Economic Master Issuer Plc

Company number 12341676

Report & Accounts
for the year ended
31 December 2024

CONTENTS

DIRECTORS' REPORT	2
STRATEGIC REPORT	5
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECONOMIC MASTER ISSUER PLC	9
INCOME STATEMENT	15
STATEMENT OF COMPREHENSIVE INCOME	15
BALANCE SHEET	16
STATEMENT OF CHANGES IN EQUITY	17
STATEMENT OF CASH FLOWS	17
NOTES TO THE ACCOUNTS	18

COMPANY INFORMATION AND INDEPENDENT AUDITORS

Directors
Aline Sternberg
CSC Directors (No.1) Limited
CSC Directors (No.2) Limited
Gary McDermott

Secretary
CSC Corporate Services (UK) Limited

Registered Office
10th Floor
5 Churchill Place
London
United Kingdom
E14 5HU

Registered Number
12341676

Independent Auditors
PricewaterhouseCoopers LLP
One Chamberlain Square
Birmingham
B3 3AX

DIRECTORS' REPORT

The directors have pleasure in presenting their reports (pages 2 to 8) and the audited accounts (pages 15 to 27) (together the Financial Statements) of Economic Master Issuer Plc (the 'Company') for the year ended 31 December 2024.

These Financial Statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006. The accounts are presented in British Pound Sterling, which is the functional currency of the Company.

The Company is a public limited company limited by shares and domiciled in the United Kingdom. The Company is incorporated under the Companies Act 2006 and registered in England and Wales.

INFORMATION INCLUDED IN THE COMPANY'S STRATEGIC REPORT

The Company discloses the following information in its Strategic report:
- Principal activities;
- Principal risks and uncertainties and financial risk management; and
- An indication of the likely future developments in the business.

DIRECTORS AND THEIR INTERESTS

The following persons served as directors of the Company during the year and up to the date of signing the financial statements:

- Aline Sternberg;
- CSC Directors (No.1) Limited;
- CSC Directors (No.2) Limited;
- Lyndon Horwell *(resigned 6 November 2024);* and
- Gary McDermott *(appointed 16 April 2025)*

None of the directors have any beneficial interest in the ordinary share capital of the Company. None of the directors had any interest in any material contract or agreement with the Company during, or at the end of the year under review. Lyndon Horwell was an employee of Coventry Building Society (the 'Society', the 'Seller' and the 'Originator'), whilst a director of the Company, and received no remuneration from the Company. The remaining directors are appointed in their capacity as a corporate administration service. These directors are not directly remunerated by the Company, instead a fee for their services is paid to the corporate services provider. More information is in note 5 to the accounts.

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 Financial Statements.

COMPANY SECRETARY

The Company Secretary since inception has been CSC Corporate Services (UK) Limited.

SHARE CAPITAL

Economic Master Holdings Limited holds the Company's entire issued share capital of 50,000 ordinary shares of £1 each. Of these, 49,999 have been quarter paid and one has been fully paid.

The share capital is held in a client account administered by CSC Capital Markets UK Limited. The balance is held for the benefit of the Company and the account is non-interest bearing.

The issued share capital of Economic Master Holdings Limited is held by CSC Corporate Services (UK) Limited on a discretionary trust basis for the benefit of certain charities. For accounting purposes, the directors consider the Company's ultimate controlling entity to be Coventry Building Society (the 'Society').

DIRECTORS' REPORT (CONTINUED)

RESULTS AND DIVIDENDS

The audited accounts and associated notes to the accounts for the Company, for the year ended 31 December 2024 are set out on pages 15 to 27. The profit for the year after taxation was £8,000 (2023: £6,000) as shown in the Income Statement on page 15. The directors did not pay nor propose the payment of a dividend for the year ended 31 December 2024.

The going concern of the Company has been assessed within the Strategic report.

CORPORATE GOVERNANCE

The directors have been charged with governance in accordance with a series of documents (the 'transaction documents') describing the structure and operation of the Company. The governance structure of the Company is such that the key policies were predetermined at the time of the first issuance, which was July 2020. The operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

The transaction documents set out procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives, in addition to enabling the Company to comply with regulatory obligations.

Due to the nature of the activities, the Company is largely exempt from the requirements of the Financial Conduct Authority pertaining to the Disclosure and Transparency Rules (DTR). In particular, the directors are satisfied that there is no requirement for an audit committee or to publish a corporate governance statement. However, information relating to internal control and risk management systems in relation to the financial reporting process, in accordance with DTR 7.2.5, has been included in the Strategic report.

The activities of the Company are conducted by reference to the transaction documents. The Company has entered into contracts with the Society, a related party, and a number of third parties to provide operational support.

STAKEHOLDER STATEMENTS

Employees

The Company has no employees. Operational services are provided by employees of the Society and corporate administration services are provided by CSC Capital Markets UK Limited.

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.

There is no material impact from climate risk on the Company's financial statements. Coventry Building Society, the originator, provides a detailed assessment of climate change risk in their consolidated financial statements.

Other stakeholders

An explanation of how the directors have had regard for the need to foster the Company's business relationships with key stakeholders including suppliers and investors is set out in the Strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Report & Accounts in accordance with applicable law and regulation.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have prepared the accounts in accordance with UK-adopted international accounting standards.

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS (CONTINUED)

Under company law, directors must not approve the accounts 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 year. In preparing the accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS

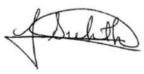
In the case of each director in office at the date the directors' report is approved:

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

INDEPENDENT AUDITORS

In accordance with the Companies Act 2006 a resolution for the re-appointment of PricewaterhouseCoopers LLP as independent auditors of the Company will be proposed at the next board meeting.

