Company Number 12012415

Warwick Finance Residential Mortgages Number Four Plc

Annual report and financial statements

For the year ended 31 December 2022

Contents **Page:**

Officers and professional advisers

Directors

Intertrust Directors 1 Limited
Intertrust Directors 2 Limited
Arun Vivek

Company secretary and registered office

Intertrust Corporate Services Limited
1 Bartholomew Lane
London
EC2N 2AX

Company number

12012415
(England and Wales)

Independent auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

The directors present the strategic report of Warwick Finance Residential Mortgages Number Four Plc (the "Company") for the year ended to 31 December 2022.

Principal activities, business review and future developments

The Company, a public company with limited liability, was incorporated as a special purpose vehicle on 22 May 2019 in the United Kingdom and registered in England and Wales under the Companies Act 2006.

On 22 May 2019 (the "Closing Date") the Company, as part of a securitisation transaction, was established as a special purpose company to raise funding by the issue of £266,668,000 Class A, £14,118,000 Class B, £9,412,000 Class C, £4,707,000 Class D, £4,707,000 Class E and £4,707,000 Class F Mortgage Backed Floating Rate Notes due in March 2042 (together the "Notes"). The total proceeds amounted to £304,319,000. The first optional redemption date is due September 2024. As at the date of authorisation of the financial statements there has been no confirmation that this option will be taken.

The Company applied the proceeds of the Notes to pay the initial consideration of £301,251,140 for the purchase of the beneficial title to a mortgage portfolio together with the related security (the "Loans") originated by Platform Funding Limited and Paratus AMC Limited, previously known as GMAC-RFC Limited, (each an "Originator" and together the "Originators") and sold by The Co-operative Bank p.l.c. (the "Seller"). The Loans are secured by first charges over residential properties located in the United Kingdom.

The purchase price of the mortgage portfolio consists of the initial consideration, as above, plus deferred consideration. The deferred consideration consists of the amounts payable to the Seller in accordance with the priority of payments. The right to such payments being represented by the issue of revenue and principal residual certificates, (the "Certificates"). Both the Notes and the Certificates are limited recourse obligations of the Company.

The Notes issued by the Company are listed on the EURONEXT Dublin Exchange.

The Company's obligation to pay principal and interest on the Notes and amounts due on the Certificates and its operating and administrative expenses will be met from payments of principal and interest received from the Loans.

The directors do not anticipate any changes to the present level of activity, or the nature of, the Company's business in the foreseeable future.

Results

The statement of comprehensive income of the Company is set out on page 17 and shows the profit for the year of £703,414 (2021: £1,294,295).

Key performance indicators

The principal balance of the Loans before any impairment provisions, a key performance indicator, held by the Company decreased during the year from £232,658,424 as at 31 December 2021 to £197,175,481 as at 31 December 2022 due to the effect of early redemption options availed by the underlying borrowers, scheduled amortisation and write offs. At the 2022 year end the balance of the Notes outstanding amounted to £190,006,407 (2021: £227,572,787).

The impairment provision held against the Loans at the year end, to cover any shortfall on realisation of proceeds from the sale of the underlying properties in the event of customer default is £81,316 (2021: £63,232).

Key performance indicators *(continued)*

The principal risks and uncertainties faced by the Company are summarised below and are discussed in more detail in the prospectus under the risk factors section.

Other key performance indicators are the credit ratings assigned to the Class A Notes. The credit rating of these Notes since their original rating of AAA by Moody's Investors Service Limited and Standard & Poor's Credit Market Service Europe Limited (together the "Rating Agencies") and remains at AAA.

Principal risks and uncertainties

The Company's operations are financed by means of the Notes. The Company issued such financial instruments to finance the acquisition of the Loans.

The Company's exposure to risk on financial instruments and the management of such risk is largely determined prior to the issuance of the Notes. The directors monitor the Company's performance by reviewing quarterly reports on the performance of the mortgage portfolio, in order to ensure that the transaction terms have been complied with, no unforeseen risks have arisen, and that the noteholders have been paid on a timely basis. The primary risks arising from the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The nature of these risks is detailed below on pages 4 and 5 and are discussed in more detail in the prospectus under risk factors.

Streamlined Energy and Carbon Reporting (SECR)

The Company is out of scope of the Streamlined Energy and Carbon Reporting ("SECR"), as it does not meet the numerical thresholds in relation to turnover and number of employees.

Climate Change

Climate change can have financial impacts arising through exposure to physical risk such as flood, coastal erosion, and subsidence, and to transition risks resulting from changes to business operating models and stakeholder expectations in response to climate change risks. The directors have identified the impairment provision on loans to be one of the main areas which are exposed to the financial impacts of climate change risk through the physical risks impacting the collateral value on which loans are secured. The calculation of the impairment provision does not explicitly consider climate risk however we have determined that reasonably possible credit losses associated with climate risk are subject to a significant level of uncertainty and any impacts are likely to be immaterial. This is an area where further refinement and enhancements are expected as new data and interpretation emerges.

Macroeconomic Events

The UK currently faces significant economic uncertainty. This uncertainty is greater than historical levels of uncertainty, due to Brexit and geopolitical tensions (heightened following the Russian military invasion of Ukraine). This has resulted in significant cost inflation (7.9%, based on the CPI for May 2023) and therefore increased pressure for the Bank of England to continue to increase the base rate. The first increase was made in February 2022 taking the base rate from 0.25% to 0.5%. There have been a number of increases in the base rate during the last year and the latest increase in June 2023 saw rates increase substantially to 5%. The military invasion of Ukraine has also resulted in global energy prices increasing to unprecedented levels. This has negatively impacted the UK economy as consumers energy bills have increased to record levels despite government intervention which has included individual and business support.

While the extent and duration of the effect of this economic uncertainty remains unclear it is difficult to determine the financial impact it will have on the Company at this stage. There is a risk of financial instability, for example, a detrimental effect on the UK economy may ultimately impact the underlying borrowers' ability to repay the Mortgage Loans. This has not driven a material increase in credit losses to date. However, in the worst case scenario the Notes are a limited recourse obligation of the Company, therefore payment is limited to the application of receipts from the Loans.

