

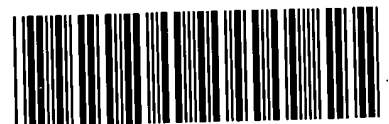
CCFS Warehouse No.1 plc

Annual report and financial statements

**For the period from 12 September 2014 (date of incorporation) to
31 December 2015**

Registered number: 09216417

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CCFS Warehouse No.1 plc

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CCFS Warehouse No.1 plc

Strategic report

The directors present their strategic report of CCFS Warehouse No.1 plc (the "Company") for the period from 12 September 2014 (date of incorporation) to 31 December 2015.

Incorporation and principal activities

The Company, a public company with limited liability, was incorporated as a special purpose company on 12 September 2014 in the United Kingdom and registered in England and Wales under the Companies Act 2006.

The Company's principal activity is the provision of finance for the acquisition of mortgage loans originated by Charter Court Financial Services Limited ("CCFS") by issuing variable funding notes. £115,805,000 floating loan notes ("Notes") were issued on 18 December 2015 with a final maturity date of 16 November 2017. On the same date the Company acquired a portfolio of mortgage assets totalling £115,805,098 from CCFS. CCFS remains exposed to the risks and rewards of the underlying mortgage assets. Consequently, these mortgage assets are recognised within CCFS's statement of Financial Position and a Deemed loan to CCFS is recognised in the Company's statement of financial position.

For the purpose of financial reporting, the Company's results are consolidated into the financial statements of Charter Court Financial Services Group Limited.

Business review

As shown in the statement of comprehensive income on page 10, the net interest income was £25,000. The net result for the period was £nil.

The directors do not recommend a payment of a dividend.

Future developments

CCFS have the option to issue additional A Notes up to a limit of £300,000,000 and Z notes up to a limit of £150,000,000, if there is agreement with the Senior Loan note holder, until 9 December 2016 which is the initial maturity period. CCFS have the option to call in the notes and wind up the structure if they wish to do so at any time. They also can extend the initial maturity period if in agreement with the Senior Loan note holder, subject to terms and conditions being satisfied. It is CCFS's intention to utilise the additional funding available should it decide to enter a further securitisation of its mortgage assets.

Key performance indicators

The key performance indicators used by management in assessing the performance of the Company are the monitoring of actual cash flows against planned cash flows within the scheduled waterfall of payments. During the period, the Company was able to make all payments contractually required to the holders of the loan notes and to pay all normal operating expenses.

The Directors expect the business to be able to continue to meet such payments.

Principal risks and uncertainties

The Company is a securitisation company and has been structured so as to avoid, in as far as possible, all forms of financial risk with its outstanding Notes match funded to maturity. An analysis of the Company's exposure to risk, including financial risk, and the steps taken to mitigate these risks is set out in note 6.

CCFS Warehouse No.1 plc

Strategic report

Going concern

The ability of the Company to meet its obligations on the Notes and to meet its operating and administrative expenses is dependent on the extent that it receives the amounts due on the underlying mortgage loans. The Noteholders have no further recourse to the Company should the receipts on the mortgage loans be insufficient to meet these obligations.

After considering the above, the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Employees

The Company has no employees. All operational services have been formally contracted to third parties.

Approval

This report was approved by the board of directors and signed on its behalf by:



Helena Whitaker
per pro SFM Directors Limited
as Director

30 March 2016

CCFS Warehouse No.1 plc

Directors' report

The directors present their report, together with the audited financial statements and auditor's report, of CCFS Warehouse No.1 Plc, for the period from 12 September 2014 (date of incorporation) to 31 December 2015.

Information presented in other sections

Information relating to future developments and principal risks and uncertainties has been included in the Strategic Report.

Corporate governance

The Directors have been charged with governance in accordance with transaction documents describing the structure and operation of the transaction (the "Transaction Documents"). 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. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with the transaction obligations.

Due to the nature of the securities which have been listed on the Channel Island Stock Exchange, the directors are 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.

