MILLSHAW SAMS NO.1 LIMITED
INTERIM REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

CONTENTS

GENERAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2023

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Michael Richardson
Shane Hollywood
Simon Radford

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Administrator
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Special Servicer
Intertrust Offshore Limited
44 Esplanade
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The Directors present their interim report with the unaudited condensed interim financial statements for Millshaw SAMS No 1 Limited (**Company**) for the period ended 30 June 2023.

Incorporation

The Company was incorporated as a public company in Jersey on 18 December 1998. The issued share capital of the Company is held by Millshaw SAMS Holdings Limited, a private company incorporated in Jersey in 1998. The shares are beneficially owned by Ocorian Trustees (Jersey) Limited, as a Trustee of the Millshaw SAMS Charitable Trust.

Principal activities

The principal activity of the Company is to issue debt securities (**SAMs Notes**) in order to purchase an equivalent amount of mortgage loan portfolio from Barclays SAMS Limited (**Originator**), a wholly owned subsidiary of Barclays Bank UK PLC. Barclays Bank UK PLC continues to administer the mortgage portfolio under a Mortgage Administration Agreement with the Company. The SAMs Notes issued by the Company are listed on the London Stock Exchange and are not actively traded on the exchange.

Principal risks and uncertainties

The Company is a special purpose financing entity with no business operations other than the issue of SAMs Notes and any ancillary transactions. The ability of the Company to make payments of principal and income on the SAMs Notes depends primarily on the income and principal repayments from the underlying mortgage properties and therefore the Company is primarily exposed to the credit risk of the mortgage holder. However SAMs Notes are limited recourse, and the mortgage redemption values remain higher than the original entry level values of the properties, thus there is limited likelihood that the proceeds would be insufficient to repay the principal amount of SAMs Notes. Details in respect of the mortgage portfolio can be found on Bloomberg under Company News (ISIN XS0095095856). The Company has also issued subordinated notes which are not listed on any stock exchange. The financial liabilities are limited recourse obligation of the Company and are payable only to the extent of the amounts received from the underlying financial assets. If the net proceeds of realisation of the financial assets secured as collateral are less than the aggregate amounts payable, the obligation of the Company to pay amounts due and payable in respect of the SAMs Notes and to the other secured parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the priorities of payments. The Company deposits cash in the Guaranteed Investment Contract Account (**GIC Account**) which accrues interest at 5% per annum, or the annual Retail Price Index of Jersey, whichever is higher, and this together with the capital balance of the GIC Account is considered adequate to meet operating and administrative expenses of the Company for the foreseeable future.

Results and dividends

The interim results for the financial period are set out on page 6. During the period the Directors recommended a dividend of £500 for the financial year ended 31 December 2022.

Going concern

The Directors have considered the available cash balances on the Company's bank accounts and the Company's forecast expenditure and are satisfied that the Company has sufficient liquid resources to cover 12 months from the date of approval of these condensed interim financial statements, the Directors are of the opinion that the conditions for the going concern principle to apply to the Company are currently being met and accordingly the condensed interim financial statements have been prepared on a going concern basis.

Directors

The Directors who held office during the period and subsequently to the date of signing of these condensed interim financial statements were:

Michael Richardson
Shane Hollywood
Simon Radford

The Directors had no interest in the ordinary shares of the Company throughout the financial period and up to the date of approving these condensed interim financial statements. The Company has made a third party indemnity provision for the benefit of the Directors. This indemnity provision remains in force at the time of this report.

Secretary

The Secretary who held office during the period and subsequently to the date of signing of these condensed interim financial statements was Ocorian Secretaries (Jersey) Limited.

Employees

The Company employed no staff during the period or in the prior periods. Certain of the Company's day to day obligations and powers in respect of the transactions are performed on its behalf by various other parties, as follows:

Administrator

Barclays Bank UK PLC a wholly owned subsidiary of Barclays PLC along with Barclays Services Limited is responsible for the administration of the mortgage portfolio pursuant to the Mortgage Administration Agreement. In particular, with reference to the Mortgage Administration Agreement, it is the duty of Barclays PLC group to provide the services, detailed in schedule 1 thereto, which include taking all reasonable steps to recover all sums due to the Company.

Special servicer

Intertrust Offshore Limited acts as a Special Servicer, responsible for the cash administration and reporting, pursuant to the Cash and Bond Administration Agreement.

Valuation advisor

Kroll Advisory Limited has been engaged to perform procedures to estimate a range of Fair Values for certain investments managed by Millshaw SAMS No.1 as of the Valuation Date.

Events after the reporting date

There are no significant events after the reporting date.

Approved by the Board of Directors and signed on behalf of the Board

Secretary - Ocorian Secretaries (Jersey) Limited

Dated: 31 August 2023

26 New Street
St Helier
Jersey
JE2 3RA
Channel Islands

DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2023

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

Companies (Jersey) Law 1991 (**Law**) requires the Directors to prepare financial statements for each financial period in accordance with specified generally accepted accounting principles. In accordance with the London Stock Exchange Rules, and permitted under the Law, the Directors have elected to prepare the Company financial statements under International Financial Reporting Standards (**IFRS**). The financial statements of the Company are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- specify which generally accepted accounting principles have been adopted in their preparation; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm they have complied with all the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the interim financial statements prepared comply with the requirements of the Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

With regard to Regulation 2004/109/EC of the European Union (EU Transparency Directive), the Directors of the Company whose names appear on page 2 confirm to the best of their knowledge that the condensed interim financial statements for the period ended 30 June 2023 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by IFRS. The Directors' Report gives a true and fair review of the development of the Company's business, financial position and the important events, if any, that have occurred for the six months ended 30 June 2023 and their impact on the condensed interim financial statements.

