

Registered number: 03331871

BOS (SHARED APPRECIATION MORTGAGES) NO.3 PLC

Annual report and financial statements
for the year ended 31 December 2020

DIRECTORS AND COMPANY INFORMATION

Directors

Emma Louise Lawrence
Johan Robin Charles Von Schmidt Auf Altenstadt

Company secretary

Alyson Elizabeth Mulholland

Registered office

Trinity Road
Halifax
HX1 2RG

Independent auditors

Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

Strategic report

For the year ended 31 December 2020

The directors present their Strategic report and the audited financial statements for BOS (Shared Appreciation Mortgages) No.3 plc ("the Company") for the year ended 31 December 2020.

Principal activities

The principal activity of the Company is to originate and finance mortgage lending. In 1998 the Company issued £46,600,000 fixed rate notes (the "Notes"). The interest payable on the Notes is set at 4.50% per annum until February 2028. Thereafter, the interest rate applicable to the Notes will be 5.50% per annum until 2073 when the Notes become due. The Notes are secured on the mortgage portfolio. The capital appreciation arising on the sale of a mortgage holder's property is shared between the mortgage holder and the Company as set out in the original loan agreement. The Company pays its entire share of the appreciation to Note holders.

The activities of the Company are conducted primarily by reference to a series of transaction documents under the offering circular for BOS (Shared Appreciation Mortgages) No.3 plc (the "Programme Documentation").

Movements in the mortgage book are disclosed in the notes to the financial statements.

Business structure

The Company is a subsidiary undertaking of Bank of Scotland plc ("BOS") and ultimately Lloyds Banking Group plc ("LBG").

Business review and performance

No new mortgages were originated by the Company in the year and no new Notes were issued.

The profit for the financial year amounted to £895,804 (2019: loss of £569,404). Total equity at 31 December 2020 amounted to £3,156,431 (2019: £2,260,627).

The principal asset in the Company is a mortgage portfolio which is subject to an annual impairment review. The mortgage portfolio is subject to the economic factors relating to the housing market (see "credit risk" below). However, these factors did not have any significant bearing on the Company's arrears levels (see note 13).

The underlying profits are determined by a margin earned between the interest received on the mortgage portfolio and the interest paid to the Note holders.

Key performance indicators

The board is responsible for assessing the risk of irregularities, whether caused by fraud or error in the financial reporting and ensuring that processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting.

The key performance indicator used by management in assessing the performance of the Company is the monitoring of actual cash flows against expected cash flows on the Notes.

In order to assist the directors to mitigate key risks, there is a board meeting held quarterly with programme managers. This meeting analyses and discusses the trends for the quarter and identifies any issues or required changes. Any such issues are then reported, further discussed and collectively agreed. There were no significant issues impacting the Company in the current or previous year.

The Company has made all necessary payments on the Notes in accordance with the scheduled repayment dates for the year ended 31 December 2020.

Risk management

The majority of the Company's assets and liabilities have been classified as financial instruments in accordance with IAS 32 "Financial Instruments: Presentation". The Company's financial instruments comprise a mortgage portfolio and embedded derivative (Financial assets held at fair value through profit or loss ("Financial assets FVTPL")), cash liquid resources, interest-bearing loan notes in issue with an embedded derivative (Financial liabilities designated at fair value through profit or loss ("Financial liabilities FVTPL")) and various other receivables and payables that arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments is undertaken.

The principal risks arising from the Company's financial instruments are credit risk and interest rate risk. These and other risks which may affect the Company's performance are detailed below. Further analysis of the risks facing the Company on its financial instruments is provided in note 13.

Credit risk

Credit risk arises on the individual loans within the mortgage loan portfolio which are in turn secured on the underlying UK residential properties. The performance of these loans is therefore influenced by the economic background and the UK housing market. However, with a maximum loan-to-value of the original advances being 75.00% and with the mortgage portfolio having a weighted average current loan-to-value of 17.68% at 31 December 2020, the credit exposure is low.

The extent to which the Company can meet its obligations to pay interest and ultimately repay the Notes will be dependent upon the receipt of funds earned on the mortgage portfolio. To the extent that this income does not provide sufficient funds to cover the interest due on the Notes or the repayment of the Notes, the Note holders have no claim on the assets of BOS.

The terms of the mortgage portfolio agreement given by BOS in respect of the mortgages require BOS to repurchase any mortgage which is found to be in breach of warranty. BOS will repurchase any mortgages that are found or held not to be valid, binding and enforceable. There have been no such repurchases in the year.

In such an event the total value of the outstanding loan and any accrued interest will be covered by BOS, the Note holder will not receive the benefit of any future payments of appreciation amounts or partial repayment of appreciation amounts in respect of the mortgages repurchased.

Market risk

Market risk is the risk of financial losses to the Company in the event of movements in the prices of the market in which it operates. The Company's market is the UK residential housing market.

Under the terms of the Notes the Company is obligated to pay the Note holders the return on the shared appreciation that has accrued during the life of the mortgage loan at the rate implicit in the specific mortgage loan agreement as and when repaid by the mortgage loan customer. Shared appreciation is subject to the movement in the market value of the property which is dependent upon house price inflation, as measured by the Halifax House Price Index ("HPI").

However, the Company itself is not impacted by market risk as the risk of returns on the Notes being below initial expectations lies with the Note holder and there are no guarantees within the terms of the Notes for expected increases in value.

Interest rate risk

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

The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of assets and liabilities are similar.

Strategic report (continued)

For the year ended 31 December 2020

Liquidity risk

The Company holds a reserve account of £1,396,800 to assist the Company should it not be able to meet its obligations. The reliance on this facility is therefore dependent upon the creditworthiness of BOS. The rating requirement under the Programme Documentation for the Reserve Account to remain with BOS is a short term rating with Standard and Poor's (S&P) of A-1. At 31 December 2020, BOS met this requirement with a short term rating of A-1 (2019: S&P short term rating: A-1). The Company has not drawn on this facility since inception.

Operational risk

In accordance with the Programme Documentation the Company is bound to make payments to meet third party expenses. To mitigate this risk the directors hold quarterly board meetings to review the performance of the Company and ensure that the Company is in a position to meet all necessary payments.

BOS has been appointed to act as account bank and servicer of the mortgage book on behalf of the Company. The Company uses the Bank of New York Mellon to provide all corporate services in respect of the Notes in issue.

Streamlined energy and carbon reporting ("SECR")

The Company is out of scope of the SECR, as it does not meet the numerical thresholds in relation to turnover and number of employees.

Section 172(1) of the Companies Act 2006

In accordance with the Companies Act 2006 (the "Act"), for the year ended 31 December 2020, the directors provide the following statement to confirm that they have had regard to the matters set out in Section 172(1) of the Act, when performing their duty to promote the success of the Company under Section 172(1).

The Company is a wholly owned subsidiary of BOS, and ultimately LBG. Consequently the directors further acknowledge that the activities taken with regard to the Company's strategy have been closely aligned to that of LBG, which is to achieve both long-term and sustainable returns, central to which is ensuring engagement with stakeholders, and considering in all instances the long-term implications of decisions made, acting at all times to maintain the highest possible standards of conduct. Further information on LBG's strategy around Section 172(1) can be found in the LBG annual report and financial statements for 2020 on pages 46 to 51. Further details of how to obtain access to the LBG annual report and financial statements for 2020 can be found in note 18.

Further, in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the directors also confirm that they have both engaged with and had regard to the interest of key stakeholders, in their duties as directors of the Company.

