

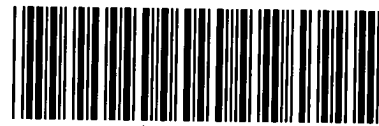
Annual report and financial statements

Gosforth Mortgages Trustee 2015-1 Limited

For the year ended 31 December 2019

Company Number: 09409447

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Gosforth Mortgages Trustee 2015-1 Limited

Annual report and financial statements

For the year ended 31 December 2019

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Gosforth Mortgages Trustee 2015-1 Limited

Directors and professional advisers

For the year ended 31 December 2019

| | |
|------------------------------------|---|
| Directors | Miles Storey (appointed 20 December 2019) Adrian Sargent (resigned 20 December 2019) L.D.C Securitisation Director No. 1 Limited L.D.C Securitisation Director No. 2 Limited |
| Secretary | Law Debenture Corporate Services Limited |
| Registered office | Fifth Floor 100 Wood Street London EC2V 7EX |
| Principal Place of Business | Jubilee House Gosforth Newcastle upon Tyne NE3 4PL |

Gosforth Mortgages Trustee 2015-1 Limited

Report of the Directors

The Directors of Gosforth Mortgages Trustee 2015-1 Limited ("the Company") present their report and the unaudited financial statements for the year ended 31 December 2019.

Incorporation and business structure

The Company is a Special Purpose Vehicle ("SPV") which forms part of Clydesdale Bank PLC's ("CB PLC") Gosforth 2015-1 Retail Mortgage Backed Securities Programme (the "Programme").

The Programme was established primarily for the purpose of raising wholesale funding for the Programme Originator ("Originator"). The Originator at the time of establishment was Virgin Money PLC ("VM PLC"). On 26 September 2019, a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000 ("FSMA") was approved, resulting in the business of VM PLC being transferred to CB PLC on the effective date of 21 October 2019. CB PLC became the Originator of the Programme from this date.

The Company is incorporated under the Companies Act 2006 and registered in England and Wales as a private limited company. The issued share capital is held by Gosforth Holdings 2015-1 Limited ("GH Ltd"), a company registered in England and Wales. The ultimate controlling entity is Virgin Money UK PLC ("VMUK PLC") (formerly known as CYBG PLC). VMUK PLC and its subsidiary undertakings, which include CB PLC, comprise the Virgin Money UK PLC Group ("Group"). Further detail of the group structure is disclosed in note 1.

Principal activities and business review

The principal activity of the Company is to hold a legal interest in Trust Property, exclusively for CB PLC, the Originator and seller of the trust property, and Gosforth Funding 2015-1 PLC ("GF PLC").

The Trust Property comprises a portfolio of residential mortgage loans, interest and principal paid by the borrowers on those loans and all other amounts received under the loans. All income from the Trust Property is distributed to the beneficial owners in proportion to their share of the Trust Property owned.

The Programme documentation relating to the Programme structure defines certain prescribed roles and terms and should be read in conjunction with these financial statements. The Programme documentation can be found at: <https://www.virginmoneyukplc.com/investor-relations/debt-investors/gosforth-funding-transactions/>.

No future changes in activity are envisaged.

Strategic report

The Company is exempt from presenting a Strategic Report under section 414B(b) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014.

Key performance indicators ("KPIs")

The Company's Directors are of the opinion that analysis using KPIs would not enhance an understanding of the development, performance or position of the Company.

Corporate governance

The Directors have been charged with governance in accordance with the Programme documentation describing the structure and operation of the Programme. The governance structure of the Company is such that the key policies have been predetermined at inception and the operational roles have been assigned to third parties with their roles strictly governed by the Programme documentation.

The Programme documentation provides 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 regulatory obligations.

Gosforth Mortgages Trustee 2015-1 Limited

Report of the Directors (continued)

Miscellaneous reporting

As a wholly owned subsidiary, the governance structure of the Company is managed within the Virgin Money UK PLC Group. The directors have had regards to the matters set out in section 172(1) of the Companies Act 2006 and details of stakeholder engagement relevant to the Company are set out on pages 30 - 31 of the Strategic report and 76 – 77 of the Corporate governance report within the Virgin Money UK PLC 2019 Annual Report and Accounts. A copy can be obtained from <https://www.virginmoneyukplc.com/investor-relations/results-and-reporting/annual-reports/>.