Issue of shares

The issued share capital of £12,501 consists of 1 fully paid and 49,999 quarter paid ordinary shares of £1.00 each. The entire issued share capital is held by CCFS Warehouse No.1 Holdings Limited.

Directors

The directors, who served throughout the period and to the date of this report were as follows:

SFM Directors Limited (appointed 12 September 2014)

SFM Directors (No.2) Limited (appointed 12 September 2014)

Claudia Ann Wallace (appointed 12 September 2014)

None of the directors had any interest either during or at the end of the period in any material contract or arrangement with the Company.

CCFS Warehouse No.1 plc

Directors' report

Third party indemnities

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

Company Secretary

SFM Corporate Services Limited was appointed as Company Secretary on 12 September 2014 and acted as Company Secretary throughout the period and up to the date of signing the financial statements.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- 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 IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CCFS Warehouse No.1 plc

Directors' report

Statement of disclosure of information to auditor

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director 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 s418 (2) of the Companies Act 2006.

Independent auditor

During the period under review Deloitte LLP was appointed by the directors as the first auditor of the Company. Pursuant to section 489 of the Companies Act 2006, a resolution for the reappointment of Deloitte LLP as the auditor of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



Helena Whitaker
per pro SFM Directors Limited
as Director

30 March 2016

Independent auditor's report to the members of CCFS Warehouse No.1 plc

We have audited the financial statements of CCFS Warehouse No.1 plc for the period from incorporation on 12 September 2014 to 31 December 2015 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its result for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of CCFS Warehouse No.1 plc (continued)

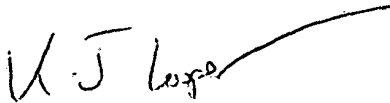
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kieren Cooper (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

30 March 2016

CCFS Warehouse No.1 plc**Statement of comprehensive income**

For the period from 12 September 2014 to 31 December 2015

	Note	Period ended 31 December 2015 £000
Interest receivable and similar income	8	469
Interest expense and similar charges	9	(444)
Net interest income		<u>25</u>
Other income		-
Total expense		<u>25</u>
Operating expenses	11	(25)
Result before tax		<u>-</u>
Tax on ordinary activities	12	-
Comprehensive result for the period	19	<u><u>-</u></u>
Attributable to:		
Equity holders		<u><u>-</u></u>

The results for the current period relate entirely to continuing operations in the United Kingdom.

The notes on pages 14 to 29 form an integral part of the financial statements.

CCFS Warehouse No.1 plc
Statement of financial position
As at 31 December 2015

		31 December 2015 £000
	Note	
Assets employed		
Non-current assets		
Deemed loan due from Group undertaking	13	115,563
Current assets		
Other debtors	14	13
Cash and cash equivalents	15	792
Total current assets		<u>805</u>
Total assets		<u><u>116,368</u></u>
Current liabilities		
Trade and other payables	16	(430)
Asset backed loan notes interest accrued	17	(120)
		<u>(550)</u>
Net current assets		<u>255</u>
Non-current liabilities		
Asset backed loan notes	17	<u>(115,805)</u>
Total liabilities		<u>(116,355)</u>
Net assets		<u><u>13</u></u>
Equity shareholders' funds		
Called up share capital	18	13
Reserves	19	-
Equity attributable to equity holders		<u>13</u>
Total equity		<u><u>13</u></u>

The financial statements for CCFS Warehouse No.1 plc, company number 09216417, were approved by the board of directors and authorised for issue on 30 March 2016. They were signed on its behalf by:



Helena Whitaker
per pro SFM Directors Limited as Director

CCFS Warehouse No.1 plc**Statement of changes in equity**

For the period from 12 September 2014 to 31 December 2015

	Share Capital £000	Retained earnings £000	Total £000
Share capital issued upon incorporation	13	-	13
Result for the period	-	-	-
At 31 December 2015	13	-	13

CCFS Warehouse No.1 plc**Statement of cash flows**

For the period from 12 September 2014 to 31 December 2015

	Note	Period Ended 31 December 2015 £000
Net cash generated by operating activities	20	337
Net cash generated by financing activities	21	116,018
Net cash utilised by investing activities	22	(115,563)
Net increase in cash and cash equivalents		<hr/> 792
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of the period	15	<hr/> <hr/> 792