In accordance with s.426B of the Companies Act 2006 the above paragraph is available at the following website address
<https://www.lloydsbankinggroup.com/investors/financial-performance>.

Key stakeholders

The directors confirm that they have regularly engaged with all key stakeholders of the Company, as well as confirm that they have treated all key stakeholders fairly in their activities, to ensure that there has been appropriate use of knowledge and expertise when making business decisions around the long-term strategy of the Company and its activities during the year.

Customers

The directors have ensured that the Company, as part of LBG, continues to work towards LBG's strategy for treating all customers fairly. To ensure the directors truly understand the needs of their customers, every opportunity has been taken to consider direct customer feedback and related management information as part of the directors' strategic decision making process. The directors have worked to ensure the business of the Company is undertaken in line with the objectives of LBG's annually agreed customer plans, with the directors regularly reviewing customer complaints to understand areas where improvements can be made. LBG regularly benchmarks amongst its customers the performance of itself and its subsidiaries, including the Company, and uses this insight along with a range of internal and external research to ensure ongoing improvement in customer experience.

Regulators

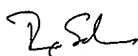
The Company and its directors have a strong, open and transparent relationship with relevant regulators and other authorities, and liaise regularly both directly and as part of LBG to ensure the business is aligned to the evolving regulatory framework. Key areas of focus have included ensuring robust prudential standards and supervision arrangements are in place, ensuring the fair treatment of customers, adapting to changes in regulatory requirements, recovery and resolution, and preparations for the UK's withdrawal from the European Union.

The approach of LBG, including that of the Company, to managing regulatory change is discussed further on page 50 of the LBG annual report and financial statements for 2020.

Communities and the environment

The directors acknowledge that they have performed all of their duties as directors in accordance with the strategy of LBG around the Company's impact on its communities and the environment, where further details can be found within the LBG annual report and financial statements for 2020.

As approved by the board of directors and signed on behalf of the board:



Johan Robin Charles Von Schmidt Auf Altenstadt
Director

Trinity Road
Halifax
HX1 2RG

DATE: 12 May 2021

Directors' report

For the year ended 31 December 2020

The directors present their annual report and the audited financial statements for BOS (Shared Appreciation Mortgages) No.3 plc for the year ended 31 December 2020.

Directors

The directors of the Company during the year, and up to the date of signing the financial statements, were:

Emma Louise Lawrence
Johan Robin Charles Von Schmidt Auf Altenstadt

Company secretary

Alyson Elizabeth Mulholland

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

Directors' confirmations

Each of the directors, whose names and functions are listed in Directors confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Disclosure of information to auditors

In accordance with Section 418(2) of the Companies Act 2006, in the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' indemnities

LBG has granted to the directors of the Company, a deed of indemnity through deed poll which constituted 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006. The deed was in force during the whole of the financial year and at the date of approval of the financial statements. The deed for existing directors is available for inspection at the registered office of LBG, details of which can be found in note 18. The indemnity remains in force for the duration of the directors' period of office. The deed indemnifies the directors to the maximum extent permitted by law. In addition LBG has in place appropriate directors and officers liability insurance cover which was in place throughout the financial year.

Future developments

The Company's business will continue to unwind over the life of the mortgages issued as no further advances will be made. Cash is continuing to be collected. A review of the business can be found in the Strategic report.

The directors' assessment suggests that performance of the mortgage portfolio should continue to be satisfactory. Whilst consensus suggests that interest rates will continue to remain low, as will unemployment rates, inflationary pressures and higher prices caused by sterling weakness may put further pressure on household incomes, which may feed through further increases in mortgage arrears. The situation will be monitored and the Servicer, on behalf of the Company, will continue to adopt appropriate forbearance measures.

The effects on the UK, European and global economies following the UK's exit from the European Union ("EU") and the impact of the EU-UK Trade and Cooperation Agreement signed on 30 December 2020 (the "EU-UK TCA") remain difficult to predict but may include economic and financial instability, constitutional instability in the UK and other types of risks that could adversely impact the business of LBG and its subsidiaries, which includes the Company, together with its results of operations, financial condition and prospects. In the event of any further substantial weakening in the UK's economic growth, the possibility of decreases in interest rates by the Bank of England or sustained low or negative interest rates would put further pressure on LBG's interest margins and potentially adversely affect its profitability and prospects. However, it is considered that the impact to the Company and its principal activity will be negligible in this regard.

The global pandemic from the outbreak of COVID-19 continues to cause widespread disruption to normal patterns of business activity across the world, including in the UK, and volatility in financial markets. Measures taken to contain the health impact of the COVID-19 pandemic have resulted in an adverse impact on economic activity across the world and the duration of these measures remains uncertain. Monetary policy loosening has supported asset valuations across many financial markets, but longer-term impacts on inflation, interest rates, credit spreads, foreign exchange rates and commodity, equity and bond prices remain unclear.

Synchronisation of emergency measures to slow the spread of COVID-19 across the world has brought about rapid deterioration in economic growth across all countries and regions, directly adversely impacting the UK through many channels, including trade and capital flows. The UK experienced a deep contraction in economic activity during 2020 as a result of the COVID-19 pandemic, and both private and public sector debt have risen significantly. If the economic downturn damage were to be prolonged significantly by inability to control COVID-19 spread through vaccines, public finances would likely continue to deteriorate and could result in a sovereign downgrade that could also impact the credit ratings of LBG. Rating downgrades could have a material adverse impact on LBG's ability to raise funding in the wholesale markets. However from the perspective of the Company the impact is likely to be minimal as the Company is no longer offering new products in an active market.

Further, the economic impact of the COVID-19 pandemic, including increased levels of unemployment, could adversely impact the Company's customers and their ability to service their contractual obligations. However, this is unlikely to have an adverse impact on the Company's results of operations, financial conditions or prospects.

Directors' report (continued)

For the year ended 31 December 2020

Future developments (continued)

In addition to providing support under government support schemes, LBG has taken specific measures to alleviate the impact on its customers or borrowers, including those of the Company, by offering support including payment holidays. However, this is unlikely to have an adverse impact on the Company's results of operations, financial conditions or prospects.

As a result of the COVID-19 pandemic, the potential for conduct and compliance risks as well as operational risks materialising has increased, notably in the areas of cyber, fraud, people, technology, operational resilience and where there is reliance on third-party suppliers.

The directors are aware of the ongoing process to replace LIBOR and will assess the impact at a future date once there is more market clarity on the timing and nature of the replacement. However it is anticipated this will have a negligible impact on the Company and its direct operations due to the nature of its products, with the only impact from the transition requiring an update to the Programme Documentation for specific scenarios including those discussed earlier within Credit risk where BOS is required to repurchase any loans found in breach of warranty.

In January 2021, a litigation claim was brought by, or on behalf of, a small number of customers against BOS and its subsidiary undertakings which had issued shared appreciation mortgage products, including the Company. Further information on the claim is provided in note 14 to the financial statements. The Company has determined that no provision is required in respect of this matter. The directors are confident that the future viability of the Company and its principal activity will not be severely impacted regardless of the outcome. As a result, the Company is considered to be a going concern.

Dividends

The directors did not recommend the payment of a dividend during the year ended 31 December 2020 (2019: £Nil).

Corporate governance

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

The Programme Documentation provides for procedures that have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with the regulatory obligations.

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

From the perspective of the Company, the daily operational internal controls and risk management systems are integrated with those of LBG, the Company's ultimate controlling party. Therefore additional information may be found in section "Internal Control" of the 2020 Annual Report of LBG, which does not form part of this report. Details of where to get access to the 2020 Annual Report of LBG can be found in note 18.