Principal risks and uncertainties

Due to the limited nature of the Company's activities, the Company is not exposed to any significant risks and uncertainties

Profits and appropriations

The statement of comprehensive income for the year is set out on page 6.

The Directors do not recommend the payment of a dividend for the year under review (2018: £Nil).

Directors and Directors' interests

The Directors of the Company during the year and up to the date on which the financial statements were approved are disclosed on page 1.

Directors' interests

None of the Directors had any interest, either during the year or at the end of the year, in any material contract or arrangement with the Company.

Appointments

Miles Storey was appointed as a Director of the Company on 20 December 2019.

Resignations

Adrian Sargent resigned as a Director of the Company on 20 December 2019.

Directors' remuneration

None of the Directors were directly remunerated by the Company in respect of their duties as Directors of the Company. However, during the year, a fee in the amount of £6,000 (2018: £5,000) was expensed to Law Debenture Corporate Services Limited, for the provision of corporate administration services including services of two Directors to the Company. In line with all income and expense these balances have been recharged to the beneficiaries of the Trust Property. In relation to the remaining Director, their service to the Company was performed as part of their employment with CB PLC and no remuneration was earned in respect of qualifying services provided to the Company. CB PLC has not recharged the Company for the cost of this service.

Company secretary

The Company secretary during the year, and subsequently, was Law Debenture Corporate Services Limited.

Third party indemnities

A qualifying third party indemnity provision for the benefit of the Directors was in force during the year under review and remains in force as at the date of approval of the annual report and financial statements.

Gosforth Mortgages Trustee 2015-1 Limited

Report of the Directors (continued)

Employees

The Company does not have any employees.

Share capital

Information about share capital is shown in note 12.

Going concern

It is the intention of the Directors of the Company to continue operations while the Programme supports the funding and liquidity needs of the Group. The Programme Notes in issue have call option of 16 June 2020. Whilst the GF PLC have not formally agreed or provided notice of any plans to redeem the Notes on this call date, if exercised, this option would result in material curtailment of the Programme and therefore the Company's principal activities within the next 12 months. The Directors are mindful of the risks associated with the current COVID-19 outbreak and have performed appropriate analysis of potential impacts to the Company when assessing the going concern status. While it is difficult to fully assess the impact, the Directors have no reason to believe at this time, it will influence the going concern status of the Company as any obligations to GF PLC or CB PLC are limited to the balance received on the trust property.

Following this analysis, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the approval of the financial statements. For this reason, the Directors consider that the going concern basis of preparation remains appropriate for these financial statements.

Events after the balance sheet date

During March 2020, the World Health Organisation declared the COVID-19 virus a pandemic and in response, the UK Government announced the temporary closure of a number of non-essential industries and a nationwide social distancing programme to reduce the spread. A number of financial measures have been put in place to assist customers of the Group, of which, any significant increase in mortgage payment holidays could affect cash flows on securitised mortgages. Whilst COVID-19 is considered to be a non adjusting post balance sheet event and as such no adjustments have been made to the financial statements or the accompanying disclosures for the year ended 31 December 2019, it has been taken into careful consideration when assessing the ongoing risks and going concern status of the Company.

Gosforth Mortgages Trustee 2015-1 Limited

Report of the Directors (continued)

Statement of Directors' responsibilities

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

United Kingdom ("UK") company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the statement of comprehensive income of the Company for that year. In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- 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 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;
- state that the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable; 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 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.

The Director's Report was approved by the Board of Directors on 18 May 2020 and was signed on its behalf by:



Mark Filer

For and on behalf of L.D.C Securitisation Director No. 1 Limited, Director
18 May 2020

Gosforth Mortgages Trustee 2015-1 Limited

Statement of comprehensive income

For the year ended 31 December 2019

| | Notes | 2019 £'000 | 2018 restated £'000 |
|--|-------|---------------|------------------------|
| Interest income and similar income | 6 | - | - |
| Net interest income | | - | - |
| Administrative expenses | 7 | - | - |
| Profit before tax | | - | - |
| Tax expense | 8 | - | - |
| Total comprehensive income attributable to equity holders | | - | - |

All material items dealt with in arriving at the total comprehensive income for 2019 and 2018 relate to continuing activities.

The Company has no recognised gains or losses other than those disclosed above.

The notes on pages 10 to 16 form part of these financial statements. Refer to note 4 for a schedule of restatements.