CCFS Warehouse No.1 plc

Notes to the financial statements

For the period ended 31 December 2015

1. General information

CCFS Warehouse No.1 plc ("the Company") is a company incorporated in the United Kingdom under the Companies Act 2006 with company number 09216417. The address of the registered office is 35 Great St Helen's, London, EC3A 6AP. The nature of the Company's operations and its principal activities are set out in the strategic report on page 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. There are currently no foreign operations.

2. Adoption of new and revised Standards

The Company has elected to adopt International Financial Reporting Standards as applied in the EU in force as at the statement of financial position date of 31 December 2015.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IAS/IFRS standards

IFRS 9 (July 2014)	Financial Instruments
IFRS 15 (May 2014)	Revenue from contracts with customers
IAS 1 (amendments)	Disclosure Initiative
Annual Improvements to IFRSs: 2012-2014 Cycle	Amendments to: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting

The directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Company in future periods, except as that IFRS 9 will impact both the measurement and disclosures of Financial Instruments.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

The Group has adopted the amendments to IFRSs included in the Annual Improvements to IFRSs 2010 – 2012 Cycle and the Annual Improvements to IFRSs 2011 – 2013 Cycle for the first time in the current year. The amendments are in the nature of clarifications rather than substantive changes to existing requirements and their adoption has not had any significant impact on the amounts reported in these financial statements.

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

3. Accounting policies

Basis of accounting

The financial statements of the Company for the period ended 31 December 2015 were prepared and published in accordance with International Financial Reporting Standards (IFRS) all accounting policies have been updated to be compliant with the requirements of IFRS.

Going concern basis

The ability of the Company to meet its obligations on the Notes and to meet its operating and administrative expenses is dependent on the extent that it receives the amounts due on the mortgage loans. The Noteholders have no further recourse to the Company should the receipts on the mortgage loans be insufficient to meet these obligations.

After considering the above, the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Basis of preparation

The Company has no subsidiaries and these financial statements relate to the Company only.

Revenue recognition

The revenue of the Company represents interest receivable and similar charges. The accounting policy for each element of revenue is described separately within these accounting policies.

Fair value of financial assets and liabilities

The Company classifies its financial assets at fair value through profit and loss, loans and receivables or held-to-maturity and classifies its financial liabilities as other financial liabilities. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

CCFS Warehouse No.1 plc

Notes to the financial statements (continued)

For the period ended 31 December 2015

3. Accounting policies (continued)

Deemed loan

The loans and receivables legally sold to the Company by the originator fail the derecognition criteria of IAS 39 as the originator has retained significant risk and rewards of ownership and therefore these loans remain on the statement of financial position of the originator. IAS 39 therefore requires the seller to recognise a deemed loan financial liability on its statement of financial position and the resulting deemed loan asset is held on the Company's statement of financial position. This deemed loan initially represents the consideration paid by the Company in respect of the acquisition and the beneficial ownership of the securitised loans and receivables is subsequently adjusted due to repayments made by the originator to the Company.

Cash and cash equivalents

Balances shown as cash and cash equivalents in the statement of financial position comprise demand deposits and short term deposits with banks with initial maturities of not more than 30 days.

Interest receivable on cash and cash equivalent deposited with banks is included within revenue.

Taxation

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

The tax currently payable is based on taxable profit for the period.

Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Borrowings

Borrowings are carried on the statement of financial position at amortised cost. The initial value recognised includes the principal amount received less any discounts on issue or costs of issuance.

Interest and all other costs of the funding are expensed to the statement of comprehensive income as interest payable over the term of the borrowing on an EIR basis.

CCFS Warehouse No.1 plc

Notes to the financial statements (continued)

For the period ended 31 December 2015

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Effective interest rates

In order to determine the effective interest rate applicable to loans an estimate must be made of the life of the loan and the cash flows attributable to it. Estimates are based on historical data and current market analysis. Estimates are reviewed regularly. The accuracy of the effective interest rates applied would be affected by any differences in actual borrower behaviour and that predicted.

