

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

Annual Report and Financial Statements

Year Ended 31 December 2019

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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

DIRECTORS' REPORT

The directors present their directors' report and financial statements for the year ended 31 December 2019.

Principal activities, business review and future developments

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

The Company's principal assets are its investments in another company. 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 the investment, which is a vehicle through which a mortgage securitisation has been affected. 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 year are set out in the statement of comprehensive income on page 5 and in the related notes. No dividends were proposed or have been paid for either of the 2019 or 2018 financial periods.

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

Political and charitable contributions

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

Subsequent events

The speed of the Coronavirus spreading globally has resulted in the UK Government announcing emergency measures including reducing the Bank Base Rate to 10bps and several other stimulus to cushion the adverse economic impact. There is no impact to the Company as it is a holding company.

Other than the above Coronavirus pandemic disclosure, there have been no other reportable subsequent events between the balance sheet date and the date of signing this report that would meet the criteria to be disclosed or adjusted in the financial statements as at 31 December 2019 and for the year then ended.

Approval of financial statements

The board of directors approved these financial statements on 5 November 2020.

On behalf of the board



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

5 November 2020

DIRECTORS' REPORT - continued

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

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

Company law requires the Directors to prepare Company financial statements for each financial year. Under that law they have elected to prepare the Company 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 their profit or loss for that period. In preparing the company 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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 December 2019

	Notes	2019 £	29 June 2018 to 31 December 2018 £
Interest payable		<u>(773)</u>	<u>(380)</u>
Loss before income tax	1	(773)	(380)
Income tax charge	2	<u>-</u>	<u>-</u>
Total comprehensive loss for the year/period		<u>(773)</u>	<u>(380)</u>
Loss attributable to the owners of the Company		<u>(773)</u>	<u>(380)</u>

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	2019 £	2018 £
Assets			
Investment in subsidiary	3	12,500	12,500
Other debtors	4	1	1
Total assets		12,501	12,501
Liabilities			
Other creditors	5	12,500	12,500
Accruals	6	1,153	380
Total liabilities		13,653	12,880
Equity			
Share capital	7	1	1
Retained loss		(1,153)	(380)
Total equity attributable to equity holders of the Company		(1,152)	(379)
Total liabilities and equity		12,501	12,501

For the year ended 31 December 2019 the Company was entitled to audit exemption under Section 480 (1)(b) of the Companies Act 2006 (the "Act").

No members have required the Company to obtain an audit of its accounts for the current period in accordance with Section 476 of the Act.

The financial statements on pages 5 to 12 were approved by the board of directors on 5 November 2020 and were signed on its behalf by:



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

Registered Company Number: 11441713

STATEMENT OF CHANGES IN EQUITY
Year Ended 31 December 2019

	Share capital £	Retained loss £	Total equity £
Balance at the date of incorporation	-	-	-
Share capital issuance	1	-	1
Total comprehensive loss for the year	-	(380)	(380)
Balance at 31 December 2018	<u>1</u>	<u>(380)</u>	<u>(379)</u>
Balance at 1 January 2019	1	(380)	(379)
Total comprehensive loss for the period	-	(773)	(773)
Balance at 31 December 2019	<u>1</u>	<u>(1,153)</u>	<u>(1,152)</u>

STATEMENT OF CASHFLOW
Year Ended 31 December 2019

		29 June 2018 to 31 December 2018
Notes	2019 £'000	2018 £'000
Cash flows from operating activities		
Loss before taxation for year/period	(773)	(380)
Adjustments for:		
<i>(Increase)/decrease in assets</i>		
Other debtors	-	(1)
<i>Increase/(decrease) in liabilities</i>		
Accruals and deferred income	773	380
Other creditors		(12,500)
Net cash flows arising from operating activities	<u>-</u>	<u>(12,501)</u>
Cash flows from investing activities		
Investment in subsidiary	-	12,500
Net cash flows arising from investing activities	<u>-</u>	<u>12,500</u>
Cash flows from financing activities		
Issuance of share capital	-	1
Net cash flows arising from financing activities	<u>-</u>	<u>1</u>
Net movement in cash and cash equivalents	<u>-</u>	<u>-</u>
At start of year	-	-
Movement during the year	-	-
At end of year	<u>-</u>	<u>-</u>

ACCOUNTING POLICIES

Statement of compliance

The statutory financial statements set out on pages 5 to 12 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 year ended 31 December 2019 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 2020. 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.

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 2019, 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

	2019	2018
	£	£
Amounts due from related party	1	1
	<u>1</u>	<u>1</u>

Amounts due from related party are interest free and repayable on demand.

5 Other creditors

	2019	2018
	£	£
Amount due to Wilmington Trust SP Services (London) Limited	12,500	12,500
	<u>12,500</u>	<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 Accruals

	2019	2018
	£	£
Accruals	1,153	380
	<u>1,153</u>	<u>380</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Called up share capital	2019 £	2018 £
Allotted, called up and fully paid		
1 Ordinary shares of £1	1	1
	<u>1</u>	<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 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 year end the Company held an investment in Towd Point Mortgage Funding 2018 – Auburn 12 plc carried at cost value of £12,500.

At the year end the Company was due £1 from Wilmington Trust SP Services (London) Limited in respect of issued share capital. In addition, at the year end, the Company had borrowings of £13,653 (£12,500 principal plus £1,153 interest payable) (2018: £12,880 - £12,500 principal plus £380 interest payable) from Wilmington Trust SP Services (London) Limited. The Company incurred £773 (2018: £380) interest expense on borrowings from Wilmington Trust SP Services (London) Limited during the year.