Gosforth Mortgages Trustee 2015-1 Limited

Balance sheet

As at 31 December 2019

| | | 2019 £'000 | 2018 restated £'000 |
|---|----|-----------------|------------------------|
| Assets | | | |
| Other assets | 9 | - | - |
| Cash and cash equivalents | 10 | - | - |
| Total assets | | <u>-</u> | <u>-</u> |
| Liabilities | | | |
| Other liabilities | 11 | - | - |
| Total liabilities | | <u>-</u> | <u>-</u> |
| Shareholders' equity | | | |
| Share capital | 12 | - | - |
| Accumulated profit | | - | - |
| Total shareholders' equity | | <u>-</u> | <u>-</u> |
| Total liabilities and shareholders' equity | | <u><u>-</u></u> | <u><u>-</u></u> |

The notes on pages 10 to 16 form part of these financial statements. Refer to note 4 for a schedule of restatements.

For the year ended 31 December 2019 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- the Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors on 18 May 2020 and were signed on its behalf by:



Mark Filer

For and on behalf of L.D.C Securitisation Director No. 1 Limited, Director

18 May 2020

Company No: 09409447

Gosforth Mortgages Trustee 2015-1 Limited

Statement of changes in equity

For the year ended 31 December 2019

| | Share capital | Accumulated profit | Total |
|---|------------------|-----------------------|---------------|
| | £'000 | £'000 | £'000 |
| Balance at 31 December 2017 | - | - | - |
| Issuance of ordinary shares | - | - | - |
| Total comprehensive income for the year | - | - | - |
| Balance at 31 December 2018 | <hr/> - | <hr/> - | <hr/> - |
| Total comprehensive income for the year | - | - | - |
| Balance at 31 December 2019 | <hr/> <hr/> - | <hr/> <hr/> - | <hr/> <hr/> - |

The notes on pages 10 to 16 form part of these financial statements.

Gosforth Mortgages Trustee 2015-1 Limited

Statement of cash flows

For the year ended 31 December 2019

| | 2019 £'000 | 2018 restated £'000 |
|---|-----------------|------------------------|
| Result before taxation | - | - |
| Increase in receivables | - | - |
| Increase in payables | - | - |
| Net cash provided by operating activities | <u>-</u> | <u>-</u> |
| Net cash provided by investing activities | - | - |
| Net cash provided by financing activities | <u>-</u> | <u>-</u> |
| Net increase in cash and cash equivalents | - | - |
| Cash and cash equivalents at the beginning of the year | - | - |
| Cash and cash equivalents at the end of the year | <u><u>-</u></u> | <u><u>-</u></u> |

The notes on pages 10 to 16 form part of these financial statements. Refer to note 4 for a schedule of restatements.

Gosforth Mortgages Trustee 2015-1 Limited

Notes to the financial statements

For the year ended 31 December 2019

1. Basis of preparation

Reporting entity

The Company is incorporated under the Companies Act 2006 and registered in England and Wales.

The immediate parent company is GH Ltd, a company incorporated under the Companies Act 2006 and registered in England and Wales. The ultimate parent company is the Law Debenture Intermediary Corporation PLC, a company registered in England and Wales, with the shares being held under a trust arrangement. Copies of the financial statements of The Law Debenture Intermediaries Corporation may be obtained from the registered office at Fifth Floor, 100 Wood Street, London, EC2V 7EX.

CB PLC, a company incorporated under the Companies Act 2006 and registered in Scotland, is the Originator of the Programme. The smallest group in which the results of the Company are consolidated is that headed by CB PLC. The ultimate controlling party is VMUK PLC, a company incorporated under the Companies Act 2006 and registered in England and Wales. VMUK PLC and its subsidiary undertakings, which include CB PLC, comprise the Virgin Money UK Group. The Virgin Money UK Group is the largest group in which the results of the Company are consolidated. The financial statements of VMUK PLC may be obtained from the registered office at Jubilee House, Gosforth, Newcastle upon Tyne, NE3 4PL.

Statement of compliance

The Company's financial statements have been prepared in accordance with IFRS and its interpretations as adopted by the EU and as applied in accordance with the Companies Act 2006. The principal accounting policies adopted by the Company are set out in note 2.

The financial statements of the Company for the year ended 31 December 2019 were authorised for issue by the Directors on 18 May 2020 and the balance sheet was signed on their behalf by Mark Filer.