Risk management

Further details on the risks facing the Company and how these risks are managed are detailed in the Strategic report.

Employees

The Company had no employees during the year ended 31 December 2020 (2019: Nil).

None of the directors received any emoluments from the Company in the current or previous year.

Independent auditors

Pursuant to section 487(2) of the Companies Act 2006, the auditors of the Company are deemed re-appointed for each financial year unless the directors of the Company resolve to terminate their appointment. Following the completion of a tender process, Deloitte LLP are to be appointed as auditors of the Company for accounting periods ending on or after 31 December 2021.

Statement of going concern

As previously discussed a litigation claim has been commenced against the Company but is at a very early stage with only a small number of customers signed up to the claim. Consequently the directors are confident that the future viability of the Company and its principal activity will not be severely impacted regardless of the outcome. As a result, the Company is considered to be a going concern.

The Company has continued to perform in line with the Programme Documentation. The directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

As approved by the board of directors and signed on behalf of the board by:



Johan Robin Charles Von Schmidt Auf Altenstadt
Director

Trinity Road
Halifax
HX1 2RG

DATE: 12 May 2021

Statement of comprehensive income

For the year ended 31 December 2020

	Note	2020 £	2019 £
Interest receivable and similar income	2	1,915	10,952
Net interest income on financial assets and liabilities at fair value through profit or loss	3	153,458	160,219
Net fair value movements on financial assets and liabilities at fair value through profit or loss	4	1,012,990	(567,543)
Other operating income / (expense)		200	(262,134)
Operating expenses	5	(51,099)	(44,462)
Profit/(loss) before tax		1,117,464	(702,968)
Taxation	6	(221,660)	133,564
Profit/(loss) for the financial year, being total comprehensive income/(expense) attributable to owner		895,804	(569,404)

The profit/(loss) shown above is derived from continuing operations. The Company operates in a single business segment and all of the Company's activities are in the UK.

The accompanying notes on pages 10 to 18 are an integral part of the financial statements.

Balance sheet

As at 31 December 2020

	Note	2020 £	2019 £
Assets			
Cash and cash equivalents	7	2,728,637	2,089,038
Financial assets held at fair value through profit or loss	8	27,750,786	39,044,988
Current tax asset	6	-	122,110
Total assets		30,479,423	41,256,136
Equity and liabilities			
Bank overdraft	7	1,549	-
Financial liabilities designated at fair value through profit or loss	9	26,314,406	38,621,598
Deferred tax liability	10	80,178	82,290
Current tax liability	6	101,662	-
Trade and other payables	11	825,197	291,621
Total liabilities		27,322,992	38,995,509
Share capital	12	50,001	50,001
Retained earnings		3,106,430	2,210,626
Total equity		3,156,431	2,260,627
Total equity and liabilities		30,479,423	41,256,136

The financial statements on pages 6 to 18 were approved by the board of directors on 12 May 2021 and were signed on behalf of the board by:



Johan Robin Charles Von Schmidt Auf Altenstadt
Director

The accompanying notes on pages 10 to 18 are an integral part of the financial statements

Statement of changes in equity

For the year ended 31 December 2020

	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	50,001	2,210,626	2,260,627
Profit for the financial year / total comprehensive income for the year	-	895,804	895,804
Balance at 31 December 2020	50,001	3,106,430	3,156,431
	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	50,001	2,780,030	2,830,031
Loss for the financial year / total comprehensive expense for the year	-	(569,404)	(569,404)
Balance at 31 December 2019	50,001	2,210,626	2,260,627

The accompanying notes on pages 10 to 18 are an integral part of the financial statements.

Cash flow statement

For the year ended 31 December 2020

	Note	2020 £	2019 £
Operating activities			
BOS administration fees paid		(16,773)	(17,181)
Administration expenses paid		(19,926)	(12,881)
Tax paid		-	(26,803)
Net cash flows used in operating activities		(36,699)	(56,865)
Investing activities			
Repayments on mortgage portfolio		504,507	354,061
Income earned on mortgage portfolio		605,703	626,461
Shared appreciation rights received		1,054,686	791,253
Bank interest received		1,915	10,952
Net cash flows generated from investing activities		2,166,811	1,782,727
Financing activities			
Repayment of borrowings		(311,952)	(409,728)
Interest paid on borrowings		(500,334)	(513,603)
Shared appreciation rights paid to Note holders		(679,776)	(921,888)
Net cash flows used in investing financing activities		(1,492,062)	(1,845,219)
Net increase / (decrease) in Cash and cash equivalents		638,050	(119,357)
Cash and cash equivalents at start of year		2,089,038	2,208,395
Cash and cash equivalents per Cash flow statement at end of year		2,727,088	2,089,038
Cash and cash equivalents comprise			
Cash at bank		2,728,637	2,089,038
Bank overdraft		(1,549)	-
Cash and cash equivalents per Cash flow statement	7	2,727,088	2,089,038

The Cash flow statement is presented using the direct method.

The accompanying notes on pages 10 to 18 are an integral part of the financial statements.

Notes to the financial statements

For the year ended 31 December 2020

1. Significant accounting policies

The Company is a public limited liability company domiciled, registered and incorporated in England and Wales under the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in both years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements for the year ended 31 December 2020 have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (hereafter referred to as "IFRS").

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using IFRS and comply with the relevant provisions of Part 15 of the Companies Act 2006.

There are no new or amended accounting standards that have required a change to accounting policies in the year applicable to the Company. Details of those pronouncements which will be relevant to the Company but which were not effective at 31 December 2020 and which have not been applied in preparing these financial statements are given in note 16. No standards have been early adopted.

The financial statements have been prepared on a going concern basis. On behalf of the directors the programme managers have reviewed the expected future cash flows and believe that the Company has access to adequate liquidity and capital resources for the foreseeable future. The Company's reserves provide sufficient coverage against potential losses in the foreseeable future and, accordingly, the directors of the Company are satisfied that the going concern basis is appropriate in preparation of these financial statements.

The financial statements are presented in Sterling which is the Company's functional and presentation currency and have been prepared on the historical cost basis (except for financial assets and financial liabilities classified and measured at fair value through profit or loss ("FVTPL") in accordance with IFRS 9.

(b) Interest income and interest payable

Interest income from and interest payable on financial assets FVTPL and financial liabilities FVTPL have been calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the expected life of the financial instrument. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the future cash flows are estimated after considering all the contractual terms of the instrument.

Bank interest income is recognised in the period in which it is earned.

(c) Taxation

Tax expense comprises current and deferred tax. Current and deferred tax are charged or credited in the Statement of comprehensive income except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the Statement of comprehensive income (directly in equity, or through a business combination), in which case the tax appears in the same statement as the transaction that gave rise to it.

Current tax is the amount of corporate income taxes expected to be payable or recoverable based on the profit or loss for the period as adjusted for items that are not taxable or not deductible, and is calculated using tax rates and laws that were enacted or substantively enacted at the Balance sheet date.

Current tax includes amounts provided in respect of uncertain tax positions when management expects that, upon examination of the uncertainty by Her Majesty's Revenue and Customs ("HMRC") or another tax authority, it is more likely than not that an economic outflow will occur. Provisions reflect management's best estimate of the ultimate liability based on their interpretation of tax law, precedent and guidance, informed by external tax advice as necessary. Changes in facts and circumstances underlying these provisions are reassessed at each balance sheet date, and the provisions are re-measured as required to reflect current information.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Balance sheet. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the Balance sheet date, and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences but not recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint arrangements where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax liabilities are not recognised on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised, and are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognised in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination. Deferred tax is not discounted.