Credit risk

Credit risk reflects the risk that the underlying Loan borrowers or other transaction parties will not meet their obligations as they fall due.

The Company's principal business objective rests on the purchase of a mortgage loan portfolio. The Loans are secured by first charges over residential properties in the United Kingdom. The Company considered the evaluation of a borrower's ability to service a loan according to its terms to be the principal factor in assessing the credit risk and the decision to acquire the Loans. Furthermore, the Sellers provided warranties to the Company whereby each loan and its related security is enforceable.

Management of the credit risk is undertaken by reviewing and monitoring arrears balances, communicating regularly with the borrowers and having procedures in place to market repossessed properties.

An additional credit enhancement feature is the Principal Residual Certificate Over Collateralisation ledger, consisting of the amount by which the current principal balance of the Loans exceeds the principal amount outstanding on the Notes as at the Closing Date.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at an unacceptably high cost. The Company's ability to meet payments on the Notes and the Certificates as they fall due is dependent on timely receipt of funds which may be delayed due to slow repayment on the Loans.

In the event that the Company has insufficient funds available to pay principal on the Notes then it is obliged to draw on the Liquidity Reserve Ledger to meet its obligations to the holders of the Notes. If, on any Interest Payment Date (the "IPD"), the Company has insufficient funds to make payment in full of all amounts of interest, (other than the Class A Notes) then the Company is entitled to defer payment of that amount until the following IPD.

The Company's assets are financed principally by the issuance of the Notes. The financing policy substantially reduces the Company's liquidity risk by matching the maturity profile of the Company's funding to the profile of the assets being funded.

The Notes are subject to mandatory redemption in part on each IPD in an amount equal to the principal received or recovered in respect of the Loans. If not otherwise redeemed or purchased and cancelled, the Notes will be redeemed at their principal amounts outstanding on the IPD falling in March 2042. However, due to the limited recourse obligations of the Company in respect of the Notes and the residual certificates, the Company is only obliged to make payments of interest and principal on the Notes and residual certificates to the extent that repayments are received from the Loans or from any security over the Loans being realised.

Interest rate risk

Interest rate risk exists where interest rates on assets and liabilities are either set according to different basis or reset at different times. The Company is exposed to interest rate risk because the Loans are subject to variable interest rates while the Notes are based on Sterling Overnight Index Average ("SONIA"). The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar, with the assets being referenced to the Standard variable Rate (SVR) and the liabilities referenced to the Sterling Overnight Index Average ("SONIA").

Interest rate risk *(continued)*

On 5 March 2021 the UK Financial Conduct Authority ("FCA") announced that all London Inter Bank Offered Rate ("LIBOR") settings published by ICE Benchmarks Administration, an authorised administrator, regulated and supervised by the FCA, ceased to be provided by any administrator or not be representative of the underlying market and economic reality (and that representativeness will not be restored) immediately after 31 December 2021.

Accordingly, the directors, together with the legal and financial advisors appointed to the Company, considered the LIBOR exposure affecting the Company in light of, and in accordance with, the FCA announcement and guidance, with a view to determining the best course of action to take as a result of the cessation of LIBOR on 31 December 2021. From the 1 January 2022 the London Inter-Bank Offered Rate ("LIBOR") the previous benchmark upon which reliance was placed, was replaced by Sterling Overnight Index Average ("SONIA"). The transition from LIBOR to SONIA took place in May 2022.

The Company is not required to derecognise its financial assets and liabilities whose terms and conditions have been modified due to IBOR reform, applying the practical expedient per FRS 102 Paragraph 11.20, on the basis that the change was necessary only as a result of IBOR reform and the new basis for determining the contractual cashflows is economically equivalent to the basis immediately preceding the change.

Currency risk

The Company is not exposed to currency risk as all its financial instruments are denominated in GBP.

Capital management

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

Post balance sheet events

After the year end, there was no significant event to report.

Section 172(1) statement

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 the Companies Act 2006 as follows:

(a) 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 as disclosed in note 2 in accordance with relevant securitisation legislation the Company is only permitted to retain minimal profit;

(b) the Company has no employees;

(c) the Company is a securitisation vehicle and therefore a key stakeholder is the noteholders. The transaction documents determine the nature and quality of assets that can be securitised and how the cash flows from securitised assets are distributed. Relationships are also fostered with suppliers and others via professional third parties who have been assigned operational roles with their roles strictly governed by the transaction documents and fee arrangements agreed in advance. The Company has no customers;

(d) as a securitisation vehicle the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment;

(e) the Company maintains a reputation for high standards of business conduct via professional third parties who have been assigned operational roles. Fee arrangements have been agreed in advance and supplier invoices paid strictly in accordance with the transaction documents including a priority of payments, if applicable; and

(f) the Company has a sole member with the issued shares all held by Warwick Finance Residential Mortgages Holdings Number Four Limited.

In accordance with section 426b of the Companies Act 2006 a copy of this statement is available.at:

https://www.intertrustgroup.com/our-services/capital-markets-services/public-transactions/warwick-finance-residential-mortgages-number-four-plc/

On behalf of the Board

Debra Parsall
per pro **Intertrust Directors 1 Limited**
as Director
30 June 2023

The directors present their annual report together with the audited financial statement of the Company for the year ended to 31 December 2022.

Going concern with material uncertainty

In order to form a view as to the most appropriate basis of preparation of these financial statements, the directors have assessed the likelihood of whether the Company will continue trading over the foreseeable future versus the likelihood of either intending to or being forced to either cease trading or to place the Company into liquidation.

The ability of the Company to meet its obligations on the Notes and to meet its operating and administrative expenses is dependent principally on the performance of the Loans. The Notes are a limited recourse obligation of the Company, secured over the Loans, and the Company's ability to pay amounts due on the Notes are, in substance, limited to the application of the receipts from the Loans under the terms of the priority of payments.

