Registered number: 13012841

BLITZEN SECURITIES NO.1 PLC
(FORMERLY ATHENA SPV PLC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 12 NOVEMBER 2020 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

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COMPANY INFORMATION

Directors	Aline Sternberg (appointed 12 November 2020) CSC Directors (No. 1) Limited (appointed 12 November 2020) CSC Directors (No. 2) Limited (appointed 12 November 2020)
Company secretary	CSC Corporate Services (UK) Limited 5 Churchill PLace 10th Floor London E14 5HU United Kingdom
Registered number	13012841
Registered office	5 Churchill Place 10th Floor London E14 5HU United Kingdom
Independent auditors	PricewaterhouseCoopers LLP 7 More London Riverside SE1 2RT United Kingdom
Bankers	Santander UK PLC 2 Triton Square Regent’s Place London NW1 3AN United Kingdom

STRATEGIC REPORT
FOR THE PERIOD FROM 12 NOVEMBER 2020 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

Introduction

The Directors present the Strategic Report on Blitzen Securities No.1 Plc (formerly Athena SPV Plc) (the "Company") for the period from 12 November 2020 (date of incorporation) to 31 December 2021.

Principal activities, business review and future developments

The Company was incorporated on 12 November 2020 in the United Kingdom as a special purpose vehicle ("SPV") for the purpose of acquiring mortgage loans (the "Mortgage Loans"). On 20 August 2021, the Company acquired a series of UK residential mortgages (the "Transaction") from Blitzen BidCo No.1 DAC (formerly Janerose DAC) (the "Seller"). The Mortgage Loans were originated by Santander UK Plc (the "Original Sellers"). The Mortgage Loans are secured by residential properties located in England and Wales. Santander UK Plc acts as a mortgage administrator and servicer (the "Servicer") of the Company.

The Company is funded through the issuance of notes (the "Notes") which are listed on the London Stock Exchange.The Notes have a maturity date of December 2062. The Company has also issued three classes of certificates (the "Certificates") to the Seller, being the mechanism by which deferred consideration for the purchase of the Mortgage Loans is paid. The Certificates do not have a principal balance associated with them. The Class Y Certificates receive payments on a monthly basis based on the outstanding balance of the Mortgage Loans. RC1 and RC2 Certificates receive payments on a monthly basis from the residual funds in the priority of payments to the extent funds are available. The Seller subsequently transferred the Certificates to other parties.

The sale of the Mortgage Loans by the Seller to the Company are deemed to have achieved derecognition under the financial reporting standard IAS 39: Financial Instruments: Recognition and Measurement, adopted per section 11 of FRS 102. The Seller was deemed to have transferred significantly all the risks and rewards of ownership to the Company. It follows therefore that the Mortgage Loans have been recognised directly on the Balance Sheet of the Company.

At the end of the reporting period, the closing balance of the Mortgage Loans amounted to £572,216,532. Repayments during the financial period amounted to £15,780,888. There were other movements as detailed in Note 9.

Prospects for UK economic performance remain uncertain. The medium and longer-term impacts of Covid-19, together with the implications of the UK’s new trading relationships post-Brexit and geopolitical tensions (heightened following the Russian military invasion of Ukraine) are still to be determined. This has resulted in significant 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 Mortgage Loans.

While the extent and duration of the effect of this economic uncertainty remains unclear, there is a risk of financial instability for the Company - for example a detrimental effect on the UK economy may ultimately impact the borrowers’ ability to repay the Mortgage Loans. However, as at the report date there has been no material impact from these macroeconomic factors on the Company’s financial performance or cash flows. As the Notes are a limited recourse obligation of the Company, the Company is not ultimately exposed to losses if the Borrowers are unable to repay the Mortgage Loans. The Company will continue to monitor the effect these macroeconomic factors have on Borrowers ability to service their Mortgage Loans and on UK property prices, and therefore the performance of the Company.

Streamlined Energy and Carbon Reporting

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

Financial key performance indicators

Given the nature of the Company's activities, the Directors consider the performance of the Mortgage Loans portfolio to be the key performance indicator for the Company and the related borrowing under the Notes. The balance of the Mortgage Loans was £571,773,403 as at 31 December 2021 and impairment provision of £60,223 was recognised against the portfolio. The outstanding balance on the Issued Notes and Certificates is £585,561,399 as at 31 December 2021.

At the end of the financial period there was 3,572 loans with a weighted average loan to value of 90.67%. The loan to value ratios were updated at the end of the financial period. There was one loan with arrears of over 90 days.

Financial Instruments

The Company's operations are financed primarily by the Notes. The Company issued the Notes to finance the acquisition of the Mortgage Loans. Santander UK Plc administers the Mortgage Loans under a servicer agreement with the Company. In administering the Mortgage Loans, the Servicers applies their own formal risk management and control procedures with respect to the day-to-day management of the portfolio. The derivative instruments utilised by the Company are interest rate swaps. Such instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure of the Company in line with the Company's risk management policy.

Principal risks and uncertainties

Whilst the Directors have overall responsibility for the establishment and oversight of the Company's risk management framework, this obligation has been allocated and managed in accordance with the transaction documents. The Company is mainly exposed to credit risk, liquidity risk, market risk, interest rate risk and capital risk management. The principal nature of such risks is summarised below.

Credit risk
Credit risk reflects the risk that the underlying borrowers or other transaction parties will not meet their obligations as they fall due. The Company purchased the Mortgage Loans in adherence with an underlying asset purchase agreement and stated eligibility criteria therein. These criteria are in place to manage the credit risk of the Mortgage Loans that the Company is exposed to. Credit risk is minimised by the fact that the collateral underlying the Mortgage Loans is deemed to be good quality and provide a steady cash flow for the Company to discharge all expenses. Credit risk is monitored and managed on a regular basis through preparation and review of monthly investor and servicer reports which are reviewed in detail by senior management. The Company assesses the recoverability of its assets at each balance sheet date and makes an allowance for incurred but not yet identified losses.