Estimated lives

Loans and receivables are valued using the EIR method. The EIR method spreads the expected net income arising from a loan over its expected life. The EIR is that rate of interest which, at inception, exactly discounts the future cash payments and receipts arising from the loan to the initial carrying amount. When calculating the effective interest rate, the company takes into account all contractual terms of the financial instrument, for example prepayment options, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. A critical assumption in the calculation is the expected life, as this determines the assumed period over which customers may be paying various differentiated interest rates. The assumptions on expected life are based on the historic experience of similar products. These assumptions are monitored to ensure their ongoing appropriateness.

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Individually assessed loans and receivables

For loans that are considered individually significant, the company assesses on a case by case basis if there is any evidence that a loan is impaired. All loans 90 days or more in arrears are classified as impaired and credit risk management will assess the likelihood of default and severity of loss should a default occur. A provision is made on this basis.

Collectively assessed loans and receivables

Impairment is assessed on a collective basis in the following circumstances:

- to estimate losses which have been incurred but have not yet been reported on loans subject to individual assessment; and
- to estimate losses for homogeneous groups of loans that are considered individually significant such as those with forbearance strategies on place or are in arrears.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Any provisions against mortgage assets transferred to the company are recognised in the financial statements of CCFS. This is due to the mortgage assets not meeting the de-recognition criteria in CCFS.

CCFS Warehouse No.1 plc

Notes to the financial statements (continued)

For the period ended 31 December 2015

5. Capital risk management

Capital is managed to ensure that the Company is able to continue as a going concern. The capital structure consists of cash and cash equivalents, debt, which includes the borrowings disclosed in note 17 and equity, comprising issued share capital and reserves.

The Company's activities and capital management objectives have been predetermined through a series of legal documents and third party contracts. Under this structure the Company raised debt capital through the issue of loan notes secured against residential mortgages and cash and cash equivalents. The cost of debt capital is serviced by the interest income received from the underlying mortgage assets against which it is secured. The Company is designed to hold minimum reserves once all amounts due on the mortgage assets have been received and amounts owing to the note holders have been paid.

The Company is not subject to any externally imposed capital requirements.

6. Financial risk management

The principal financial risks arising from the Company's normal business activities are credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from the failure of a customer or counterparty to settle their financial and contractual obligations as they fall due. Financial assets of the company consist of loans and receivables made up of residential mortgages, trade and other receivables and cash and cash equivalents.

The assets of the Company subject to credit risk are set out below:

Class	2015 £000
Bank deposits	792
Other receivables	13
Deemed loan	115,563
Maximum exposure to credit risk	<u>116,368</u>

The Company's cash balances are held in sterling at United Kingdom banks in current accounts.

The Company's credit exposure predominantly sits with CCFS. CCFS is exposed to the losses arising through excess spread on the residential loan assets represented by the deemed loan.

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

6. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the company fails to meet its financial obligations as they fall due, whereas funding risk is the adverse impact of higher funding costs and/or lack of available funds on the company's cash flow.

Liquidity risk arises on debt securities in issue. Funding has been obtained through the issue of mortgage backed floating rate loan notes and therefore upon note maturity, the same portfolio of mortgage assets acquired on issue of the notes can be transferred back to CCFS in order to wind up the structure. The option to extend or reduce the initial maturity period is at the option of CCFS.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn-up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	1-3 months £000	1-5 years £000	Total £000
31 December 2015				
Asset backed loan notes	2.70	120	115,805	115,925

Interest rate risk

The deemed loan is represented by a loan pool is made up of both fixed and variable rate residential loans held in CCFS. Given the variable nature of liabilities, the risk that margins are adversely affected by movements on market interest rates is mitigated by interest rate swaps held in CCFS, that hedge the interest rate exposure of the fixed rate residential loans.