Approved by the Board of Directors and signed on behalf of the Board

Secretary - Ocorian Secretaries (Jersey) Limited

Dated: 31 August 2023

26 New Street
St Helier
Jersey
JE2 3RA
Channel Islands

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2023

	Notes	Unaudited Half year ended 30 June 2023 GBP	Unaudited Half year ended 30 June 2022 GBP
Income			
Realised gain on financial assets at fair value through profit or loss	4	7,301,116	8,660,139
Unrealised gain on financial assets at fair value through profit or loss	4	1,297,251	-
Unrealised gain on financial liabilities at fair value through profit or loss	8	-	576,942
Finance income		81,290	39,391
Total income		8,679,657	9,276,472
Expenses			
Realised loss on redemption of SAMs Notes	8	6,980,762	8,166,743
Unrealised loss on financial liabilities at fair value through profit or loss	8	1,197,254	-
Unrealised loss on financial assets at fair value through profit or loss	4	-	441,372
Amortisation of prepaid expenses		15,644	16,743
Administration fees		218,712	281,257
Legal and professional fees		187,777	306,977
Audit fees		46,500	62,750
Finance cost	8	31,618	380
Annual return fee		540	-
Sundry expenses		600	-
Total expenses		8,679,407	9,276,222
Total comprehensive income for the period		250	250

All the items dealt with in arriving at the profit for the period relate to continuing activities.

There were no items of other comprehensive income which are required to be separately disclosed during the current and preceding period.

MILLSHAW SAMS NO.1 LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	Unaudited As at 30 June 2023 GBP	Audited As at 31 December 2022 GBP
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	4	140,357,829	140,357,829
Prepayments		321,162	336,808
		140,678,991	140,694,637
Current assets			
Trade and other receivables	5	312,235	377,490
Cash and cash equivalents	6	4,385,005	4,535,148
		4,697,240	4,912,638
Total assets		145,376,231	145,607,275
Liabilities			
Non-current liabilities			
Financial liabilities	8	142,706,328	142,774,672
Current liabilities			
Trade and other payables	7	2,669,651	2,832,101
Total liabilities		145,375,979	145,606,773
Equity			
Capital and reserves			
Share capital	9	2	2
Retained earnings		250	500
Total equity		252	502
Total equity and liabilities		145,376,231	145,607,275

The financial statements on pages 6 to 24 were approved and authorised for issue by the Board of Directors on 22 August 2023 and were signed on its behalf by:

Director
Date: 31 August 2023

Director
Date: 31 August 2023

The notes on pages 10 to 24 form an integral part of these condensed interim financial statements

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023

	Notes	Share capital	Retained earnings	Total
		GBP	GBP	GBP
Balance at 1 January 2023	9	2	500	502
Total comprehensive income for the period		-	250	250
Dividends		-	(500)	(500)
Balance at 30 June 2023		2	250	252

		Share capital	Retained earnings	Total
		GBP	GBP	GBP
Balance at 1 January 2022	9	2	500	502
Total comprehensive income for the period		-	250	250
Dividends		-	-	-
Balance at 30 June 2022		2	750	752

		Share capital	Retained earnings	Total
		GBP	GBP	GBP
Balance at 1 January 2022	9	2	500	502
Total comprehensive income for the period		-	500	500
Dividends		-	(500)	(500)
Balance at 31 December 2022		2	500	502

The notes on pages 10 to 24 form an integral part of these condensed interim financial statements

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023

	Notes	Unaudited Half year ended 30 June 2023 GBP	Unaudited Half year ended 30 June 2022 GBP
Cash flows from operating activities			
Total comprehensive income for the period		250	250
Adjusted for:			
Finance income		(81,290)	(39,391)
Unrealised (gain)/loss on financial assets at FVTPL	4	(1,297,251)	441,372
Unrealised loss/(gain) on financial liabilities at FVTPL	8	1,197,254	(576,942)
Realised loss on redemption of SAMs Notes	8	6,980,762	8,166,743
Prepaid expense amortisation		15,644	16,743
Subordinated loan note interest	8	31,618	380
Proceeds from redemption of financial assets	4	1,297,251	1,388,250
Decrease in trade and other receivables		65,255	606,702
Decrease in trade and other payables		(176,825)	(1,389,364)
Net cash inflow from operating activities		8,032,668	8,614,743
Cash outflows from investing activities			
Finance income received		81,290	39,391
Net cash inflow from investing activities		81,290	39,391
Cash flows from financing activities			
Dividends paid to Company shareholders		(500.00)	-
Principal repayment on SAMs Notes		(1,282,839)	(1,812,429)
Shared appreciation payments to SAMs Notes	8	(6,980,762)	(8,166,743)
Net cash outflow from financing activities		(8,264,101)	(9,979,172)
Net decrease in cash and cash equivalents		(150,143)	(1,325,038)
Cash and cash equivalents at the beginning of the period	6	4,535,148	5,099,093
Cash and cash equivalents at the end of the period	6	4,385,005	3,774,055

The notes on pages 10 to 24 form an integral part of these condensed interim financial statements

1 General information

The Company was incorporated in Jersey on 18 December 1998 under the Companies (Jersey) Law 1991, as amended, and is a public company with registered number 73181. The Company was established as a rated note issuing vehicle whereby the proceeds of a £97,840,000 note issuance were invested in the portfolio of shared appreciation mortgages (**SAMs**). The SAMs Notes issued by the Company are listed on the London Stock Exchange and are not actively traded on the exchange.

The Company holds the interest in the SAMs purchased until maturity and uses the principal repayments and shared appreciation monies received to make quarterly distributions to noteholders, based on the value of the maturing mortgages within each quarter, known as a determination period.

