

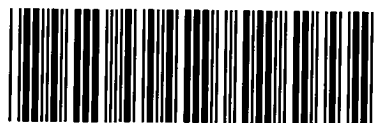
Preferred Mortgages Collections Limited

Report and Financial Statements

30 November 2013

Registered No: 2993061

MONDAY



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07/07/2014

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COMPANIES HOUSE

Directors

Wilmington Trust SP Services (London) Limited
D R Fisher
M H Filer

Secretary

Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London EC2R 7AF

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office

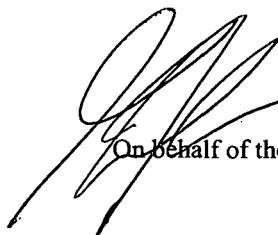
c/o Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London EC2R 7AF

Strategic report

Business review

Preferred Mortgages Collections Limited (the Company) has not traded during the year and therefore has made neither profit or loss nor any other recognised gain or loss. The Company's expenses are paid by Preferred Residential Securities 7 PLC, Preferred Residential Securities 8 PLC, Preferred Residential Securities 05-1 PLC, Preferred Residential Securities 05-2 PLC, Preferred Residential Securities 06-1 PLC, Eurosail 2006-2 BL PLC, Eurosail 2006-4 BL plc, Eurosail-UK 2007-1 NC plc, Eurosail-UK 2007-2 NP plc, Eurosail-UK 2007-3 BL plc, Eurosail-UK 2007-4 BL plc, Eurosail-UK 2007-5 NP plc, Eurosail-UK 2007-6 NC plc, Mortgage Funding 2008-1 Plc, EMF-UK 2008-1 Plc, Mortgage Platform Asset Sale 1 Ltd and Mortgage Platform Asset Sale 2 Ltd (collectively known as "SPVs").

The financial position of the Company at the end of the year was satisfactory. The directors expect recoverability of the debtors' balances and the timely payment of the amounts owed to SPVs.



Mark Filer
On behalf of the board

Director

Date 4 JULY 2014

Directors' report

The directors present their report and the audited financial statements for the year ended 30 November 2013.

Principal activities

The business of the Company is the collection of all amounts due by way of payments of principal and interest on portfolios of mortgage loans and the distribution of such amounts to the party entitled thereto under the terms, inter alia, of a Receivables Trust Deed.

Going Concern

The Company is non-trading and its primary activity is to collect and hold cash on behalf of the SPVs. The Company has reported no profit or loss nor any other recognised gain or loss. The Company is also in a net asset position as at 30 November 2013 and the directors are confident that the Company is well placed to continue its activities and continue as a going concern.

Directors

The directors who held office during the year were as follows:

M H Filer

Wilmington Trust SP Services (London) Limited

D R Fisher (appointed 15 May 2013)

J Schroeder (resigned 15 May 2013)

Corporate governance

The Directors are responsible for internal control in Preferred Mortgages Collections Limited and for reviewing the effectiveness. Procedures 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 and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud. The procedures enable the Company to comply with the relevant regulatory obligations.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The Company has elected to dispense with the obligation to reappoint auditors annually.

On behalf of the board

 Mark Filer

Director

Date

4 JULY 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable United Kingdom Law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the 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;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Preferred Mortgages Collections Limited

We have audited the financial statements of Preferred Mortgages Collections Limited for the year ended 30 November 2013 which comprise the Balance Sheet and the related notes 1 to 7. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2013;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

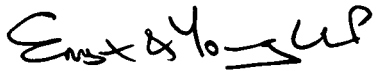
Independent auditors' report

to the members of Preferred Mortgages Collections Limited

Matters on which we are required to report by exception

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

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



Amarjit Singh (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date 7 JULY 2014

Balance sheet

at 30 November 2013

	Note	2013 £	2012 £
Current assets			
Other debtors	3	658,807	86,157
Called up share capital not paid		2	2
Cash at bank and in hand		2,823,911	3,455,252
Total assets		3,482,720	3,541,411
Creditors: amounts falling due within one year			
Bank overdraft		353,432	-
Other creditors	4	3,129,286	3,541,409
Total creditors		3,482,718	3,541,409
Net current assets		2	2
Capital and reserves			
Called up share capital	5	2	2
Profit and loss account	2	-	-
Total equity shareholders' funds		2	2

The notes on pages 8 to 9 form part of these financial statements.

These financial statements were approved by the Board of Directors and were signed on its behalf by:


Director
Date 4 JULY 2014

Notes to the financial statements

at 30 November 2013

1. Accounting policy

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

Basis of accounting

The financial statements have been prepared in accordance with applicable UK accounting standards and have been drawn up under the historical cost convention. The financial statements have been prepared on a going concern basis.

Cash flow statement

The Company qualifies as a small company and therefore under Chapter 46 of the Companies Act 2006, the Company is exempt from the requirement to prepare a cash flow statement.

2. Profit and loss account

No profit and loss account is presented for the current or previous year as the Company has not traded and therefore has made neither profit nor loss nor any other recognised gain nor loss.

Audit fees of £13,161 (2012 – £12,534) paid to auditors were borne by the SPVs.

3. Other debtors

	2013	2012
	£	£
Preferred Funding Five Limited	254,302	86,157
Preferred Residential Securities 7 Plc	339,480	-
Eurosail 2006-2 BL plc	65,025	-
	<hr/>	<hr/>
	658,807	86,157
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Notes to the financial statements

at 30 November 2013

4. Other creditors

	2013	2012
	£	£
Eurosail 2006-2 BL plc	-	257,848
Eurosail 2006-4 BL plc	124,676	129,597
Eurosail-UK 2007- 1 NC plc	238,300	238,854
Eurosail-UK 2007-3 BL plc	263,322	274,621
Eurosail-UK 2007-4 BL plc	287,435	379,614
Eurosail-UK 2007-5 NP plc	258,720	428,744
Eurosail-UK 2007-6 NC plc	87,963	255,320
Eurosail-UK 2007-2 NP plc	275,962	336,860
Mortgage Funding 2008-1 plc	290,670	324,086
EMF-UK 2008-1 plc	252,388	61,024
Mortgage Platform Asset Sale 1 Ltd	3,511	4,484
Mortgage Platform Asset Sale 2 Ltd	8,547	8,507
Preferred Mortgages Limited	309,004	285,023
Preferred Residential Securities 7 Plc	-	44,862
Preferred Residential Securities 8 plc	57,792	72,097
Preferred Residential Securities 05-1 Plc	78,938	90,248
Preferred Residential Securities 05-2 plc	120,378	136,046
Preferred Residential Securities 06-1 plc	207,618	46,896
Other creditors	264,062	166,678
	<u>3,129,286</u>	<u>3,541,409</u>

5. Share capital

	2013	2012
	£	£
<i>Allotted and called up</i>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

6. Directors and employees

None of the directors received any emoluments in respect of their services to the company during the year (2012 – £Nil).

The company does not employ staff (2012 – none).

7. Parent company and ultimate controlling party

Wilmington Trust SP Services (London) Limited, a company registered in England and Wales, holds all of the issued shares in the Company under a declaration of trust for charitable purposes and has no beneficial interest in the shares of the Company. As such there is no ultimate controlling party and the results of the Company are not consolidated by Wilmington Trust SP Services (London) Limited or by any other party.