Liquidity risk
Liquidity risk is defined as the risk of being unable to fulfil current or future payment obligations in full on the due date. The objective of the Company's liquidity management is to ensure that sufficient funds are available to meet the Company's commitments. Liquidity risk is minimised by the fact that repayments are made on the issued Notes and Certificates only to the extent that funds are available on the basis of limited recourse. The Company can also use the general reserve fund to manage any remaining liquidity risk. The general reserve fund includes proceeds initially funded from the proceeds of the issuance of the Notes and thereafter available revenue receipts are applied to top up the general reserve to the liquidity reserve target (if required) in accordance with the Pre-Enforcement Revenue Priority of Payments.

Market risk
Market risk refers to the potential loss arising from changes in interest rates which is covered below. The Company is not exposed to currency risk as all its financial instruments are denominated in British pound sterling (GBP) (£).

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD FROM 12 NOVEMBER 2020 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

The Company is exposed to market risk in the form of movements in the fair value of interest rate swap which the Company has entered into.

Interest rate risk
Interest rate risk exists where interest rates on assets and liabilities are set on different bases or reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar. Where this is not possible the Company uses derivative financial instruments to mitigate any residual interest rate risk. At the financial period end the Company was party to interest rate swap to hedge against interest rate risk arising from the resetting of interest rates of assets and liabilities on different bases.

Capital risk 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 the minimum requirement.

Directors' statement of compliance with Section 172(1) of the Companies Act 2006

As an SPV the governance structure of the Company is such that the key policies have been predetermined at the time of issuance. The Directors have had regards to the matters set out in section 172(1) of the Companies Act 2006 as follows:

a) the transaction documents have been formulated to achieve the Company’s purpose and business objectives, safeguard the assets and promote the success of the Company with a long term view and as disclosed in Note 1 in accordance with relevant securitisation legislation the Company is only permitted to retain minimal profit;
b) the Company has no employees;
c) the Company is a securitisation vehicle and fosters its relationships with suppliers and others via professional third parties who have been assigned operational roles with their roles strictly governed by the transaction documents and fee arrangements agreed in advance. The Company has no customers.
d) as a securitisation vehicle the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment;
e) the Company maintains a reputation for high standards of business conduct via professional third parties who have been assigned operational roles. Fee arrangements have been agreed in advance and supplier invoices paid strictly in accordance with the transaction documents including a priority of payments, if applicable; and
f) the Company has a sole member with the issued shares all held on a discretionary trust basis for charitable purpose.

This report was approved by the board on 8 August 2022 and signed on its behalf by:

Aline Sternberg per pro CSC Directors (No.1) Limited
Director

DIRECTORS' REPORT
FOR THE PERIOD FROM 12 NOVEMBER 2020 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

The Directors present their report and the financial statements of the Company for the period from 12 November 2020 (date of incorporation) to 31 December 2021.

Corporate governance

The Directors have been charged with governance in accordance with the underlying transaction documents describing the structure and operation of the transaction. The governance structure of the Company is such that the key activities have been predetermined and the operational roles have been assigned to third parties and are strictly governed by the corresponding transaction documents concerning those roles.

The transaction documents provide 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 in 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 all statutory obligations.

As the Company has only debt securities listed on the London Stock Exchange, it has availed itself of an exemption from the Financial Conduct Authority’s requirement to make corporate governance disclosures and from auditor review thereof.

Due to the nature of the securities which have been issued on the London Stock Exchange, the Directors are satisfied that there is no requirement to publish a corporate governance statement and that the Company is exempt from the disclosure requirements of the provisions of the UK Code Corporate Governance.

Share capital

The issued share capital consists of 49,999 Ordinary Shares of £1 each of which 25% partly paid and 1 Ordinary Share of £1 fully paid.

Statement of Directors' responsibilities in respect of the financial statement

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

Company law requires the Directors to prepare financial statements for each financial period. 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 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; 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 also responsible for safeguarding the assets of the and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Results and dividends

The profit for the period, after taxation, amounted to £10,187,153. The excess profit were due to the fair value adjustment on the interest rate swap for the period ended 31 December 2021. The Company retains the right to £300 of available revenue receipts from the beneficial interest in the Mortgage Loans each month, to the extent sufficient cash is available for such retention.

The Directors do not recommend the payment of a dividend for the period ended 31 December 2021.

Directors' and Company shareholdings

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

Aline Sternberg (appointed 12 November 2020)
CSC Directors (No. 1) Limited (appointed 12 November 2020)
CSC Directors (No. 2) Limited (appointed 12 November 2020)

CSC Corporate Services (UK) Limited was appointed company secretary on 12 November 2020 and continued to act as secretary for the financial period ending 31 December 2021. The Directors and their immediate relatives did not hold a beneficial interest in the ordinary share capital of the Company.

Directors' interest in contracts

The Company has no employees. CSC Capital Markets Limited provides corporate services to the Company at arm's length commercial rates. CSC Capital Markets Limited received fees in the amount of £33,126 for corporate administrative services which includes the provision of directorship services by its employees. The Directors provided are not remunerated directly by the Company for their services.

Going concern

The Directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet its obligations as they fall due. The Directors are satisfied that the financial statements are prepared on a going concern basis due to the ongoing performance of the Mortgage Loans, the existence of a liquidity reserve fund and the limited recourse nature of the Issued Notes.

The UK currently faces significant uncertainty and changes in the macro economic environment which the directors expect to have the greatest impact on the Company, due to their impact on the performance of the Mortgage Loans (in particular, future cash flows, default rates and collateral values). This uncertainty is greater than historical levels of uncertainty, due to COVID-19, Brexit and geopolitical tensions (heightened following the Russian military invasion of Ukraine). 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 Mortgage Loan.

