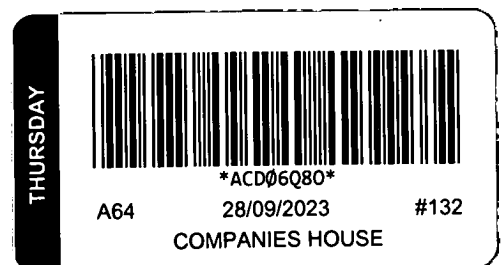


Close PF Funding I Limited
Annual Report and Financial Statements
for the year ended 31 July 2023

Registered Number: 07116966



Close PF Funding I Limited

COMPANY INFORMATION

Directors: CSC Directors (No.1) Limited
CSC Directors (No.2) Limited
J P Nowacki

Secretary: CSC Corporate Services (UK) Limited

Registered Office: 10th Floor
5 Churchill Place
London
England
E14 5HU

Registered Number: 07116966

Independent Auditors: PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 3RT
United Kingdom

Close PF Funding I Limited
Strategic Report
For the year ended 31 July 2023

STRATEGIC REPORT

The Directors present their strategic report for Close PF Funding I Limited ("the Company") in accordance with Section 414C of the Companies Act 2006 for the year ended 31 July 2023.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

Close PF Funding I Limited ("the Company") was incorporated on 5 January 2010. The Company is a special purpose company. There have been no significant changes in the Company's principal activities during the year. It exists as a funding vehicle for the Close Brothers Limited ("CBL") Group ("the CBL Group"). The Company issued discount facilities of £350 million ("the Transaction") to a third party during the year ended 31 July 2014, to fund the securitisation of loans advanced for the payment of insurance premiums by CBL. The facilities have been redeemed and reissued in subsequent years, increasing to £400m on 9 November 2016, £500m on 5 December 2018 and £650m on 8 March 2023, with a current maturity date of 4 March 2026 ("the facilities" or the "Senior Notes"). The facilities are secured over the Company's assets.

As part of the Transaction the Company entered a series of legal documents (the "Transaction Documents"). The Transaction Documents have been subsequently amended and restated on multiple occasions to reflect the changes primarily in the amount, maturity and the provider of the senior loan facilities as mentioned above.

Under the Transaction Documents, on 14 April 2010 the Company entered into a Receivables Purchase Agreement (the "RPA") with CBL as the originator and seller and other parties to the transaction to acquire from time to time receivables in the form of general, non-life, insurance premium finance loans (the "Loans") meeting certain eligibility criteria as required by the Transaction Documents.

The purchase of the Loans are funded from the proceeds of the Senior Notes and subordinated Notes issued to CBL (the "Subordinated Notes") in order to provide credit enhancement to the senior facilities providers. The purchase price of the Loans consist of the initial consideration as detailed above and a deferred consideration, being CBL's entitlement to the residual cash flows (the "Deferred Consideration").

As at 31 July 2023, the outstanding principal balance of the Loans purchased by the Company was £812,258,141 (2022: £835,168,985), the Senior Notes in issue was £650,000,000 (2022: £500,000,000).

Whilst the Loans are legally sold by CBL to the Company, the transfer failed the accounting derecognition criteria in CBL's financial statements under IFRS 9, because CBL has retained substantially all risks and rewards through their retention of 100% of the Subordinated Notes and entitlement to the deferred purchase consideration.

In line with the stated accounting policy on Deemed loan, the Loans remain on the balance sheet of CBL. Therefore, instead of recognising the Loans on balance sheet, the Company has recognised a secured loan to CBL (the "Deemed loan"). The Deemed loan represents the amount corresponding to the consideration paid by the Company for the Loans, less the amount of the Subordinated Notes retained by CBL. On an ongoing basis, this is adjusted for subsequent receipts from the underlying Loans, which are not reinvested or used to purchased additional loans, to the Originator in relation to the Subordinated Notes and Deferred Consideration.

The entire share capital of the Company is held by the legal parent company, CSC Corporate Services (UK) Limited under a declaration of trust for charitable purposes. The Company is controlled by and consolidated into the financial statements of CBL under the requirements of IFRS10.

The Company retains a legal profit amount of £100 on each weekly interest payment date subject to the Company's transaction documents.

RESULTS FOR THE YEAR AND KEY PERFORMANCE INDICATORS

The results for the year ended 31 July 2023 are set out in the Income Statement on page 11. The financial position of the Company as at 31 July 2023 is set out in the Balance Sheet on page 13. The profit for the financial year after tax amounted to £4,108 (2022: £4,212).

The key performance indicators monitored by the Directors include the outstanding balance of the underlying loan portfolio and the performance of the underlying loan portfolio against the covenants set out in the Transaction Documents. At the year end date all covenants have been met.