The directors have performed an assessment of going concern. In terms of considering going concern, the focus was upon the Company's position in respect of the potential for reduced cash flows to trigger an event of default, amounts that may be deferred per the transaction documents, and the operational resilience of the Company.

The directors have concluded should there be an economic downturn drastic enough to materially impair revenue receipts from the portfolio of Loans, the credit enhancement provided to the Company is sufficient to cover interest due on the Notes and the expense obligations of the Company for a period in excess of 12 months following the date of approval of the annual report and financial statements.

The Company is obliged to redeem the Notes at their principal amount outstanding upon maturity. The earliest optional redemption date for the notes is September 2024 with the final legal maturity date for the Notes being March 2042. There has been no commitment from the portfolio option holder at this point as to whether the first optional redemption date will be acted upon. The directors have adopted the going concern basis in preparing the financial statements, however, as the optional redemption date is a potential significant event, taking place 15 months after signing the financial statements, which would lead to the assets being sold, the notes being repaid and effectively the entity being placed into liquidation this raises a material uncertainty for the entity.

Future developments

Information on future developments is included in the principal activities, business review and future developments section of the Strategic report.

Financial risk management

Information on financial risk management is included in the principal risks and uncertainties section of the Strategic report.

Corporate governance

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

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.

Corporate governance *(continued)*

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, the Company is largely exempt from the disclosure requirements of the Financial Conduct Authority pertaining to the Disclosure and Transparency Rules ("DTR") as detailed in DTR 7.1 audit committees and 7.2 corporate governance statements (save for DTR 7.2.5 requiring a description of the features of the internal control and risk management systems), which would otherwise require the Company respectively, to have an audit committee in place and include a corporate governance statement in the report of the directors. The directors are therefore satisfied that there is no requirement for an audit committee or a supervisory body entrusted to carry out the functions of an audit committee or to publish a corporate governance statement.

Share capital

The issued share capital consists of £12,501 comprising 49,999 quarter paid and 1 fully paid ordinary shares of £1 each.

Directors and their interests

The directors of the Company during the year, and subsequently, were:

Intertrust Directors 1 Limited	
Intertrust Directors 2 Limited	
Daniel Jaffe	Resigned 1 February 2023
Arun Vivek	Appointed 1 February 2023

None of the directors have any beneficial interest in the ordinary share capital of the Company. None of the directors had any interest during the year in any material contract or arrangement with the Company.

Dividend

The directors do not recommend the payment of a dividend (2021: £nil).

Company Secretaries

Intertrust Corporate Services Limited served as the company secretary during the year and subsequently.

Third party indemnities

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force as at the date of approval of the annual reports and financial statements.

Statement of disclosure of information to auditor

The directors confirm that:

a) so far as the directors at the date of approving this report are aware, there is no relevant audit information being information needed by the auditor in connection with its report, of which the Company's auditor is unaware; and

b) each director has taken all the steps that they ought to have taken as directors in order to make themselves 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.

Independent auditor

The auditor, Ernst & Young LLP, have expressed their willingness to continue in office until the next annual general meeting. Pursuant to section 489 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Debra Parsall
per pro **Intertrust Directors 1 Limited**
as Director
30 June 2023

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with Companies Act 2006 and 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 United Kingdom 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 year. 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 and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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 AUDITOR'S REPORT TO THE MEMBERS OF WARWICK FINANCE RESIDENTIAL MORTGAGES NUMBER FOUR PLC

Opinion

We have audited the financial statements of Warwick Finance Residential Mortgages Number Four Plc (the 'Company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 2 in the financial statements, which indicates that the Company's loan notes reach the earliest optional redemption date on 21 September 2024. At this point there will be the option to call the loan notes. In the event that the call option is exercised, the notes will be redeemed, and the Company will cease to trade. In addition, if after nine months from the optional redemption date the option to continue the structure is not exercised, the Company is required to commence liquidation procedures. As stated in note 2, the optional redemption date represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of management's going concern assessment process, reviewing the going concern assessment including testing the accuracy and reasonableness of management's analysis and key assumptions, and making inquiries of management.
- Obtaining and reviewing legal documentation in order to understand and assess the legal structure of the Company, contractual events of default, and limited recourse nature of the loan notes. As part of this testing, we confirmed the existence of a contractual option to call the Company's loan notes on 21 September 2024 and the impact on the Company if the option to continue the structure is not exercised. We challenged management on the impact of this option and consequently the period of the going concern assessment, concluding that due to the levels of uncertainty arising as a result of this contractual call option, the going concern period should be extended to 15 months and appropriate disclosure of this material uncertainty should be included within the 2022 financial statements.

- Performing an independent reverse stress test to establish whether the Company has sufficient liquidity to meet its obligations as they fall due. From this assessment we concluded that the Company would be able to meet its obligations over the going concern assessment period.
- Assessing whether there were any other events subsequent to the balance sheet date which could have a bearing on the going concern conclusion, besides the existence of the call option. We did not identify any such events.
- Reviewing the going concern disclosures included in the Annual Report and Financial Statements in order to assess whether the facts and circumstances for the use of the going concern basis of preparation and the associated material uncertainty were clearly disclosed and in conformity with the accounting standards. We considered the disclosures appropriate and compliant with the applicable accounting standards.

Going concern has also been determined to be a key audit matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Going Concern • Measurement of interest income from the loan portfolio.
Materiality	• Overall materiality of £2.0m which represents 1% of total assets.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Warwick Finance Residential Mortgages Number Four Plc. The Company has determined that the most significant future impacts from climate change on its operations will be from physical and transition risks. The directors have identified the impairment provisions on loans as being one of the main areas which are exposed to the financial impacts of climate change risk through the physical risks impacting the collateral value on which loans are secured, however any impacts are likely to be immaterial. These are explained in the Climate Change section on page 3, which form part of the "Other information", rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Company's business and any consequential material impact on its financial statements.