The registered office of the Company is at 26 New Street, St Helier, Jersey, JE2 3RA, Channel Islands.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below. These policies have been consistently applied to all periods/years presented, unless otherwise stated.

2.1 Basis of preparation

These condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with the International Accounting Standard (**IAS**) 34, Interim Financial Reporting as adopted by the European Union.

The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2022. The annual audited financial statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union.

The same accounting policies and methods of computation and presentation are followed in these condensed interim financial statements as in the audited annual financial statements for the year ended 31 December 2022.

New standards, amendments and interpretations not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023. None of these have a material effect on the financial statements of the Company.

2.2 Going concern

The Directors have considered the available cash balances on the Company's bank accounts and the Company's forecast expenditure and are satisfied that the Company has sufficient liquid resources to cover 12 months from the date of approval of these condensed interim financial statements, the Directors are of the opinion that the conditions for the going concern principle to apply to the Company are currently being met and accordingly the condensed interim financial statements have been prepared on a going concern basis.

2.3 Foreign currency translation

(i) Functional and presentation currency
The Board considers the British Pounds (**Sterling**) as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Sterling, which is the Company's functional and presentation currency.

(ii) Transactions and balances
Transactions denominated in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Monetary assets and monetary liabilities at the statement of financial position date denominated in foreign currencies are translated into Sterling at the rate ruling on the statement of financial position date. Any gains or losses arising on translation are recognised in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

2.4 Financial assets and liabilities at fair value through profit or loss

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

Financial instruments
The financial instruments held by the Company include the following:

- Financial assets at fair value through profit or loss (**Financial assets at FVTPL**)
- Financial liabilities at fair value through profit or loss (**Financial liabilities at FVTPL**)
- Financial assets and liabilities at amortised cost (see notes 2.6, 2.7, 2.8 and 2.9)

a) Classification

The classification depends on the Company's business model for managing the financial instruments and the contractual cash flows characteristics of the financial instruments.

The business model of the Company is to hold the financial assets and to collect the contractual cash flows of the financial assets which are solely principal and shared appreciation income from the redemption of the financial assets. Further, the cash flows do not occur at predetermined dates and do not contain interest. In accordance with IFRS 9, the Company's financial assets are classified as FVTPL.

The Company's financial assets have been designated at FVTPL due to the fact that their performance is managed and evaluated on a fair value basis, in accordance with the documented strategy.

The Company issued the SAMS Notes to purchase an equivalent amount of the financial assets. The repayment proceeds received from the financial assets of the Company are substantially passed on to the SAMS Notes. The liability under SAMS Notes carries limited recourse and payable only to the extent of the receipts from the financial assets. To eliminate and significantly reduce the inconsistencies that would otherwise arise from measuring the Company's financial assets and financial liabilities on different bases, the Company's SAMS Notes are classified as FVTPL.

The Company’s policy requires the Board to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

b) Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

The financial liabilities are recognised on the date upon which the Company becomes party to the contractual provision of the liability. Financial liabilities at fair value are initially recognised at fair value, being their issue proceeds (fair value of consideration received).

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at FVTPL' category are presented in the statement of comprehensive income in the period in which they arise.

IFRS 9 requires that the changes in the fair value of the financial liabilities that is attributable to changes in credit risk be presented in the other comprehensive income, unless the recognition of the effects of changes in the financial liabilities' credit risk in other comprehensive income would create or enlarge an accounting mismatch in the profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

2 Summary of significant accounting policies (continued)

2.4 Financial assets and liabilities at fair value through profit or loss (continued)

b) Recognition, derecognition and measurement (continued)

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

The Deemed Mortgage Loan Portfolio is a non-derivative financial assets with fixed or determinable payments that is not quoted in an active market. Under IFRS, if a transferor retains substantially all the risks and rewards associated with the transferred assets, the transaction is accounted for as a financing transaction, notwithstanding that it is a sale transaction from a legal perspective. The Directors of the Company have concluded that the Originator has retained substantially all the risks and rewards of the mortgage loan pool of SAMs and, as a consequence, the Company does not recognise the SAMs mortgage loan portfolio on its statement of financial position but rather consider it as the "Deemed Loan" due from the Originator, where recourse to the Originator is limited to the cash flows from the underlying mortgage portfolio.

The initial amount of the Deemed Loan to the Originator corresponds to the consideration paid by the Company for acquiring the SAMs mortgage portfolio, which reflected the fair value. The Company recognises cash flows from the underlying pool of SAMs only to the extent that it is entitled to retain such cash flows. Cash flows attributable to the Originator are not recognised by the Company.

The Deemed Loan is categorised as a financial asset held at FVTPL, and classified as a non-current asset. It is initially recognised at fair value, with direct and incremental transaction costs expensed to the statement of comprehensive income. It is subsequently valued at fair value, with any movements over the accounting period recognised through the statement of comprehensive income. It is derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership of the underlying mortgage portfolio.

Transaction costs are costs incurred to acquire financial assets or liabilities at FVTPL. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in statement of comprehensive income as an expense.

c) Fair value estimates

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities not traded in active markets are based on the valuation techniques as determined by the Directors with support from an independent valuer.

The Company uses assumptions that are based on market conditions existing at each reporting date. Refer to notes 3 and 11 for the valuation techniques and assumptions used.

d) Limited recourse

The financial liabilities are limited recourse obligation of the Company and are payable only to the extent of the amounts received from the underlying financial assets. If the net proceeds of realisation of the financial assets secured as collateral are less than the aggregate amounts payable, the obligation of the Company to pay amounts due and payable in respect of the SAMs Notes and to the other secured parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the priorities of payments.