While the extent and duration of the effect of this economic uncertainty remains unclear, there is a risk of financial instability for the Company - for example a detrimental effect on the UK economy may ultimately impact the borrowers' ability to repay the Mortgage Loans, or on the Servicer's ability to continue to effectively service the Mortgage Loans. However, as at the report date there has been no material impact from these macroeconomic factors on the Company's financial performance or cash flows

As the Notes are a limited recourse obligation of the Company, the Company is not ultimately exposed if the Borrowers are unable to repay the Mortgage Loans.

The Company will continue to monitor the effect these macro economic factors have on borrowers ability to service their Mortgage Loans and on UK property prices, and therefore the performance of the Company.

The management and Directors do not believe, given the current operational level and liquidity resources and cash outflows over the coming 12 months, that COVID-19 and other factors mentioned above create a material uncertainty that casts a significant doubt over the Company's ability to continue as a going concern in the next 12 months after the date of signing the financial statements. An analysis has been carried out by the management on the performance of the Mortgage Loans in relation to COVID-19.

The Directors have performed an assessment of going concern with respect to the above factors. In terms of considering going concern, the focus was upon the Company's position in respect of the potential for reduced cash flows to trigger an Event of Default, the availability of existing funding to support the Company, and the operational resilience of the company. The Directors have concluded should there be an economic downturn drastic enough to materially impair revenue receipts from the portfolio, the Company's reserve fund is sufficient to cover senior interest and expense obligations of the Company for a period in excess of 12 months following the date of approval of the annual report and financial statements.

Financial risk management

Information on financial risk management is included in the principal risks and uncertainties section of the Strategic Report.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD FROM 12 NOVEMBER 2020 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

Charitable and political donations

During the period the Company donated £nil to charities. The Company has never made political donations.

Third party indemnities

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

Independent Auditors

PricewaterhouseCoopers LLP were appointed by the Directors as the independent auditors of the Company in the period. Under section 491(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Future developments

Information on future developments is included in the principal activities, business review and future developments section of the Strategic Report.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- 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 ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Subsequent events

There have been no significant events affecting the Company since the period end.

This report was approved by the board on 8 August 2022 and signed on its

behalf.

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Aline Sternberg per pro CSC Directors (No.1) Limited
Director

Independent auditors' report to the members of Blitzen Securities No.1 Plc

Report on the audit of the financial statements

Opinion

In our opinion, Blitzen Securities No.1 Plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit and cash flows for the period from 12 November 2020 to 31 December 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 December 2021; the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the period 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

Context

The Company is a special purpose entity ("SPE") that forms part of a securitisation structure, established for the purpose of acquiring and managing mortgage loans (the "Mortgage Loans") via the issuance of mortgage-backed notes (the "Notes") and certificates. The Notes issued by the Company are listed on the London Stock Exchange. The activities of the Company are conducted primarily by reference to a series of transaction documents (the "Transaction Documents"). The Company was incorporated on 12 November 2020 in the United Kingdom and this is the first period of audit.

Overview

Audit scope

- The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment and other qualitative factors.
- We tailored the scope of our audit to ensure that we performed sufficient work to enable us to opine on the financial statements.
- We identified all material financial statement line items and disclosures including those that were considered qualitatively material, and conducted our work over those accordingly.

Key audit matters

- Impairment of Mortgage Loans
- Errors in accounting due to lack of understanding of the underlying transaction including waterfall

Materiality

- Overall materiality: £5,963,597 based on 1% of total assets.
- Performance materiality: £4,472,698.

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.

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.

Key audit matter	**How our audit addressed the key audit matter**
Impairment of Mortgage Loans The Company's financial statements are prepared in accordance with FRS 102 and therefore the Company calculates provisions for impairment on the Mortgage Loans on an incurred-loss basis. At the balance sheet date, the Company assesses whether there is objective evidence of impairment (a "loss event") incurred during the period. Provisions for impairment on the Mortgage Loans are calculated as the difference between the carrying value and the expected recoverable amount of the loan balance at the balance sheet date. There is inherent uncertainty in determining the, impairment provision against the Mortgage Loans resulting from the assumptions as disclosed in Note	In response to this key audit matter: • We obtained an understanding and evaluated the design of the relevant controls; • As part of our risk assessment procedures, we performed sensitivity analysis on the impairment calculation to identify the significant assumptions as mentioned in note 2.10 and their impacts; • We obtained and tested the reasonableness of significant assumptions and judgements used in the impairment modelling and provisioning applied by management;

2.10 of the financial statements and therefore this represents a key audit matter. Related disclosures in the financial statements: Note 2.7- Financial instruments – Impairment Note 2.10 – Critical accounting estimates and judgements Note 9 – Mortgage Loans Note 17 – Financial risk management - Credit risk.	• We tested the mathematical accuracy of the model used to calculate the impairment provision; • We performed testing over the underlying legal loan documentation and the records of the servicer; • We tested on a sample basis, Mortgage Loans which are not impaired, to confirm there are no indicators of impairment; • We recalculated recoverable amount for Mortgage Loans, that were impaired, by independently sourcing the publicly available UK property indices and using the assumptions from the management's impairment model; • We tested the arrears balance and related arrears profile as at the balance sheet date, a key impairment indicator used by management, by confirming for a sample of loans that all principal and interest payments, including post-year end payments, were received in line with the loan agreements and agreed sample receipts to bank statements; • We tested, on a sample basis, the existence of a legal charge over the property against which the Mortgage Loans are secured; and • Reviewed the performance of the Mortgage Loans post year end to identify any incurred but not reported loss events as at year end. We have no matters to note in relation to the above procedures.
Errors in accounting due to lack of understanding of the underlying transaction including waterfall As this was the first period for which financial statements were prepared there is a risk that due to unfamiliarity, the accounting did not fully reflect all aspects of the underlying transaction and/or payments made by the Company did not adhere to the prevailing priority of payments. The Mortgage Loans and the Issued Notes and Certificates are accounted for at amortised cost using the effective interest rate method and will be reduced by any capital redemptions occurring during the period. Such accounting can be complex and requires various judgements by the directors. Cash receipts in respect of the Mortgage Loans are required by the underlying Transaction Documents to be paid out in line with the prevailing priority of payments (or "Waterfall"). As such, payments (including those pertaining to the Note and Certificate liabilities) are made, subject to cash being available, via application of the Waterfall. Related disclosures in the financial statements: Note 2 - Accounting policies Note 9 - Mortgage Loans Note 12 and 13 – Creditors Note 17 - Financial risk management	In response to this key audit matter we have: • Reviewed the terms of the securitisation, as set out in the Transaction Documents, against the derecognition, classification and measurement criteria of IAS 39, in order to validate the appropriateness of the director's conclusions regarding the accounting for the Company's purchase of a beneficial interest in the Mortgage Loans and issuance of Notes and Certificates liabilities; • Based on the investor reports tested whether the priority of payments applied in the Waterfall is consistent with the transaction documents; • Tested, on a sample basis, the movements in the Mortgage Loans and assessed their reasonableness with the investor and servicer reports; and • Traced a sample of payments in the Waterfall to bank statements. We have no matters to note in relation to the above procedures.