(d) Financial instruments

The Company's financial instruments comprise a mortgage portfolio and embedded derivative (Financial assets held at fair value through profit or loss ("Financial assets FVTPL")), cash liquid resources, interest-bearing loan notes in issue with an embedded derivative (Financial liabilities designated at fair value through profit or loss ("Financial liabilities FVTPL")) and various other receivables and payables that arise directly from its operations.

The main purpose of these financial instrument is to originate the mortgage loans to retail customers and to finance such origination either through the capital markets or by way of bilateral arrangements with third party institutions.

(d)(i) Mortgage portfolio

The Company's mortgage portfolio comprises mortgage loans with no fixed maturity date. The individual mortgage loans terminate on the earlier of the date of sale of the property or the death of the mortgage account holder. Under IFRS9, the mortgage portfolio can only be measured at amortised cost if it meets two conditions: (1) where the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and (2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The mortgage portfolio does not meet the second condition as the cashflows will include non-interest consideration in the form of shared appreciation on the valuation of the underlying property which the mortgage portfolio is secured upon and the timing of this cashflow is not specified due to the mortgage loans having no fixed maturity date. The mortgage portfolio is consequently classified as non-trading assets mandatorily at fair value through profit or loss loans and advances to customers (including amounts for the shared appreciation referred to in d(iii) below).

(d)(ii) Cash and cash equivalents

The Company holds bank accounts with BOS, its parent undertaking. These accounts are held in the Company's name and meet the definition of cash and cash equivalents. The use of certain accounts is restricted by a detailed priority of payments set out in the Programme Documentation. As the cash can only be used to meet certain specific liabilities and is not available to be used with discretion, it is viewed as restricted cash. These bank accounts are classified as financial assets held at amortised cost in accordance with IFRS 9 and income is being recognised using the effective interest method.

Notes to the financial statements (continued)

For the year ended 31 December 2020

1. Significant accounting policies (continued)

(d) Financial instruments (continued)

(d)(iii) Embedded derivatives

Certain derivatives are embedded within other non-derivative host financial instruments to create a hybrid instrument. The economic characteristics and risks of the embedded derivatives are closely related to the economic characteristics and risks of the host instrument. The hybrid instrument is measured at fair value, and the embedded derivative is not from the host instrument with changes in fair value of the embedded derivative recognised in the Statement of comprehensive income in accordance with IFRS 9.

The capital appreciation arising on the sale of a mortgage holder's property is shared between the mortgage holder and the Company as set out in the original loan agreement. The Company pays its entire share of the appreciation to the Note holders.

The economic characteristics and risks of the shared appreciation rights receivable and payable are viewed as being closely related to those arising on the mortgages and Notes, respectively. There is uncertainty regarding the timing of any future shared appreciation, and therefore the shared appreciation rights receivable and payable have been valued with the mortgages and Notes using discounted cash flow valuation techniques for a number of accounting estimates including HPI forecasts. Further details can be found in note 1(e)(ii).

(e) Critical accounting judgements and estimates

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies and in the selection of assumptions used in the calculation of estimates. These judgements and estimates are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors.

The following are considered the most critical judgements and estimates made by the directors in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(e)(i) Critical accounting judgements

Litigation

In January 2021, a litigation claim was brought by, or on behalf of, a small number of customers against BOS and its subsidiary undertakings which had issued shared appreciation mortgage products, including the Company. The claim was issued in the County Court and was brought under the unfair relationship provisions of the Consumer Credit Act 1974, further details of which can be found in note 14. The directors have used their judgement and considered the wider implication of this action on the Company by assessing the likelihood of various legal outcomes and the impact on the Company's assets and liabilities, as discussed in more detail per note 1(e)(ii) below.

(e)(ii) Critical accounting estimates

Fair value of financial assets and financial liabilities

Fair value is defined as the value at which assets, liabilities or positions could be closed out or sold in a transaction with a willing and knowledgeable counterparty.

The fair values of the embedded derivative and the host contract have been calculated by discounting expected cash flows at an appropriate market rate for a regular standard variable mortgage product. In addition, the fair value includes an estimate of future HPI growth using the Group's own economic growth assumptions, together with an estimated dilapidation rate which has been determined based upon actual impact to date from previous redemption activity. The fair value calculation also factors in mortality rates which are used by the Group's insurance division and sourced from industry wide metrics. The embedded derivative and the host contract are therefore reported within financial assets at FVTPL and financial liabilities at FVTPL, respectively, for the mortgage assets and the Note liabilities. Further information on the accounting policies are discussed in notes 1(d)(i) and 1(d)(iii).

There are no other derivative financial instruments.

The table below shows the impact on the Company's financial instruments carried at fair value from a decrease ('favourable') or increase ('unfavourable') of 1% in the dilapidation rate of 15.8% (2019: 15.0%):

	Favourable 2020 £	Unfavourable 2020 £	Favourable 2019 £	Unfavourable 2019 £
Financial assets held at fair value through profit or loss	384,043	(384,043)	420,638	(420,638)
Financial liabilities designated at fair value through profit or loss	(384,043)	384,043	(420,638)	420,638

The table below shows the impact on the Company's financial instruments carried at fair value from an increase ('favourable') or decrease ('unfavourable') in the HPI forecast rates by 1%:

	Favourable 2020 £	Unfavourable 2020 £	Favourable 2019 £	Unfavourable 2019 £
Financial assets held at fair value through profit or loss	2,778,680	(2,514,209)	2,478,992	(2,273,180)
Financial liabilities designated at fair value through profit or loss	(2,778,680)	2,514,209	(2,478,992)	2,273,180

Fair value assessment of litigation

The Company has considered the impact of the legal action, as discussed in note 1(e)(i) above, on the carrying amount of the Company's mortgage assets which are measured at FVTPL. The company has carried out a probability based assessment for a variety of potential legal outcomes discussed with external professional advisors. Based on this assessment, the Company has determined that the fair value of these assets has a carrying amount of £27,750,786 at 31 December 2020. The Company has loan notes in issue that are classified as financial liabilities measured at FVTPL. The fair value of the notes are intrinsically linked to the fair value of the mortgage assets. Accordingly, based on this assessment, the Company has determined that the fair value of the notes has a carrying amount of £26,314,406 at 31 December 2020. This assessment had £nil impact on the Company's result for the year.

(f) Fees and commissions

Fees and commissions receivable relate to incremental fees received on redemption for the continuing servicing of the mortgage portfolio and are recognised when the mortgage loan has been settled.

(g) Dividends

Dividends on ordinary shares are recognised in equity in the year in which they are paid.

(h) Trade and other payables

Trade and other payables are stated at amortised cost.

Notes to the financial statements (continued)

For the year ended 31 December 2020

1. Significant accounting policies (continued)

(i) Capital management

The Company is not subject to externally imposed capital requirements in the current and prior year. The Company manages its ordinary share capital in order that there is sufficient capital, in the opinion of the directors, to support the transactions and level of business undertaken by the Company.