2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2 Summary of significant accounting policies (continued)

2.6 Financial liabilities at amortised cost

Loans and borrowings are recognised as financial liabilities initially at their issue proceeds. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using effective interest rate plus any accrued interest at the year end. Any gains or losses on derecognition or through the amortisation process are recognised in statement of comprehensive income. The effective interest rate amortisation is included as finance costs in the statement of comprehensive income.

2.7 Trade and other receivables

Trade and other receivables are amounts due from customers in the ordinary course of business, if collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Company applies the IFRS 9 simplified approach to measuring the expected credit losses which uses the lifetime expected credit loss allowance for all receivables. Receivables are written off when there is no reasonable expectation of recovery. The Directors consider the possibility of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations. As a result, no allowance has been recognised based on lifetime expected credit losses as any such impairment would be wholly insignificant to the Company.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, net of bank charges. The Company's cash and cash equivalents at the end of the financial period is shown in note 6.

2.9 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. They are classified as current liabilities if payment is due and payable within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are not interest bearing, short term in nature, and are accordingly stated at their amortised cost.

2.10 Revenue recognition

The Company recognises proceeds from the redemption of mortgages when the right to receive payment is notified to it by the Administrator. The difference between the proceeds received and the cost of each mortgage is recognised in the statement of comprehensive income as a realised gain on financial assets at FVTPL.

Interest income is recognised in the statement of comprehensive income on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents.

2.11 Expenses

Expenses are accounted for on an accruals basis.

2.12 Taxation

The Company is subject to Jersey income tax at a rate of 0% (2022: 0%).

The Company is not registered for Goods and Service Tax (**GST**) in Jersey however the Company is registered as an International Services Entity (**ISE**). The annual fee for registration of an ISE is £300 (2022: £300). During the year the Directors of the Company have also settled the ISE fees of £300 (2022: £300) for its holding company, Millshaw SAMS Holdings Limited.

2.13 Share capital

Ordinary shares held by the Company are classified as equity. Any incremental costs directly attributable to the issue of shares have been shown in equity as a deduction, net of tax, from the proceeds.

2.14 Dividend

Dividends on ordinary shares are recognised in the period in which they are declared.

3 Critical accounting estimates and judgements

(a) Accounting estimates and assumptions - fair value

The accounting estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the reporting date. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related results. Actual amounts and results could differ from such estimates and assumptions.

In particular, fair value of financial assets and liabilities and disclosure requires significant judgement. The Directors of the Company have made certain assumptions and made the judgement to measure the financial asset of the Company, Deemed loan, at fair value. There are however a number of challenges in measuring the financial assets and liabilities at fair value, as follows :

• Although the mortgages are secured over real property, the underlying value of this collateral has not been formally reviewed since the sale of the mortgage, but only updated each year as part of the valuation process using the HPI index and other factors;
• The SAMs Notes are not actually traded;
• There is no active market for second hand mortgages and accordingly there is no market price available for the interests held by the Company;
• The mortgages have no fixed interest element or fixed maturity date. Maturity will occur on the sale of an underlying property, death of the owner or the decision by the owner to repay;
• There is no intention or expectation on the part of the Company that any of the underlying mortgages will be sold, cancelled or transferred by the Company in the normal course of business, all such mortgages are expected to be held to their maturity; and
• The shared appreciation on a mortgage is based upon increases in the value of the underlying properties, between the date of the mortgage advance and the date of the mortgage repayment, estimated by a third party.

There is no evidence of any material impairment within the mortgage pool. At the origination of the mortgages there was a maximum 25% loan to value over the underlying properties which is not considered to have deteriorated to date.

A fair value of the Deemed Loan has therefore been calculated by reference to the underlying pool of mortgage loans. The Directors of the Company consider the current valuation basis results in a measurement that is more representative of the fair value. A model has been generated by an independent valuer to determine the fair value as at 31 December 2022 using an income approach. The closing balance of financial assets at FVTPL represents the fair value per the latest valuation report as of 31 December 2022.

Income approach is a valuation technique that provides an estimation of fair value of the Deemed Loan based on expectations about the cash flows it would generate over time. The income approach starts with an estimation of the annual cash flows expected to be generated over a discrete projection period. The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected cash flows. The present value of the estimated cash flows is then added to the present value equivalent of the residual value of the Deemed Loan, if any, at the end of the discrete projection period to arrive at the fair value.

The following key inputs and assumptions have been used in determining the fair value, per the latest valuation report, as at 31 December 2022.

i) Life table and age group
As most of the mortgage redemption occurs upon the death of the borrower, the life tables provided by the Office for National Statistics (**ONS**) were used to estimate the expected remaining years to live for each borrower.

ii) Redemption time lag
The model assumes that there is a delay between the death of the mortgagee and the resulting cash flow due to the periodicity of the cash flow model and input setting.

iii) Capital appreciation
The capital appreciation amount to be paid by mortgagee is defined as three times property value appreciation times initial loan amount.