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:

Overall company materiality	£5,963,597.
How we determined it	1% of total assets
Rationale for benchmark applied	As an SPE is established as a not for profit entity, funded almost entirely by debt, it would follow that users focus their attention on the SPE's total assets as suggested by ISA (UK) 320 paragraph A3. It is therefore considered appropriate that overall materiality be calculated as 1% of total assets.

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 £4,472,698 for the Company financial statements.

In determining the performance materiality, we considered a number of factors - risk assessment and aggregation risk - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the directors that we would report to them misstatements identified during our audit above £298,180 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:

- Reviewing the directors' going concern assessment. This sets out why the directors believe that the Company will continue in operational existence for the foreseeable future and why they anticipate that the Company will have adequate funds available to meet its obligation as they fall due;
- An assessment to identify factors that could impact the going concern basis of accounting, including the key terms of the transaction as set out in the Transaction Documents, such as what constitutes an event of default;
- Analysing the levels of non-deferrable expenses and payments and considered the sufficiency of liquidity to cover such expenses as well as assessing the sensitivity to potential reductions in future cash receipts from the Mortgage Loans;
- Inspecting the Transaction Documents to agree that the Notes are limited recourse instruments and that certain expenses can be deferred if there are insufficient funds; and
- Assessing the appropriateness of the disclosures in the financial statements.

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 period ended 31 December 2021 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 listing requirements of the London Stock Exchange under which the offering circular dated 18 August 2021 was issued or of 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 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 bias in accounting estimates and posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Making inquiries with those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Testing, on a sample basis, that the priority of payments has been applied in accordance with the underlying Transaction Documents;
- Testing of the reconciliation of the financial statements to the period end servicer's reports and to the bank statements of the Company;
- Testing journals using a risk-based approach and evaluating whether there was evidence of bias; and
- Audit procedures performed over key accounting estimates including impairment of Mortgage Loans (See KAM above).

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.

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 02 August 2021 to audit the financial statements for the period ended 31 December 2021 and subsequent financial periods. This is therefore our first period of uninterrupted engagement.

Jessica Miller (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 August 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 12 NOVEMBER 2020 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

	Note	For the period from 12 November 2020 (date of incorporation) to 31 December 2021 £
Interest receivable and similar income	3	**4,973,476**
Interest payable and similar expenses	4	**(2,711,547)**
Net interest income		**2,261,929**
Administrative expenses	5	**(2,337,340)**
Change in fair value of interest rate swap	10	**10,323,015**
Impairment expense	9	**(60,223)**
Profit before taxation		**10,187,381**
Tax on profit	8	**(228)**
Profit for the financial period		**10,187,153**
Other comprehensive income for the period		
Other comprehensive income for the period		**-**
Total comprehensive income for the period		**10,187,153**

The notes on pages 20 to 34 form an integral part of these financial statements.

All amounts relate to continuing activities.

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £
Non-current assets			
Mortgage Loans	9		**557,505,875**
Debtors: amounts falling due after more than one year	10		**10,335,516**
			567,841,391
Current assets			
Mortgage Loans	9	**14,710,657**	
Debtors: amounts falling due within one year	10	**1,066,379**	
Cash and cash equivalents (Restricted)	11	**12,741,302**	
		28,518,338	
Creditors: amounts falling due within one year	12	**(18,169,892)**	
Net current assets			**10,348,446**
Total assets less current liabilities			**578,189,837**
Creditors: amounts falling due after more than one year	13		**(567,990,183)**
Net assets			**10,199,654**
Capital and reserves			
Called up share capital	14		**12,501**
Profit and loss account			**10,187,153**
Total Shareholder's funds			**10,199,654**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 August 2022.

Aline Sternberg per pro CSC Directors (No.1) Limited
Director

The notes **on pages 20 to 34** form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 12 NOVEMBER 2020 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Shareholders' equity
	£	£	£
At 12 November 2020 (date of incorporation)	-	-	-
Comprehensive income for the period			
Profit for the period	-	10,187,153	10,187,153
Total comprehensive income for the period	-	10,187,153	10,187,153
Contributions by and distributions to owners			
Shares issued during the period	12,501	-	12,501
Total transactions with owners	12,501	-	12,501
At 31 December 2021	12,501	10,187,153	10,199,654

The notes on pages 20 to 34 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 12 NOVEMBER 2020 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