	As at 31 July 2023	As at 31 July 2022
Outstanding balance of the underlying loan portfolio	£812,258,141	£835,168,985

The Company's investment in the Deemed loan advanced to CBL increased to £638,398,393 (as set out in Note 7) as at the year end from £491,035,753 as at 31 July 2022. At the year end the balance of the facilities outstanding amounted to £650,654,731 (2022: £500,146,250).

Close PF Funding I Limited
Strategic Report (continued)
For the year ended 31 July 2023

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has issued third party senior secured debt. Cash, accrued interest income, accrued interest payable and other items arise directly from the Company's operations. The Company is a member of Close Brothers Group plc ("the Group"). The operational activities of the Company are outsourced to the Group, and the Company benefits from services provided by specialist teams, risk management procedures and controls as described in the Group financial statements and applied consistently across the Group.

The principal risks and uncertainties the Directors expect to have the greatest impact on the Company, due to their impact on the performance of the Loans (in particular, future cash flows and default rates), relate to pressures resulting from uncertainty and changes in the macroeconomic environment. The Company's business model and strategy remain unchanged; as a result, several of the principal risks faced remain broadly consistent with prior years.

The UK currently faces significant economic uncertainty due to Brexit and continued geopolitical uncertainty. This has resulted in a significant and ongoing increase in cost inflation and therefore increased pressure for the Bank of England to continue to increase the base rate from an unprecedented low level. All of these factors result in increased pressure on affordability and a heightened risk that borrowers may ultimately default on their Loan.

As the Debt securities in issue are a limited recourse obligation of the Company, the Company is not ultimately exposed if the borrowers are unable to repay the Loans. The Company will continue to monitor the effect of these macroeconomic factors have on borrower's ability to service their Loans and consequently the performance of the Company.

The Company's activities expose it to a number of financial risks including market risk, credit risk and liquidity risk.

Market Risk

The impact of the United Kingdom's exit from the EU has notably increased economic uncertainty in the UK. Notwithstanding the resilience of our model, we are continuing to plan for a range of different economic and business scenarios.

The Company's activities expose it primarily to the financial risks of changes in interest rates. The Company minimises its exposure to interest rate risk by ensuring that the level of over collateralisation inherent within the Deemed loan relative to the Notes is sufficient to cover any mismatch in the interest rate characteristics of its assets and liabilities. Due to this the interest rate risk for the Company is negligible.

Credit risk

Credit risk reflects the risk that the underlying Loan borrowers are unable to make payments under their premium finance loans as they fall due, and consequently CBL is unable to make payments to the Company as they fall due under the Deemed loan. Credit risk arises on the individual loans within the loan portfolio as per note 12. The performance of these loans is influenced by the economic climate. No amounts are past due or impaired in respect of the Deemed loan.

To mitigate this risk, credit enhancement is provided in the form of a Subordinated Note issued to CBL, a Liquidity Reserve fund and the ability of the Company to use Excess Spread to cover principal losses.

CBL also has an obligation under the transaction documents to repurchase any further advances or product switches which are ineligible or not compliant with the representations and warranties specified in the transaction document and they have made such repurchases throughout the year under review.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial instruments, should the cash flows from the assets differ from those expected.

The Company's assets (the Loan) are financed by the issuance of the Notes. The financing policy substantially reduces the Company's liquidity risk by matching the maturity profile of the Company's funding to the profile of the assets being funded.

Liquidity support also comes from the Company's ability to use the liquidity reserve fund to mitigate interest shortfalls on the Notes, as well as to pay expenses classed as senior expenses by the transaction documents.

RELATED PARTY DISCLOSURES

Any related party transactions are set out in note 13.

CAPITAL MANAGEMENT

The Company is not subject to any external capital requirements, except for the minimum requirement under the Companies Act 2006. The Company has not breached this minimum requirement.

Close PF Funding I Limited
Strategic Report (continued)
For the year ended 31 July 2023

SECTION 172(1) STATEMENT

In accordance with the Companies Act 2006 (the 'Act') (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide the following statement describing how 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.

Section 172 requires the Directors to have regard to the following matters, among others, when discharging their duty: the likely consequences of any decision in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the Company.

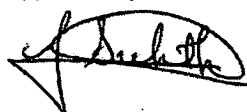
The Company is a special purpose vehicle and as such performs a very limited range of activities. As a special purpose vehicle, the governance structure of the Company is such that its key policies were determined at the time of its incorporation.

Board meetings are held periodically where the Directors consider the Company's principal activities and make decisions. As a part of those meetings the Directors receive information in a range of different formats on section 172 matters when making relevant decisions.