3 Critical accounting estimates and judgements (continued)

iii) Capital appreciation (continued)

The estimated capital appreciation component on any projected repayments is based on a combination of:
- property valuation as of 31 December 2021
- simulated HPI from valuation date to the projected repayment date

Annualised HPI is normalised from 5.8% to 4.0% as higher-than-normal growth rate is unlikely after the surge in 2021and 2022. Using forecast house price data provided by OBR, better visibility was provided to house price changes in the UK over the short term. Therefore the OBR projections were utilised up to Q1 2028 before reverting to the forecasted quarterly regional HPI based on a normal distribution using the 10-year historical average and standard deviation was forecasted as follows:

Region	10-yr average	Annualised average	10- yr std	Region weight
South East	1.01%	4.09%	3.35%	24.15%
South West	0.83%	3.37%	3.39%	13.96%
West Midlands	0.83%	3.37%	3.11%	8.14%
North West	0.67%	2.70%	3.75%	5.85%
London	1.35%	5.52%	4.39%	20.99%
Yorkshire and the Humber	0.61%	2.48%	3.62%	5.17%
East Midlands	0.90%	3.66%	2.79%	2.44%
Wales	0.63%	2.54%	3.40%	3.24%
North East	0.27%	1.08%	5.08%	1.61%
East of England	1.11%	4.51%	3.32%	14.44%
Regional weighted 10 yr average	0.99%	4.02%	3.60%	

iv) Defaults
The weighted average Loan to Value (**LTV**) of the mortgage pool as of the valuation date was 0.60% (30 June 2022: 0.60%), indicating strong collateral coverage and, therefore, no defaults have been assumed.

v) Prepayment
To account for mortgages that can be repaid other than the death of the borrowers, an annual constant prepayment rate (**CPR**) at a portfolio level was applied. The CPR was assumed to redeem at the portfolio weighted average capital appreciation amount that was simulated using the regionally weighted average HPI, simulated with 10-year average mean and standard deviation. Accordingly, this reduced the notional of all remaining mortgages by the CPR in each period.

vi) Dilapidation discount
Properties lose value over time and homeowners have limited economic interest in the realised proceeds and often have a reduced incentive and capacity to maintain the properties at the same level as the UK average. Using the property value implied by HPI indexing divided by the actual redeemed property value since the first redemption in March 1999 until valuation date, an average difference over the whole period of 39.4% (30 June 2022: 38.9%) was generated and the trend line indicates an increase in differential of 1.3% (30 June 2022: 1.5%) annually. As not all this differential can be attributed to dilapidation, a 1% (30 June 2022: 1%) annual dilapidation discount was used from the most recent valuation date of 31 December 2021 onwards.

The following table summarises the regional difference over the last 10 years:

Region	10-yr average dilapidation	Annualised average	Region weight
South East	0.26%	1.05%	24.20%
South West	0.30%	1.20%	14.00%
West Midlands	0.32%	1.29%	8.10%
North West	0.43%	1.72%	5.90%
London	0.43%	1.73%	21.00%
Yorkshire and the Humber	0.36%	1.45%	5.20%
East Midlands	0.37%	1.51%	2.40%
Wales	0.41%	1.66%	3.20%
North East	0.30%	1.21%	1.60%
East of England	0.36%	1.43%	14.40%
Regional weighted 10 yr average	0.34%	1.38%	

3 Critical accounting estimates and judgements (continued)

vi) Dilapidation discount (continued)

The dilapidation discount is applied to the projected property values at redemption when calculating capital appreciation.

In addition actual property redemptions since the previous valuation on 29 March 2019 were compared to that valuation as adjusted for HPI and dilapidation. The result was an average negative difference of -13.3% of the actual sale proceeds to the HPI affected estimates reflecting that the properties are not being maintained to market standard conditions.

The following table summarises the regional difference of the properties sold since the previous valuation:

Region	No. of Properties	Region Weight	Total Contribution	Region Specific Difference
South East	90	30.4%	(5.30%)	(17.50%)
South West	62	17.4%	(1.70%)	(9.70%)
West Midlands	44	10.1%	(1.30%)	(13.10%)
North West	27	5.2%	(0.90%)	(17.30%)
London	30	13.5%	(1.20%)	(8.60%)
Yorkshire and the Humber	23	4.2%	(0.70%)	(16.80%)
East Midlands	11	1.7%	(0.30%)	(17.30%)
Wales	11	3.2%	0.30%	7.90%
North East	8	1.6%	-	(1.00%)
East of England	52	12.84%	(2.13%)	(16.60%)
Regional weighted average	358	100.00%	(13.27%)	(13.27%)

To mitigate this impact the regional specific differences have been applied to the property valuations as at 31 December 2021, which are assumed to be similarly overvalued.

Furthermore, the closing balance of financial assets at FVTPL represents the fair value per the latest valuation report as of 31 December 2021, a comparison was performed on the smaller population of 2022 redemptions to assess the difference between actual property sale proceeds at redemption during 2022 against the property valuations from most recent valuation date of 31 December 2021 after applying the above mentioned adjustment of -13.3%. The results showed that the adjustment made to the 31 December 2021 valuation, described above, is appropriate as there is a minimal discrepancy of 0.27%.

vii) Discount rate
The discount rate reflects the long-term nature of the asset and factors the lack of liquidity of the financial asset. The discount rate also incorporates the significant improvement of the UK housing market in recent years. Since the referendum on Brexit, there has been a reduction in sales volumes but there has not been a significant impact on house prices. Given that the above inputs have been considered, the Directors, therefore, believe that a discount rate of 10% (31 December 2022: 10%) is appropriate to estimate the fair value of the mortgage pool.

These calculations represent the Directors' best estimate of the fair value of the Deemed Loan. The possible financial outcome of the potential litigation exposure has been considered in determining the fair value of the deemed loan and the SAMs Notes as discussed in note 11.

In the opinion of the Directors, the book value of all other financial assets approximates their fair value.

The Board of Directors considers Sterling to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Sterling is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors. This determination also considers the competitive environment in which the Company is compared to other investment products.

(b) Critical judgement - recognition of Deemed Loan

As described in note 1, due to the retention of significant risk in the SAMs portfolio by the originator of the SAMs (Barclays SAMs Limited), the originator failed to derecognise the SAMs. Accordingly the payment of consideration by the Company has been recognised as a Deemed Loan to the originator and a Deemed Loan asset is recognised instead of recognition of the SAMs.