	2021 £
Cash flows from operating activities	
Profit for the financial period	**10,187,381**
Adjustments for:	
Impairment expense	**60,223**
Interest payable and similar expenses	**2,711,547**
Interest receivable and similar income	**(4,973,476)**
Increase in debtors	**(57,624)**
Increase in creditors	**408,644**
Change in the fair value of interest rate swap	**(10,323,015)**
Net cash used in operating activities	**(1,986,320)**
Cash flows from investing activities	
Purchase of mortgage loans	**(588,057,644)**
Principal repayments on mortgage loans	**15,780,888**
Interest received on Mortgage Loans	**3,952,220**
Net cash used in investing activities	**(568,324,536)**
Cash flows from financing activities	
Issue of ordinary shares	**12,501**
Issue of Notes and Certificates	**599,694,326**
Repayment of Notes and Certificates	**(14,388,801)**
Interest paid	**(2,265,868)**
Net cash generated from financing activities	**583,052,158**
Net increase in cash and cash equivalents	**12,741,302**
Cash and cash equivalents at the end of period	**12,741,302**
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	**12,741,302**
	12,741,302

The notes on pages 20 to 34 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 12 NOVEMBER 2020 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

1. General information

Blitzen Securities No.1 PLC (formerly Athena SPV Plc) (the "Company") was incorporated on 12 November 2020 in the United Kingdom as a public limited company (limited by shares). The Company was set up as a special purpose vehicle for the purpose of acquiring financial assets, including, principally, purchasing Mortgage Loans and related security. The registered office address is 10th Floor, 5 Churchill Place, London, E14 5HU, England, United Kingdom.

The Company was incorporated as a special purpose vehicle ("SPV") for the purpose of acquiring mortgage loans (the "Mortgage Loans"). On 20 August 2021, the Company acquired a series of UK residential mortgages (the "Transaction") from Blitzen BidCo No.1 DAC (the "Seller"). The Mortgage Loans were originated by Santander UK Plc (the "Original Seller"). The Mortgage Loans are secured by residential properties located in England and Wales. The Company is funded through the issuance of notes (the "Notes") which are listed on the London Stock Exchange. The Notes have a maturity date of December 2062. The Notes are limited recourse in nature. Santander UK Plc acts as a mortgage administrator and servicer (the "Servicer") of the Company.

Statement of Compliance

The Company has adopted and is in compliance with United Kingdom Accounting Standards, Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (the “FRS 102”) and the Companies Act 2006.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. In accordance with Section 11 of FRS 102, the provisions of IAS 39 have been adopted with respect to the recognition and measurement of financial instruments.

The Company has adopted in full IAS 39 with respect to the recognition and measurement of financial instruments. The accounting policies which have been applied consistently throughout the period to the Company’s financial statements are set out below.

The Company’s functional and presentation currency is the pound sterling (£).

The accounts are prepared for the period from 12 November 2020 (date of incorporation) to 31 December 2021.

2.2 Adjusting of Statement of Comprehensive Income

The Directors have adjusted the format of the statement of comprehensive income as allowed under the Companies Act 2006. This adjustment takes into account the opinion of the Directors that net interest income constitutes a more appropriate reflection of the Company’s activities than turnover and cost of sale in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.3 Going concern

The Directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet its obligations as they fall due. The Directors are satisfied that the financial statements are prepared on a going concern basis due to the ongoing performance of the Mortgage Loans, the existence of a liquidity reserve fund and the limited recourse nature of the Issued Notes.

The UK currently faces significant uncertainty and changes in the macro economic environment which the directors expect to have the greatest impact on the Company, due to their impact on the performance of the Mortgage Loans (in particular, future cash flows, default rates and collateral values). This uncertainty is greater than historical levels of uncertainty, due to COVID-19, Brexit and geopolitical tensions (heightened following the Russian military invasion of Ukraine). 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 Mortgage Loan.

While the extent and duration of the effect of this economic uncertainty remains unclear, there is a risk of financial instability for the Company - for example a detrimental effect on the UK economy may ultimately impact the borrowers’ ability to repay the Mortgage Loans, or on the Servicer’s ability to continue to effectively service the Mortgage Loans. However, as at the report date there has been no material impact from these macroeconomic factors on the Company’s financial performance or cash flows.

As the Notes are a limited recourse obligation of the Company, the Company is not ultimately exposed if the Borrowers are unable to repay the Mortgage Loans.

The Company will continue to monitor the effect these macro economic factors have on borrowers ability to service their Mortgage Loans and on UK property prices, and therefore the performance of the Company.

The management and Directors do not believe, given the current operational level and liquidity resources and cash outflows over the coming 12 months, that COVID-19 and other factors mentioned above create a material uncertainty that casts a significant doubt over the Company’s ability to continue as a going concern in the next 12 months after the date of signing the financial statements. An analysis has been carried out on the performance of the Mortgage Loans in relation to COVID-19.

The Directors have performed an assessment of going concern with respect to the above factors and other factors. In terms of considering going concern, the focus was upon the Company’s position in respect of the potential for reduced cash flows to trigger an Event of Default, the availability of existing funding to support the Company, and the operational resilience of the company. The Directors have concluded should there be an economic downturn drastic enough to materially impair revenue receipts from the portfolio, the Company’s reserve fund is sufficient to cover senior interest and expense obligations of the Company for a period in excess of 12 months following the date of approval of the annual report and financial statements.

2. Accounting policies (continued)

2.4 Foreign currency translation

These financial statements are presented in GBP (£) which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates.

2.5 Interest income and expense recognition

Interest income and expense are recognised within 'interest receivable and similar income' and 'interest payable and similar expenses' in the Statement of Comprehensive Income. Accrued interest income and accrued interest expense are recognised in other debtors and creditors on the Balance Sheet.

The Company accounts for interest income and interest expense on an effective interest rate basis. The effective interest rate 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 relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through 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 Company estimates cashflows considering all contractual terms of the financial instrument but does not consider future credit losses.

2.6 Operating segments

The Company has not disclosed segmental information because in the opinion of the Directors the Company operates in one business sector and one geographic segment and generates all income in the United Kingdom.