2. Interest receivable and similar income

	2020 £	2019 £
Bank interest receivable	1,915	10,952

3. Net interest income on financial assets and liabilities at fair value through profit or loss

	2020 £	2019 £
Interest receivable on financial assets FVTPL	651,865	672,460
Interest payable on financial liabilities FVTPL	(498,407)	(512,241)
	153,458	160,219

4. Net fair value movements on financial assets and liabilities at fair value through profit or loss

	2020 £	2019 £
Fair value movement on financial assets at FVTPL	(11,294,202)	(2,340,795)
Fair value movement on financial liabilities at FVTPL	12,307,192	1,773,252
	1,012,990	(567,543)

5. Operating expenses

	2020 £	2019 £
Intercompany fees	16,773	17,181
Administration fees	19,926	12,881
Audit fees	14,400	14,400
	51,099	44,462

The Company has no employees (2019: none) and none of the directors received any emoluments from the Company in the current or previous year.

Audit fees relate to the statutory audit. There are no fees payable to the auditors and their associates for services other than the statutory audit (2019: £nil). The audit fee for the current year, net of VAT, was £12,000 (2019: £12,000).

6. Taxation

	2020 £	2019 £
Current tax		
Corporation tax charge/(credit) for the year	223,772	(122,110)
Current tax charge/(credit) for the year	223,772	(122,110)
Deferred tax		
Origination and reversal of timing differences	(11,454)	(11,454)
Impact of deferred tax rate change	9,342	-
Deferred tax credit for the year	(2,112)	(11,454)
Total tax charge/(credit) for the year	221,660	(133,564)

Corporation tax is calculated at a rate of 19.00% (2019: 19.00%) of the taxable profit/(loss) for the year.

	2020 £	2019 £
Reconciliation of effective tax rate		
The tax assessed for the year is equal to the standard UK rate of corporation tax of 19.00% (2019: 19.00%)		
Profit/(loss) before tax	1,117,464	(702,968)
Profit/(loss) before tax multiplied by the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	212,318	(133,564)
Effect of change in tax rate and related impacts	9,342	-
Total tax charge/(credit) in the Statement of comprehensive Income	221,660	(133,564)

The current tax liability of £101,662 (2019: current tax asset of £122,110) represents the net amount of income tax payable/(recoverable) in respect of the current year and previous year.

Notes to the financial statements (continued)

For the year ended 31 December 2020

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank	2,728,637	2,089,038
Bank overdraft	(1,549)	-
	<hr/>	<hr/>
Cash and cash equivalents per the Cash flow statement	2,727,088	2,089,038
	<hr/>	<hr/>

The Company holds bank accounts with BOS. The use of the accounts is restricted by a detailed priority of payments set out in the Programme Documentation. As the cash can only be used to meet certain specific liabilities and is not available to be used with discretion, it is viewed as restricted cash. The accounts are held in the Company's name and meet the definition of cash and cash equivalents. The amounts are repayable on demand.

8. Financial assets held at fair value through profit or loss

	Note	2020 £	2019 £
At 1 January		39,044,988	41,385,783
Mortgage redemptions during the year	4	(502,001)	(356,561)
Fair value adjustment	4	(9,737,515)	(1,567,338)
Shared appreciation receivable movement in the year	4	(1,054,686)	(416,896)
		<hr/>	<hr/>
At 31 December		27,750,786	39,044,988
		<hr/>	<hr/>

The mortgage loans advanced by the Company have no fixed maturity date but would terminate on the earlier of, the date of sale of the property, or the death of the mortgage account holder. All mortgage loans are considered to be non-current as maturity cannot be reasonably determined.

As the shared appreciation rights receivable are intrinsically linked to the maturity of the mortgage loans which have no fixed maturity, the balance is considered to be non-current.

9. Financial liabilities designated at fair value through profit or loss

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings. For more information about the Company's exposure to interest rate risk and the fair value of its financial instruments, see note 13.

		2020 £	2019 £
At 1 January		38,621,598	40,394,850
Accrued interest	4	(1,927)	(1,363)
Note repayments during the year	4	(502,001)	(356,561)
Fair value adjustment	4	(10,748,578)	(998,432)
Shared appreciation payable movement in the year	4	(1,054,686)	(416,896)
		<hr/>	<hr/>
At 31 December		26,314,406	38,621,598
		<hr/>	<hr/>
		2020 £	2019 £
Non-current liabilities			
Notes		12,509,749	13,730,784
Shared appreciation payable		13,763,874	24,848,104
		<hr/>	<hr/>
		26,273,623	38,578,888
		<hr/>	<hr/>
Current liabilities			
Interest payable to Note holders		40,783	42,710
		<hr/>	<hr/>
At 31 December		26,314,406	38,621,598
		<hr/>	<hr/>

The mortgage-backed fixed rate Notes are due to redeem in 2072. The interest rate payable on the Notes up to and including the interest period ending in the quarter to 31 August 2027 is 4.50% per annum. Thereafter, the interest rate payable on the Notes will be 5.50% per annum until 2072 when the Notes are due to redeem. At the end of the year the Notes, as rated by S&P, had a rating of A+ (2019: rating of A+).

The Notes carry, in addition to interest, rights to receive certain amounts calculated by reference to the value of shared appreciation proceeds received from redeemed mortgages. The Notes are subject to mandatory part redemption from time to time based on the level of redeemed mortgages and can be redeemed in full, in certain circumstances, at the option of the Company. The Notes are secured on the mortgage portfolio, the bank accounts and certain other assets of the Company.

The Company is contractually obliged to pay to the Note holders any amounts received from mortgage customers for the shared appreciation. As the shared appreciation rights payable are intrinsically linked to the amounts received following maturity of the mortgage loans which have no fixed maturity, the balance is considered to be non-current.

Notes to the financial statements (continued)

For the year ended 31 December 2020

10. Deferred tax liability

	2020 £	2019 £
At 1 January	82,290	93,744
Credit for the year	(2,112)	(11,454)
	<hr/>	<hr/>
At 31 December	80,178	82,290
	<hr/>	<hr/>
The deferred tax credit in the year comprises the following temporary differences:		
Other temporary differences	(2,112)	(11,454)
	<hr/>	<hr/>
The deferred tax liability comprises:		
Other temporary differences	80,178	82,290
	<hr/>	<hr/>

The deferred tax liability was recognised for the fair value adjustments that arose on transition to IFRS 9 on 1 January 2018 and is being amortised over a period of 10 years from this date to the Statement of comprehensive income.

On 3 March 2021, the UK Government announced its intention to increase the rate of corporation tax from 19.00% to 25.00% with effect from 1 April 2023. The effect of this proposed rate change on the Company's deferred tax balances has been assessed and is not significant.

11. Trade and other payables

	2020 £	2019 £
Shared appreciation payable	377,460	615
Note redemptions payable	191,500	(667)
Accruals and deferred income	256,237	291,673
	<hr/>	<hr/>
	825,197	291,621
	<hr/>	<hr/>

All amounts are due within 12 months of the Balance sheet date.

12. Share capital

	2020 £	2019 £
Allotted, issued and fully paid		
50,000 (2019: 50,000) ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>
1 (2019: 1) deferred share of £1	1	1
	<hr/>	<hr/>

The Company is a directly held subsidiary undertaking of BOS.

The £1 deferred share is held by Deutsche Trustee Company Limited.

The holder of the ordinary shares is entitled to receive dividends as declared from time to time.

The deferred share carries no entitlement to any dividend or to any share in any surplus assets of the Company on a winding-up, other than the right to be repaid the amount of any paid-up share capital thereon. The right to be repaid any paid-up share capital in the deferred share shall be deferred until after all paid-up share capital has been first repaid on all other classes of issued share capital in the Company.

