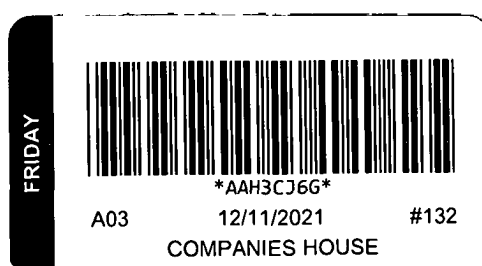


Registered number: 06370654

Eurosail Prime-UK 2007-A plc

**Reports and audited financial statements
for the year ended 30 November 2020**



Eurosail Prime-UK 2007-A plc

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Eurosail Prime-UK 2007-A plc

Company information

Directors	Wilmington Trust SP Services (London) Limited D J Wynne C J Duffy
Company secretary	Wilmington Trust SP Services (London) Limited
Registered office	Third Floor, 1 King's Arms Yard London EC2R 7AF
Independent auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA
Registered number	06370654
Trustee	BNY Mellon Corporate Trustee Services Limited One Canada Square London E14 5AL

Eurosail Prime-UK 2007-A plc

Strategic report for the year ended 30 November 2020

The directors present their strategic report on Eurosail Prime-UK 2007-A plc (the "Company" or "Issuer") for the year ended 30 November 2020.

Principal activities

The Company, a public company limited by shares was incorporated on 13 September 2007 in England, United Kingdom and is registered in England and Wales under the Companies Act 2006. The Company is a special purpose vehicle which acts as an issuer in a residential mortgage backed securitisation transaction. The principal activity of the Company is the investment in mortgage loans secured by first charges over properties within the United Kingdom.

On 13 November 2007, the Company purchased £224,805,000 of mortgage assets from Southern Pacific Mortgage Limited. Further consideration in the form of deferred consideration may be payable to the beneficial owners of the mortgages dependent on their future performance. The acquisition of these mortgage assets has been accounted for as detailed in note 2.5 of the financial statements. To facilitate the purchase, the Company issued a series of loan notes on 13 November 2007. These loan notes are issued on Euronext Dublin and are due in 2045.

The mortgage servicing, cash bond administration and accounting services are provided by Kensington Mortgage Company Limited ("KMC"), an external party.

Business review

The results for the year ended 30 November 2020 are set out on page 17. Both the level of business during the year and the financial position of the Company at the end of the year were satisfactory given the nature of the Company and its limited recourse liability.

At the year end, the mortgage assets balance after the effective interest rate adjustment, individual provisions and unamortised discount and premium on acquisition was £76,942,000 (2019: £87,106,000) on 573 mortgages. The estimated weighted average remaining life of the mortgage assets is 4.1 years (2019: 6.7 years).

After considering property values, anticipated future losses and future income associated with the mortgage assets, over and above the principal figure shown above, the directors consider the mortgage assets together with the other related assets of the Company such as cash, to be adequate collateral against the loan notes in issue.

At year end the Company held the following principal balances of mortgage assets:

	2020 Principal balance £'000	2020 Number of loans	2019 Principal balance £'000	2019 Number of loans
First charge mortgages	76,387	573	85,971	640
	<u>76,387</u>	<u>573</u>	<u>85,971</u>	<u>640</u>

These mortgages provide security against loan notes in issue totalling £80,801,000 (2019: £89,181,000) as at the year end excluding accrued interest.

The directors have concluded that the Company will continue as a going concern and set out the basis for this conclusion in the going concern section of the directors' report.

Eurosail Prime-UK 2007-A plc

Strategic report for the year ended 30 November 2020

Key performance indicators

The key performance indicator of the Company is the quarterly arrears profile of the mortgage assets:

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Delinquencies days	%	%	%	%	%
Current	98.17	96.79	95.95	98.06	97.76
>30<=60	0.30	1.55	0.64	0.08	0.04
>60<=90	0.36	0.38	1.99	0.00	0.29
>90<=120	0.00	0.01	0.08	0.00	0.00
>120	1.17	1.28	1.34	1.86	1.91
Total	100.00	100.00	100.00	100.00	100.00

The value of mortgages in repossession at the year end is £110,000 (2019: £110,000).

In March 2020, following the commencement of the COVID-19 crisis, the FCA and PRA issued guidance to all lenders that borrowers impacted by the virus are entitled to a 6 month payment deferral (Mortgage Payment Holiday, "MPH"). Payment holidays for loans provided by the Company peaked at 89 loans in June 2020. As of 30 November 2020, 8 loans remain that have taken up MPH, which represents 1.40% of the total loans.

Cash flow calculations are prepared to determine the extent to which deferred consideration will be payable and a creditor is recognised and classified at amortised cost. Interest payable on this creditor is recognised on an effective interest rate basis. Under the terms of the waterfall payments, any deferred consideration would only be paid when there are sufficient revenue funds available and all other liabilities in the waterfall have been satisfied. Based on these calculations, the directors have determined that £2,442,000 (2019: £2,976,000) consideration was payable at the year end.

Principal risks and uncertainties

Whilst the directors have overall responsibility for the establishment and oversight of the Company's risk management framework, this obligation has been allocated and managed in accordance with the transaction documents. Further details of financial risk management are outlined in note 16 of the financial statements.

COVID-19

The Board has considered the potential implications of the COVID-19 pandemic in its assessment of the financial and operational viability of the Company and has a reasonable belief that the Company retains adequate levels of financial resources (capital and liquidity). In assessing the viability of the Company, the Board has considered the potential impact and risks facing the Company with respect to the virus. The key short term risk relates to when the MPH ends as an increased proportion of underlying mortgage customers may be impacted through unemployment and reduced income which creates uncertainty around the ability of these customers to recommence their monthly payment obligations. The key long-term risk remains related to a deterioration in the ability of customers to make monthly contractual payments caused by an increase in the unemployment rates and reduced income. A knock-on effect of an increase in unemployment could be a potential reduction in the level of collateral held by the Company should house prices decrease. The potential impact of the pandemic on the economy and the Company's operations is subject to continuous monitoring by the servicer, KMC, an external party with appropriate escalation to the Board.

Eurosail Prime-UK 2007-A plc

Strategic report for the year ended 30 November 2020

Brexit

The Company's business model is focused in the UK and the business does not have any direct exposure to the European Union ("EU"). However, the Company is exposed to secondary impacts, particularly any volatility in the UK economy and financial markets. The UK left the EU on 31 January 2020. Following the agreement of the UK and EU Trade Deal on 24 December 2020 the UK withdrew from the EU single market and customs union on 1 January 2021.

The Company has not experienced any adverse impact or identified any additional risks as a result of these developments. Depending on how the UK government manages to negotiate new trade deals, there is a risk of financial instability which would manifest itself through movements in interest rates which would in turn result in movement in the net interest margin, however the housing market is relatively well insulated from Brexit compared to other parts of the economy.

The Company will continue to closely monitor and analyse political, economic and regulatory developments to ensure it remains well positioned to respond to any potential shocks and minimise any disruption for customers.

Financial instrument risk

The financial instruments held by the Company comprise mortgage assets, borrowings, cash and various other items (such as other debtors and other creditors) that arise directly from its operations.