2.7 Financial instruments

Mortgage loans

The Mortgage Loans are classified under IAS 39 as loans and receivables, being non-derivative financial instruments with fixed or determinable repayments that are not quoted in an active market. The Mortgage Loans are measured initially at their fair value, and subsequently at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through 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 Company estimates cashflows considering all contractual terms of the financial instrument but does not consider future credit losses. The premium on the Mortgage Loans is amortised to the profit and loss account over the expected life of the Mortgage Portfolio. Amortisation is charged on a straight line basis.

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Notes and Certificates

The Notes are classified as other financial liabilities and are initially recognised at fair value at the date of issuance of the liability, and are subsequently measured at amortised cost using the effective interest rate method. The Certificates derived its fair value from the transaction purchase price at the date of issuance. The Company issued Certificates to the Seller of the Mortgage Loans for nil consideration, which are the mechanism through which the deferred consideration is paid, contingent on the performance of the Mortgage Loans. The Seller subsequently transferred these Certificates to other parties. The fair value of the Certificates at the date of issue was calculated using a discounted cashflow model.

Impairment

Impairment is recognised on a portfolio basis against the carrying value of the Mortgage Loans when there is objective evidence of a loss event having occurred. Such loss events are considered to include breaches of predetermined arrears levels as well as the occurrence of certain borrower circumstances deemed detrimental to borrower credit worthiness.

The Company measures the amount of any impairment loss as the difference between the carrying value of Mortgage Loans and the present value of the revised future cash flows following a loss event, which inherently takes into account the expected value of any related security i.e. the underlying properties. The Company does not consider a payment holiday as a loss event automatically but considered the behavioral aspects of these loans in conjunction with other factors to determine whether together they indicates the presence of a loss event.

Derivatives

The derivative instruments utilised by the Company are interest rate swaps. Such instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure of the Company in line with the Company's risk management policy. Derivative financial instruments are classified as held for trading and recorded at fair value, with any gain or loss on re-measurement being recognised in the Statement of comprehensive income. The Company does not enter into speculative derivative contracts. The Company does not apply hedge accounting. The fair value of the derivative instruments is the estimated amount that the Company would receive or pay to terminate the swap at the reporting date and is calculated by discounting future cash flows using observable market data at that date. The fair value of the derivative financial instruments is derived from counterparty valuations.

2. Accounting policies (continued)

2.8 Taxation

The Directors are satisfied that the Company meets the definition of a “securitisation company” under the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) and that no incremental unfunded tax liabilities will arise. As a result, no deferred tax is recognised.

Corporation tax for a securitisation Company is calculated by reference to the required cash retained as ‘profit’ per the underlying transaction documentation.

2.9 Cash and cash equivalents (restricted)

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

All withdrawals from the Company’s bank accounts are governed by the detailed priority of payments set out in the underlying transaction documentation and as such are considered restricted.

2.10 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial period in which the estimates are revised if the revision affects only that financial period or in the financial period of the revision and future years if the revision affects both current and future financial periods. Following judgment and estimates are considered significant for the Financial Statements.

Critical Judgements

Recognition of the Mortgage Loans

On 20 August 2021, the Company acquired a series of UK residential mortgages from the Seller. The sale of the Mortgage Loans by the Seller to the Company are deemed to have achieved derecognition under the financial reporting standard IAS 39: Financial Instruments: Recognition and Measurement. The Seller was deemed to have transferred significantly all the risks and rewards of ownership to the Company. It follows therefore that the Mortgage Loans have been recognised directly in the Balance Sheet of the Company.

2. Accounting policies (continued)

Critical accounting judgements (continued)

Estimates

Impairment of the Mortgage Loans
The Company measures the amount of any impairment loss as the difference between the carrying value of Mortgage Loans and the present value of the revised future cash flows following a loss event, which inherently takes into account the expected value of any related security i.e. the underlying properties.

The recoverability of the Mortgage Loans is dependent on the collections from the borrowers. Mortgage Loans are considered in default when the borrower has missed the equivalent of three full payments. The key assumptions for recoverability relate to estimates of the probability of any account going into default, cash flows from borrowers' accounts, their timing and expected proceeds from the sale of repossessed collateral. Based on Bank of England forecasts the Directors would expect a Forced Sale Discount to be applied to the property value of a Mortgage Loan on the sale of repossessed collateral. The value of the potential repossessed collateral was based on the indexed property valuation available at 31 December 2021.

Management has performed sensitivity analysis of the key inputs and assumptions used in the calculation of impairment. The results of the sensitivities do not have any material impact therefore these are not disclosed in the financial statements.

These key assumptions are based on observed data from historical patterns and are updated by the servicer as new data becomes available.

In addition, the Directors consider how appropriate past trends and patterns could impact the current emerging trends and issues related to borrower's incomes, viability of employment and use of support measure such as payment holidays. Future micro and macro-economic factors will potentially impact future repayment conditions and the future value of underlying collateral. The accuracy of impairment calculations would therefore be affected by unexpected changes to the economic situation, variances between the models used and the actual results, or assumptions which differ from the actual outcomes. As the 31 December 2021, there were no significant loans in arrears, The Directors have also considered the performance of loans post period end to identify any incurred but not reported credit events. Based on the above factors there is impairment provision of £60,223 recorded in the financial statements in the current financial period.

Initial and subsequent recognition of Certificates
The Company has also issued the Certificates to the Seller as part of the purchase consideration of the Mortgage loans. The Certificates have a nil notional value and represent the right to deferred consideration for the sale of the Mortgage Loans. The fair value of the Certificates at the date of issue was calculated using a discounted cashflow model. The assumptions used in this model were the constant prepayment rate and the average interest rate of the loans as per the prospectus. Additional assumptions were made around the discount rate and the expected life of the Mortgage Portfolio. The Certificates are subsequently carried at amortised cost using the effective interest rate. Adverse economic conditions could extend the life of the Mortgage Portfolio in the event that borrowers are not able to complete their payments of their loans. Management has performed reasonable sensitivity analysis of the key inputs and the results are immaterial to be disclosed.

Fair Value of Interest Rate Swap
Please refer to note 2.7 for disclosure on Derivatives.