The deferred share carries the right to receive notice of all general meetings of the Company but does not carry the right to attend, speak or vote at a general meeting unless a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holder of the deferred share, or for the winding up or administration of the Company under the Insolvency Act 1986, or for the entry by the Company with any other party into a merger, reconstruction, scheme of arrangement or amalgamation of or affecting the Company, in any of which cases such holder shall have the right to attend such general meeting and shall be entitled to speak and vote. Whenever the holder of the deferred share is entitled to vote at a general meeting, such holder shall have one vote and on a poll such number of votes as is equal to 34.00% of the number of votes attached to all other issued shares of the Company.

Notes to the financial statements (continued)

For the year ended 31 December 2020

13. Management of risk

The principal risks arising from the Company's financial instruments are credit risk and interest rate risk. However, considerable resource is given to maintaining effective controls to manage, measure and mitigate these risks. Further detailed analysis of the risks facing the Company in relation to its financial instruments is provided below.

The Company's exposure to risk on its financial instruments and the management of such risk is largely determined at the inception of the securitisation transaction. The Company's activities and the role of each party to the transaction are clearly defined and documented.

13(a) Credit risk

Credit risk is the risk of financial loss arising from a customer's failure to settle financial obligations as they fall due.

Credit risk arises on the individual loans within the mortgage portfolio which are in turn secured on the underlying UK residential properties. The performance of these loans is therefore influenced by the economic background and the UK housing market. Mortgage loans are no longer offered by the Company but the maximum loan-to-value of the original advances was 75.00% and the credit risk is considered to be low.

The ability of the Company to meet its obligations to repay the Notes is dependent upon the receipt of funds earned on the mortgage portfolio. To the extent that this income does not provide sufficient funds to cover the interest due on the Notes or the repayment of the Notes, the Note holders have no claim on the assets of BOS.

The terms of the mortgage portfolio agreement given by BOS in respect of the mortgages require BOS to repurchase any mortgage which is found to be in breach of warranty. BOS will repurchase any mortgages that are found or held not to be valid, binding and enforceable. Although in such an event the total value of the outstanding loan will be covered by BOS, the Note holder will not receive the benefit of any future payments of appreciation amounts or partial repayment of appreciation amounts in respect of the mortgages repurchased.

In terms of the shared appreciation in all other circumstances, in accordance with the Programme Documentation, amounts received by the Company from the borrower are required to be paid over to the Note holders.

In terms of arrears management, the Company has engaged BOS as servicer of the loans in the portfolio to help reduce the risk of loss. The servicer is required to monitor repayments on the mortgage loans in accordance with its usual credit policies.

All loans in the mortgage portfolio pay a fixed rate of interest of 5.75% or 5.95%.

The total value of interest arrears at 31 December 2020 was £119,444 (2019: £115,946.00). All accounts in the mortgage portfolio had a maximum loan-to-value of 75.00% and those accounts in interest arrears have a current loan-to-value ratio of less than 40.00% (2019: less than 60.00%). Credit risk is considered to be low. There are no properties in possession or bad debts within the Company (2019: none).

In respect of the Originator's secured mortgage portfolio, 'past due' is when a borrower has failed to make a payment when contractually due. The definition of impaired loans is those which are six months or more in arrears.

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

	Note	Carrying amount 2020 £	Maximum exposure 2020 £	Carrying amount 2019 £	Maximum exposure 2019 £
Assets held at amortised cost:					
Cash and cash equivalents	7	2,728,637	2,728,637	2,089,038	2,089,038
Assets held at fair value					
Financial assets held at fair value through profit or loss	8	27,750,786	27,750,786	39,044,988	39,044,988
Total Assets		30,479,423	30,479,423	41,134,026	41,134,026

13(b) Market risk

Market risk is the risk of financial losses to the Company in the event of movements in the prices of the market in which it operates. The Company's market is the UK residential housing market.

Under the terms of the Notes the Company is obligated to pay the Note holders the return on the shared appreciation that has accrued during the life of the mortgage loan at the rate implicit in the specific mortgage loan agreement as and when repaid by the mortgage loan customer. Shared appreciation is subject to the movement in the market value of the property which is dependent upon house price inflation, as measured by the HPI.

However, the Company itself is not impacted by market risk as the risk of returns on the Notes being below initial expectations lies with the Note holder and there are no guarantees within the terms of the Notes for expected increases in value.

13(c) Interest rate risk

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

The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of assets and liabilities are similar. Both the mortgage portfolio and the Notes issued by the Company are exposed to fair value interest rate risk as they carry fixed interest rates.

At 31 December 2020, if interest rates had been 100 basis points higher or lower with all other variables held constant, the net effect on the Company's Statement of comprehensive income would be insignificant. All items remain unaffected by interest rate changes except for interest earned on bank accounts but a 100 basis points change would not give rise to a significant impact on bank interest.

Notes to the financial statements (continued)

For the year ended 31 December 2020

13. Management of risk (continued)

13(d) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at an unacceptably high cost.

The extent to which the Company can meet its obligations to pay interest and ultimately repay the Notes will be dependent upon the receipt of funds earned on the mortgage portfolio.

The Company holds a reserve account of £1,396,800 to assist the Company should it not be able to meet its obligations. The reliance on this facility is therefore dependent upon the creditworthiness of BOS. The rating requirement under the Programme Documentation for the Reserve Account to remain with BOS is a short term rating with Standard and Poor's (S&P) of A-1. At 31 December 2020, BOS met this requirement with a short term rating of A-1 (2019: S&P short term rating: A-1). The Company has not drawn on this facility since inception.

The liquidity tables reflect the undiscounted cash payments which will fall due if the structure continues until the earliest contractual maturity date as set out in the Programme Documentation. However, the actual Note repayment profile mirrors the repayment of the mortgages and based on current modelling assumptions, which use mortality rates sourced from industry wide metrics, it is anticipated that not all of the mortgages will have been settled by the earliest contractual maturity date used for the maturity analysis in these tables.

2020	Carrying amount	Contractual repayment value	Not later than one month	Later than one month but not later than three months	Later than three months but not later than one year	Later than one year and not later than five years	Later than five years
	£	£	£	£	£	£	£
Principal							
Financial liabilities designated at fair value through profit or loss	26,273,623	26,273,623	-	-	-	-	26,273,623
Trade and other payables	825,197	825,197	-	825,197	-	-	-
Bank overdraft	1,549	1,549	1,549	-	-	-	-
Interest payable							
Interest payable to Note holders	40,783	3,602,103	-	119,719	361,789	1,922,086	1,198,508
	27,141,152	30,702,472	1,549	944,916	361,789	1,922,086	27,472,131
2019	Carrying amount	Contractual repayment value	Not later than one month	Later than one month but not later than three months	Later than three months but not later than one year	Later than one year and not later than five years	Later than five years
	£	£	£	£	£	£	£
Principal							
Financial liabilities designated at fair value through profit or loss	38,578,888	38,578,888	-	-	-	-	38,578,888
Trade and other payables	291,621	291,621	-	291,621	-	-	-
Interest payable							
Interest payable to Note holders	42,710	5,716,707	104,956	101,570	463,837	2,473,234	2,573,110
	38,913,219	44,587,216	104,956	393,191	463,837	2,473,234	41,151,998

13(e) Fair values

The financial instruments below are analysed by valuation method. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Financial assets and liabilities carried at fair value

	2020 £ Level 3	2019 £ Level 3
Financial assets held at fair value through profit or loss	27,750,786	39,044,988
Financial liabilities designated at fair value through profit or loss	(26,314,406)	(38,621,598)
	1,436,380	423,390

Notes to the financial statements (continued)

For the year ended 31 December 2020

13. Management of risk (continued)

13(e) Fair values (continued)

The shared appreciation rights receivable and mortgage portfolio as a whole (financial assets at FVTPL), plus the shared appreciation rights payable and loan notes as a whole (financial liabilities at FVTPL), are both measured at fair value. The fair value has been calculated by discounting expected cash flows at an appropriate market rate for a regular standard variable mortgage product. In addition, the fair value includes an estimate of future HPI growth using the Group's own economic growth assumptions, together with an estimated dilapidation rate which has been determined based upon actual impact to date from previous redemption activity. The fair value calculation also factors in mortality rates which are used by the Group's insurance division and sourced from industry wide metrics. For this reason, in accordance with IFRS 7 Financial Instruments: Disclosures ("IFRS 7"), the fair value measurement is considered to be Level 3 in the fair value hierarchy.