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

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk and operational risk. The directors review and agree policies for managing each of these risks and they are summarised below.

(a) Credit risk

Credit risk is the risk that borrowers will not be able to meet their obligations as they fall due. All mortgage assets were required to adhere to specific lending criteria. The ongoing credit risk of the mortgage portfolio (and particularly in respect of accounts in arrears) is closely monitored through an assessment of each customer and the prevailing macroeconomic environment. Probability of default of the customer and the loss given default is calculated and impairment provisions raised where necessary. The mortgage portfolio is recognised as collateralised non-recourse mortgage loans as explained in note 2.

The directors continue to closely monitor the economic landscape to ensure the Company is best placed to respond to any pressures that may impact portfolio performance and proactively consider strategies to mitigate any adverse portfolio impact should these pressures occur.

(b) Liquidity risk

The Company's policy is to manage liquidity risk by matching the timing of the cash receipts from the mortgage assets with those of the cash payments due on the loan notes. In addition the Company holds a minimum cash balance to manage short term liquidity requirements.

(c) 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.

Eurosail Prime-UK 2007-A plc

Strategic report for the year ended 30 November 2020

(d) Operational risk

Operational risk is defined as any instance where there is potential or actual impact to the Company resulting from inadequate or failed internal processes, people, systems, or from external events. The impacts can be financial as well as non-financial such as customer detriment, reputational or regulatory consequences.

The Company operates under a controls and governance framework provided by KMC, the servicer of the mortgage assets. This includes regulatory and compliance functions and internal audit. The business is covered by the servicer's business continuity management capability.

Operational risk is currently heightened by the impact of COVID-19 on KMC. This has driven working from home and changes in processes to meet new regulatory requirements including the provision of payment holidays. However, the nature of the risks to which the Company is exposed remain similar to those when all of KMC's staff were working from office locations prior to COVID-19, but additional focus has been required on the controls appropriate for the altered working environment. The technology solutions required for all of KMC's staff to function from home continue to be reviewed with additional controls implemented and guidance provided with regard to the technology. The focus on the technology and working environment will continue as KMC responds to the adjusted way of working during the remainder of the COVID-19 situation and afterwards.

The customer response to COVID-19 has driven more interaction with KMC, whether implementing full payment holidays or other measures as customers respond to the impact of COVID-19 on their financial situation. KMC has undertaken a variety of activity to support consistent implementation of payment holidays and to manage the customer experience as they end their payment holiday. Monitoring of customer service quality has been maintained to mitigate the operational risks associated with the increased customer interaction and new processes related to payment holidays.

Future business developments and strategy

The directors expect the business will continue in its principal activities described above for the foreseeable future and will ensure that customers continue to be serviced on a business as usual basis.

The business is subject to a number of risks under the principal risks and uncertainties section, which could adversely affect the business in future years, and the directors will continue to monitor and manage those risks.

There are no significant events occurring after the statement of financial position date, up to the date of approval of the financial statements that would meet the criteria to be disclosed or adjusted in the financial statements as at 30 November 2020.

Section 172 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.

Eurosail Prime-UK 2007-A plc

Strategic report for the year ended 30 November 2020

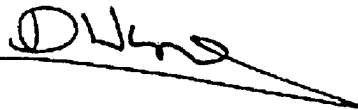
As a special purpose vehicle the governance structure of the Company is such that the key policies have been predetermined at the time of issuance. The directors have had regards to the matters set out in section 172(1) of Companies Act 2006 as follows:

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;
- 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.

This report was approved by the Board on 10 November 2021 and signed on its behalf by:



D J Wynne
Director
Date: 10 November 2021

Eurosail Prime-UK 2007-A plc

Directors' report for the year ended 30 November 2020

The directors present their report together with the audited financial statements of the Company for the year ended 30 November 2020.

Results and dividends

The profit for the year, after taxation, amounted to £3,000 (2019: profit of £4,000).

The directors do not recommend the payment of a dividend (2019: nil).

Future developments

An assessment of the Company's future developments is described in the strategic report under the future business developments and strategy section.

Financial instruments

An assessment of the Company's financial instruments is described in the strategic report under the principal risks and uncertainties section.

Directors

The directors who held office during the year and up to the date of the approval of the financial statements, except as noted, are given below:

Wilmington Trust SP Services (London) Limited
D J Wynne
C J Duffy

None of the above directors have any interest in the shares of the Company. There are no directors' interests requiring disclosure under the Companies Act 2006.

Company secretary

Wilmington Trust SP Services (London) Limited continued to act as company secretary for the year ended 30 November 2020 and up to the date of signing the financial statements.

Going concern

The Company has reported a profit after taxation for the current year and is in a net asset position as at 30 November 2020.

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The directors have prepared a going concern assessment for a period of 12 months from the date of approval of these financial statements which includes reasonably possible downsides concerning the impact of COVID-19 and reasonably possible changes in trading performance and funding availability.

A call option exists over the loan notes issued by the Company which may be exercised at the sole discretion of the Issuer once the outstanding mortgage backed loan notes reach 10% of the original issued amount. At this point, the call option permits the Issuer, at any interest payment date, to repay all of the outstanding external borrowings at their carrying value at the time.

In order for the call option to be exercised the directors must certify to the Trustee of the loan notes that the Issuer will be able to repay all amounts due and payable on the interest payment date on which the option would take effect.

Eurosail Prime-UK 2007-A plc

Directors' report for the year ended 30 November 2020

The exercise of the call option would result in the effective cessation of the Company's trade, followed by the orderly settlement of any remaining assets and liabilities and ultimately the dissolution of the Company.

It is not anticipated that the call option will become exercisable for several years.

The repayment of the principal liabilities of the Company, the floating rate notes, are limited to available principal cash received on the Company's loan portfolio until the final repayment date. Should the total cash flows be insufficient at this date, the Company may default on loan note payments due. In such circumstances, the Trustee may choose to dispose of the Company's assets, and, potentially wind up the Company.

The cash currently held by the Company, together with other structural features of the borrowing arrangements, gives the Company the ability to pay any interest actually due in cash over the next 12 months. Therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in existence and satisfy any liabilities as they fall due for the next 12 months from the date of signing the financial statements.

On this basis, the directors have concluded that it is appropriate to continue to adopt the going concern basis in the preparation of these financial statements.

Post statement of financial position date events

There are no significant events occurring after the statement of financial position date, up to the date of approval of the financial statements that would meet the criteria to be disclosed or adjusted in the financial statements as at 30 November 2020.

Principal risks and uncertainties

The business is subject to a number of risks, described in the strategic report under the principal risks and uncertainties section, which could adversely affect the business in future years and the directors will continue to monitor and manage those risks.

Fair value

Note 16 discloses the fair values of the mortgage assets and loan notes. The directors noted that as at 30 November 2020 the respective fair values of the mortgage assets were lower than and loan notes were lower than the carrying values recorded in the statement of financial position.

As no liquid market exists for either the mortgage assets or loan notes, the directors have ascribed an approximate fair value based on an internal discounted cash flow model that is used to value non-securitised mortgage loan receivables. This model takes into account expected prepayment rates, arrears levels, house price movements, level of reposessions, losses and discount rates based on the most recent available information.