3. Interest receivable and similar income

	Period from 12 November 2020 to 31 December 2021 £
Interest income on Mortgage Loans	6,202,362
Interest income on bank account	5,282
Interest rate swap income	126,948
Amortisation of premium on Mortgage Loans	(1,361,116)
	4,973,476

4. Interest payable and similar expenses

	Pe iod from 12 No vember 2020 to 3 December 2021 £
Interest expense on Notes and Certificates	1,623,189
Discount amortisation on Notes	(29,892)
Effective interest rate adjustments on Certificates	285,767
Payments on Interest rate swap	832,483
	2,711,547

5. Administrative expenses

	Pe iod from 12 Nov mber 2020 to 3 December 2021 £
Servicer Fees	507,925
Audit Fees	58,200
Other operating expenses	1,771,215
	2,337,340

6. Auditors' remuneration

	Period from 12 November 2020 to 31 December 2021 £
Fees payable (excluding VAT) to the Company's auditors and their associates for the audit of the Company's annual financial statements	**48,500**
VAT	**9,700**
Total	**58,200**

No non-audit services were provided in the period.

7. Employees

The Company has no employees. The Directors received no remuneration from the Company in respect of qualifying services rendered during the financial period. CSC Capital Markets UK Limited as corporate service provider received fees of £33,126 during the financial period of which a portion represents directorship services provided by the Directors of the Company who are also employees of the corporate service provider. The Directors are not paid directly by the Company but their directorship services are reflected in their salary received from the corporate service provider.

8. Tax on profit

	Period from 12 November 2020 to 31 December 2021 £
Corporation tax	
Current tax on profits for the period	**228**
	228
Total current tax	**228**
Total tax for the period	**228**

8. Tax on profit (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 19% as set out below:

	Period from 12 November 2020 to 31 December 2021 £
Profit before tax	**10,187,381**
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	**1,935,602**
Effects of:	
Accounting (profit)/loss not taxed in accordance with SI 2006/3296	**(1,935,602)**
Cash retained profit taxed in accordance with SI 2006/3296 at 19%	**228**
Total tax charge for the period	**228**

Factors that may affect future tax charges

Finance Act 2016 introduced a reduction in the UK corporation tax rate to 17% from 1 April 2020. However, this rate deduction was reversed in the UK Budget in March 2020. Legislation was enacted during the period to confirm the 19% UK corporation tax rate to remain in place until 1 April 2023.

The UK corporation tax rate is due to increase to 25% from 1 April 2023. For UK corporation tax purposes, the Company has been considered as a Securitisation Company under the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296). Therefore, the Company is not required to pay corporation tax on its accounting profit nor recover tax on its loss. Instead, the Company is required to pay tax based on its retained profits of £300 for each interest payment date.

9. Mortgage Loans

	As at 31 December 2021 £
Cost	
Balance as at 12 November 2020	-
Purchased Mortgage Loans	571,235,692
Unamortised Premium on Mortgage Loans	16,814,381
Capitalised Interest	2,065
Principal repayments on Mortgage Loans	(15,780,888)
Advances	5,505
Impairment expense	(60,223)
Net book value	572,216,532
The maturity profile of the loans was as follows:	
In one year or less	14,710,657
In more than one year	557,505,875
	572,216,532

10. Debtors: amounts falling due within one year

	As at 31 December 2021 £
Accrued Interest on Mortgage Loans	1,021,256
Other debtors	45,123
	1,066,379

. Debtors: amounts falling due after more than one year

	As at 31 December 2021 £
Fair value of interest rate swap (see note 17)	10,323,015
Other debtors	12,501
	10,335,516

11. Cash and cash equivalents (Restricted)

	As at 31 December 2021 £
Cash at bank and in hand	12,741,302
	12,741,302

The cash at bank is held with the Santander UK. Santander UK Plc currently holds an A+/A1 credit rating by Moody's.

12. Creditors: Amounts falling due within one year

	As at 31 December 2021 £
Issued Notes	16,857,532
Issued Certificates	713,684
Corporation tax	228
Interest accrual on Notes and Certificates	204,291
Other creditors	394,157
	18,169,892

13. Notes and Certificates

	As at 31 December 2021 £
Amounts falling due within one year	
Issued Notes	16,857,532
Issued Certificates	713,684
	17,571,216
Amounts falling due after more than one year	
Issued Notes	554,225,169
Issued Certificates	13,765,014
	567,990,183
Total Issued Notes and Certificates at 31 December 2021	585,561,399

13. Creditors: Amounts falling due after more than one year (continued)

The Company is funded through the issuance of Notes which are listed on the London Stock Exchange. The Notes have a final maturity date of December 2062. The Company has also issued the Certificates for a nominal value of nil. The fair value of the Certificates at the date of issue was calculated using a discounted cashflow model.

Issued Notes and Certificates	ISIN	Interest rate	Issuance £	Repayments/ Redemptions £	Unamortised Premium £	Amortisation £	Closing balance £
Class A	XS2374596109	SONIA + 0.45%	484,740,000	(11,798,051)	717,415	(29,893)	473,629,471
Class B	XS2374597255	SONIA + 0.95%	25,660,000	-	-	-	25,660,000
Class C	XS2374597503	SONIA + 1.20%	25,660,000	-	-	-	25,660,000
Class D	XS2374597768	SONIA + 1.60%	17,110,000	-	-	-	17,110,000
Class E	XS2374597925	SONIA + 2.75%	11,410,000	-	-	-	11,410,000
Class F	XS2374598576	SONIA + 4.25%	5,698,000	-	-	-	5,698,000
Class X	XS2374608128	SONIA + 4.25%	14,260,000	(2,344,770)	-	-	11,915,230
Class Y Certificate	XS2374723224	N/A	3,395,033	(245,980)	-	(63,638)	3,085,415
Class RC1/RC2 Certificate	XS2374723901	N/A	11,043,877	-	-	349,406	11,393,283
			598,976,910	(14,388,801)	717,415	255,875	585,561,399