7. Result before tax

Results on ordinary activities before taxation is stated after charging:

	2015 £000
Auditors' remuneration for audit of the Company's accounts	<u>6</u>

Non-audit fees payable to the Company's auditors for taxation compliance services were £4.6k.

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

8. Interest receivable and similar income

	2015
	£000
Interest on deemed loan	469
	<u>469</u>

All revenues are generating within the UK from a single class of business.

9. Interest expense and similar charges

	2015
	£000
Interest expense on debt securities in issue	120
Deferred consideration for acquired mortgages	324
	<u>444</u>

10. Staff costs and directors remuneration

The Company had no employees during the period.

The Company paid £12k to Structured Finance Management Limited for corporate services including the provision of directors.

11. Operating expenses

	2015
	£000
Professional and accountancy fees	11
Management/trustee fees	13
Other expenses	1
	<u>25</u>

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

12. Tax

	2015 £000
Corporation tax	
Current period	-

Factors affecting the average tax charge for the period

The average effective rate of corporation tax assessed for the period is higher than the standard rate of corporation tax for companies in the UK of 20.25%. The differences are explained below.

	2015 £'000
Loss before tax:	
Continuing operations	-
Tax at the UK corporation tax rate of 20.25%	-
Tax effect of securitisation regulations	-
Tax expense for the year	-

Change in tax rate

In July 2013, a reduction in the corporation tax rate to 23% to 21% with effect from 1 April 2014, and from 21% to 20% with effect from 1 April 2015 was substantively enacted into legislation.

In the Budget on 8 July 2015, the UK government proposed to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. These rate changes were substantively enacted on 26 October 2015.

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

13. Deemed loan due from Group undertakings

	2015 £000
Deemed loan	<u>115,563</u>

CCFS continues to retain an interest in the risks and rewards of the mortgage assets that are security for the Company's asset backed loan notes. In accordance with IAS 39, the assets are not recognised in the Company's Statement of financial position and a deemed loan is carried instead.

14. Other debtors

	2015 £000
Amount held on share capital account	<u>13</u>

The share capital account is held in a client account administrated by Structured Finance Management Limited, a related party. This balance is held to the benefit of the Company. No interest on this account is earned by the Company. The fair value of the above items is not considered to be materially different to the carrying value.

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

15. Cash and cash equivalents

	2015 £000
Bank deposits	<u>792</u>

Cash and cash equivalents represent sterling deposits with United Kingdom banks.

Cash and cash equivalents are not freely available under the terms of a securitisation agreement.

16. Trade and other payables

	2015 £000
Deferred consideration payable	324
Other creditors and accruals	26
Subordinated loan	<u>80</u>
	<u>430</u>

The subordinated loan has a principal balance of £80,000 and is due to CCFS. Interest on the subordinated loan is payable on the monthly interest payment dates at three month BBA sterling LIBOR plus a margin of 0.5%. See note 25 for further information on related party transactions.

17. Borrowings

Asset backed loan notes

The asset backed loan notes are secured on variable and fixed rate mortgages and are redeemable in part from time to time, but such redemptions are limited to the net principal received from borrowers in respect of underlying assets.

Notes in issue at 31 December 2015 were:

	2015 £000
Asset backed loan notes	<u>115,925</u>
	<u>115,925</u>

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

17. Borrowings (continued)

Asset backed loan notes

The principal balances of the notes in issue at 31 December 2015 were:

	Principal balance 2015 £000	Margin over LIBOR %
A Notes	100,000	1.85
Z Notes	15,805	3.75
	<u>115,805</u>	

Interest on the loan notes is payable on the monthly interest payment dates at three month BBA sterling Libor plus the margins stated above.

The final maturity date of the notes is the interest payment date falling on 16 November 2017.

The fair values of borrowings are not considered to be significantly different to their carrying values and the effective rates of interest are not materially different to the rates charged, as the borrowings were part of a structured finance transaction where notes were traded on an active market and rates won't change.

Balances owed to CCFS include a Z Note. The A notes are held by external parties.