Corporate governance

The directors have been charged with governance in accordance with the transaction documents describing the structure and operation of the Company. The governance structure of the Company is such that the key policies have been predetermined at the time of the transaction documents issuance and the operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

Eurosail Prime-UK 2007-A plc

Directors' report for the year ended 30 November 2020

The transaction documents provide for procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage, rather than eliminate the risk of failure to achieve business objectives, whilst enabling them to comply with the regulatory obligations.

Due to the nature of the securities which have been issued on Euronext Dublin, the directors are satisfied that there is no requirement to publish a corporate governance statement and that the Company is largely exempt from the requirements of the Irish Corporate Governance Annex and the provisions of the UK Corporate Governance Code do not apply to the Company.

Employees

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

Issued capital and capital contribution

Details of the share capital are set out in note 17 to the financial statements. The issued share capital consists of £12,502 comprising 50,000 ordinary shares of £1 each with 2 ordinary shares being fully paid and 49,998 ordinary shares being quarter paid up.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions for the benefit of the directors, in accordance with section 234 of the Companies Act 2006, were in force during the year under review and remain in force as at the date of approval of the strategic report, directors' report and financial statements.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

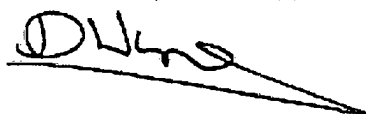
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Auditor

The auditor, KPMG LLP, has indicated its willingness to continue in office and pursuant to section 489 of the Companies Act 2006, a resolution concerning its re-appointment will be considered at the Annual General Meeting.

This report was approved by the Board on 10 November 2021 and signed on its behalf by:



D J Wynne
Director
Date: 10 November 2021

Eurosail Prime-UK 2007-A plc

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 the 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 and a Directors' Report that complies with that law and those regulations.

Independent auditor's report to the member of Eurosail Prime-UK 2007-A plc

1 Our opinion is unmodified

We have audited the financial statements of Eurosail Prime-UK 2007-A Plc ("the Company") for the year ended 30 November 2020 which comprise the:

- Statement of comprehensive income
- Statement of financial position
- Statement of changes in equity
- Related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 30 November 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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. This matter was 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 this matter. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2019):

Impairment of mortgage assets	Our audit procedures included:
<p>Risk vs 2019: ▲</p> <p>(£0.05 million; 2019: £0.03 million)</p> <p><i>Refer to the accounting policy note 2.5, 3.2 and notes 9, 10, 11 (financial disclosures).</i></p> <p>Subjective estimate</p> <p>The Company holds a portfolio of loans consisting of United Kingdom residential mortgages.</p> <p>A provision for impairment of mortgage assets is made which represents the Directors' best estimate of losses incurred within the portfolio of loans at the balance sheet date.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">- Test of details:<ul style="list-style-type: none">- agreeing key inputs and assumptions impacting the provision calculations to corroborative evidence to assess the reasonableness of this estimate.- challenging the key assumptions used in the PD and LGD, based on our knowledge of the Company and experience of the industry in which they operate.- Sensitivity analysis: We performed sensitivity analysis over the Company's provision to help us assess the reasonableness of the assumptions used.

Independent auditor's report to the member of Eurosail Prime-UK 2007-A plc

<p>The impairment provision is derived from a model that incorporates subjective judgements, in particular on the key assumptions of probability of default ("PD") and loss given default ("LGD").</p> <p>There is a risk that the provision is not reflective of the incurred losses at the end of the period due to these judgements made.</p> <p>As part of our risk assessment, we determined that the loan impairment provision has a high degree of estimation uncertainty. This is increased further due to the effects of COVID-19.</p>	<p>- Assessing transparency: We evaluated whether the disclosures appropriately reflect and address the uncertainty which exists when determining the impairment of mortgage assets. As part of this, we assessed the sensitivity analysis that is disclosed. In addition, we challenged whether the disclosure of the key judgements and assumptions made was sufficiently clear.</p>
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3 Our application of materiality and an overview of the scope of our audit

Materiality for the Company financial statements as a whole was set at £0.6 million (2019: £0.7 million), determined with reference to a benchmark of Company total assets (of which it represents 0.75% (2019: 0.75%)).

We agreed to report to Those Charged with Governance any corrected or uncorrected identified misstatements exceeding £0.03 million in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above.

4 Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The key risk that we considered most likely to adversely affect the Company's available financial resources or ability to continue operations over this period was:

- The call option on the loan notes issued by the Company becoming exercisable significantly earlier than expected.

We also considered less predictable but realistic second order impacts, such as the impact of COVID-19 resulting in delayed repayments on the mortgage assets or operational restrictions.

We considered whether these risks could plausibly affect the liquidity in the going concern period by considering downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts. Our procedures included the following, which were designed to address the going concern matter from the perspective of call option triggers as this is the only event that, in case of materialisation, can cast significant doubt on the Company's ability to continue as a going concern.

Independent auditor's report to the member of Eurosail Prime-UK 2007-A plc

- Evaluation of how the directors' risk assessment process identifies events or conditions that are likely to trigger the exercise of call option with a consequential impact on the going concern assessment for the Company;
- Evaluation of whether the directors' assessment has failed to identify relevant events or conditions that may trigger the exercise of call option and cast significant doubt on the Company's ability to continue as a going concern and whether the methods used by directors are appropriate;
- Evaluation of historical accuracy of the directors' assessment of the exercise of call options; and
- We assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 2.1.1 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

5 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including any actual, suspected or alleged fraud.
- Using our own judgment and knowledge of the company and the circumstances of the company to identify potential fraud risks.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that the company's management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as loan impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited complexity in the calculation and recognition of revenue.

We also identified a fraud risk related to loan impairment in response to possible manipulation of estimates. We performed the following procedure:

- Assessing significant accounting estimates for bias

Independent auditor's report to the member of Eurosail Prime-UK 2007-A plc

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards). We also discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation including related companies legislation, distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, financial crime and various requirements governing securitisation transactions recognising the financial nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6 We have nothing to report on the Strategic Report and the Directors' Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Independent auditor's report to the member of Eurosail Prime-UK 2007-A plc

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

7 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the member of Eurosail Prime-UK 2007-A plc

9 The purpose of our audit work and to whom we owe our responsibilities

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



Karl Pountney (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom

11 November 2021

Eurosail Prime-UK 2007-A plc

Statement of comprehensive income for the year ended 30 November 2020

	Note	2020 £'000	2019 £'000
Interest receivable and similar income	4	1,511	2,526
Interest payable and similar expenses	5	(953)	(1,908)
Net interest receivable		<u>558</u>	<u>618</u>
Operating expenses		(554)	(613)
Profit before taxation	6	<u>4</u>	<u>5</u>
Tax expense on profit	7	(1)	(1)
Profit and total comprehensive income for the financial year		<u>3</u>	<u>4</u>

All amounts relate to continuing operations.

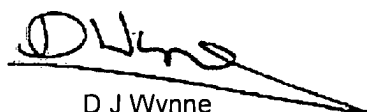
There were no items of other comprehensive income for 2020 or 2019 and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 21 to 40 are an integral part of these financial statements.