The Company has explained in note 2 of the financial statements, how governmental and societal responses to climate change risks are still developing. These are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of United Kingdom Generally Accepted Accounting Practice.

Our audit effort in considering the impact of climate change on the financial statements was focused on ensuring that reasonably probable effects of material climate risks have been appropriately considered in the preparation of the financial statements, particularly how climate risk has been incorporated into the impairment provisions of loans, following the requirements of FRS 102 standards. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

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

In addition to the key audit matters in the table below our response to the going concern key audit matter is set out in the 'Material uncertainty related to going concern' section of this report..

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Measurement of interest income from the loan portfolio (2022: £6.5m, 2021: £5.0m) Refer to the Accounting policies (page 23) and note 3 of the Financial Statements (page 25). Interest charged on the loan portfolio amounted to £6.5m in 2022 (2021: £5.0m) and was calculated with reference to the interest earned on the underlying mortgage portfolio. The interest on the loan portfolio is the primary source of income for the Company and as such poses an inherent risk of fraud in revenue recognition.	We understood and tested the design and operating effectiveness of controls over the recording of interest income from the mortgage loan portfolio. We performed an independent recalculation using the underlying mortgage balances and interest rates. to form an expectation of interest income and compared this to the balance reported. We tested material manual adjustments recorded with respect of interest income.	We communicated that the measurement of interest income from the loan portfolio was not materially misstated.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £2.0 million (2021: £2.4 million), which is 1% (2021: 1%) of total assets. We believe that total assets represent the most appropriate materiality basis given the Company is a securitisation vehicle which holds the beneficial ownership of mortgage loans and receives the income on these to pay the floating rate note holders. As a result of this nature, we consider assets to be the main consideration for the users of the financial statements receives the income on these to pay the floating rate note holders. As a result of this nature we consider assets to be the main consideration for the users of the financial statements.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% (2021: 75%) of our planning materiality, namely £1.0m (2021: £1.8m). We have decreased performance materiality to this percentage due to our assessment that there is an increased risk of misstatements being identified as a result of errors noted in past audits.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with those charged with governance that we would report to them all uncorrected audit differences in excess of £0.1m (2021: £0.1m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the *financial statements and the part of the* Directors' Remuneration Report to be audited 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the financial reporting framework (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, Tax legislation and Euronext Listing Rules.
- We understood how Warwick Finance Residential Mortgages Number Four Plc is complying with those frameworks making enquiries of management and those charged with governance and reviewing relevant committee minutes and board reports. We enquired as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud. We identified the greatest potential for fraud through measurement of interest income from the loan portfolio and inappropriate journal postings.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved examination of operating expenses and making enquiries of key management for their awareness of any known instances of non-compliance or suspected non-compliance with laws and regulations. We performed audit procedures to address the risk of fraud through measurement of interest income from the loan portfolio as detailed in the key audit matter above. In addition, we performed journal entry testing, with a focus on post-closing adjustments and journals indicating unusual transactions based on our understanding of the business; and incorporated unpredictability into the nature, timing and extent of our testing, challenging assumptions and judgements made by management and their significant estimates.
- The Company operates in the financial services industry, which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

DocuSigned by:
Ernst & Young LLP
227230927CB74B4...

Michael-John Albert (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
30 June 2023

Statement of comprehensive income for year ended 31 December 2022

	Note	Year ended 31 December 2022	Year ended 31 December 2021
		£	£
Interest receivable and similar income	3	6,676,497	4,969,844
Interest payable and similar charges	4	(4,953,928)	(2,767,228)
Net interest income		**1,722,569**	**2,202,616**
Impairment (charge)/credit	9	(18,084)	102,277
Write offs		(158,602)	(63,836)
Operating expenses	5	(842,279)	(946,572)
Profit on ordinary activities before taxation	6	**703,604**	**1,294,485**
Taxation on profit on ordinary activities	8	(190)	(190)
Profit for the financial year	13	**703,414**	**1,294,295**
Other comprehensive income		-	-
Total comprehensive income for the financial year		**703,414**	**1,294,295**

All amounts relate to continuing activities.

The accompanying notes on pages 21 to 34 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2022

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 31 December 2020	**12,501**	**3,081,242**	**3,093,743**
Total comprehensive income for the financial year	-	1,294,295	1,294,295
Balance as at 31 December 2021	**12,501**	**4,375,537**	**4,388,038**
Total comprehensive income for the financial year	-	703,414	703,414
Balance as at 31 December 2022	**12,501**	**5,078,951**	**5,091,452**

The accompanying notes on pages 21 to 34 are an integral part of these financial statements.

Warwick Finance Residential Mortgages Number Four Plc
Company registration number: 12012415

Statement of financial position as at 31 December 2022

	Note	31 December 2022 £	31 December 2021 £
Fixed assets			
Loans	9	156,232,418	203,901,461
Current assets			
Cash at bank and in hand		7,496,653	6,542,488
Debtors	10	40,915,791	30,966,220
		48,412,444	**37,508,708**
Creditors: amount falling due within one year	11	(37,100,536)	(27,164,990)
Net current assets		**11,311,908**	**10,343,718**
Total assets less current liabilities		**167,544,326**	**214,245,179**
Creditors: amounts falling due after more than one year	11	(162,452,874)	(209,857,141)
Net assets		**5,091,452**	**4,388,038**
Capital and reserves			
Called up share capital	12	12,501	12,501
Profit and loss account	13	5,078,951	4,375,537
Total shareholders' funds		**5,091,452**	**4,388,038**

The accompanying notes on pages 21 to 34 are an integral part of these financial statements.