4 Financial assets at fair value through profit or loss

	30 June 2023 GBP	31 December 2022 GBP
Deemed Loan		
Opening balance	140,357,829	152,976,337
Principal proceeds from redemptions of loans	(1,297,251)	(2,505,052)
Unrealised gain/(loss) on the financial assets at FVTPL	1,297,251	(10,113,456)
Closing balance	140,357,829	140,357,829

The Company has purchased a mortgage loan portfolio from Barclays SAMS Limited. The Company does not recognise the purchase of the mortgage portfolio from the Originator in its financial statements, but rather shows a loan to the Originator.

Subsequent to the acquisition of the portfolio of SAMs, due to the retention of significant risk in the SAMs portfolio by the originator of the SAMs (Barclays SAMs Limited), the originator failed to derecognise the SAMs. Accordingly, the payment of consideration by the Company has been recognised as a Deemed Loan to the originator and a Deemed Loan asset is recognised instead of recognition of the SAMs. The Company remains the legal owner of the interest in the SAMs.
However, the amounts receivable by the Company in respect of the Deemed Loan is solely dependent on the proceeds (being repayment of principal plus shared appreciation on the underlying mortgages) from the SAMs. In the financial statements, Deemed Loan and SAMs are used interchangeably as the economics of the Deemed Loan is wholly linked to the performance of the SAMs.

The Deemed Loan has been initially recognised at the amount corresponding to the consideration paid by the Company for the pool of mortgage loans and subsequently measured at fair value.

The Deemed Loan has no fixed maturity date but would terminate on the earlier of the date of sale of the property, death of the mortgage holder, or decision to repay the mortgage.

The shared appreciation on the Deemed Loan is based upon increases in the value of the underlying properties between the date of the mortgage advance and the date of the mortgage repayment. These returns are substantially passed on to the holders of the SAMs Notes and recognised as realised gain on financial assets in the condensed interim statement of comprehensive income. During the period total shared appreciation of GBP 7,301,116 (30 June 2022: GBP 8,660,139) was recognised in the condensed interim statement of comprehensive income.

As at 30 June 2023, there were 54 mortgages (31 December 2022: 56) which pertain to deceased mortgage holders and remained unredeemed as at reporting date. 13 of these have been unredeemed for more than 18 months after the mortgage holders died (31 December 2022: 16). These mortgages are being monitored by the Directors on a periodic basis in order to assess their impact on the Company's revenue.

5 Trade and other receivables

	30 June 2023 GBP	31 December 2022 GBP
Redemption principal receivable	41,251	44,375
Redemption shared appreciation receivable	270,984	331,875
Prepayments	-	1,240
	312,235	377,490

6 Cash and cash equivalents

	30 June 2023 GBP	31 December 2022 GBP
Cash at Bank	4,385,005	4,535,148

The Company deposits cash in the Guaranteed Investment Contract Account (GIC Account) which accrues interest at 5% per annum, or the annual Retail Price Index of Jersey, whichever is higher. The GIC Account is used to meet ordinary operating and administrative expenses of the Company.

There are no restrictions on the cash balances.

7 Trade and other payables

	30 June 2023 GBP	31 December 2022 GBP
Redemption due to SAMs noteholders	253,751	239,375
Shared appreciation payable to SAMs noteholders	1,724,333	1,909,959
Accruals	691,567	682,767
	2,669,651	2,832,101

8 Financial liabilities

	30 June 2023 GBP	31 December 2022 GBP
SAMs Notes - due 2054		
Financial liabilities at fair value through profit or loss		
Opening balance	141,269,840	153,789,031
Principal repayment	(1,297,215)	(2,467,611)
Unrealised loss/(gain) on the financial liabilities at FVTPL	1,197,254	(10,051,580)
Closing balance	141,169,879	141,269,840
Subordinated Loan Notes - due 2060		
Financial liabilities at amortised cost		
Opening balance	500,000	500,000
Interest payable	1,036,449	1,004,832
Closing balance	1,536,449	1,504,832
Total financial liabilities	142,706,328	142,774,672

The financial liabilities as at the period end represents SAMs Notes and the Subordinated Loan Notes issued by the Company.

Financial liabilities at fair value through profit or loss
Financial liabilities at FVTPL represents SAMs Notes classified and stated at fair value, with any resultant gain or loss being recognised in the condensed interim statement of comprehensive income.

The proceeds from the issue of SAMs Notes were applied to acquire a mortgage loan portfolio from Barclays SAMS Limited. The SAMs Notes issued by the Company are listed on the London Stock Exchange. However, the SAMs Notes are not actively traded and accordingly there is no readily available market price for the SAMs Notes.

Interest
No interest is payable on the SAMs Notes.

Shared appreciation
The SAMs Notes confer the right to receive shared appreciation money received by the Company, during each determination period, upon the whole or partial redemption of the mortgages. Shared appreciation money is payable on participation payments date, 15 March, 15 June, 15 September and 15 December, to the noteholders. Shared appreciation amounts are accounted for on an accruals basis. During the period total shared appreciation of GBP 6,908,762 (30 June 2022: GBP 8,166,743) was paid to the SAMs Noteholders.

	30 June 2023 GBP	30 June 2022 GBP
Net redemptions of SAMs Notes during the period	7,300,769	8,660,158
Expenses paid out of transaction account	(320,007)	(493,415)
	6,980,762	8,166,743

8 Financial liabilities (continued)

Expenses paid out of transaction account were all incurred in order to protect the position of Noteholders and as such the Directors were advised that they should be met out of the transaction account.

