOR + 0.38%	6,799	(6,011)	(1,479)	(30)	(721)
Class M1	SONIA + 1.10%	38,109	(3,171)	-	(109)	34,829
Class M2	EURIBOR + 1.10%	46,802	(3,172)	(142)	(459)	43,029
Class B2	EURIBOR + 3.25%	29,412	-	489	(1,264)	28,637
Class C	SONIA + 4.25%	17,237	-	-	(93)	17,144
		140,683	(14,679)	(1,132)	(1,954)	122,918

		Value at 30 November 2020	Redemption	Exchange rate movements	EIR Adjustment	Value at 30 November 2021
		£000	£000	£000	£000	£000
Class A1	LIBOR + 0.38%	6,125	(3,802)	-	1	2,324
Class A2	EURIBOR + 0.38%	20,060	(9,826)	(3,410)	(25)	6,799
Class M1	LIBOR + 1.10%	38,324	-	-	(215)	38,109
Class M2	EURIBOR + 1.10%	49,500	-	(2,381)	(317)	46,802
Class B2	EURIBOR + 3.25%	31,920	-	(1,674)	(834)	29,412
Class C	LIBOR + 4.25%	17,415	-	-	(178)	17,237
		163,344	(13,628)	(7,465)	(1,568)	140,683

In addition to the above classes of bonds, further instruments were issued at the point of securitisation: -
- Interest only coupons which entitle the holders to an interest rate of 2.75% based on the outstanding
- Mortgage Early Redemption Certificates which entitle the holder to any early redemption charges

11. Financial instruments

	Notes	2022 £ 000	2021 £ 000
Carrying amount of financial assets			
Securitised assets measured at amortised cost > 1 Year	7	66,926	78,875
Securitised assets measured at amortised cost < 1 Year	7	4,743	6,026
Measured at fair value through profit or loss		18,895	20,314
Carrying amount of financial liabilities			
Measured at fair value through profit or loss			
Other financial liabilities		204	338
Measured at amortised cost	9&10	183,513	196,657

Fair Value disclosures

Financial assets and liabilities recognised at fair value are disclosed based on fair value hierarchy as follows:
Level 1- Quoted prices (unadjusted) in active markets for identical instruments.
Level 2- Direct comparison with observable market transactions (other than those included in level 1), or indirectly based on valuation techniques using observable market data.
Level 3- Inputs for the asset or liability not based on observable market data.

Financial assets and liabilities carried at fair value are valued on the following basis:

2022	Level 1 £ 000	Level 2 £ 000	Level 3 £ 000	Total £ 000
Financial assets:				
Derivative financial instruments	-	-	18,895	18,895
Gross financial assets	-	-	18,895	18,895
Financial liabilities:				
Derivative financial instruments	-	-	204	204
Gross financial liabilities	-	-	204	204

2021	Level 1 £ 000	Level 2 £ 000	Level 3 £ 000	Total £ 000
Financial assets:				
Derivative financial instruments	-	-	20,314	20,314
Gross financial assets	-	-	20,314	20,314
Financial liabilities:				
Derivative financial instruments	-	-	338	338
Gross financial liabilities	-	-	338	338

11. Financial instruments (continued)

Nature and extent of risks arising from financial instruments
The main financial risks arising from the financial instruments are credit risk, liquidity risk, operational risk and interest rate risk. Financial instruments used by the Company for risk management purposes include derivative instruments. Such instruments are used only for commercial hedging purposes, not for trading or speculative purposes. The principal derivative instruments used by the Company in managing its risks are interest rate swaps. The maturity of the derivatives is set to match the cashflows and risks on the underlying instruments. All the derivatives were placed with external A rated providers.

Credit Risk
Credit risk is the risk that the counterparty of the Company will not be able to meet its obligations as they fall due.

The Company is exposed to credit risk via amounts due from the Securitised assets, derivative counterparties and deposits held by banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Securitised assets which are primarily a portfolio of commercial mortgage loans represent the largest exposure to credit risk. This is somewhat mitigated by the size of the portfolio creating a diversity of assets and spreading the risk. The mortgage portfolio consists of commercial property loans where the loans are principally repaid from the businesses operating from the properties. All of the properties in the loan portfolio are situated in the United Kingdom and will be subject to the same macroeconomic factors. The loan portfolio is well seasoned with all loans having been originated in excess of 10 years ago, experience has shown that cashflow performance tends to be more reflective of microeconomic factors, the macroeconomic factors may cause temporary fluctuations in performance.

Please see below the pool stratification by region:

Region	2022 Balance	2021 Balance
	£ 000	£ 000
North	4,391	1,866
Yorks & Hum	4,546	6,070
North West	5,394	6,723
South East	15,446	19,390
Scotland	4,854	5,736
Wales	7,836	8,671
South West	8,560	10,428
West Midlands	6,627	7,178
Greater London	6,296	7,096
East Midlands	3,753	4,816
East Anglia	4,227	5,050
Northern Ireland	1,000	1,168
Unreconciled timing differences	193	2,332
	73,123	86,524

11. Financial instruments (continued)

2022	Balance	Provision	Carrying value
	£ 000	£ 000	£ 000
Up to date	49,903	-	49,903
Past due up to 30 days	10,726	(27)	10,699
Past due 31-60 days	2,918	(28)	2,890
Past due 61-90 days	1,233	(7)	1,226
Past due over 90 days	8,343	(1,392)	6,951
	73,123	(1,454)	71,669

2021	Balance	Provision	Carrying value
	£ 000	£ 000	£ 000
Up to date	58,096	-	58,096
Past due up to 30 days	11,562	(5)	11,557
Past due 31-60 days	3,314	(5)	3,309
Past due 61-90 days	3,117	(66)	3,051
Past due over 90 days	10,435	(1,547)	8,888
	86,524	(1,623)	84,901

The table below sets out the outstanding mortgage balances by the original loan to value ratio LTV

	2022	2021
LTV Band	£ 000	£ 000
0% - 49%	38,840	7,944
50% - 69%	26,822	24,724
70% - 99%	7,268	54,524
Unreconciled timing difference	193	(668)
	73,123	86,524

Interest Rate Risk
Interest rate risk exists where assets and liabilities have interest rates set under different bases or which reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar. Where this is not possible the Company considers the use of derivative financial instruments to mitigate any residual interest rate risk.