The financial statements on pages 17 to 34 were approved and authorised for issue by the Board on 30 June 2023, and were signed on its behalf by;

Debra Parsall
per pro **Intertrust Directors 1 Limited**
as Director

Statement of cash flows for the year ended 31 December 2022

	Note	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cash flows from operating activities			
Net cash (outflow) from operating activities	15	(296,877)	(804,538)
Tax paid		(190)	(190)
		(297,067)	**(804,728)**
Cash flows from investing activities			
Repayment of Loans		39,209,368	36,085,248
Interest received on Loans		4,290,495	4,969,687
Interest received on bank balances		134,989	159
		43,634,852	**41,055,094**
Cash generated before financing		**43,337,785**	**40,250,366**
Cash flows from financing activities			
Redemption of Notes		(37,566,380)	(35,579,972)
Interest paid on Notes		(4,469,499)	(2,816,494)
Deferred consideration		(347,741)	(1,060,846)
		(42,383,620)	**(39,457,312)**
Increase in cash at bank and in hand in the year		**954,165**	**793,054**
Cash at bank and in hand at the start of the year		6,542,488	5,749,434
Cash at bank and in hand at the end of the year		**7,496,653**	**6,542,488**

The accompanying notes on pages 21 to 34 are an integral part of these financial statements.

1 General Information

Warwick Finance Residential Mortgages Number Four Plc (the "Company"), a public company with limited liability by shares, was incorporated as a special purpose company on 22 May 2019 in the United Kingdom and registered in England and Wales under the Companies Act 2006.

2 Accounting policies

Basis of accounting

The financial statements of the Company are prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Company has adopted and is in compliance with Financial Reporting Standard 102. The Company has adopted in full International Accounting Standard 39 ("IAS 39") with respect to the recognition and measurement of financial instruments. The accounting policies which have been applied consistently throughout the year to the Company's financial statements are set out below. The directors have adjusted the format of the statement of comprehensive income and statement of financial position as allowed under Companies Act 2006. In the opinion of the directors, net interest income is a more appropriate measurement of the Company's performance than turnover and cost of sales.

Basis of preparation - Going concern

In order to form a view as to the most appropriate basis of preparation of these financial statements, the directors have assessed the likelihood of whether the Company will continue trading over the foreseeable future versus the likelihood of either intending to or being forced to either cease trading or to place the Company into liquidation.

The ability of the Company to meet its obligations on the Notes and to meet its operating and administrative expenses is dependent principally on the performance of the Loans. The Notes are a limited recourse obligation of the Company, secured over the Loans, and the Company's ability to pay amounts due on the Notes are, in substance, limited to the application of the receipts from the Loans under the terms of the priority of payments.

The directors have performed an assessment of going concern. In terms of considering going concern, the focus was upon the Company's position in respect of the potential for reduced cash flows to trigger an event of default, amounts that may be deferred per the transaction documents, and the operational resilience of the Company. The directors have concluded should there be an economic downturn drastic enough to materially impair revenue receipts from the portfolio of Loans, the credit enhancement provided to the Company is sufficient to cover interest due on the Notes and the expense obligations of the Company for a period in excess of 12 months following the date of approval of the annual report and financial statements.

The Company is obliged to redeem the Notes at their principal amount outstanding upon maturity. The earliest optional redemption date for the notes is September 2024 with the final legal maturity date for the Notes being March 2042. There has been no commitment from the portfolio option holder at this point as to whether the first optional redemption date will be acted upon. The directors have adopted the going concern basis in preparing the financial statements, however, as the optional redemption date is a potential significant event, taking place 15 months after signing the financial statements, which would lead to the assets being sold, the notes being repaid and effectively the entity being placed into liquidation this raises a material uncertainty for the entity.

2 Accounting policies *(continued)*

Climate Change

In preparing these financial statements, we have incorporated assessment of the climate-related risks outlined in the strategic report and into judgements associated with recognition, measurement, presentation and disclosure, where so permitted by Financial Reporting Standard 102. Consideration has been given to potential future impacts of climate-related risk, but we recognise that governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of Financial Reporting Standard 102. The entity considers its present financial exposure to climate-related risk to be low and accordingly has made limited reference to the impacts of climate-related risk in the notes to the financial statements.

Currency

The financial statements are prepared in Pounds sterling, which is the functional currency of the Company.

Financial instruments

In accordance with Section 11 of Financial Reporting Standard 102, the provisions of IAS 39 have been adopted in full with respect to the recognition and measurement of financial instruments.

Segmental analysis

The Company's operations are carried out in the United Kingdom and the results and net assets are derived from its acquisition of the Loans and therefore the directors only report one business and one geographic segment.

Loans and the Notes

The Loans are non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market. They are classified as loans and receivables. Loans and related transaction costs are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

The Notes issued by the Company are initially recognised at fair value on the date of their issuance and are subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand with an original maturity date of three months or less.

Impairment

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. A financial asset or portfolio of financial assets is impaired, and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

2 Accounting policies *(continued)*

Impairment(continued)

These indicators primarily relate to arrears in scheduled payments past due by more than 30 days. Realised Losses of principal and Uncapitalised Receipts in any period will be calculated after applying any recoveries following enforcement of a Loan to outstanding fees and interest amounts due and payable on the relevant Loan.

If there is objective evidence that an impairment loss on a financial asset classified as loans and receivables has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are recognised in the statement of comprehensive income and the carrying amount of the financial asset reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance. Once an impairment loss has been recognised on a financial asset, interest income is recognised on the carrying amount using the rate of interest at which estimated future cash flows were discounted on measuring impairment.

Interest receivable and similar income and interest payable and similar charges

The Company accounts for interest income and expense on an accruals basis. Interest income on financial assets that are classified as loans and receivables and interest expense on financial liabilities is determined using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liabilities and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount.

Taxation

The directors are satisfied that this Company meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise. As a result, no deferred tax amounts are recognised.

Under the powers conferred by the Act, secondary legislation was enacted in 2006 which ensures that, subject to certain conditions being met and an election being made, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the profit of the securitisation company required to be retained in accordance with the relevant capital market arrangement.

2 Accounting policies *(continued)*

Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The judgments and estimates involved in the Company's accounting policies that are considered by the directors to be the most important to the portrayal of the Company's financial condition and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment losses on the Loans

The level of potential credit losses on the Loans is uncertain and could depend on a number of micro and macro-economic factors that may affect repayment conditions and the value of the underlying collateral. The Company assesses impairment provisions based on historical and incurred loss experience and will calculate and recognise impairment when there is objective evidence of an impairment event having occurred, for example a missed repayment, in line with the stated accounting policy on Impairment.

