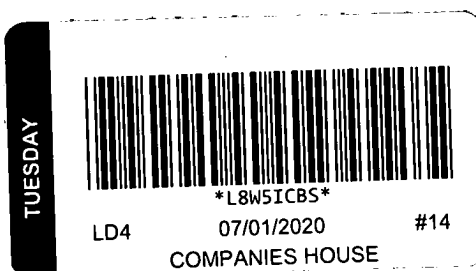


**Towd Point Mortgage Funding 2018- Auburn 12 Holdings
Limited**

Annual Report and Financial Statements

**Period from date of incorporation on 29 June 2018
to 31 December 2018**



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DIRECTORS AND OTHER INFORMATION

Directors

D.J Wynne
Wilmington Trust SP Services (London) Limited

Company Secretary and Registered Office

Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

Registered Number: 11441713

Statutory Auditor

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

DIRECTORS' REPORT

The directors present their directors' report and audited financial statements for the period from date of incorporation on 29 June 2018 to 31 December 2018.

Principal activities, business review and future developments

Towd Point Mortgage Funding 2018– Auburn 12 Holdings Limited is an investment holding company which invests in companies established for the purpose of acquiring mortgage portfolios funded by publicly traded loan notes.

The Company's principal assets are its investments in subsidiary undertakings. Other than holding these investments, the Company does not trade in its own right. The key risks associated with the Company's financial investments principally relate to its ability to recover its investment cost from the net assets of each subsidiary, each of which is a vehicle through which a mortgage securitisation has been effected. In the view of the directors, the fair value of these investments is at least equal to the cost shown in Company's financial statements.

Going concern

There are no plans to discontinue the Company's principal activity as an investment holding company. Accordingly the directors are satisfied that the Company will have sufficient resources available to meet its obligations as they fall due and that it is appropriate to adopt the going concern basis in preparing the financial statements.

Results and dividends

Details of the results for the period are set out in the statement of comprehensive income on page 7 and in the related notes. No dividends were proposed or have been paid for the 2018 financial period.

Directors and secretary

The following directors and secretary, who held office from the date of incorporation to the date of signing of these financial statements, except as stated below, were as follows:

Wilmington Trust SP Services (London) Limited	Director	(appointed 29 June 2018)
Wilmington Trust SP Services (London) Limited	Secretary	(appointed 29 June 2018)
D. J. Wynne	Director	(appointed 29 June 2018)

Political and charitable contributions

The Company made no political or charitable contributions during the period.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Subsequent events

There have been no significant events affecting the Company since the period end.

Auditor

KPMG LLP has been appointed as auditor of the Company and will continue in office in accordance with the UK Companies Act 2006.

Approval of financial statements

The board of directors approved these financial statements on 6 January 2020.

On behalf of the board



Ioannis Kyriakopoulos
Authorised Signatory

Ioannis Kyriakopoulos for and behalf of Wilmington Trust SP Services (London) Limited
Secretary

6 January 2020

DIRECTORS' REPORT - continued

Directors' responsibilities statement in respect of the directors' report and the financial statements

The directors are responsible for preparing 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 International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWD POINT MORTGAGE FUNDING 2018-
AUBURN 12 HOLDINGS LIMITED - continued**

Opinion

We have audited the financial statements of Towd Point Mortgage Funding 2018 – Auburn 12 Holdings Limited ("the company") for the year ended 31 December 2018 which comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for 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,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWD POINT MORTGAGE FUNDING 2018-AUBURN 12 HOLDINGS LIMITED - continued

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.

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.

Alexander Simpson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peters Square

Manchester

United Kingdom

M2 3AE

6 January 2020

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWD POINT MORTGAGE FUNDING 2018-
AUBURN 12 HOLDINGS LIMITED - continued**

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**Alexander Simpson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

1 St Peters Square

Manchester

United Kingdom

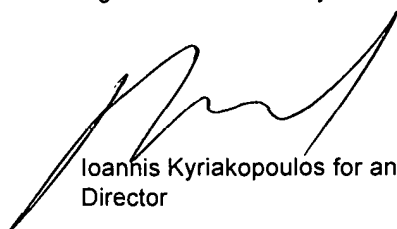
M2 3AE

6 January 2020

STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Notes	£
Assets		
Investment in subsidiary	3	12,500
Other debtors	4	1
Total assets		12,501
Liabilities		
Other creditors	5	12,500
Accrued and deferred income	6	380
Total liabilities		12,880
Equity		
Share capital	7	1
Retained loss		(380)
Total equity attributable to equity holders of the Company		(379)
Total liabilities and equity		12,501

The financial statements on pages 7 to 13 were approved by the board of directors on 6 January 2020 and were signed on its behalf by:



Ioannis Kyriakopoulos
Authorised Signatory

Ioannis Kyriakopoulos for and behalf of Wilmington Trust SP Services (London) Limited
 Director

Registered Company Number: 11441713

STATEMENT OF CHANGES IN EQUITY

Period from date of incorporation on 29 June 2018 to 31 December 2018

	Share capital £	Retained loss £	Total equity £
Balance at the date of incorporation	-	-	-
Share capital issuance	1	-	1
Total comprehensive loss for the period	-	(380)	(380)
Balance at the end of the period	<u>1</u>	<u>(380)</u>	<u>(379)</u>

ACCOUNTING POLICIES

Statement of compliance

The statutory financial statements set out on pages 7 to 13 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. The standards adopted by the Company are those that are effective and adopted by the European Union as of the date of the Company's statement of financial position.