Basis of measurement

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements. A summary of key accounting policies is set out in note 2 with details of key accounting estimates and judgements in note 3.

Going concern

It is the intention of the Directors of the Company to continue operations while the Programme supports the funding and liquidity needs of the Group. The Programme Notes in issue have call option of 16 June 2020. Whilst the GF PLC have not formally agreed or provided notice of any plans to redeem the Notes on this call date, if exercised, this option would result in material curtailment of the Programme and therefore the Company's principal activities within the next 12 months. The Directors are mindful of the risks associated with the current COVID-19 outbreak and have performed appropriate analysis of potential impacts to the Company when assessing the going concern status. While it is difficult to fully assess the impact, the Directors have no reason to believe at this time, it will influence the going concern status of the Company as any obligations to GF PLC or CB PLC are limited to the balance received on the trust property.

Following this analysis, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the approval of the financial statements. For this reason, the Directors consider that the going concern basis of preparation remains appropriate for these financial statements.

2. Accounting policies

New accounting standards and interpretations adopted during the year

The Company has adopted the following International Accounting Standards Board ("IASB") pronouncements in the current financial year. Except where otherwise stated, these did not have a material impact on the Company's financial statements:

- 'Annual Improvements to IFRS Standards 2015-2017 Cycle' issued December 2017 and effective for financial years beginning on or after 1 January 2019. The IASB has made amendments to the following standards: IFRS 3 'Business Combinations'; IFRS 11 'Joint arrangements'; IAS 12 'Income Taxes'; and IAS 32 'Borrowing Costs'

Gosforth Mortgages Trustee 2015-1 Limited

Notes to the financial statements (continued)

2. Accounting policies (continued)

Functional and presentation currency

The financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in pounds sterling (GBP), which is also the Company's presentation currency, rounded to the nearest thousand pounds (£'000) unless otherwise stated.

Interest and similar income

Interest and similar income represents the interest income received on the bank accounts and permitted investments held by the Company. Interest and similar income are recognised in the statement of comprehensive income using the effective interest method which discounts the estimated future value cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the amortised cost of the financial liability. All income relating to the assets of the Company is distributed to the beneficial owners of the Trust Property.

Administrative expenses

All administrative expenses are recharged to the beneficial owners of the Trust Property.

Taxation

Income tax expense is the tax payable on the current year's taxable income, based on the applicable tax rate, adjusted by changes in deferred tax assets and liabilities, and is based on the permanent tax regime for securitisation companies.

Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised on the balance sheet when the Company becomes party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual cash flows from the asset expire, it transfers the right to receive contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership are transferred, or if the Company retains the contractual rights to receive cash flows, but assumes a contractual obligation to pay the cash flows to one or more recipients under a 'pass-through arrangement'. A financial liability is derecognised from the balance sheet when the Company has discharged its obligation to the contract, or the contract is cancelled or expires.

Financial assets

Under IFRS9 Financial Instruments, if a transferor retains substantially 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 Company has retained the contractual right to receive the cash flows of the mortgage pool, but has assumed a contractual obligation to pay cash flows to the beneficiaries being CB PLC and GF PLC.

The Company is prohibited under the terms of the transfer from selling or pledging the mortgage receivables other than as security to the beneficiaries.

Cash flows arising from the pool are paid to the beneficiaries without material delay and the Company does not reinvest such cash flows, except for investment in cash or cash equivalents, from the end of each collection year to the distribution date, which does not exceed three months.

The Company has concluded that the beneficiaries of the Trust Property have retained substantially all the associated risks and reward and a "pass-through arrangement" is in place. Consequently, the pool of mortgage loans and associated balances and transactions are not included in the balance sheet or statement of comprehensive income.

Financial liabilities

The financial liabilities relating to the contributions received from CB PLC and GF PLC are deemed to have been extinguished concurrently with the derecognition of the mortgage receivables. This accounting treatment relates to the fact that the beneficiaries are entitled to the cash flows generated from the pool and so through the 'pass-through arrangement' the Company has discharged its obligations.

Gosforth Mortgages Trustee 2015-1 Limited

Notes to the financial statements (continued)

2. Accounting policies (continued)

Financial instruments (continued)

Impairment losses

At each reporting date, the Company assesses financial assets measured at amortised cost, as well as loan commitments and financial guarantees not measured at fair value through profit or loss, for impairment. The impairment loss allowance is calculated using an Expected Credit Loss (ECL) methodology.