Deferred purchase price

Deferred purchase price represents further amounts payable on the acquisition of the initial mortgage portfolio from the Seller. The payment of these amounts is conditional on the performance of the Loans, and therefore constitutes a liability in the books of the Company to the extent that excess cash has been generated and are expected to be paid as deferred consideration in the future. If the Company were to make losses in the future as a result of future impairments, the deferred purchase price liability could reduce, but as at the year-end the directors believe that the accrued liability will be payable based on the information available at the balance sheet date.

In addition, under the terms of the securitisation, the Company retains the right to £1,000 per year issuer profit. Available revenue receipts are defined by the transaction documentation and include interest on the Loans and interest received on the bank accounts. Profits in excess of this are payable to the holders of the Revenue Residual Certificates as deferred purchase price. These profits are used to pay down the deferred consideration liability that was recorded on the execution of the transaction documents. At the point in time when this liability is fully paid; any further deferred purchase price payable to the holders of the Revenue Residual Certificates and Principal Residual Certificates will be charged to the statement of changes in equity.

The payments of deferred purchase price are strictly governed by the priority of payments that sets out how cash can be utilised. The Company deems that the above accounting treatment of the deferred purchase price is in line with the principles as set out in the transaction documents.

Liquidity Analysis

The average term of the Notes cannot be stated with certainty, as the actual rate of repayment of the Loans and redemption of the mortgages and a number of other relevant factors are unknown. Therefore, no assurance can be given that the assumptions and estimates will prove to be realistic.

3 Interest receivable and similar income

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Loan interest	6,541,508	4,969,685
Bank interest	134,989	159
	6,676,497	**4,969,844**

4 Interest payable and similar charges

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Interest expense on Notes	4,953,928	2,767,228
	4,953,928	**2,767,228**

5 Operating expenses

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Servicing Fees	537,415	633,040
Interim Servicing Fees	41,820	48,391
Corporate Services Fees	34,872	36,747
Cash Manager Fees	21,333	23,937
Professional and Legal Fees	115,836	143,628
Rating Agency Fees	76,789	53,669
Other Fees	14,214	7,160
	842,279	**946,572**

6 Profit on ordinary activities before taxation

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
This has been arrived at after charging:		
Auditor's remuneration – net of tax		
- audit of the Company's annual financial statements	40,696	33,000
	40,696	**33,000**

7 Directors and employees

The Company has no employees and services required are contracted from third parties. The directors received no remuneration from the Company in respect of qualifying services rendered during the year. During the year, fees of £34,872 (2021: £36,747) were paid to Intertrust Management Limited in respect of corporate services provided to the Company. There were corporate services fees of £nil (2021: £nil) accrued at 31 December 2022 in respect of the services provided by Intertrust Management Limited.

8 Taxation on profit on ordinary activities

a) Analysis of the Company charge in the year

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
UK corporation tax charge on the profit for the year at 19% (2021: 19%)	190	190
	190	**190**

The tax on the Company's profit before taxation differs from the theoretical amount that would arise under the corporation tax rate in the UK as follows:

b) Factors affecting the Company tax charge for the year	**Year ended 31 December 2022 £**	**Year ended 31 December 2021 £**
Profit on ordinary activities before tax	**703,604**	**1,294,485**
Tax charge at 19%	133,685	245,952
Effects of:		
Accounting profits not taxed in accordance with SI 2006/3296	(133,685)	(245,952)
Retained profit taxed in accordance with SI 2006/3296	190	190
	190	**190**

For UK corporation tax purposes, the Company has been considered as a Securitisation Company under the 'Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)'. Therefore, the Company is not required to pay corporation tax on its accounting profit or loss. Instead, the Company is required to pay tax on its retained profits as specified in the documentation governing the Transaction. In accordance with the prospectus the Company is expected to retain £250 on each IPD.

9 Loans

The Loans are secured by first charges over residential properties in the United Kingdom.

	2022	2021
	£	£
Opening net book value	**230,745,152**	**267,597,571**
Repayment during the year	(35,725,313)	(36,890,860)
Impairment (charge)/credit	(18,084)	102,277
Write offs	(158,602)	(63,836)
At 31 December	**194,843,153**	**230,745,152**
The maturity profile of the Loans was as follows:		
In one year or less (see note 10)	38,610,735	26,843,691
In more than one year	156,232,418	203,901,461
At 31 December	**194,843,153**	**230,745,152**

10 Debtors

	31 December 2022	31 December 2021
	£	£
Loans due within one year (see note 9)	38,610,735	26,843,691
Accrued Interest Receivable on Loans	2,251,012	4,055,984
Prepayments	54,044	66,545
	40,915,791	**30,966,220**

An amount of £2.2m receivable from loans is reclassified from accrued interest receivable on Loans to Loans due within one year. As at 31 December 2021, accrued interest receivable on Loans includes £2.2m receivable from loans. Due to immaterial nature of reclassification, the comparative information in note 10 is not reclassified. There is no impact on the primary financial statements.

11 Creditors

	31 December 2022	31 December 2021
	£	£
Amounts falling due within one year:		
Notes	36,333,837	26,843,691
Accrued interest payable on Notes	705,581	221,151
Accrued expenses	60,928	99,958
Tax provision	190	190
	37,100,536	**27,164,990**

11 Creditors *(continued)*

	31 December 2022	31 December 2021
Amounts falling due after one year:	£	£
Notes (see note 14)	153,672,570	200,729,096
Deferred purchase price	8,780,304	9,128,045
	162,452,874	**209,857,141**

The Notes bear interest at a floating rate plus margin and are secured over all the assets of the Company. See note 14 under financial instruments for further details on the interest rates.