The Directors have had regards to the matters set out in section 172(1) of the Companies Act 2006 as follows:

- With reference to the likely consequences of any decision in the long term, the documents governing the financing and other principal transactions to which the Company is party (together, the "Transaction Documents") have been formulated with the aim of achieving the Company's purpose and business objectives, safeguarding the assets of the Company and promoting the success of the Company with a long-term view;
- in accordance with relevant securitisation legislation, the Company is only permitted to retain minimal profit;
- the Company has no employees;
- the Company fosters relationships with suppliers via the appointment of various third parties to perform certain roles strictly governed by the Transaction Documents, fee arrangements agreed in advance and invoices paid strictly in accordance with the Transaction Documents (including a specified priority of payments);
- as a special purpose vehicle, the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment; and
- the Company has a sole member with the issued shares all held on a discretionary trust basis for charitable purposes.

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



Sukanthapriya Jeyaseelan
For and on behalf of CSC Directors (No.1) Limited
Director
28 September 2023

Close PF Funding I Limited
Directors' Report
For the year ended 31 July 2023

DIRECTORS' REPORT

The Directors present their annual report and audited financial statements, for the year ended 31 July 2023.

REVIEW OF BUSINESS

A review of the Company's business included on page 2 of the Strategic Report under the section Business Review and Principal Activities.

GENERAL INFORMATION

Close PF Funding I Limited ("the Company") is a special purpose public company limited by shares, established as a funding vehicle for the Close Brothers Limited ("CBL"). The entire share capital of the Company is held by the legal parent company, CSC Corporate Services (UK) Limited under a declaration of trust for charitable purposes. The Company is incorporated and domiciled in the United Kingdom and registered in England and Wales.

DIRECTORS AND THEIR INTERESTS

The Directors of the Company, who were in office during the year and up to the date of signing the financial statements were:

CSC Directors (No.1) Limited
CSC Directors (No.2) Limited
J P Nowacki

None of the Directors has any beneficial interest in the ordinary share capital of the Company. None of the Directors had any interest during the year in any material contract or arrangement with the Company.

COMPANY SECRETARY

The Company secretary during the year, and up to the date of signing the financial statements, was CSC Corporate Services (UK) Limited.

REGISTERED OFFICE

10th Floor
5 Churchill Place
London
England
E14 5HU

EMPLOYEES

The Company has no employees (2022: none).

GOING CONCERN

In order to form a view as to the most appropriate basis of preparation of these financial statements, the Directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to either cease trading or place the Company into liquidation.

The ability of the Company to meet its obligations on the Notes and to meet its operating and administrative expenses is dependent principally on the performance of the Loans.

The Directors have undertaken a going concern assessment including a review of principal and emerging risks. Whilst noting the significant economic uncertainty facing the UK, after making inquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. As at 31 July 2023, the Company is showing net assets of £52,865 (2022: £48,757). Moreover, the terms of the Notes are limited recourse and therefore the Company is only obliged to repay the Notes to the extent that the Company receives cash from the loan assets. The noteholders will, therefore, ultimately bear the Company's deficits on maturity of the Notes.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

DIVIDENDS

The Directors do not recommend the payment of a dividend (2022: £nil).

Close PF Funding I Limited
Directors' Report (continued)
For the year ended 31 July 2023

FUTURE DEVELOPMENTS

The Directors expect the general level of activity to remain consistent with the 2023 year in the forthcoming year. This is as a result of no significant changes and no events of significant impact after the balance sheet date.

EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the reporting period affecting the Company.

ISSUED SHARE CAPITAL

The Company's issued share capital consists of one fully paid ordinary share of £1 (2022: £1).

THIRD PARTY INDEMNITIES

Qualifying third party indemnity provisions for the benefit of the Directors were in force during the year under review and remain in force as at the date of approval of the annual reports and financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and Financial Statements 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

FINANCIAL RISK MANAGEMENT OBJECTIVES

Financial risks including associated financial risks such Market Risk, Credit risk and Liquidity risk have all been disclosed in the Strategic Report.

DIRECTORS' CONFIRMATIONS

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
- the Director has taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

SECTION 172 STATEMENT

As more fully described in the Section 172(1) statement in the Strategic Report, the Directors have been charged with governance in accordance with the transaction documents which govern the structure and operation of the transactions to which the Company is party.

INDEPENDENT AUDITORS

The Independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Director board meeting.

Close PF Funding I Limited
Directors' Report (continued)
For the year ended 31 July 2023

SUSTAINABILITY REPORT

On behalf of Close Brothers Group plc, the Board and Board Risk Committee review and approve the Group's approach to managing the financial risks and opportunities associated with climate change. Close PF Funding I Limited adopts the Group approach with adaptation as determined by local requirements. The Group's Task Force on Climate-Related Financial Disclosures ("TCFD") Report is published as part of the Close Brothers Group plc 2023 Annual Report within the Sustainability Report.