Barclays, as agent of the Company continues to deal with a small number of issues raised by homeowner mortgagors in relation to their SAMS mortgages. However, the Board are not aware that any claim has been made or threatened to be made against the Company arising out of these matters.

Redemption
The SAMs Notes are subject to mandatory redemption in part, on each participation payment date, in an amount aggregate to the value of the maturing mortgages within each quarter.

The proceeds received from the redemption of the mortgage portfolio amounting GBP 1,978,084 (31 December 2022: GBP 2,149,334) between the period from last determination date, i.e. 1st June 2023, and the period end date will be settled on the following participation payment date, i.e.15th September 2023.

Limited recourse
The SAMs Notes will rank pari passu without any preference or priority among themselves. The SAMs Notes are limited recourse in nature, such that upon maturity of the SAMs Notes the only proceeds available to the note holders will be the net amounts received by the Company from the underlying mortgage pool. Accordingly, in the opinion of the Directors the clearest evidence of the fair value of the SAMs Notes is the fair value of the mortgage pool, Deemed Loan.

Maturity
The SAMs Notes are scheduled to mature on 15 June 2054.

Financial liabilities at amortised cost
Financial liabilities at amortised cost represents Subordinated Loan Notes. The Subordinated Loan Notes were issued pursuant to the terms of a Mortgage Sale Agreement and are not listed on any stock exchange. The obligations of the Company under and in respect of the Subordinated Loan Notes is unsecured.

Interest
The Subordinated Loan Notes accrue interest in respect of each interest period, payable on 15 March, 15 June, 15 September and 15 December each year, and has recognised as finance cost in the condensed interim statement of comprehensive income. The Special Servicer will, on the calculation date prior to each interest period, calculate the interest amount payable to the Subordinated Loan Notes for such period in accordance with the terms set out in the Cash and Bond Administration Agreement.

Interest payments on Subordinated Loan Notes have been deferred since 2006. During the period, interest amounting GBP 31,618 (30 June 2022: GBP 320) has been accrued. The Subordinated Noteholders have confirmed that they will defer calling for the payment of the interest in the next 12 months.

Redemption
The Subordinated Loan Notes will be redeemed at their face amount on the final maturity date, or if earlier, the date which is ten business days following the date on which all of the mortgages have been redeemed and discharged in full.

Maturity
The Subordinated Loan Notes are scheduled to mature on 31 December 2060.

Noteholder expenses
From time to time, and in accordance with advice received as to the operation of the relevant provisions of the transaction documents, certain extraordinary expenses relating to the ongoing operation of the Company and the listing of the SAMs Notes have been paid from the Transaction Account.

8 Financial liabilities (continued)

Financial liabilities at amortised cost (continued)

Net debt reconciliation

The table below sets out the analysis of net debt and the movement in net debt for the period ended 30 June 2023:

	30 June 2023 GBP	31 December 2022 GBP
Cash and cash equivalents	4,385,005	4,535,148
Financial liabilities payable within one year	(253,751)	(239,375)
Financial liabilities payable after one year	(142,706,328)	(142,774,672)
	(138,575,074)	(138,478,899)

		Liabilities from financing activities		
	Cash and cash equivalents GBP	Financial liabilities FVTPL GBP	Financial liabilities amortised cost GBP	Total GBP
Net debt as at 1 January 2023	4,535,148	(141,509,215)	(1,504,832)	(138,478,899)
Cash flow movements				
Net decrease in the cash flow	(150,143)	-	-	(150,143)
Repayments - liabilities at FVTPL	-	1,282,839	-	1,282,839
Non-cash flow movements				
Interest accrual	-	-	(31,618)	(31,618)
Fair value movement	-	(1,197,254)	-	(1,197,254)
Net debt as at 30 June 2023	4,385,005	(141,423,630)	(1,536,450)	(138,575,075)

The table below sets out the analysis of net debt and the movement in net debt for the year ended 31 December 2022:

		Liabilities from financing activities		
	Cash and cash equivalents GBP	Financial liabilities FVTPL GBP	Financial liabilities amortised cost GBP	Total GBP
Net debt as at 1 January 2022	5,099,093	(154,269,156)	(1,485,806)	(150,655,869)
Cash flow movements				
Net increase in the cash flow	(563,945)	-	-	(563,945)
Repayments - liabilities at FVTPL	-	2,708,361	-	2,708,361
Non-cash flow movements				
Interest accrual	-	-	(19,026)	(19,026)
Fair value movement	-	10,051,580	-	10,051,580
Net debt as at 31 December 2022	4,535,148	(141,509,215)	(1,504,832)	(138,478,899)

9 Called up share capital

	30 June 2023 GBP	31 December 2022 GBP
Authorised:		
Equity		
10,000 ordinary shares of £1 each	10,000	10,000
Issued and fully paid:		
Equity		
2 ordinary shares of £1 each	2	2

The issued share capital of the Company is held by Millshaw SAMS Holdings Limited, a private company incorporated in Jersey. Each issued and fully paid share is entitled to dividends when declared and carries one voting right. The Company has no restrictions or specific capital requirements on the issue and re-purchase of ordinary shares.

Capital management
The Directors believe that the Company's capital is not subject to significant risk as the expenditure of the Company was applied against any income received in accordance with the priority of payments where any residual profit or loss will be applied to the SAMs noteholders.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

10 Financial risk management

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual audited financial statements, they should be read in conjunction with the annual audited financial statements for the year ended 31 December 2022.

11 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date. The fair value of a liability reflects its non-performance risk. The Directors have considered the fair values of the Company's financial assets and financial liabilities under the below level of fair value hierarchy. The limited recourse SAMs Notes issued by the Company are not actively traded on the London stock exchange. As such, there was no publicly available pricing source which the Directors could refer to for obtaining the fair value of the financial liabilities. Due to the limited recourse nature of the financial liabilities, the Directors considered that the fair value of the financial liabilities is the residual value of the financial assets at FVTPL and net current assets or liabilities.