18. Called up share capital

	2015 £
Issued, allotted and called up	
1 fully paid ordinary share of £1	1
49,999 quarter paid ordinary shares of £1	12,500
	<u>12,501</u>

On 12 September 2014 1 fully paid ordinary share of £1 was issued upon incorporation of the Company. A further 49,999 partly paid ordinary shares of £1 each were also allotted to CCFS Warehouse No.1 Holdings Limited on 10 October 2014; these shares were a quarter paid. All shares were issued and allotted during the period and consideration was received.

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

19. Reserves

	Retained profits 2015 £000
Result for the period	-
Balance at 31 December	-

20. Net cash flow from operating activities

	Period Ended 31 December 2015 £000
Result for the period	-
Changes in operating assets and liabilities	
Increase in other receivables	(13)
Increase in deferred consideration payable	324
Increase in other liabilities	26
Cash generated by operating activities	<u>337</u>

21. Net cash flow from financing activities

	Period Ended 31 December 2015 £000
Proceeds of issue of asset backed loan notes	115,925
Proceeds of issue of subordinated loan notes	80
Proceeds of issue of shares	13
Cash generated by financing activities	<u>116,018</u>

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

22. Net cash flow from financing activities

	Period Ended 31 December 2015 £000
Deemed loan due from Group undertaking	(115,563)
Cash utilised by investing activities	<u>(115,563)</u>

23. Capital commitments

There were no capital commitments at 31 December 2015 contracted but not provided for.

24. Ultimate parent undertaking and controlling entity

The Company's immediate parent undertaking is CCFS Warehouse No.1 Holdings Limited, a company registered in England and Wales.

The entire share capital of CCFS Warehouse No.1 Holdings Limited is held by the legal parent company, SFM Corporate Services Limited on a discretionary basis for the benefit of certain charities.

The Company meets the definition of a special purpose entity under IFRS. In accordance with the requirements of IFRS 10 "Consolidated Financial Statements", the Company's accounts are consolidated within the group accounts of Charter Court Financial Services Group Limited for the year ended 31 December 2015.

As at 31 December 2015, Charter Court Financial Services Group Limited's joint controlling parties were Elliott International L.P., a partnership organised in the Cayman Islands, and Elliott Associates L.P., a partnership organised in Delaware in the United States by virtue of their combined controlling interest in the Group's issued share capital and voting rights.

The largest and smallest group into which the results of the Company are consolidated is that headed by Charter Court Financial Services Group Limited, copies may be obtained from the Secretary at the registered office: 2 Charter Court, Broadlands, Wolverhampton, West Midlands WV10 6TD.

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

25. Related party transactions

As noted previously, CCFS retains the majority of the residual ownership risks and benefits related to the Company. Consequently, the directors of the Company consider Charter Court Financial Services Group Limited and its subsidiaries to be related parties of the Company. Transactions with other companies within the group are detailed as follows:

	Balance sheet				Income statement		
	Deemed loan due from group undertaking £000	Asset backed loan notes and subordination loan £000	Deferred consideration payable £000	Interest payable on loan notes £000	Interest receivable on deemed loan £000	Interest payable on loan notes £000	Deferred consideration payable £000
Period ended 31 December 2015							
Charter Court Financial Services Limited	115,563	(15,885)	(324)	(26)	469	(26)	(324)

CCFS Warehouse No.1 plc
Notes to the financial statements (continued)
For the period ended 31 December 2015

25. Related party transactions (continued)

Refer to note 10 for information on directors' fees.

As noted before, the Company's immediate parent undertaking is CCFS Warehouse No.1 Holdings Limited. The entire share capital of CCFS Warehouse No.1 Holdings Limited is held by the legal parent company, SFM Corporate Services Limited, a wholly owned subsidiary of Structured Finance Management Limited, who is the parent undertaking of the Company's directors SFM Directors Limited and SFM Directors (No.2) Limited.

	Share capital issued £000	Balance due to the Company £000	Management fees £000
Period ended 31 December 2015			
CCFS Warehouse No.1 Holdings Limited	13	13	-
Structured Finance Management Limited	-	-	(12)