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



Sukanthapriya Jeyaseelan
For and on behalf of CSC Directors (No.1) Limited
Director
28 September 2023

Independent auditors' report to the members of Close PF Funding I Limited

Report on the audit of the financial statements

Opinion

In our opinion, Close PF Funding I Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); 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 July 2023; the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

Close PF Funding I Limited
Auditors' Report (continued)
For the year ended 31 July 2023

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 July 2023 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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 any breach of the underlying legal documents governing the transaction (the "Transaction Documents"), 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 financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the

Close PF Funding I Limited
Auditors' Report (continued)
For the year ended 31 July 2023

risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Making inquiries with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Audit procedures performed to address the risk of management override of controls, including through testing of journal entries, accounting estimates (due to the risk of management bias);
- Testing, on a sample basis, that the priority of payments has been applied in accordance with the Transaction Documents; and
- Evaluating the business rationale for any significant transactions that are unusual or outside the scope of the Transaction Documents.

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.

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.

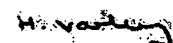
Other required reporting

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.



Heather Varley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 September 2023

Close PF Funding I Limited
Income Statement
For the year ended 31 July 2023

		For the year ended 31 July 2023	For the year ended 31 July 2022
		£	£
	Note		
Interest receivable and similar income	5	25,223,165	6,860,814
Interest payable and similar expenses	5	(25,217,965)	(6,855,614)
Net interest income	5	5,200	5,200
Profit before tax		5,200	5,200
Tax on profit	6	(1,092)	(988)
Profit for the financial year		4,108	4,212

The above statement should be read in conjunction with the accompanying notes.

Close PF Funding I Limited
Statement of Comprehensive Income
For the year ended 31 July 2023

	For the year ended 31 July 2023 £	For the year ended 31 July 2022 £
Profit for the financial year	4,108	4,212
Other comprehensive income that may be reclassified to income statement	-	-
Other comprehensive income that will not be reclassified to income statement	-	-
Other comprehensive income for the year net of tax	-	-
Total comprehensive income for the year	4,108	4,212

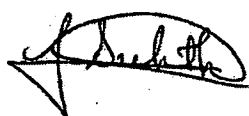
The above statement should be read in conjunction with the accompanying notes.

Close PF Funding I Limited
Balance Sheet
As at 31 July 2023

		As at 31 July 2023 £	As at 31 July 2022 £
Current assets	Note		
Debtors			
- due within one year	7	642,398	491,035,753
- due after one year	7	637,755,995	-
Cash at bank and in hand		32,559,287	9,160,242
Total assets		670,957,680	500,195,995
 Creditors: amounts falling due within one year	 9	 20,904,815	 500,147,238
 Net current assets		 650,052,865	 48,757
 Creditors: amounts falling due after more than one year	 9	 650,000,000	 -
 Net assets		 52,865	 48,757
 Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		52,864	48,756
Total equity		52,865	48,757

The above statement should be read in conjunction with the accompanying notes.

The financial statements of Close PF Funding I Limited (registration number 07116966) on pages 11 to 23 were approved and authorised for issue by the Board of Directors on 28 September 2023. They were signed on its behalf by:



Sukanthapriya Jeyaseelan
For and on behalf of CSC Directors (No.1) Limited
Director
28 September 2023

Close PF Funding I Limited
Statement of Changes in Equity
For the year ended 31 July 2023

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 August 2021	1	44,544	44,545
Profit for the financial year	-	4,212	4,212
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	4,212	4,212
Balance at 31 July 2022	1	48,756	48,757
Profit for the financial year	-	4,108	4,108
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	4,108	4,108
Balance at 31 July 2023	1	52,864	52,865

The above statement should be read in conjunction with the accompanying notes.

Close PF Funding I Limited
Notes to the financial statements
For the year ended 31 July 2023

1. General information

Close PF Funding I Limited is a private limited company incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is 10th Floor, 5 Churchill Place, London, England, E14 5HU. The Company is a special purpose company and exists as a funding vehicle for the CBL Group.

Details of the undertaking in whose consolidated financial statements the Company is included are shown in note 14 to the financial statements.

2. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a) Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. The financial statements have been prepared in compliance with The Companies Act 2006 as applicable to companies using FRS 101 'Reduced Disclosure Framework'.

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 July 2023 that have a material impact on the Company's financial statements.

The Directors have adjusted the format of the income statement as allowed under Companies Act 2006. In the opinion of the Directors, net interest income is a more appropriate measure of the Company's performance than turnover and cost of sales.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash-flow statement and standards not yet effective. Where relevant, equivalent disclosures have been given in the financial statements of Close Brothers Group plc. The financial statements of Close Brothers Group plc are available to the public and can be obtained as set out in note 14.

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

b) Going concern

In order to form a view as to the most appropriate basis of preparation of these financial statements, the Directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to either cease trading or place the Company into liquidation.

The ability of the Company to meet its obligations on the Notes and to meet its operating and administrative expenses is dependent principally on the performance of the Loans.