12 Called up share capital

	31 December 2022	31 December 2021
	£	£
Issued, called up and allotted		
49,999 ordinary shares of £1 each: quarter paid	12,500	12,500
1 ordinary share of £1: fully paid	1	1
	12,501	**12,501**

13 Profit and loss account

	2022	2021
	£	£
Opening balance	4,375,537	3,081,242
Profit for the financial year	703,414	1,294,295
At 31 December	**5,078,951**	**4,375,537**

Under the terms of the securitisation, profits in excess of £250 per IPD are payable to the holders of the Revenue Residual Certificates as further deferred purchase price. Accordingly, where retained earnings are not utilised to absorb future credit losses, on termination of the structure, any amount over and above £1,000 per year will be recognised as further deferred purchase price accrual.

14 Financial instruments

The Company's exposure to risks on its financial instruments and the management of such risks are largely determined from the inception of the securitisation transaction. The Company's activities and the role of each party to the transaction are clearly defined and documented. Following initial set-up, the directors monitor the Company's performance, reviewing reports on the performance of the Loans. Such review is designed to ensure that the terms of the documentation have been met, that no unforeseen risks have arisen and that the noteholders have been paid on a timely basis.

Credit risk

The maximum exposure to credit risk arising on the Company's financial assets at the reporting date is disclosed in the table below.

14 Financial instruments *(continued)*

Credit risk *(continued)*

	Carrying value 2022	Maximum exposure 2022	Carrying value 2021 Re-presented (1)	Maximum exposure 2021 Re-presented (2)
	£	£	£	£
Assets:				
Loans (fixed assets)	156,232,418	156,313,734	203,901,461	203,964,693
Debtors (current portion of Loans)	38,610,735	38,610,735	26,843,691	26,843,691
Cash and cash equivalents	7,496,653	7,496,653	6,542,488	6,542,488
Debtors (other debtors)	2,305,056	2,251,012	4,122,529	4,055,984
	204,644,862	**204,672,134**	**241,410,169**	**241,406,856**

In 2021 the carrying value of other debtors was reported as £30,966,220, however this included £26,843,691 of loans which are due within one year and was also included in the debtors line. In the current year, the loans line has been split to reflect current and non current loan balances, and further the debtors line has been renamed to reflect other debtors. Consequently, the maximum exposure for 2021 has been represented from £30,966,220 to £4,055,984.

The credit quality of the Loans and fair value of collateral for these Loans are summarised as follows:

The Loans are secured by first charges over residential properties in the United Kingdom.

31 December 2022	**Carrying value before impairment**	**Impairment provision**	**Carrying value after impairment**	**Fair Value of collateral**
	£	£	£	£
Not overdue	174,617,989	-	174,617,989	574,665,113
< than 1 month	7,051,952	-	7,051,952	19,198,435
From 1 to 2 months	8,483,851	(4,398)	8,479,453	20,374,795
From 2 to 3 months	2,110,458	-	2,110,458	5,317,835
From 3 to 6 months	2,742,408	(6,786)	2,735,622	6,527,606
From 6 to 9 months	268,866	-	268,866	504,371
9 months and over	1,899,956	(70,132)	1,829,824	3,946,173
	197,175,480	**(81,316)**	**197,094,164**	**630,534,328**

14 Financial instruments *(continued)*
Credit risk *(continued)*

31 December 2021	Carrying value before impairment £	Impairment provision £	Carrying value after impairment £	Fair Value of collateral £
Not overdue	217,044,930	-	217,044,930	713,861,660
< than 1 month	3,454,700	-	3,454,700	8,547,632
From 1 to 2 months	4,027,660	-	4,027,660	10,237,806
From 2 to 3 months	913,242	-	913,242	3,098,266
From 3 to 6 months	2,026,525	-	2,026,525	5,122,535
From 6 to 9 months	1,101,620	-	1,101,620	5,685,180
9 months and over	4,089,747	(63,232)	4,026,515	9,074,904
	232,658,424	**(63,232)**	**232,595,192**	**755,627,983**

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times.

On 5 March 2021 the UK Financial Conduct Authority ("FCA") announced that all London Inter Bank Offered Rate ("LIBOR") settings published by ICE Benchmarks Administration, an authorised administrator, regulated and supervised by the FCA, ceased to be provided by any administrator or not be representative of the underlying market and economic reality (and that representativeness will not be restored) immediately after 31 December 2021.

Accordingly, the directors, together with the legal and financial advisors appointed to the Company, considered the LIBOR exposure affecting the Company in light of, and in accordance with, the FCA announcement and guidance, with a view to determining the best course of action to take as a result of the cessation of LIBOR on 31 December 2021. From the 1 January 2022 the London Inter-Bank Offered Rate ("LIBOR") the previous benchmark upon which reliance was placed, was replaced by Sterling Overnight Index Average ("SONIA"). The transition from LIBOR to SONIA took place from May 2022.

The Company is not required to derecognise its financial assets and liabilities whose terms and conditions have been modified due to IBOR reform, applying the practical expedient per FRS 102 Paragraph 11.20, on the basis that the change was necessary only as a result of IBOR reform and the new basis for determining the contractual cashflows is economically equivalent to the basis immediately preceding the change.

14 Financial instruments *(continued)*

Interest rate risk *(continued)*

Interest on the floating rate liabilities is determined and payable quarterly in arrears at the following rates above SONIA (2021: LIBOR) for three-month sterling deposits:

	31 December 2022 £	Interest rates	Maturity Date
Class A	152,355,407	SONIA + 1.0193%	March 2042
Class B	14,118,000	SONIA + 1.8693%	March 2042
Class C	9,412,000	SONIA + 2.2193%	March 2042
Class D	4,707,000	SONIA + 2.6193%	March 2042
Class E	4,707,000	SONIA + 3.6193%	March 2042
Class F	4,707,000		March 2042
	190,006,407		

	31 December 2021 £	Interest rates	Maturity Date
Class A	189,921,787	LIBOR + 0.90%	March 2042
Class B	14,118,000	LIBOR + 1.75%	March 2042
Class C	9,412,000	LIBOR + 2.10%	March 2042
Class D	4,707,000	LIBOR + 2.50%	March 2042
Class E	4,707,000	LIBOR + 3.50%	March 2042
Class F	4,707,000		March 2042
	227,572,787		

The Notes are limited recourse obligations dependent on receipt of principal and interest from the borrowers on each interest payment date (the "IPD"). The Class A Notes will rank ahead of other Class Notes at all times.