14. Called up share capital

	As at 31 December 2021 £
Allotted, called up and fully paid	
1 Ordinary share of £1.00	1
Allotted, called up and partly paid	
49,999 Ordinary Shares of £ 1.00 each of which 25% are partly paid	12,500

15. Ultimate controlling party

The entire share capital of Blitzen Securities No.1 Plc (formerly Athena SPV Plc) is held by Blitzen Securities No.1 Holdings Limited (formerly Athena SPV Holdings Limited), a Company incorporated in the United Kingdom and registered in England and Wales. The entire issued share capital of Holdings is held on a discretionary trust basis under a share trust deed by the legal parent Company, CSC Corporate Services (UK) Limited, a Company incorporated in the United Kingdom and registered in England and Wales. CSC Corporate Services (UK) Limited is a wholly owned subsidiary of CSC Capital Markets UK Limited. However, whilst Blitzen Securities No.1 Holdings Limited (formerly Athena SPV Holdings Limited) is the legal owner of the Company, it does not have any power under the transaction documents. As such, it is not considered to be the Company's controlling party. It is the view of the directors that the Company does not have an ultimate controlling party.

16. Related party transactions

CSC Capital Markets UK Limited entered into an agreement with the Company to certain corporate administrative services, bookkeeping and accounting services to the Company. During the financial period the Company incurred fees of £33,126 from CSC Capital Markets UK Limited. There were no fee paid to Directors by the administrator as a Directors' fee.

17. Financial risk management

The principal risks arising from the Company's financial instruments are liquidity, credit, market risk and interest rate risk. The Company has established policies for managing these risks as outlined below.

Credit Risk

Credit risk is the risk of impairment and partial or total loss of a receivable due to the deterioration of credit quality on the part of the counterparty. The primary assets of the Company are the Mortgage Loans. Credit risk is monitored and managed on a regular basis through preparation and review of monthly investor and servicer reports which are reviewed in detail by senior management. Under the Security Agreements, the Company has first charge over all properties which have been secured on the Mortgage Loans. The loan is 100% secured against collateral. At the end of the financial period there was 3,572 loans with a weighted average loan to value of 90.67%. The loan to value ratios were updated at the end of the financial period. There was one loan with arrears of over 90 days.

The maximum exposure to credit risk at the financial period end is as follows:

	As at 31 December 2021 £
Maximum Credit Risk	
Mortgage Loans	**572,216,532**
Debtors	**11,401,895**
Cash at bank and in hand	**12,741,302**
	596,359,729

The cash at bank is held with the Santander UK Plc. Santander UK Plc currently holds an A+/A1 credit rating by Moody's.

Liquidity Risk

Liquidity risk is defined as the risk of being unable to fulfil current or future payment obligations in full on the due date. The objective of the Company's liquidity management is to ensure the sufficient funds are available to meet the Company's commitments. Liquidity risk is minimised by the fact that the collateral underlying the Mortgage Loans is of a good quality and provides a steady cash flow for the Company to discharge all expenses. The table below analyses the expected cashflows of the financial liabilities at the balance sheet date into relevant maturity groupings.

17. Financial risk management (continued)

Liquidity Risk (continued)

As at 31 December 2021

Liquidity Risk	Carrying Value	From 1 month to 3 months	From 4 months to a year	After 1 year to 5 years	After 5 years	Gross Cashflows
	£	£	£	£	£	£
Issued Notes	(571,082,701)	(4,902,647)	(11,954,885)	(553,537,647)	-	(570,395,179)
Issued Certificates	(14,478,698)	(178,009)	(535,675)	(18,831,658)	-	(19,545,342)
Accrued Interest	(204,291)	(204,291)	-	-	-	(204,291)
Accrued expenses	(394,157)	(394,157)	-	-	-	(394,157)
	(586,159,847)	(5,679,104)	(12,490,560)	(572,369,305)	-	(590,538,969)

Market Risk

Market risk is defined as the potential loss in value or earnings of an organisation arising from changes in external market factors.

The Company is exposed to market risk in the form of interest rate risk.

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different bases or which reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of the Receivables and the Notes (its principal assets and liabilities) are similar. The underlying Mortgage Loans are held at a fixed rate, so the derivatives are in place to hedge the mismatch on the floating Notes. As such, the Company does not have a material net exposure to interest rate risk and therefore no sensitivity analysis is presented.

Fair value of financial assets and liabilities

At the financial period end the Company has an interest rate swap contract with a fair value of £10,323,015 to hedge the risk of fixed interest rates on the Mortgage Loans. The fair value of such interest rate swap contract is derived using the counterparty valuations.

Financial instruments that are measured in the balance sheet at fair value are required to be put into a fair value measurement hierarchy based on fair value measurement as detailed below:

(a) Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
(b) Level 2 Inputs other that 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)
(c) Level 3 Inputs for the asset or liability that are not based on observable market date (that is, unobservable inputs)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The only financial instruments included in the Company’s balance sheet that are measured at fair value are derivative transactions. As the fair value of such derivatives is calculated by discounting future cashflows using appropriate and observable market data, these fall within level 3 of the hierarchy, being a interest rate swap.

18. Contingent liabilities and commitments

There were no contingent liabilities or commitments as of 31 December 2021. Contingent liabilities are assessed continually to determine whether transfers of economic benefits have become probable. Where future transfers of economic benefits charge from previous disclosed contingent liabilities, provisions are recognised in the period in which the changes in probability occur.

19. Post balance sheet events

The invasion of Ukraine in March 2022 has caused significant volatility in international markets. There is significant uncertainty around the impact of the situation on international economies and, as such, the Company is actively monitoring the extent of the impact to its operations, financial accounting and reporting. The scale of this conflict in Europe is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the conflict. While the performance of the Company has not been significantly impacted by the conflict, the directors continue to monitor this situation.