The Directors have undertaken a going concern assessment including a review of principal and emerging risks. Whilst noting the significant economic uncertainty facing the UK, after making inquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. As at 31 July 2023, the Company is showing net assets of £52,865 (2022: £48,757).

Close PF Funding I Limited
Notes to the financial statements (continued)
For the year ended 31 July 2023

2. Significant accounting policies (continued)

b) Going concern (continued)

Moreover, the terms of the Notes are limited recourse and therefore the Company is only obliged to repay the Notes to the extent that the Company receives cash from the loan assets. The noteholders will, therefore, ultimately bear the Company's deficits on maturity of the Notes. Also, the premium loan receivables are performing as per the terms.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

c) Revenue recognition

Interest receivable and similar income and interest payable and similar expenses have been calculated using the effective interest rate ("EIR") method. The EIR 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 EIR 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 EIR, the future cash flows are estimated after considering all the contractual terms of the instrument but not future credit losses.

d) Financial assets and liabilities

The Company's financial instruments comprise the Debt securities in issue, the Deemed loan, Cash at bank and in hand and various receivables and payables that arise from its operations.

(i) Debt securities in issue

Debt securities in issue represent the facilities issued under the senior loan facilities agreement and are recognised initially at fair value incorporating the directly related incremental transaction costs. Subsequent to initial recognition, debt securities in issue are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an EIR basis.

(ii) Deemed loan

The Deemed loan represents the amount corresponding to the consideration paid by the Company for the Loans, less the Subordinated Notes purchased by CBL, adjusted for subsequent principal receipts from the underlying Loans used to make repayments of the Debt securities in issue in accordance with the Transaction Documents.

Financial assets are de-recognised when a transferor meets the pass-through requirements combined with the transfer of sufficient risk and rewards test. Where a transferor retains substantially all the risks and rewards associated with transferred assets, the transfer is accounted for as a financing transaction, notwithstanding that it is a sale transaction from a legal perspective. In such a case the transferee would not recognise the assets on its balance sheet but rather a Deemed loan to CBL as the Originator.

This is the treatment which has been adopted on the transfer of the insurance premium loans from Close Brothers Limited ("CBL" or the "Originator") to the Company. In relation to the Loans sold from CBL to the Company, de-recognition is considered to be inappropriate for CBL's own financial statements, as CBL has retained substantially all risks and rewards through their ownership of 100% of the Subordinated Notes (risks) and entitlement to all excess spread (rewards) through Deferred Consideration and exposes CBL to the reduction thereof (risks). The Company's financial statements are therefore prepared on the basis that its acquisition of the Loans are recognised as a collateralised non-recourse loan to CBL, the 'Deemed loan'.

Had the pass-through test conditions been met, the loans would still not be eligible for de-recognition because CBL has provided credit enhancement which is used to absorb initial losses in the portfolio and receives excess spread exposing it to the variability of rewards of the underlying loan portfolio. In accordance with IFRS9, the Deemed loan to CBL is classified as loans and advances and is measured at amortised cost, as the members consider that the business model for the Deemed loan is to hold the assets to collect the contractual cashflows, representing solely payments of principal and interest, in order to service the Company's liabilities.

Impairment of Deemed loan

At initial recognition, an impairment allowance is required for expected credit losses (ECL) resulting from default events expected within the next 12 months (12-month ECL).

At each balance sheet date an assessment is made as to whether, as a result of one or more events occurring after initial recognition, there is objective evidence that the Deemed loan to CBL has had a significant increase in credit risk.

Close PF Funding I Limited
Notes to the financial statements (continued)
For the year ended 31 July 2023

2. Significant accounting policies (continued)

d) Financial assets and liabilities (continued)

(ii) Deemed Loan (continued)

In the event of a significant increase in credit risk, allowance is required for ECL resulting from default events expected over the estimated life of the financial instrument (lifetime ECL). IFRS 9 requires the financial asset to be allocated to one of three 'stages' as follows:

- Stage 1 - Financial assets which have not experienced a significant increase in credit risk since they were originated. Recognition of a 12-month ECL is required. Interest income on stage 1 financial assets is calculated on the gross carrying amount of the financial assets;
- Stage 2 - Financial assets which have experienced a significant increase in credit risk. For financial assets in stage 2, recognition of a lifetime ECL impairment allowance is required. Interest income on stage 2 financial assets is calculated on the gross carrying amount of the financial asset; and
- Stage 3 - Financial assets which have experienced one or more events that have had a detrimental impact on the estimated future cash flows and are considered to be credit impaired. Like stage 2, recognition of a lifetime expected ECL impairment allowance is required. However, interest income on stage 3 loans is calculated on the financial asset balance net of the impairment allowance.

In assessing the Deemed loan to CBL for impairment, the Directors consider both impairments on the underlying assets and the overcollateralisation required in the transaction which provides credit enhancement in excess of the ECL of the underlying pooled assets.