(a) Fair value hierarchy
The Company's mortgage loan portfolio and SAMs Notes issued are carried at fair value on the statement of financial position.

The Company used the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

11 Fair value measurement (continued)

Level 1 prices are quoted in the active markets. The fair value of the financial instruments traded in active market is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 prices use widely recognised valuation models for determining the fair value of common and more simple financial instruments such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs were usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives, e.g., interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Level 3 prices use valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates. Any change in the pricing assumptions for those assets which use level 3 valuation techniques would not have an impact on the overall financial position of the Company due to the limited recourse nature of the notes in issue. The variability in pricing of such assets would directly impact the noteholders but does not alter the underlying risk faced by each noteholder or the ultimate return on the transaction. For the valuation technique used by the directors refer to note 3.

Barclays, as agent of the Company continues to deal with a small number of issues raised by homeowner mortgagors in relation to their SAMS mortgages. However, the Board are not aware that any claim has been made or threatened to be made against the Company arising out of these matters.

The Company has valued its financial assets at FVTPL at GBP 140,357,829 (2022: GBP 140,357,829). The fair values of the financial assets are determined based on the management assumptions and judgement as detailed in note 3 and are not based on observable data. Thus the fair value of financial assets are classified at level 3 as at the period ended 30 June 2023 and the year ended 31 December 2022.

Due to the limited recourse nature of the financial liabilities, the Directors considered that the fair value of the financial liabilities is the residual value of the financial assets at FVTPL and net current assets or liabilities. Thus it is appropriate to disclose the fair values of the financial liabilities at level 3.

	Level 1 GBP	Level 2 GBP	Level 3 GBP
For the period ended 30 June 2023			
Financial assets at fair value through profit or loss	-	-	140,357,829
Financial liabilities at fair value through profit or loss	-	-	141,169,879

11 Fair value measurement (continued)

	Level 1 GBP	Level 2 GBP	Level 3 GBP
For the year ended 31 December 2022			
Financial assets at fair value through profit or loss	-	-	140,357,829
Financial liabilities at fair value through profit or loss	-	-	141,269,840

(b) Transfer between the hierarchy levels
There were no transfers between hierarchy levels during the period (2021: none).

(c) Level 3 reconciliation
The table below sets out the reconciliation of the movements in the fair value of the financial assets and liabilities at FVTPL classified as level 3 in the fair value hierarchy:

Financial assets	30 June 2023 GBP	31 December 2022 GBP
Opening balance	140,357,829	152,976,337
Proceeds from disposal of assets	(1,297,251)	(2,505,052)
Unrealised gain/(loss) recognised	1,297,251	(10,113,456)
Closing balance	140,357,829	140,357,829

Financial liabilities	30 June 2023 GBP	31 December 2022 GBP
Opening balance	141,269,840	153,789,031
Repayments	(1,297,215)	(2,467,611)
Unrealised (gain)/loss recognised	1,197,254	(10,051,580)
Closing balance	141,169,879	141,269,840

(d) Sensitivity analysis
Any change in the fair value assumptions for the financial assets will have equal and opposite impact on the fair value of financial liabilities and hence would not have an impact on the overall financial position of the Company due to the limited recourse of the financial liabilities. Thus the profit or loss and equity of the Company are not exposed to any significant net fair value risk.

31 December 2022

i) The table below shows the sensitivity of the valuation to changes in the redemption time lag assumption:

Input delay in months	Actual discounting delay in months	Average at 10% discounting
0	6	£146.5m
3	9	£141.5m
6	12	£139.9m
9	15	£138.6m
12	18	£134.6m

ii) The below shows the distribution of simulation outcomes for different CPRs (with 10% discount rate and 1% per annum dilapidation discount):

CPR	Average at 10%
0%	£125.0m
1%	£131.1m
2%	£139.9m
3%	£144.6m
5%	£155.5m

11 Fair value measurement (continued)

iii) The table below shows the distribution of simulation outcomes applying a range of discount rates around the 10% base case assumption (2% CPR and 1% per annum dilapidation discount):

Discount rate	5%	10%	15%	20%
1st decile	£157.1m	£115.8m	£90.1m	£72.8m
Average - 1 std	£162.5m	£119.5m	£92.7m	£74.8m
Average	£192.3m	£139.9m	£107.6m	£86.2m
Average + 1 std	£222.0m	£160.3m	£122.5m	£97.6m
Top decile	£230.8m	£166.6m	£126.9m	£101.1m

12 Ultimate controlling party

The Board consider Ocorian Trustees (Jersey) Limited, as Trustee of the Millshaw SAMS Charitable Trust (the beneficial owner of the issued share capital of the Company) to be the ultimate controlling party of the Company.

13 Related party transactions

During the period corporate services fees of GBP 88,434 (30 June 2022: GBP 106,724) were paid to Ocorian Limited of which nil (30 June 2022: nil) was outstanding at the period end. The Company does not have any employees. Fees of GBP 43,000 were paid during the period to the external directors, Michael Richardson and Simon Radford , in respect of their services (30 June 2022: GBP 52,833).

The Directors of the Company are considered the key management personnel.

14 Operating segments

The Directors have considered there to be only a single reporting segment. This is on the basis that there is a single geographical area as 100% of the mortgage portfolio is located within the United Kingdom. It has therefore been considered that no additional segmental reporting is required.

15 Events after reporting period

There are no subsequent events after the reporting period that require adjustment or disclosure in these interim financial statements.