Financial assets and liabilities carried at amortised cost

Cash and cash equivalents and Trade and other payables are recognised at amortised cost. The fair value of these assets and liabilities is considered to be a close approximation to amortised cost due to the short-term nature of these assets and liabilities.

14. Contingent liabilities

The Group has an open matter in relation to a claim for group relief of losses incurred in its former Irish banking subsidiary, which ceased trading on 31 December 2010. In 2013 HMRC informed the Group that its interpretation of the UK rules means that the group relief is not available. In 2020, HMRC concluded their enquiry into the matter and issued a closure notice. The Group's interpretation of the UK rules has not changed and hence it has appealed to the First Tier Tax Tribunal, with a hearing expected in early 2022. If the final determination of the matter by the judicial process is that HMRC's position is correct, management estimate that this would result in an increase in current tax liabilities for the company of approximately £122,000 (including interest). The Group, having taken appropriate advice, does not consider that this is a case where additional tax will ultimately fall due.

During the ordinary course of business the Company is subject to complaints and threatened or actual legal proceedings (including class or group action claims) brought by, or on behalf of, customers as well as legal and regulatory reviews, challenges, investigations and enforcement actions.

In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established to management's best estimate of the amount required at the relevant balance sheet date. In some cases it will not be possible to form a view, for example because the facts are unclear or because further time is needed properly to assess the merits of the case, and no provisions are held in relation to such matters. In these circumstances, specific disclosure in relation to a contingent liability will be made where material.

In January 2021, a litigation claim was brought by, or on behalf of, a small number of customers against BOS and its subsidiary undertakings which had issued shared appreciation mortgage products, including the Company. The claim was issued in the County Court and is brought under the unfair relationship provisions of the Consumer Credit Act 1974. The claimants claim that the relationship between the Company and the mortgage customers was and is (as applicable) unfair to the claimants. The claim value is unquantified at this stage. The Company has carried out an assessment of the likelihood that the Company will be required to make a payment to settle the matter with the assistance of external professional advisers, and has concluded that no provision is required on the basis that a payment is not probable.

15. Related parties

The Company is a subsidiary undertaking of BOS and ultimately LBG.

The Company receives bank interest from BOS on its bank deposits. BOS administers the mortgage portfolio on behalf of the Company, for which quarterly service fees are paid. No dividend was paid during the year (2019: £nil).

The Company's transactions with related parties are summarised below:

	Parent and its subsidiary undertakings 2020 £	Parent and its subsidiary undertakings 2019 £
Statement of comprehensive income		
Interest receivable and similar income	1,915	10,952
Operating expenses	(16,773)	(17,181)
Balance sheet		
Assets		
Cash and cash equivalents	2,728,637	2,089,038
Liabilities		
Bank overdraft	(1,549)	-

16. Future accounting pronouncements

The following pronouncement is not applicable for the year ending 31 December 2020 and has not been applied in preparing these financial statements.

Minor amendments to other accounting standards

The IASB has issued a number of minor amendments to IFRSs effective 1 January 2021 and in later years (including IFRS 9 Financial Instruments and IAS 37 Provisions, Contingent Liabilities and Contingent Assets). These amendments are not expected to have a significant impact on the Company.

17. Post balance sheet event

In January 2021, a litigation claim was brought by, or on behalf of, a small number of customers against BOS and its subsidiary undertakings which had issued shared appreciation mortgage products, including the Company. Further details can be found in note 14. As discussed in note 1(e)(ii) the Company's FVTPL assets and liabilities have been remeasured to take into account management's assessment of the impact of the claim for a range of possible legal outcomes.

Following the claim, the parent company BOS initiated a buyback programme as contractually required by the Programme Documentation, which has resulted in the purchase of mortgage assets with a principal amount of £743,105 at 31 December 2020 from the Company and the subsequent redemption of loan notes for the same principal amount at 31 December 2020.

Notes to the financial statements (continued)

For the year ended 31 December 2020

18. Parent undertaking and controlling party

The Company's immediate parent company is Bank of Scotland plc.

The parent undertaking, which is the parent undertaking of the smallest group to consolidate these financial statements is Bank of Scotland plc. Copies of the consolidated annual report and financial statements of Bank of Scotland plc may be obtained from 25 Gresham Street, London EC2V 7HN.

The ultimate parent undertaking and controlling party is Lloyds Banking Group plc, which is the parent undertaking of the largest group to consolidate these financial statements. Copies of the consolidated annual report and financial statements of Lloyds Banking Group plc may be obtained from Lloyds Banking Group plc's head office at 25 Gresham Street, London EC2V 7HN or downloaded via www.lloydsbankinggroup.com.



Independent auditors' report to the members of BOS (Shared Appreciation Mortgages) No. 3 plc

Report on the audit of the financial statements

Opinion

In our opinion, BOS (Shared Appreciation Mortgages) No. 3 plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2020; the Statement of comprehensive income, Statement of changes in equity and Cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

Our audit approach

Overview

Audit scope

- The activities of the Company are conducted primarily by reference to a series of transaction documents (the "Programme Documentation"). We tailored the scope of our audit to ensure that we performed sufficient work to enable us to opine on the annual report and financial statements, ensuring audit procedures were performed in respect of every material financial statements line item.
- In establishing the overall approach to the audit, we determined the type of work that needed to be performed by us taking into account the accounting processes and controls in place at LBG as ultimate parent undertaking, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at the administrator and adopted a controls and substantive testing approach.

Key audit matters

- Valuation of assets and liabilities held at fair value through the profit and loss
- Impact of COVID-19
- Errors in the priority of payments (the "Waterfalls") due to a lack of understanding of the transaction

Materiality

- Overall materiality: £356,929 (2019: £417,897) based on 1% of total assets.
- Performance materiality: £267,697 (2019: £313,423).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined in the Auditors' responsibilities for the audit of the financial statements section, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Programme Documentation associated with the securitisation transaction, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to intentional misrepresentation in relation to the performance of the mortgage loans. Audit procedures performed by the engagement team included:

- Making inquiries of those charged with governance in relation to known or suspected instances of non-compliance with laws and regulation and fraud.
- Review of meeting minutes.
- Testing on a sample basis, that the priority of payments has been applied in accordance with the Programme Documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

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

This is not a complete list of all risks identified by our audit.