Eurosail Prime-UK 2007-A plc**Statement of financial position
as at 30 November 2020**

	Note	2020 £'000	2019 £'000
Non-current assets			
Debtors: amounts falling due after more than one year	10	68,773	79,242
Current assets			
Debtors: amounts falling due within one year	11	8,186	7,902
Cash and cash equivalents	13	6,301	5,121
Total current assets		14,487	13,023
Current liabilities			
Creditors: amounts falling due within one year	14	(2,702)	(3,389)
Total assets less current liabilities		80,558	88,876
Non-current liabilities			
Creditors: amounts falling due after more than one year	15	(80,498)	(88,819)
Net assets		60	57
Capital and reserves			
Called up share capital	17	13	13
Retained earnings		47	44
Total equity		60	57

These financial statements were approved and authorised for issue by the Board on 10 November 2021 and were signed on its behalf by:



D J Wynne
Director
Date: 10 November 2021

The notes on pages 21 to 40 are an integral part of these financial statements.

Eurosail Prime-UK 2007-A plc

Statement of changes in equity for the year ended 30 November 2020

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 December 2018	13	40	53
Profit for the financial year	-	4	4
Balance at 30 November 2019	13	44	57
Balance at 1 December 2019	13	44	57
Profit for the financial year	-	3	3
Balance at 30 November 2020	13	47	60

The notes on pages 21 to 40 are an integral part of these financial statements.

Eurosail Prime-UK 2007-A plc

Statement of cash flows for the year ended 30 November 2020

	2020 £'000	2019 £'000
Operating activities		
Profit before taxation	4	5
Deduct: items shown below within operating and financing activities		
Interest receivable	(1,511)	(2,526)
Interest payable	953	1,908
Adjustments for non-cash items and other adjustments included within the statement of comprehensive income		
Interest received on mortgage assets	1,505	2,510
Other interest received	6	16
Repayment of mortgage assets	9,687	9,991
Taxation paid	(1)	(1)
EIR adjustments and amortisation of premium/discount	458	79
Impairment charge on mortgage assets	19	2
Amounts written off in relation to mortgage assets	-	28
Amortisation of discount and issue costs on loan notes	59	66
Decrease/(increase) in debtors	21	(10)
Decrease in creditors	(566)	(367)
Net cash generated from operating activities	<u>10,634</u>	<u>11,701</u>
Financing activities		
Interest paid	(1,074)	(1,953)
Repayment of mortgage backed loan notes	(8,380)	(12,484)
Net cash used in financing activities	<u>(9,454)</u>	<u>(14,437)</u>
Net increase/(decrease) in cash and cash equivalents	1,180	(2,736)
Cash and cash equivalents at the beginning of the year	<u>5,121</u>	<u>7,857</u>
Cash and cash equivalents at the end of the year	<u><u>6,301</u></u>	<u><u>5,121</u></u>

The notes on pages 21 to 40 are an integral part of these financial statements.

Eurosail Prime-UK 2007-A plc

Notes to the financial statements for the year ended 30 November 2020

1 General information

The principal activity of the Company is the investment in mortgage loans secured by first charges over properties within the United Kingdom.

The Company is a public limited company and was incorporated on 13 September 2007 and is domiciled in England, United Kingdom. Its principal place of business is its registered office located at Third Floor, 1 King's Arms Yard, London, EC2R 7AF.

2 Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

2.1. Basis of preparation and statement of compliance with FRS 102

The financial statements have been prepared under FRS 102 'The Financial Reporting Standard applicable in the UK' in conjunction with IAS 39 'Financial Instruments: Recognition and measurement' (via the option in FRS 102 para 11.2(b)). The amendments to FRS 102 issued in July 2015 have been applied.

The preparation of financial statements in conformity with FRS 102 requires the use of certain significant accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

2.1.1 Going concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The directors have prepared a going concern assessment for a period of 12 months from the date of approval of these financial statements which includes reasonably possible downsides concerning the impact of COVID-19 and reasonably possible changes in trading performance and funding availability.

A call option exists over the loan notes issued by the Company which may be exercised at the sole discretion of the Issuer once the outstanding mortgage backed loan notes reach 10% of the original issued amount. At this point, the call option permits the Issuer, at any interest payment date, to repay all of the outstanding external borrowings at their carrying value at the time.

In order for the call option to be exercised the directors must certify to the Trustee of the loan notes that the Issuer will be able to repay all amounts due and payable on the interest payment date on which the option would take effect.

The exercise of the call option would result in the effective cessation of the Company's trade, followed by the orderly settlement of any remaining assets and liabilities and ultimately the dissolution of the Company.

It is not anticipated that the call option will become exercisable for several years.

The repayment of the principal liabilities of the Company, the floating rate notes, are limited to available principal cash received on the Company's loan portfolio until the final repayment date. Should the total cash flows be insufficient at this date, the Company may default on loan note payments due. In such circumstances, the Trustee may choose to dispose of the Company's assets, and, potentially wind up the Company.

Eurosail Prime-UK 2007-A plc

Notes to the financial statements for the year ended 30 November 2020

The cash currently held by the Company, together with other structural features of the borrowing arrangements, gives the Company the ability to pay any interest actually due in cash over the next 12 months. Therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in existence and satisfy any liabilities as they fall due for the next 12 months from the date of signing the financial statements.

On this basis, the directors have concluded that it is appropriate to continue to adopt the going concern basis in the preparation of these financial statements.

2.2. Interest recognition

Interest income on mortgage assets, together with the interest expense on the loan notes, is recognised in the statement of comprehensive income on an EIR basis. The EIR basis recognises revenue and expenses equivalent to the rate that effectively discounts estimated future cash flows throughout the expected life to the net carrying value of the mortgage assets or loan notes.

2.3. Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in total equity. In this case the tax is also recognised in other comprehensive income or directly in total equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns in respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on deductible temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.4. Foreign currencies

The financial statements are presented in pounds Sterling (£), which is the functional and presentation currency of the Company. All amounts in these financial statements have been rounded to the nearest thousand, unless otherwise indicated.

Transactions in foreign currency are initially converted to Sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange prevailing at the reporting date. All differences on exchange are taken to the statement of comprehensive income.

Eurosail Prime-UK 2007-A plc

Notes to the financial statements for the year ended 30 November 2020

2.5. Financial instruments

Initial recognition

The Company recognises financial assets and liabilities when it becomes a party to the terms of the contract.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

Classification and measurement

Financial assets and liabilities are initially classified as financial assets or liabilities at fair value through profit or loss, loans and receivables and available for sale financial assets.

All financial assets are recognised initially at fair value plus directly attributable costs for those not at fair value through profit and loss.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings payables, net of directly attributable transaction costs.

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance revenue or finance expense in the statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on lending and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the statement of comprehensive income. Losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

Derecognition

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, and retained control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Eurosail Prime-UK 2007-A plc

Notes to the financial statements for the year ended 30 November 2020

Financial assets

Debtors

Debtors including amounts owed by group undertakings and other debtors, with no stated interest rate and receivable within one year are recorded at transaction price less provisions made for doubtful debts.

Provisions are made specifically where there is evidence of a risk of non-payment, taking into account ageing, previous losses experienced and general economic conditions.