Basis of preparation

Towd Point Mortgage Funding 2018– Auburn 12 Holdings Limited is a company incorporated in the United Kingdom. The principal activities are outlined in the directors' report.

The financial statements have been prepared on the historical cost basis. The accounting policies that the Company has applied in the preparation of the financial statements for the period ended 31 December 2018 have been set out below.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are reflected in the judgements made about the carrying amounts of assets and liabilities. Actual results may differ from the estimates made. The estimates and assumptions are reviewed on an ongoing basis and where necessary are revised to reflect current conditions. The principal estimates and assumptions made by management relate to the carrying value of the Company's investments.

The financial statements are presented in Pounds Sterling (£), which is the Company's functional currency.

Going concern

In the Directors' Report, the directors have set out the matters they had taken into consideration in determining that it is appropriate to prepare the financial statements on a going concern basis.

Cash flow statement

On the basis that the Company did not have any cash or cash equivalents in the current period, a cash flow statement has not been presented.

Investments in subsidiaries

The carrying amounts of the Company's investment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of Investment exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Financial liabilities

Financial liabilities are initially recorded at fair value and then subsequently measured at amortised cost calculated on an effective interest basis.

Interest expense

Interest expenses are recognised in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

Group accounts

Group accounts have not been prepared on the grounds that the Company has no control over its subsidiary Towd Point Mortgage Funding 2018 – Auburn 12 plc.

ACCOUNTING POLICIES - continued

Income tax expense

Income tax expense comprises both current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent it relates to an item which is recognised directly in equity, in which case it is recognised directly in equity. Current tax payable is provided on taxable profits at current taxation rates enacted or substantively enacted at the period end and also includes any adjustments to tax payable in respect of previous periods. Deferred tax is provided using the statement of financial position liability method on all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, without discounting. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised when it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax liabilities and assets are offset only where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

New reporting standards not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019. None of these are expected to have a significant effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

1 Loss before income tax

The directors received no remuneration from the Company in the current period. The Company has no employees.

There were no other items of expenditure requiring disclosure except for audit fee which is charged to the subsidiary undertakings.

2 Income tax charge

No income tax is due or payable as the Company has received no income in the period.

3 Investment in subsidiary

The Company held an investment in a subsidiary to the value of £12,500. Details of the Company's subsidiary, Towd Point Mortgage Funding 2018 – Auburn 12 plc, have been presented below.

Name and registered office	Country of incorporation	Details of investment	Proportion held	Principal Activity
Towd Point Mortgage Funding 2018 – Auburn 12 plc c/o Wilmington Trust SP Services (London) Limited Third Floor 1 King's Arms Yard London EC2R 7AF	United Kingdom	£12,500	100.00%	Investment in mortgage assets

At 31 December 2018, the Company held 49,999 quarter paid and 1 fully paid ordinary share of £1 each in Towd Point Mortgage Funding 2018 – Auburn 12 plc.

4 Other debtors	2018 £
Amounts due from parent undertaking	1
	<u>1</u>

Amounts due from parent undertaking are interest free and repayable on demand.

5 Other creditors	2018 £
Amount due to Wilmington Trust SP Services (London) Limited	12,500
	<u>12,500</u>

On 26 July 2018, the Company entered into a loan agreement with Wilmington Trust SP Services (London) Limited on an interest bearing term of 6% per annum.

6 Accrued and deferred income	2018 £
Accrued and deferred income	380
	<u>380</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7	Called up share capital	2018
		£
	Allotted, called up and fully paid	
	1 Ordinary share of £1	1
		<u>1</u>

8 Ultimate parent undertaking

The Company's issued share capital is held in trust for charitable purposes by the Company secretary, Wilmington Trust SP Services (London) Limited, a company registered in England and Wales and has the same registered address as the Company. There is no immediate or ultimate parent company.

9 Related party transactions

The Company has related party relationships with its parent company, Wilmington Trust SP Services (London) Limited, with its subsidiary company, Towd Point Mortgage Funding 2018 – Auburn 12 plc. The directors undertook no transactions directly with the Company during the period.

At the period end the Company held an investment in Towd Point Mortgage Funding 2018 – Auburn 12 plc carried at cost value of £12,500.

At the period end the Company was due £1 from Wilmington Trust SP Services (London) Limited in respect of issued share capital. In addition, at the period end, the Company had borrowings of £12,880 (£12,500 principal plus £380 interest payable) from Wilmington Trust SP Services (London) Limited. The Company incurred £380 interest expense on borrowings from Wilmington Trust SP Services (London) Limited during the period.

10 Significant judgements/estimates made by management

Significant judgements and estimates made by the Company which have a significant impact on the financial statements include:

Significant estimate	Key details
Valuation of investments	The directors of the Company have undertaken a review of the Company's investment in group undertakings as at 31 December 2018. There are no indications of impairment and the carrying values of the investments are supported by the underlying net assets of the company or the future expected cash flows.