Errors in the priority of payments (the "Waterfalls") due to a lack of understanding of the transaction is a new key audit matter this year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of assets and liabilities held at fair value through the profit and loss</i></p> <p>The shared appreciation mortgages include terms that entitle the Company to a share of the capital appreciation of the property on which the mortgage is secured as realised on the eventual sale of the property. The value of the Company's interest on this appreciation is calculated by reference to the sale proceeds and a formula established and agreed at the origination of the mortgage, including the loan to value ratio on the original advance.</p> <p>The loan notes in issue are secured on the mortgage portfolio. The Company pays its entire share of the appreciation to the note holders as agreed within the terms on the notes.</p> <p>As this shared appreciation entitlement is dependent on economic characteristics and risks not closely related to the basic lending arrangement within the mortgage agreement, the overall contract is considered a hybrid instrument. Under IFRS 9 both the mortgage and corresponding shared appreciation are classified as one financial asset valued at fair value through profit and loss. Management have chosen to designate the corresponding liability on the notes as at FVTPL to avoid an accounting mismatch.</p> <p>Due to the pass through nature of the Company, a separate financial instrument is recognised in both assets (as receivable from mortgage holders, and in liabilities (as payable to note holders). Both are designated as at FVTPL.</p> <p>Management's fair value estimate of both the asset and liability is based on the principal balances of the mortgage loans, shared appreciation percentage as agreed in the original loan agreement, and other</p>	<p>We performed an independent recalculation of the year end shared appreciation rights for all securitised mortgages. As part of this we independently obtained regional HPI data from an external provider covering the period from origination to the balance sheet date, and agreed the shared appreciation percentages on a mortgage by mortgage basis to management's mortgage schedule.</p> <p>Additionally, we have audited the shared appreciation rights model by creating our own independent valuation, supported by our specialist valuations team. This valuation has been performed using independent data sources for the assumptions which include forward looking HPI predictions, LIBOR discount curves, a dilapidation expectation, a proxy for sales due to long term care commitments and external mortality rate data. Further to this, we ensured that the models were compliant under IFRS 9, including all applicable disclosures in the financial statements.</p> <p>Our independent model has been tested using sensitivity analysis on the underlying assumptions. In addition, we have considered the impact of a legal action on behalf of a group of customers on the carrying amount of the Company's mortgage assets. This impact carries uncertainty, but we have tested the probability assessment on which it is based and performed inquiries with both Lloyds Banking Group and external legal counsel.</p> <p>Management's mortgage schedule has been separately validated through agreement to the origination documentation on a sample basis in prior years. As no new mortgages have been written, this audited schedule has been validated year on year by agreeing the outstanding principal balances to system reports in order to identify any inappropriate changes.</p>

<p>assumptions. These assumptions include the House Price Index ("HPI"), mortality rates, dilapidation expectations, expected discount curves and the impact of a recent legal action on the Company.</p> <p>These items are disclosed as a 'financial asset held at FVTPL', and a 'financial liability held at FVTPL' on the balance sheet.</p> <p>Refer to notes 8 and 9 for further information</p>	<p>As a result of these procedures, we concluded that the valuation of assets and liabilities held at fair value through the profit and loss has been appropriately calculated and reflected in the preparation of the financial statements.</p>
<p><i>Impact of COVID-19</i></p> <p>The global COVID-19 pandemic, and the associated societal restrictions imposed by the UK Government, have adversely affected the UK population and economy. The virus emerged in the UK in January 2020 and spread quickly, prompting the government to impose widespread restrictions on the population in March 2020. The successful development and administration of vaccines has created some optimism over the lifting of restrictions, but there remains significant uncertainty over the need and extent of future government intervention and the economic outlook, which may in turn have an impact on the Company.</p> <p>The UK government has deployed a range of support measures for people and businesses, and LBG has been active in some of these schemes, for example providing payment holidays.</p> <p>The directors have considered the implications of these events when preparing the financial statements and their assessment on going concern.</p>	<p>Our planning and execution of our audit has given specific consideration to the impact of COVID-19 on the Company.</p> <p>In assessing management's consideration of the impact of COVID-19 on the financial statements, we have undertaken the following procedures:</p> <ul style="list-style-type: none"> • Performed inquiries with management; • Assessed the impact of COVID-19 on estimates and the assumptions that underpin them; • Reviewed management's going concern assessment, which considered the potential impact of COVID-19; • Evaluated the adequacy of the disclosures made in the financial statements with respect to the impact of COVID-19; • Inspected transaction documents to confirm the notes are limited recourse in nature; and • Performed a review of post year end investor reports. <p>As a result of these procedures, we concluded that the impact of COVID-19 has been appropriately evaluated and reflected in the preparation of the financial statements.</p>
<p><i>Errors in the priority of payments (the "Waterfalls") due to a lack of understanding of the transaction</i></p> <p>Due to the complexity of the securitisation structure contractual terms and the entity's special purpose nature, the Waterfalls present a pervasive risk to the overall accounting for the Company.</p> <p>If the Waterfalls are incorrectly processed, there is a risk that interest expense and principal balances payable to investors are not appropriately calculated and settled, and the cash flows returned to the seller as excess spread are incorrect.</p> <p>Due to the complexity and pervasive nature of the Waterfalls, this was an area of focus in our audit.</p>	<p>We understood the design of the securitisation structure through discussions with management and review of primary contractual documentation. We reviewed all investor reports and minutes of board meetings for the period to identify and investigate any unusual trends or incidents that would indicate a misstatement in the preparation and calculation of the Waterfalls.</p> <p>We tested the design and operating effectiveness of management's Waterfalls calculation controls through:</p> <ul style="list-style-type: none"> • Inquiry with management on the Waterfall's priority of payment and by inspection of Waterfall working papers with the base prospectus; • Ensuring that sufficient segregation of duty exists between the preparation and review of the Waterfalls; and • Inspection of supporting documentation and recalculation of relevant data points for a sample of Waterfalls in the period. <p>We performed substantive testing over a sample of Waterfalls to ensure no errors were made in Waterfalls preparation, including agreeing cash balances and transactions to cash account records, agreeing cash collections balances agreed to system reports and ensuring</p>

	<p>an appropriate segregation of duty existed for preparation and review.</p> <p>We tested key system reports to validate that pool assets were completely and accurately identified in source systems to support the cash collections as presented in the Waterfalls working papers.</p> <p>As a result of these procedures, we concluded that the Waterfalls were operating in line with the priority of payments.</p>
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How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall Company materiality</i>	£356,929 (2019: £417,897).
<i>How we determined it</i>	1% of total assets
<i>Rationale for benchmark applied</i>	The entity is a not-for-profit whose main priority is to remit the cash received in respect of its assets so as to repay its liabilities. As such total assets is considered an appropriate benchmark. Where total assets is used, if the Company is a public interest entity, a rule of thumb of up to 1% can be applied. We have deemed this to be a public interest entity due to the fact the entity has listed debt and have therefore applied 1%.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £267,697 (2019: £313,423) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Directors that we would report to them misstatements identified during our audit above £17,846 (2019: £20,895) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the solvency position against the results for the financial year; and
- Discussing with management the future plans for the Company and the wider securitisation programme.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Directors, we were appointed by the directors on 31 March 2009 to audit the financial statements for the year ended 31 December 2009 and subsequent financial periods. The period of total uninterrupted

engagement is 12 years, covering the years ended 31 December 2009 to 31 December 2020. There will be a mandatory rotation for the 2021 audit, and we will cease to be auditor of the Company.

A handwritten signature in black ink, reading "Daniel Pearce". The signature is written in a cursive style with a large, stylized 'D' and 'P'.

Daniel Pearce (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
12 May 2021