Mortgage assets

The mortgage assets are classified within debtors. The initial measurement is at fair value plus transaction costs that are directly attributable to the acquisition of the mortgage assets, with subsequent measurement being amortised cost using the EIR method. The effective interest on the mortgage assets is calculated with reference to the interest earned on the mortgage assets.

The mortgage assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on lending and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable and similar income in the statement of comprehensive income.

Impairment of mortgage assets

The Company assesses at each statement of financial position date whether there is evidence that a mortgage assets or a portfolio of financial assets is impaired. Impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset ("a loss event"), and that loss event or events has had an impact on the estimated future cash flows of the portfolio of financial assets or mortgage assets that can be reliably estimated.

The Company assesses whether objective evidence of impairment exists for mortgage assets on an individual loan basis. Those evaluations are based on the individual loan risk characteristics, taking into account: asset type; borrower; loan scores; geographical location; collateral type; past-due status; and other relevant factors. These characteristics are relevant to the estimation of future cash flows by being indicative of the counterparty's ability to pay all amounts due according to the contractual terms of the loan.

The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The amount of the loss is recognised in the statement of comprehensive income.

Any impairment in the mortgage assets will be reflected in the Company's accounts by adjusting the carrying amount of the mortgage assets in the statement of financial position.

Financial liabilities

Trade and other creditors

Creditors including amounts owed to group undertakings, other creditors and accruals, with no stated interest rate and due within one year, are recorded at transaction price.

Eurosail Prime-UK 2007-A plc

Notes to the financial statements for the year ended 30 November 2020

Loan notes

All loan notes were initially recognised at fair value, which was their transaction price at the date of issue less directly attributable transaction costs. All loan notes are subsequently re-measured at amortised cost taking into account repayments at interest payment dates where applicable.

Interest payable is recognised using the EIR method with the directly attributable transaction costs being amortised over the expected average life of the facility in line with IAS 39. Any unamortised issue costs are disclosed in note 15.

Interest payable on the notes during the year and any associated EIR adjustments are included in interest payable and similar expenses.

The repayment of the loan notes is dependent on principal and interest collections on the mortgage loans.

Deferred consideration

Deferred consideration is initially recognised at fair value and is then subsequently measured at amortised cost under the effective interest rate method.

Under the terms of the securitisation the Company earns a maximum annual profit for the year ended 30 November 2020 in an amount equal to £3,800 per annum. Profits in excess of this amount accrue to the current holder of the rights to the residual cash flows of the securitisation as deferred consideration, unless the Company has cumulative adjusted losses from prior years. Accordingly, the amounts owing to the current holder of the rights to the residual cash flows of the securitisation are recognised as creditors in the statement of financial position.

At each subsequent statement of financial position date an accrual is made for deferred consideration within the financial statements as amounts are expected to become payable as a result of the performance of the mortgage assets. This is recorded within interest payable and similar expenses in the statement of comprehensive income.

Offsetting of financial assets and liabilities

In accordance with IAS 32 Financial Instruments: Presentation, the presentation of financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument.

A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

Eurosail Prime-UK 2007-A plc

Notes to the financial statements for the year ended 30 November 2020

Where applicable, the following methods are used to estimate the fair values of the financial instruments:

- i. cash, trade receivables and payables - the carrying value is a good approximation of the fair value;
- ii. fixed and variable rate borrowings - valued as detailed in note 16; and
- iii. mortgage assets - valued as detailed in note 16.

The Company, where appropriate, classifies disclosed fair values according to a hierarchy that reflects the significance of observable market inputs. A transfer is made between the hierarchy when the inputs have changed or there has been a change in the valuation method.

These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used.

The different levels are identified as follows:

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

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

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

2.6. Discount on purchase of mortgage assets

Where cash has been received on acquisition of the mortgage assets to cover start-up costs, it is amortised over the expected life of those mortgage assets. The amortised balance is deducted from the mortgage assets with the income for the year included in interest receivable and similar income. Details of any unamortised discounts on acquisition of the mortgage assets are disclosed in note 12.

2.7. Segmental analysis

The Company's income and trade are wholly within the United Kingdom and within a single market sector and therefore no segmental analysis has been presented.

2.8. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

2.9. Share capital and capital contributions

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax from the proceeds.

3 Significant accounting estimates and judgements

The preparation of financial statements in accordance with FRS 102 requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Eurosail Prime-UK 2007-A plc

Notes to the financial statements for the year ended 30 November 2020

3.1. Significant accounting judgements

Derecognition of mortgage assets

The Company has made a significant accounting judgement in the assessment of the mortgage assets. The Company performed an assessment of the risks and rewards associated with the financial assets acquired, and concluded that the financial assets qualify for derecognition for the originator. In making this assessment the Company considered the retained risks of the seller, in the form of credit enhancement paid in, and rewards, in the form of deferred purchase consideration to be paid out, of that financial asset. This follows the accounting treatment adopted in the sellers' financial statements.

3.2. Significant accounting estimates and assumptions

The Company has identified the following significant accounting policies that involve significant accounting estimates and assumptions:

Impairment of mortgage assets

Impairment losses on mortgage assets are calculated based on statistical models which calculate the Probability of Default (PD) and the Loss Given Default (LGD) and apply this to every mortgage. The key assumptions relate to estimates of future cash flows from customers' accounts, their timing and the expected proceeds from the realisation of the property. These key assumptions are based on observed data from historical patterns and are updated regularly based on new data as it becomes available.

In addition the directors consider how appropriate past trends and patterns might be in the current economic situation and make any adjustments they believe are necessary to reflect current conditions.

The accuracy of the impairment calculations would therefore be affected by unexpected changes to the economic situation, variances between the models used and the actual results, or assumptions which differ from the actual outcomes. In particular, if the impact of economic factors such as employment levels on customers is worse than is implicit in the model then the number of accounts requiring provision might be greater than suggested by the model, while falls in house prices, over and above any assumed by the model might increase the provision required in respect of accounts currently provided.

A key factor in the estimation of PD is the impact of COVID-19 on the level of impairment losses. Although not leading to a significantly increased level of defaults, the impact of COVID-19 has led to worsened payment performance during the period of observed data and hence increased modelled PD, giving rise to a proportionate increase in the provision for impairment losses.

The key factor in the estimation of LGD is the realisable value of the collateral upon which the mortgage is secured. The key external assumption that underpins this is the underlying House Price Index. The impact of changes in house prices on the level of impairment losses depends on the relative size of each outstanding loan as compared to the value of the collateral. A decrease in the House Price Index of 10% spread over the next 2 years would increase the mortgage asset impairment provision by £27,000.

Effective Interest Rate ("EIR")

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 net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. The cash flows used to calculate the EIR in this analysis include directly attributable transaction costs, premiums, discounts and the impact of changes from introductory to reversionary interest rates. Further details are disclosed in note 4.

Eurosail Prime-UK 2007-A plc

Notes to the financial statements for the year ended 30 November 2020

The book value of the mortgage assets is measured at amortised cost using the EIR method, with a provision made for impairment. The current model used to estimate future cash flows in the EIR is sensitive to certain key assumptions, the most important of which is the constant prepayment rate ("CPR").