Liquidity Risk
The Company's policy is to manage liquidity risk by matching the timing of cash receipts from assets with those of the cash payments due on the Floating Rate Notes. The order of priority in which payments are made out of available collections is set out and controlled in the Offering Circular upon participating in the transaction, investors have signed up to and accepted the priority of cash flow to which their investment is entitled.

There is a liquidity facility provided by Barclays Bank PLC in the event that the Company is unable to meet certain financial commitments which in certain circumstances can be utilised.

The repayment of the Mortgage-backed loan notes is reliant upon the repayment profile of the underlying mortgages, the directors estimate of the undiscounted cash flows associated with the underlying mortgages and notes will be as follows:

11. Financial instruments (continued)

Maturity of financial instruments

2022	Financial Assets Contractual payments £ 000	Interest Due £ 000	Principal Due £ 000	Financial Liabilities Principal Payment £ 000
In one year or less	8,748	4,005	4,743	4,743
In more than one year but less than 2 year	8,732	3,742	4,990	4,990
In more than two years but less than 5 years	25,126	9,528	15,598	15,598
After five years	62,625	13,768	48,857	88,336
Total	105,231	31,043	74,188	113,667

2021	Contractual payments £ 000	Interest Due £ 000	Principal Due £ 000	Principal Payment £ 000
In one year or less	9,264	3,238	6,026	6,026
In more than one year but less than 2 year	3,379	8,975	3,023	5,952
In more than two years but less than 5 years	9,870	26,556	7,716	18,840
After five years	69,190	11,126	58,064	97,528
Total	113,985	25,103	88,882	128,346

Foreign Currency Risk

Foreign currency risk exists where assets and liabilities are denominated in different currencies. The Company, as part of the securitisation programme have issued Euro denominated Floating Rate Notes during the year. The Company's policy is to manage foreign currency risk by entering currency swaps that match all future liabilities in foreign currencies that hedge against any movement in exchange rates.

Risk Sensitivity

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times. To minimise exposure to interest rate risk the Company ensures that the interest rate profiles of the Securitised assets and of the interest bearing loans and borrowings are similar. Where this is not possible derivative financial instruments are also used to reduce any residual interest rate risk. If SONIA rates were 1% higher or lower, with all other variables held constant, the effect on the Company's net interest income would be immaterial due to movements on interest on the Securitised assets being offset by movements on interest on the loan notes.

Concentration of risk

The Company operates entirely within the United Kingdom and adverse changes to the UK economy could impact on all areas of the Company's business. The securitised assets are a portfolio of mortgage loans secured on commercial property in England, Scotland, Wales and Northern Ireland.

12 Share capital

	2022 £	2021 £
Ordinary share capital		
2 Ordinary shares of £1 each - fully paid	2	2
49,998 Ordinary shares of £1 each - 25% paid	12,500	12,500
	12,502	12,502

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

13 Related party transactions

During the year fees of £34,311 (2021: £27,999) were paid to Apex Group Secretaries (UK) Limited for the provision of corporate administration to the Company, which included the provision of the Directors to the Company. There were corporate service fees of £Nil (2021: £Nil) accrued at 30 November 2022 in respect of these services.

At the financial year end the Company owed an amount of £6,877 (2021: £11,022) to BMF Holdings Limited, its parent Company. This was in respect of recharges in the year totalling £6,877 (2021: £11,022).

14 Ultimate parent undertaking and controlling party

The Company's immediate parent company is BMF Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales. The entire share capital of BMF Holdings Limited is held on a discretionary trust basis under a share trust deed by the legal parent company Apex Group Trustee Company (UK) Limited, a company incorporated in the United Kingdom and registered in England and Wales. As the trustees are not entitled to any economic benefit and the beneficiaries do not have any decision-making power, there is no controlling party.

15 Reconciliation of profit on ordinary activities before taxation to net cash (outflow)/inflow from operating activities

	2022 £ 000	2021 £ 000
Loss for the year after tax	(2,475)	(1,764)
Adjustments for:		
Taxation charged	-	-
Finance costs	6,868	3,959
Investment income	(4,405)	(3,900)
Fair value gains and losses	1,285	8,098
Non-cash effective interest rate adjustment	(1,954)	1,568
Movements in working capital:		
(Decrease)/Increase in creditors	(44)	9
Cash from operations	(725)	7,970

16 Restatement of comparatives

The retrospective adjustment below includes:

i. The reclassification of the liquidity balance from creditors due in more than one year, to creditors due within one year.
ii. The reclassification of the loan notes due within one year from amounts falling due in more than one year.

The changes impact the previously reported figures as follows:

	As previously reported 30 November 2021 £ 000	Adjustment 30 November 2021 £ 000	As restated 30 November 2021 £ 000
Balance Sheet			
Liabilities			
Amounts falling due within one year	22,074	14,026	36,100
Amounts falling due in more than one year	174,922	(14,026)	160,896

17 Post Balance Sheet Event

Following the year end, in May 2023, the liquidity facility was renewed for another year.