Considering these factors, the Directors conclude that there is no significant increase in credit risk of the Deemed loan since inception and therefore record it as Stage 1.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash and amounts due from banks with a maturity of less than three months. As the cash can only be used to meet certain specific liabilities and is not available to be used at the Company's discretion, it is viewed as restricted cash.

e) Tax

Current tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise.

The Company's tax charge is based on the permanent tax regime for securitisation companies within the meaning of the Finance Act 2005 ("the Finance Act") and the secondary legislation enacted in 2006 ("the secondary legislation") which ensures that, subject to certain conditions being met and an election being made, for periods commencing on or after 1 January 2007, corporation tax for a securitisation company will be calculated by reference to the profit required to be retained in accordance with the relevant capital market arrangement.

The Directors are satisfied that this Company meets the definition of a securitisation company as defined by both the Finance Act and the secondary legislation and that no incremental unfunded tax liabilities will arise. Additionally, no deferred tax amounts are recognised by the Company.

f) Share capital

Shares are included in shareholder funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not, they are included in shareholder funds.

3. Critical accounting estimates and judgements

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. UK company law and IFRS (FRS101) require the Directors, in preparing the Company's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable. The Company's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated. The judgements and assumptions involved in the Company's accounting policies that are considered by the board to be the most important to the portrayal of its financial condition are as follows:

Close PF Funding I Limited
Notes to the financial statements (continued)
For the year ended 31 July 2023

3. Critical accounting estimates and judgements (continued)

Critical judgements

Derecognition assessment

A key judgement is that the Directors have assessed that the sale of the Loans from CBL to the Company has failed the derecognition criteria of IFRS 9 because CBL, the Seller has retained substantially all risks and rewards through their ownership of 100% of the Subordinated Notes (risks) and entitlement to all excess spread (rewards) through Deferred Consideration and exposes CBL to the reduction thereof (risks) as described in Note 2.

Critical estimates

a) Impairment of Deemed loan to CBL

The Company's accounting policy for losses arising on the Deemed loan classified as a financial instrument held at amortised cost is described in note 2. The allowance for impairment losses on the Deemed loan is management's best estimate expected credit losses in respect of the Deemed loan as at the balance sheet date. At 31 July 2023, impairment allowances against the Deemed loan totalled £nil (2022: £nil).

4. Auditors' remuneration

Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements excluding VAT were £22,000 (2022: £16,899). These are paid for on behalf of the Company by CBL. There were no non-audit services were provided to the Company by the Company's auditors in the year.

5. Net Interest Income

	For the year ended 31 July 2023 £	For the year ended 31 July 2022 £
Interest receivable and similar income		
Other interest income	25,223,165	6,860,814
	25,223,165	6,860,814
Interest payable and similar expenses		
Interest expense on the Notes	(25,217,965)	(6,855,614)
	(25,217,965)	(6,855,614)
Net Interest Income	5,200	5,200

6. Tax on profit

	For the year ended 31 July 2023 £	For the year ended 31 July 2022 £
The tax charge comprises:		
a) The Company tax charge in the year		
Corporate tax	1,092	988
Taxation of profits	1,092	988
b) Factors affecting the Company charge in the year		
Profit before tax	5,200	5,200
Current tax charge at 21% (2022: 19%)	1,092	988
Effects of:		
Accounting profits not taxed in accordance with SI 2006/3296	(1,092)	(988)
Cash retained profit taxed in accordance with SI 2006/3296	1,092	988
Total tax charge	1,092	988

Close PF Funding I Limited
Notes to the financial statements (continued)
For the year ended 31 July 2023

6. Tax on profit (continued)

Current tax is the expected tax payable on the taxable profit for the year. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. For UK corporation tax purposes, the Company has been considered to fall within the permanent regime for taxation as a securitisation company under the 'Taxation of Securitisation Companies Regulations 2006' (SI2006/3296). The Company does pay tax on its retained profits on each interest payment date as specified in the documentation governing the securitisation transaction into which the Company has entered. In the Spring budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Finance (No.2) Act 2023 was substantively enacted in June 2023, and introduced the Pillar Two global minimum tax rate of 15% and a UK domestic minimum top-up tax with effect from 1 January 2024. For the year ended 31 July 2023, the company has adopted the IAS 12 exception from recognition and disclosure regarding the impact on deferred tax assets and liabilities arising from this legislation.