An increase of 1% in the CPR assumed would result in a debit of £25,000 to the statement of comprehensive income.

4 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest receivable on mortgage assets	1,183	2,154
Amortisation of discount on mortgage assets	322	356
Other interest	6	16
	<u>1,511</u>	<u>2,526</u>

The estimated weighted average life of the mortgage assets is 4.1 years (2019: 6.7 years). During the year the impact of the change in the estimated weighted average life on the effective interest rate calculation resulted in a loss of £780,000 (2019: loss of £435,000).

Interest has accrued for the year in relation to impaired financial assets at 2.25% (2019: 2.92%) of the principal balance.

5 Interest payable and similar expenses

	2020 £'000	2019 £'000
Interest expense	894	1,842
Amortisation of capitalised issue costs	59	66
	<u>953</u>	<u>1,908</u>

6 Profit before taxation

	2020 £'000	2019 £'000
Profit before taxation is stated after charging/(crediting):		
Auditor's remuneration for statutory audit	14	12
Impairment charge on mortgage assets	19	2
Mortgage administration fees	<u>218</u>	<u>242</u>

Eurosail Prime-UK 2007-A plc

Notes to the financial statements for the year ended 30 November 2020

7 Taxation

	2020 £'000	2019 £'000
Analysis of tax expense for the year		
Current tax		
UK corporation tax expense on profit for the year	1	1
Total current tax	<u>1</u>	<u>1</u>

Factors affecting taxation

The tax assessed for the year is the same as (2019: same as) the standard rate of corporation tax in the United Kingdom of 19% (2019: 19%).

	2020 £'000	2019 £'000
Profit before tax	<u>4</u>	<u>5</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	1	1
Effects of:		
Application of Statutory Instrument No. 3296 The Taxation of Securitisation Companies Regulations 2006	-	-
Tax expense for the year	<u>1</u>	<u>1</u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the statement of financial position date, its effects are not included in these financial statements. However, it is unlikely that the overall effect of the change, had it been substantively enacted by the statement of financial position date, would affect the tax charge arising.

The Company is taxed in accordance with Statutory Instrument No. 3296 The Taxation of Securitisation Companies Regulations 2006 which requires that tax is charged on the profits 'retained by the Issuer'. The Issuer required profit for the year amounted to £3,800 (2019: £3,800).

8 Directors and employees

The Company does not have any employees other than the directors (2019: none). The directors did not receive any remuneration in the year (2019: nil).

Eurosail Prime-UK 2007-A plc

Notes to the financial statements for the year ended 30 November 2020

9 Mortgage assets

	Mortgage assets £'000	Impairment £'000	Mortgage assets, net of impairment £'000
At 1 December 2018	97,235	(29)	97,206
Movement in the year	(10,098)	(2)	(10,100)
At 30 November 2019	87,137	(31)	87,106
Movement in the year	(10,145)	(19)	(10,164)
At 30 November 2020	76,992	(50)	76,942

The mortgage assets are denominated in Sterling and bear interest at a variable rate. They are secured on the beneficial interest in the portfolio of residential mortgage loans.

The current mortgage loans in the pool have contractual loan periods of between 1 to 260 (2019: 1 to 272) months remaining with current interest rates ranging from 2.09% to 3.21% (2019: 2.74% to 3.91%) per annum.

The book value of the mortgage assets are measured at amortised cost using the EIR method, with a provision made for impairment. The impairment provision is an individual provision of £50,000 (2019: £31,000). The impairment model used to estimate future cash flows in the impairment calculation is sensitive to certain key assumptions being the expected probability of default, the expected time to move through the arrears/repossession cycle and expected recovery rates on losses incurred.

10 Debtors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Mortgage assets net of impairment (note 9)	68,773	79,242
	<u>68,773</u>	<u>79,242</u>

11 Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Mortgage assets net of impairment (note 9)	8,169	7,864
Other debtors	17	38
	<u>8,186</u>	<u>7,902</u>

Mortgage assets, net of impairment represent the portion of the mortgage book contractually receivable over the next 12 months.

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Notes to the financial statements for the year ended 30 November 2020

12 Discount on mortgage assets

	2020 £'000	2019 £'000
Discount on mortgage assets		
At the beginning of the year	(1,961)	(2,317)
Amortisation in the year	322	356
At the end of the year	<u>(1,639)</u>	<u>(1,961)</u>

The discount on mortgage assets is amortised in line with the amortisation profile of the mortgage assets. The amortisation charges are recognised within interest receivable in the statement of comprehensive income.

13 Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	<u>6,301</u>	<u>5,121</u>
	<u>6,301</u>	<u>5,121</u>

Cash at bank earns interest at the rates specified in note 16.

14 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Accruals and deferred income	258	403
Other creditors	2	10
Deferred consideration	<u>2,442</u>	<u>2,976</u>
	<u>2,702</u>	<u>3,389</u>

Cash flow calculations are prepared to determine the extent to which deferred consideration will be payable and a creditor is recognised and classified at amortised cost. Interest payable on this creditor is recognised on an effective interest rate basis. Under the terms of the waterfall payments, any deferred consideration would only be paid when there are sufficient revenue funds available and all other liabilities in the waterfall have been satisfied. Based on these calculations, the directors have determined that £2,442,000 (2019: £2,976,000) consideration was payable at the year end.

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Notes to the financial statements for the year ended 30 November 2020

15 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
GBP Denominated mortgage backed loan notes due 2045 - Class A1	55,287	61,050
GBP Denominated mortgage backed loan notes due 2045 - Class A2	9,401	10,365
GBP Denominated mortgage backed loan notes due 2045 - Class M	4,823	5,317
GBP Denominated mortgage backed loan notes due 2045 - Class B	4,729	5,214
GBP Denominated mortgage backed loan notes due 2045 - Class C	6,147	6,777
GBP Denominated mortgage backed loan notes due 2045 - Class CR Note	414	458
Total loan notes	80,801	89,181
Less unamortised issue costs	(303)	(362)
	<u>80,498</u>	<u>88,819</u>

The loan notes due in 2045 are secured over the portfolio of mortgage assets secured by first charges over residential properties in the United Kingdom.

The mortgage assets are administered by Kensington Mortgage Company Limited on behalf of the Company.

The mortgage backed loan notes are repaid as the underlying portfolio redeems. The terms and conditions of the mortgage backed loan notes provide that the loan note holders will receive interest and principal only to the extent that sufficient funds are generated from the mortgage assets.

None (2019: none) of the loan notes are owed to a related party.

Whilst the mortgage backed loan notes are subject to mandatory redemption in part at each Interest Payment Date in an amount equal to the principal received or recovered in respect of the mortgage assets, the mortgage backed loan notes are classified and presented as amounts falling due after one year in accordance with the contractual maturity dates due to the uncertainty in the expected principal repayments or recoveries of the mortgages. If not otherwise redeemed or purchased and cancelled, the mortgage backed loan notes will be redeemed at their principal amount outstanding on the Interest Payment Date falling in 2045.

The priority and amount of claims on the portfolio proceeds are determined in accordance with a strict priority of payments. The mortgage backed loan notes are repayable out of capital receipts from the mortgage assets, with the Class A Notes ranking in priority to the Class M Notes, which rank in priority to the Class B Notes, which rank in priority to the Class C Notes.