The Company is exposed to interest rate risk because the Loans are subject to variable interest rates.

At 31 December 2022, if SONIA deposits at that date had been 20 basis points higher for interest payable and 20 basis points higher for interest receivable, with all other variables held constant, the net effect on the Company's net margin would be £38,317 (2021: £155,665).

Currency profile

All of the Company's financial assets and liabilities are denominated in Pounds sterling.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at an unacceptably high cost. The Company's ability to meet payments on the Notes as they fall due is dependent on timely receipt of funds which may be delayed due to slow repayment on the Loans.

14 Financial instruments *(continued)*
Liquidity risk *(continued)*

In the event that the Company has insufficient funds available to pay principal on the Notes then it is obliged to draw on the Liquidity Reserve Ledger, to meet its obligations to the holders of the Notes. If, on any IPD, the Company has insufficient funds to make payment in full of all amounts of interest, (other than the Class A Notes) then the Company is entitled to defer payment of that amount until the following IPD.

The Notes are subject to mandatory redemption in part on each IPD in an amount equal to the principal received or recovered in respect of the Loans. If not otherwise redeemed or purchased and cancelled, the Notes will be redeemed at their principal amounts outstanding on the IPD falling in March 2042. However, due to the limited recourse obligations of the Company in respect of the Notes and the residual certificates, the Company is only obliged to make payments of interest and principal on the Notes and residual certificates to the extent that repayments are received from the Loans or from any security over the Loans being realised.

The table below reflects the undiscounted contractual cash flows of financial liabilities at the balance sheet date of non-derivative financial instruments.

2022	Carrying Value	Gross cash flows	In less than 1 month	After 1 month but within 3 months	After 3 months but within 1 year	After 1 year but within 5 years	After 5 years
	£	£	£	£	£	£	£
Notes	190,006,407	190,006,407	-	6,097,335	30,236,502	83,630,157	70,042,413
Interest payable on Notes	705,581	42,341,475	-	2,538,827	7,193,210	24,878,625	7,730,813
Total as 31 December 2022	**190,711,988**	**232,347,882**	**-**	**8,636,162**	**37,429,712**	**108,508,782**	**77,773,226**

2021 -	Carrying Value	Gross cash flows	In less than 1 month	After 1 month but within 3 months	After 3 months but within 1 year	After 1 year but within 5 years	After 5 years
	£	£	£	£	£	£	£
Notes	227,572,787	227,572,787	-	8,687,947	18,155,744	105,064,839	95,664,257
Interest payable on Notes	-	21,907,556	-	605,583	2,742,718	11,557,143	7,002,112
Total as 31 December 2021	**227,572,787**	**249,480,343**	**-**	**9,293,530**	**20,898,462**	**116,621,982**	**102,666,369**

The Notes have no contractual amortisation profile, principal repayments on the Loans are used to redeem the Notes. However, the Notes that are expected to be repaid in less than one year have been presented as current liabilities in the statement of financial position.

Fair value of financial assets and liabilities

The Company does not trade in financial instruments and therefore does not intend to dispose of the financial instruments until maturity.

14 Financial instruments *(continued)*

Fair value of financial assets and liabilities *(continued)*

Under the terms of the transaction documents, deferred consideration is paid to the certificate holder on each interest payment date, but only if, and to the extent that, there are sufficient funds after paying or providing in full for the liabilities of the Company which are to be paid in priority as set out in the deed of charge and assignment. No value is ascribed for future payments given the uncertainty in the estimation of future cash flows.

There are no financial instruments included in the Company's statement of financial position that are measured at fair value.

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

	31 December 2022	31 December 2021
	£	£
Profit on ordinary activities before taxation	703,604	1,294,485
Interest receivable on Loans	(4,691,467)	(4,969,685)
Interest receivable on bank account	(134,989)	(159)
Interest payable on Notes	4,953,928	2,767,228
(Increase)/decrease in debtors and prepayments	(1,265,609)	139,965
Increase/(decrease) in creditors	(39,030)	2,071
Impairment charge/(credit)	18,084	(102,277)
Write Offs	158,602	63,834
Net cash (outflow) from operating activities	**(296,877)**	**(804,538)**

16 Reconciliation of net cash flow to movement in net debt

	At 31 December 2021	Cash Flow	Other Changes	At 31 December 2022
	£	£	£	£
Cash at bank and in hand	6,542,488	954,165	-	7,496,653
Notes	(236,700,832)	37,914,121	-	(198,786,711)
	(230,158,344)	**38,868,286**	-	**(191,290,058)**

Please note that the notes balance is inclusive of the deferred purchase price.

17 Parent undertaking and ultimate controlling party

The Company's immediate parent company is Warwick Finance Residential Mortgages Number Four Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales.

17 Parent undertaking and ultimate controlling party *(continued)*

The entire share capital of Warwick Finance Residential Mortgages Number Four Holdings Limited is held on a discretionary trust basis under a share trust deed by the legal parent company, Intertrust Corporate Services Limited, a company incorporated in the United Kingdom and registered in England and Wales. As the trustees are not entitled to any economic benefit and the beneficiaries do not have any decision making power, there is no controlling party.

Intertrust Corporate Services Limited is a wholly owned subsidiary of Intertrust Management Limited.

18 Related party transactions

During the year, fees of £34,872 (2021: £36,747) were paid to Intertrust Management Limited in respect of corporate services provided to the Company. There were corporate services fees of £nil (2021: £ nil) accrued at 31 December 2022 in respect of the services provided by Intertrust Management Limited.

19 Post balance sheet events

There have been no significant events since the reporting date.