7. Debtors

	As at 31 July 2023 £	As at 31 July 2022 £
Amounts falling due within one year:		
Deemed loan due from CBL	642,398	491,035,753
	642,398	491,035,753
Amounts falling due after more than one year:		
Deemed loan due from CBL	637,755,995	-
	637,755,995	-
	638,398,393	491,035,753

8. Debt securities in issue

During the year ended 31 July 2014, the Company issued discount facilities of £350 million to a third party to fund the securitisation of loans. The facilities have been redeemed and reissued in subsequent years, increasing to £400m on 9 November 2016 and then £500m on 5 December 2018 which matured on 30 December 2020. On 4 November 2020, further facilities of £500m were issued, due to mature on 09 April 2023. On 8 March 2023, additional facilities of £150m were issued and maturity date for overall facilities £650m extended to 4 March 2026. It is envisaged that these facilities will be in issue for the term of the securitisation. The Company also issued Subordinated Notes of £162,258,141 (2022: £335,168,985) to provide credit enhancement to the Notes. The Subordinated Notes were also retained by CBL.

	As at 31 July 2023 £	As at 31 July 2022 £
Debt securities in issue	650,000,000	500,000,000
Accrued interest	654,731	146,250
	650,654,731	500,146,250

Close PF Funding I Limited
Notes to the financial statements (continued)
For the year ended 31 July 2023

8. Debit securities in issue (continued)

At 31 July 2023

	Principal outstanding £	Retained by CBL £	Carrying value £
Senior Notes	650,000,000	-	650,000,000
Subordinated Notes	162,258,141	(162,258,141)	-
Total Debt securities in Issue	812,258,141	(162,258,141)	650,000,000

At 31 July 2022

	Principal outstanding £	Retained by CBL £	Carrying value £
Senior Notes	500,000,000	-	500,000,000
Subordinated Notes	335,168,985	(335,168,985)	-
Total Debt securities in Issue	835,168,985	(335,168,985)	500,000,000

9. Creditors

	Note	As at 31 July 2023 £	As at 31 July 2022 £
Amounts falling due within one year:			
Debt securities in issue (incl. accrued interest)	8	654,731	500,146,250
Other amounts due to CBL		20,248,992	-
Corporation tax		1,092	988
		20,904,815	500,147,238
Amounts falling due after more than one year:			
Debt securities in issue	8	650,000,000	-
		650,000,000	-
		670,904,815	500,147,238

10. Called up share capital

The Company's issued share capital consists of one (2022: one) authorised and paid ordinary share of £1 (2022: £1).

The Company is not subject to any externally proposed capital requirements except for the minimum requirement under the Companies Act 2006. The Company has not breached the minimum requirement.

11. Directors' emoluments and employees

None of the Directors had any material interest in any contract of significance in relation to the business of the Company and none of the Directors received any emoluments for their services in the current year or prior year. The Company has no employees, services required are contracted from third parties. During the year fees of £54,672 were paid to CSC Capital Markets UK Limited for the provision of corporate administration to the Company. This included the provision of the Directors to the Company.

The Company has no employees, services required are contracted from third parties.

Close PF Funding I Limited
Notes to the financial statements (continued)
For the year ended 31 July 2023

12. Financial risk management

Categories of financial instruments at fair value

As a special purpose vehicle, financial instruments are central to the Company's activities. The risk associated with financial instruments represents a significant component of those faced by the Company and is analysed in more detail below.

The Company's financial risk management objectives are summarised within the Risk and Control Framework in Corporate Governance within the Close Brothers Group plc annual report. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.

a) Classification

The following tables analyse the Company's assets and liabilities in accordance with the categories of financial instruments in IFRS 9.

	Financial instruments amortised cost £	Total £
At 31 July 2023		
Assets		
Cash at bank and in hand	32,559,287	32,559,287
Deemed loan owed from CBL	638,398,393	638,398,393
	670,957,680	670,957,680
Liabilities		
Debt securities in issue (incl. accrued interest)	650,654,731	650,654,731
Other amounts due to CBL	20,248,992	20,248,992
	670,903,723	670,903,723
At 31 July 2022		
Assets		
Cash at bank and in hand	9,160,242	9,160,242
Deemed loan owed from CBL	491,035,753	491,035,753
	500,195,995	500,195,995
Liabilities		
Debt securities in issue (incl. accrued interest)	500,146,250	500,146,250
	500,146,250	500,146,250

£650m of funding was provided to CBL by the Company via a Deemed loan of £650m. The Deemed loan represents the part of the consideration paid by the Company in respect of the purchase of premium insurance receivables. The Deemed loan is carried at amortised cost using the effective interest method. The legal ownership of the premium insurance receivables sold to the Company by CBL fails the derecognition criteria of IFRS 9 and therefore these loans remain on the balance sheet of CBL.

The Directors of the Company have concluded that CBL has retained substantially all the risks and rewards of the pool of £812m underlying the Deemed loan and consequently, the Company does not recognise it on its balance sheet but rather a Deemed loan to CBL, where recourse is limited to the cash flows from the loans and any additional credit enhancement provided by CBL.

The initial amount of the Deemed loan to CBL corresponds to the consideration paid by the Company for the loans. The Company recognises principal and interest cash flows from the underlying pool only to the extent that it is entitled to retain such cash flows. Cash flows attributable to CBL are not recognised by the Company.