Interest on the loan notes is payable quarterly in arrears at the following annual rates for three month deposits:

Class A1	Sterling LIBOR + 0.40%
Class A2	Sterling LIBOR + 0.40%
Class M	Sterling LIBOR + 1.46%
Class B	Sterling LIBOR + 1.46%
Class C	Sterling LIBOR + 1.46%
Class CR Note	Sterling LIBOR + 0.00%

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The CR Note has no fixed interest rate but receives two thirds of the reserve fund surplus if any.

A call option exists over the loan notes issued by the Company which may be exercised at the sole discretion of the Issuer once the outstanding mortgage backed loan notes reach 10% of the original issued amount. At this point, the call option permits the Issuer, at any interest payment date, to repay all of the outstanding external borrowings at their carrying value at the time.

In order for the call option to be exercised the directors must certify to the Trustee of the loan notes that the Issuer will be able to repay all amounts due and payable on the interest payment date on which the option would take effect.

16 Financial instruments and risk management

Nature and extent of risks arising from financial statements

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk and operational risk as explained in the strategic report.

a) Credit risk

Credit risk is the risk that borrowers of the mortgage assets will not be able to meet their obligations as they fall due. All mortgage assets are required to adhere to specific lending criteria. The payments in respect of the financial instruments are dependent upon the performance of the mortgage assets. The ongoing credit risk of the mortgage portfolio (and particularly in respect of accounts in arrears) is closely monitored by the directors.

The level of arrears in the mortgage portfolio has largely stabilised, which the directors consider is consistent with the improvement in the market conditions experienced in the past few years in the United Kingdom mortgage market. Arrears management and recovery processes are performed with the aim of maximising customer rehabilitation. Whilst there has been strong arrears performance, the directors acknowledge that market conditions, resulting in a benign interest rate environment, has partly contributed to the strong portfolio performance. With this in mind, the directors continue to closely monitor the economic landscape to ensure the Company is best placed to respond to any pressures that may impact portfolio performance and proactively consider strategies to mitigate any adverse portfolio impact should these pressures occur.

Credit quality of the mortgage assets is assessed by an assessment of each customer and the prevailing macroeconomic environment. Probability of default of the customer and the loss given default is calculated and impairment provisions raised where necessary.

Before taking account of any collateral, the maximum exposure to credit risk as at 30 November 2020 was:

	2020	2019
	£'000	£'000
Mortgage assets	76,992	87,137
Cash and cash equivalents	6,301	5,121
	<u>83,293</u>	<u>92,258</u>

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Notes to the financial statements for the year ended 30 November 2020

Mortgage assets and asset credit quality

All mortgage assets are categorised, as either 'neither past due nor impaired', 'past due but not impaired', or 'past due and impaired'. A loan is considered past due when the borrower has failed to make a payment when due under the terms of the loan contract.

As at 30 November 2020, the ageing analysis of mortgage assets is as follows:

	2020 £'000	2019 £'000
Neither past due nor impaired	70,193	83,069
Past due but not impaired – less than 30 days	363	571
Past due but not impaired – between 30 and 60 days	-	102
Past due but not impaired – between 61 and 90 days	-	104
Past due but not impaired – more than 120 days	372	-
Impaired	6,064	3,291
Total	<u>76,992</u>	<u>87,137</u>

The mortgage assets have the following loan to value ("LTV") profile based on indexed valuations of the underlying properties, giving an indication of their credit quality:

	2020 £'000	2019 £'000
0-50%	28,886	27,674
50.01% -70%	34,480	39,274
70.01% - 90%	13,351	19,609
90.01% - 100%	143	580
Over 100%	132	-
Total	<u>76,992</u>	<u>87,137</u>

The portfolio of mortgage assets is well diversified geographically with the highest exposure being in London at 28.43% (2019: London at 28.78%).

b) Liquidity risk

The undiscounted estimated cash flows associated with financial liabilities were as follows:

As at 30 November 2020 Financial liabilities	Less than 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	5+ years £'000	Total £'000
Loan notes	<u>9,549</u>	<u>11,843</u>	<u>6,964</u>	<u>6,413</u>	<u>5,879</u>	<u>27,097</u>	<u>67,745</u>

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As at 30 November 2019	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years	Total
Financial liabilities	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Loan notes	10,378	9,792	12,550	6,002	6,252	58,937	103,911

There is no contractual obligation to pay down the loan notes other than as set out in note 15.

The estimated future cash flows are sensitive to certain key assumptions being the expected probability of default, the expected time to move through the arrears/repossession cycle and expected recovery rates on losses incurred. Future cash flows have been estimated using a combination of macro environmental factors, including market observable data, and individual borrower data. However, it is not expected that the loans will repay at a constant rate until maturity, that all of the loans will prepay at the same rate or that there will be no defaults or delinquencies on the loans, therefore the amounts disclosed above are only estimates of the possible future cash outflows on the loan notes.

In addition, the Company holds a minimum cash balance to manage short term liquidity requirements which can be used in certain circumstances. The undiscounted cash flows have been estimated by previously applying a constant (per annum) prepayment rate to the principal balance of the mortgage loans and using the weighted average interest rate prevailing at the statement of financial position date.

The loan notes in the above table will not agree to the liability in statement of financial position as the table incorporates both principal and interest payments on an undiscounted basis (see note 15 for maturity dates). For the current and the prior year, all loan notes are due in more than 5 years, and all other non-derivative creditors are repayable on demand.

The Company's policy is to manage liquidity risk by matching cash payments due on the loan notes to cash receipts from the mortgage assets.

c) Interest rate risk

The Company has exposure to interest rates based on LIBOR reference rates.

On the assets side, all mortgages are linked to LIBOR. A programme to transfer all such mortgages to a SONIA-based reference rate in the latter part of 2021 is in progress. The necessary adjustments to customer contracts will be based on the rate adjustments published by ISDA, following the FCA's announcement regarding the cessation of LIBOR as a reliable benchmark.

On the liabilities side, the Company is exposed to LIBOR reference rates, as set out in note 15. The LIBOR-based reference rates will be replaced by equivalent term SONIA-based reference rates. The necessary adjustments to these contracts will again be based on the rate adjustments published by ISDA.

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Notes to the financial statements for the year ended 30 November 2020

Interest rate risk profile of financial assets

	Total £'000	Total variable rate £'000	Total fixed rate £'000	Weighted average interest rate* %	Weighted average time for which rate is fixed Years
2020					
Mortgage assets	76,992	76,992	-	2.23	-
Cash and cash equivalents	6,301	-	6,301	0.11	0.25
2019					
Mortgage assets	87,137	87,137	-	2.88	-
Cash and cash equivalents	5,121	-	5,121	0.33	0.25

* This is the weighted average spread above LIBOR.

Interest rate sensitivity analysis on financial assets

	Increase in basis points	Effect on equity £'000	Effect on result before tax £'000
2020			
Mortgage assets	25	192	192
Cash and cash equivalents	25	16	16
2019			
Mortgage assets	25	218	218
Cash and cash equivalents	25	13	13

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market conditions. In assessing the effect on financial assets of interest rate sensitivity, management have used a benchmark of 25 bps.