The overarching objective is to calculate an impairment loss allowance that reflects: (i) an unbiased and probability weighted amount; (ii) the time value of money which discounts the impairment loss; and (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The nature of the structured transaction which the Company is party to, means that the risk of default on its assets is very low, and consequently any expected credit losses are immaterial and have not been recognised.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank carried at amortised cost. The use of cash and cash equivalents is restricted and can only be utilised for the purpose of the Programme. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition.

Other liabilities

Other liabilities represents the £100 initial Trust Property settled by the beneficial owners at the transaction date and owed to the beneficial owners of the Trust Property. The funds are held as cash at bank, measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity.

Capital management overview.

The Company is not subject to externally imposed capital requirements outside the scope of the Programme documentation. The Company considers its capital to reflect share capital which can be found in the balance sheet on page 7.

3. Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Assumptions made at each balance sheet date are based on best estimates at that date. Although the Company has internal control systems in place to ensure that estimates can be reliably measured, actual amounts may differ from those estimates. The most significant use of judgements and estimates is as follows:

Derecognition of financial assets and financial liabilities

Derecognition is the process by which the Company removes a financial asset or financial liability from its balance sheet.

A financial asset (or where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to the cash flows on that financial asset are cancelled, expire or are transferred to another party, or if the Company retains the contractual rights but enters into a contract under which the same cash flows must be paid under a 'pass-through arrangement'.

The mortgage loans held in trust for the beneficiaries, as well as any assets, liabilities or transactions generated from the associated cash flows, are not included in the balance sheet or statement of comprehensive income, as whilst equitable title is held, the mortgages are not the property of the Company and no risk or reward is retained.

Gosforth Mortgages Trustee 2015-1 Limited

Notes to the financial statements (continued)

4. Prior year restatements

Following the approval of the banking business transfer scheme under Part VII of FSMA and the subsequent transfer of business of VM PLC to CB PLC, there has been an alignment of accounting policies across the new combined Group. This has resulted in a number of items in the financial statements being reclassified to ensure consistency with Group presentation.

The revised accounting policies are as follows:

Recognition of the Trust Property

In the prior year, the Company presented amounts due to and from the beneficial owners of the trust property within receivables and payables, recorded at amortised cost on the balance sheet. Bank accounts held by the Company were included within cash and cash equivalents on the balance sheet at amortised cost. As these accounting balances and the associated transactions arise from assets held in trust, they are not the property of the Company, and although legal title is held, the Company does not hold the material risk and reward associated with the assets of the Company. Therefore, the Trust Property has been derecognised from the financial statements.

In accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors' the voluntary changes in policies noted above required restatement to the previously presented prior year financial statements.

Impact on the financial statements

The impact of the restatements on the statement of comprehensive income, the balance sheet and the cash flow statement are set out below:

Statement of comprehensive income

| | As previously stated | Derecognition of the Trust Property | Restated |
|--|-------------------------|--|----------|
| | £'000 | £'000 | £'000 |
| Interest income and similar income | | | |
| Bank interest receivable | 99 | (99) | - |
| Bank interest allocated to the beneficial owners of the Trust Property | (99) | 99 | - |
| Net interest income | - | - | - |
| Operating Expenses | | | |
| Fees payable for the audit of the annual report and financial statements | 5 | (5) | - |
| Other administrative expenses | 896 | (896) | - |
| Expenses recharged to the beneficial owners of the Trust Property | (901) | 901 | - |
| Profit before tax | - | - | - |
| Tax expense | - | - | - |
| Total comprehensive income attributable to equity holders | - | - | - |

Gosforth Mortgages Trustee 2015-1 Limited

Notes to the financial statements (continued)

4. Prior year restatements (continued)

Impact on the financial statements (continued)

Balance sheet

| | As previously stated | Derecognition of the Trust Property | Restated |
|---|-------------------------|--|----------|
| | £'000 | £'000 | £'000 |
| Assets | | | |
| Other assets | 2,510 | (2,510) | - |
| Cash and cash equivalents | 40,430 | (40,430) | - |
| Total assets | 42,940 | (42,940) | - |
| Liabilities | | | |
| Other liabilities | 42,940 | (42,940) | - |
| Total liabilities | 42,940 | (42,940) | - |
| Shareholders' equity | | | |
| Share capital | - | - | - |
| Accumulated profit | - | - | - |
| Total shareholders' equity | - | - | - |
| Total liabilities and shareholders' equity | 42,940 | (42,940) | - |