Close PF Funding I Limited
Notes to the financial statements (continued)
For the year ended 31 July 2023

12. Financial risk management (continued)

b) Valuation

The fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

c) Credit Risk

Credit risk is the risk of a reduction in earnings and/or value, as a result of the failure of a counterparty or associated party with whom the Company has contracted to meet its obligations in a timely manner and arises mainly from the premium finance loan receivables through the Deemed loan due from CBL.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Close Brothers Limited applies consistent and prudent lending criteria in respect of the underlying Loans, which also meet the eligibility criteria set out in the Transaction Documents. Credit risk is mitigated by the overcollateralisation of the Deemed Loan from CBL. Any expected credit losses are assessed in line with IFRS 9 per note 2(d). As the counterparty is a group company, and there are significant net assets to support CBL's ability to repay the £650,000,000 debt per note 9, no provisions are required under IFRS 9.

Maximum exposure to credit risk

The table below presents the carrying value of the Company's financial assets as well as the Company's maximum exposure to credit risk, before taking account of any collateral and credit risk mitigation, arising from its on balance sheet at 31 July 2023. For off balance sheet instruments, the maximum exposure to credit risk represents the contractual nominal amounts. The Deemed loan is secured over an underlying loan portfolio of £812,258,141 (2022: £835,168,985).

	As at 31 July 2023 £	As at 31 July 2022 £
On balance sheet		
Deemed loan due from CBL	638,398,393	491,035,753
Cash at bank	32,559,287	9,160,242
Total maximum exposure to credit risk	670,957,680	500,195,995

d) Market risk

Market risk is the risk that a change in the value of an underlying market variable such as interest rates will give rise to an adverse movement in the Company's assets. Interest rate risk exists where assets and liabilities have interest rates set under a different basis or reset at different times. Interest on the senior notes is determined and payable monthly in arrears. The Company is exposed to interest rate risk, because the Loans are subject to fixed interest rates. The Company minimises its exposure to interest rate risk by ensuring that the level of over collateralisation inherent within the Deemed Loan relative to the Notes is sufficient to cover any mismatch in the interest rate characteristics of its assets and liabilities.

e) Liquidity risk

Liquidity risk is the risk that liabilities cannot be met when they fall due or can only be met at an uneconomical price.

The following table analyses the contractual maturities of the Company's on-balance sheet financial liabilities including interest payable on an undiscounted cash flow basis.

	On demand	In less than three months	In more than three months but not more than six months	In more than six months but not more than one year	In more than one year but not more than five years	In more than five years	Total
	£	£	£	£	£	£	£
At 31 July 2023							
Debt securities in issue	-	10,495,111	12,042,482	22,568,313	718,352,898	-	763,458,804
	-	10,495,111	12,042,482	22,568,313	718,352,898	-	763,458,804
At 31 July 2022							
Debt securities in issue	-	2,432,809	222,698,407	279,039,314	-	-	504,170,530
	-	2,432,809	222,698,407	279,039,314	-	-	504,170,530

Close PF Funding I Limited
Notes to the financial statements (continued)
For the year ended 31 July 2023

13. Related Party Transactions

CSC Corporate Services (UK) Limited is the legal parent by holding the share capital of the Company, but from an accounting perspective, the controlling party is CBL. Therefore, CBL is considered a related party to the Company. The principal activity of the Company is to issue discount facilities. As at 31 July 2023, there were £650 million (2022: £500 million) of discount facilities in issue.

As at 31 July 2023, the balance of the Deemed loan to CBL was £638 million. This was achieved through the issue of £650 million (2022: £500 million) of discount facilities by a third party. There was interest of £25.2 million (2022: £6.9 million) to the Company from CBL on the Deemed loan as at 31 July 2023. Accrued interest due to the Company from CBL on the Deemed loan as at 31 July 2023 was £654,731 (2022: £146,250).

Other than these transactions, there have been fees paid to CSC Capital Markets UK Limited of £54,672 for the year ended 31 July 2023 (2022: £28,724).

14. Ultimate Parent Undertaking

The share in the Company is held by CSC Corporate Services (UK) Limited under a declaration of trust for charitable purposes. CBL consolidates the financial statements of the Company based on retaining the majority of the risks and rewards of the securitisation transaction.

The parent undertaking of the largest company of undertakings for which Company financial statements are drawn up is Close Brothers Group plc, the ultimate parent undertaking, which is a listed company registered in England and Wales. The parent undertaking of the smallest such company is Close Brothers Limited, registered in England and Wales. Copies of the financial statements of both Close Brothers Group plc and Close Brothers Limited may be obtained from 10 Crown Place, London EC2A 4FT.

15. Events after the balance sheet date

There are no significant events after the reporting period affecting the Company.