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Notes to the financial statements for the year ended 30 November 2020

Interest rate risk profile of financial liabilities

	Total	Total variable rate	Weighted average Interest rate
	£'000	£'000	%
2020			
Loan notes	<u>80,801</u>	<u>80,801</u>	<u>0.60</u>
2019			
Loan notes	<u>89,181</u>	<u>89,181</u>	<u>0.60</u>

Interest payable on the loan notes and receivable on the mortgage assets are both based on LIBOR. The Company thus has limited exposure to interest rate risk.

The interest rate risk profile of the loan notes in issue can be found in note 15. The Company's approach to managing interest rate risk is included in the principal risks and uncertainties section of the strategic report.

Interest rate sensitivity analysis on financial liabilities

	Increase in basis points	Effect on equity £'000	Effect on result before tax £'000
2020			
GBP loan notes	<u>25</u>	<u>(202)</u>	<u>(202)</u>
2019			
GBP loan notes	<u>25</u>	<u>(223)</u>	<u>(223)</u>

In assessing the effect on financial liabilities of interest rate sensitivity, management have used a benchmark of 25 bps.

The Company also has certain financial instruments included within debtors (note 11) and creditors (note 14) which are not subject to interest rate risk as they bear no interest.

Interest income and expense on financial instruments that are not at fair value through profit and loss

	2020 £'000	2019 £'000
Interest receivable on mortgage assets	1,183	2,154
Interest expense	<u>(894)</u>	<u>(1,842)</u>
	<u>289</u>	<u>312</u>

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Notes to the financial statements for the year ended 30 November 2020

d) Operational risk

Operational risk is defined as any instance where there is potential or actual impact to the Company resulting from inadequate or failed internal processes, people, systems, or from external events. The impacts can be financial as well as non-financial such as customer detriment, reputational or regulatory consequences.

The Company operates under a controls and governance framework provided by KMC, the servicer of the mortgage assets. This includes regulatory and compliance functions and internal audit. The business is covered by the servicer's business continuity management capability.

Operational risk is currently heightened by the impact of COVID-19 on KMC. This has driven working from home and changes in processes to meet new regulatory requirements including the provision of payment holidays. However, the nature of the risks to which the Company is exposed remain similar to those when all of KMC's staff were working from office locations prior to COVID-19, but additional focus has been required on the controls appropriate for the altered working environment. The technology solutions required for all of KMC's staff to function from home continue to be reviewed with additional controls implemented and guidance provided with regard to the technology. The focus on the technology and working environment will continue as KMC responds to the adjusted way of working during the remainder of the COVID-19 situation and afterwards.

The customer response to COVID-19 has driven more interaction with KMC, whether implementing full payment holidays or other measures as customers respond to the impact of COVID-19 on their financial situation. KMC has undertaken a variety of activity to support consistent implementation of payment holidays and to manage the customer experience as they end their payment holiday. Monitoring of customer service quality has been maintained to mitigate the operational risks associated with the increased customer interaction and new processes related to payment holidays.

e) Fair values of financial assets and liabilities

	2020 Book value £'000	2020 Fair value £'000	2019 Book value £'000	2019 Fair value £'000
Financial assets				
Mortgage assets	76,942	74,005	87,106	87,630
Cash and cash equivalents				
Reserve and contingency funds	2,095	2,095	2,320	2,320
Other cash balances	4,206	4,206	2,801	2,801
	<u>6,301</u>	<u>6,301</u>	<u>5,121</u>	<u>5,121</u>
	<u>83,243</u>	<u>80,306</u>	<u>92,227</u>	<u>92,751</u>
Financial liabilities				
Mortgage backed loan notes	80,801	76,254	89,181	85,810
Deferred consideration	2,442	2,442	2,976	2,976
	<u>83,243</u>	<u>78,696</u>	<u>92,157</u>	<u>88,786</u>

All financial assets and liabilities are held at amortised cost. There were no transfers between categories in both periods. Management have assessed all other assets and liabilities and consider book value to be equal to fair value.

Management does not expect any losses from non-performance by the counterparties holding cash and cash equivalents. There are no material differences between their book values and fair values.

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Notes to the financial statements for the year ended 30 November 2020

The directors have considered the fair values of the Company's main financial instruments which are mortgage assets, loan notes and cash.

The fair value of the loan notes has been based upon their quoted prices; where available, or prices interpolated using latest available market data. The fair value of the mortgage assets has been based upon the fair value of the mortgages underlying the loan notes, and expected residual cash flows. It is the opinion of the directors that this methodology is appropriate as the market is more liquid than in prior years. The fair value of reserve and contingency funds and other cash balances approximates to book value.

As part of the process of assessing fair value, management have refined the assumptions used. This has been achieved using a combination of macro environmental factors including market observable data and individual borrower data resulting in a more accurate reflection of the estimated cash flows used for computing fair value.

Loan notes and mortgage assets are classified as level 2 and level 3 respectively.

17 Share capital

	2020 £	2019 £
Allotted, issued and fully paid:		
2 ordinary 100% issued and fully paid shares of £1 each	<u>2</u>	<u>2</u>
Allotted, issued and partly paid:		
49,998 ordinary 25% issued and paid shares of £1 each	<u>12,500</u>	<u>12,500</u>

18 Related party transactions

The transactions and outstanding balances arose in the ordinary course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with persons of a similar standing. None of the outstanding balances have been impaired.

	Amount expensed 2020 £'000	Amount outstanding 2020 £'000	Amount expensed 2019 £'000	Amount outstanding 2019 £'000
Southern Pacific Mortgage Limited				
Deferred consideration	93	(2,442)	(425)	(2,976)
Wilmington Trust SP Services (London) Limited				
Corporate services fees	(14)	-	(10)	-
	<u>79</u>	<u>(2,442)</u>	<u>(435)</u>	<u>(2,976)</u>

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Notes to the financial statements for the year ended 30 November 2020

19 Parent undertaking and control

The Company's immediate parent undertaking is Eurosail Prime-UK 2007-A Parent Limited which is registered in England, United Kingdom and has its registered office located at Third Floor, 1 King's Arms Yard, London, EC2R 7AF. The entire issued share capital of Eurosail Prime-UK 2007-A Parent Limited is held by a trustee under a declaration of trust for charitable purposes.

Eurosail Prime-UK 2007-A Parent Limited, does not prepare consolidated accounts as it does not meet the criteria for consolidation under FRS 102.

20 Capital management

The Company is not subject to any externally proposed capital requirements except for the minimum requirement under the Companies Act 2006. The Company has not breached the minimum requirement.

The Company's capital consists of share capital contributed by investors. Due to the structural features of the securitisation process, where cash paid out to noteholders cannot exceed cash received, and where the holder of the deferred consideration certificate is entitled to any excess deferred consideration, the amount of share capital is not expected to fluctuate over time. Accordingly, the objective of capital management is to hold constant the amount of share capital, and this objective is achieved by the structural features of the securitisation transaction documented in the offering circular and other legal documentation.

21 Post statement of financial position date events

There are no significant events occurring after the statement of financial position date, up to the date of approval of the financial statements that would meet the criteria to be disclosed or adjusted in the financial statements as at 30 November 2020.