Statement of cash flows

| | As previously stated | Derecognition of the Trust Property | Restated |
|---|-------------------------|--|----------|
| | £'000 | £'000 | £'000 |
| Result before taxation | - | - | - |
| Increase in receivables | (676) | 676 | - |
| Decrease in payables | (3,602) | 3,602 | - |
| Net cash used in operating activities | (4,278) | 4,278 | - |
| Net cash provided by investing activities | - | - | - |
| Net cash provided by financing activities | - | - | - |
| Net decrease in cash and cash equivalents | (4,278) | 4,278 | - |
| Cash and cash equivalents at the beginning of the year | 44,708 | (44,708) | - |
| Cash and cash equivalents at the end of the year | 40,430 | (40,430) | - |

Gosforth Mortgages Trustee 2015-1 Limited

Notes to the financial statements (continued)

5. Employee costs and Directors' emoluments

The Company does not have any employees thus there are no associated costs included within these financial statements (2018: £Nil). The administrative duties of the Company have been outsourced to an external services provider, Law Debenture Corporate Services Limited. Refer to page 3 for details of Directors emoluments.

6. Interest and similar income

| | 2019 | 2018 restated |
|--|-----------------------------|-----------------------------|
| | £'000 | £'000 |
| Bank interest receivable | - | - |
| Bank interest allocated to the beneficial owners of the Trust Property | - | - |
| | <u> </u> | <u> </u> |

7. Administrative expenses

| | 2019 | 2018 restated |
|---|-----------------------------|-----------------------------|
| | £'000 | £'000 |
| Fees payable for the audit of the current year annual report and financial statements | - | - |
| Other administrative expenses | - | - |
| Expenses recharged to the beneficial owners of the Trust Property | - | - |
| | <u> </u> | <u> </u> |

All administrative expenses are recharged to the beneficial owners of the Trust Property.

8. Taxation

| | 2019 | 2018 restated |
|---|-----------------------------|-----------------------------|
| | £'000 | £'000 |
| Current tax: | | |
| UK Corporation tax on taxable result for the year | - | - |
| | <u> </u> | <u> </u> |

9. Other assets

| | 2019 | 2018 restated |
|------------------------------------|-----------------------------|-----------------------------|
| | £'000 | £'000 |
| Amounts owed by Group undertakings | - | - |
| Accrued interest receivable | - | - |
| Other receivables | - | - |
| | <u> </u> | <u> </u> |

Gosforth Mortgages Trustee 2015-1 Limited

Notes to the financial statements (continued)

10. Cash and cash equivalents

| | 2019 | 2018 restated |
|---------------------------|-------|---------------|
| | £'000 | £'000 |
| Cash and cash equivalents | - | - |

The Company holds cash and cash equivalents in bank accounts with CB PLC, Bank of New York and Citibank. The accounts have been established in the Company's name to hold collections on the mortgage property until such times as they are paid to the beneficiaries of the trust.

The Company has no interest in the bank accounts, except for the share capital proceeds of £1 and the initial trust property of £100.

11. Other liabilities

| | 2019 | 2018 restated |
|--|-------|---------------|
| | £'000 | £'000 |
| Amounts due to beneficial owners of Trust Property | - | - |
| Trade and other payables | - | - |

12. Share capital

| | 2019 | 2018 restated |
|--|------|---------------|
| | £ | £ |
| <i>Issued, allotted and paid-up shares</i> | | |
| 1 ordinary shares - fully paid | 1 | 1 |

The entire share capital of the Company is held by GH Ltd.

13. Events after the balance sheet date

During March 2020, the World Health Organisation declared the COVID-19 virus a pandemic and in response, the UK Government announced the temporary closure of a number of non-essential industries and a nationwide social distancing programme to reduce the spread. A number of financial measures have been put in place to assist customers of the Group, of which, any significant increase in mortgage payment holidays could affect cash flows on securitised mortgages. Whilst COVID-19 is considered to be a non adjusting post balance sheet event and as such no adjustments have been made to the financial statements or the accompanying disclosures for the year ended 31 December 2019, it has been taken into careful consideration when assessing the ongoing risks and going concern status of the Company.