On behalf of the board



Sukanthapriya Jeyaseelan
per pro CSC Directors (No.1) Limited
Director
21 May 2025

STRATEGIC REPORT

The directors present the Strategic report for the Company for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is a structured entity incorporated under the Companies Act 2006 and its activities are conducted by reference to a series of transaction documents. The principal activity of the Company is the acquisition and management of portfolios of mortgage loans secured by first charge over residential properties within the UK from the Society and the collection of payments of principal and interest on these loans. The consideration for the acquisition of the mortgage loans is made up of both initial and deferred consideration. The initial consideration to acquire the mortgage loans was obtained by the issuance of Class A, Class Z and Seller's notes. The Class A notes are listed on the London Stock Exchange and the Seller's and Class Z notes are unlisted. The Society administers the mortgage loans on behalf of the Company and holds the Class Z and Seller's notes, along with a proportion of the Class A2 notes.

The Company's only source of funds for the payment of principal and interest due on the notes are the principal and interest collections, which the Company is entitled to receive from the mortgage loans combined with receipts under an interest rate swap with the Society. The transaction documents set out the basis in which the deferred consideration payable by the Company to the Society is to be calculated.

The directors of the Company have concluded that the risks and rewards of ownership of the mortgage loans substantially remain with the Society, due to the credit enhancement provided to the transaction by the Society in the form of the Class Z and Seller's notes subscribed for, the interest rate swap and the deferred consideration mechanism. As a result, in the Society's financial statements, the transfer of the ownership of the beneficial interest in the mortgages loans fails the derecognition criteria of IFRS 9 Financial instruments and the transfer is instead accounted for as a financing transaction. The directors of the Company have concluded that it is appropriate to also account for the beneficial interest acquired in the mortgage loans in the same way. Therefore, the Company has not recognised the mortgage loans on its Balance Sheet but has instead recognised a receivable from the Society (a 'Deemed loan to Originator'). The day 1 value of the Deemed loan to Originator represented the initial consideration paid to the Society to acquire the beneficial interest. More information is included in note 7 to the accounts.

REVIEW OF THE COMPANY'S BUSINESS AND FUTURE DEVELOPMENTS

The Company was incorporated as a special purpose vehicle in November 2019 in the United Kingdom and registered in England and Wales under the Companies Act 2006. The Company holds a beneficial interest in a portfolio of mortgage loans secured by first charge over residential properties within the UK from the Society. At 31 December 2024, the Company held a beneficial interest of £2.5 billion (2023: £2.1 billion).

At 31 December 2024, the loans from the Society were linked to the following asset backed issuances (the 'Notes'):

Note	Issuance Date	Issuance Balance £m	Residual Balance £m
Series 2020-1 A2 Notes	July 2020	500.0	434.0
Series 2021-1 A Notes	June 2021	350.0	329.4
Series 2023-1 A Notes	January 2023	350.0	256.4
Series 2023-2 A Notes	November 2023	400.0	336.0
Series 2024-1 A Notes	July 2024	500.0	487.5
Z (R) notes	Various	36.9	27.6
Z (S) notes	Various	334.0	286.3

In addition to the Notes above, as at 31 December 2024, there was a £394.6 million (2023: £316.9 million) Seller's Note in issue held by the Society, representing a retained material interest in the securitisation of not less than 5% in accordance with relevant securitisation regulations.

STRATEGIC REPORT (CONTINUED)

GOING CONCERN

Payments to note holders are through controlled amortisation and are repaid through cash flows that have been received by the Society from mortgage customers and transferred to the Company. Should these cashflows fail to satisfy the controlled amortisation, the notes will be repaid through the use of reserve funds and the drawdown of the Seller's Note. Class Z notes and the Seller's Note in issue are only required to be repaid in line with the principal repayment of the mortgage loans, as these are redeemable on a pass through basis only. If the incurred credit losses on the mortgage loans were so high that there were insufficient funds to repay the notes in full then the notes would be deemed to have been discharged in full once the available funds had been paid out. This limited recourse arrangement is used to mitigate the credit risk arising from the mortgage loans. Levels of surplus income from the underlying mortgage portfolio are expected to exceed the interest payable on liabilities prior to payment of any deferred consideration. Consequently, the directors are satisfied that the Company will have sufficient liquid resources available to meet its obligations as they fall due.

Within the structure of the securitisation, and as detailed in the transaction documents, there are a number of trigger events, which should they occur, impact the application of cash flows and the repayment schedule of the notes issued by the Company. At the date of the financial statements, and throughout the reporting period, no trigger events have occurred.

The directors have assessed the financial position and performance of the Company. The Company's directors have a reasonable expectation that the Company will be able to continue in business for the next 12 months. This includes consideration of risk that could threaten the Company's business model, future performance, solvency, liquidity and repayment risk on the underlying mortgage portfolio. During 2024, the performance of the mortgage portfolio has been stable with no signs of deterioration. For this reason, they continue to adopt the going concern basis of accounting in preparing the accounts.

CAPITAL MANAGEMENT

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

SECTION 172 STATEMENT

The Company was established as a structured entity whose activities are conducted by reference to its transaction documents which were 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:

- transaction documents have been set up 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 the Company is only permitted to retain minimal profit, in accordance with the transaction documents;
- the Company has no employees;
- the Company has appointed various third parties to perform certain roles strictly governed by the transaction documentation, fee arrangements agreed in advance; and
- as a special purpose vehicle, the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment.

In accordance with s.426B of the Companies Act 2006 the above statement is available at the following website address https://portal.cscgfm.com/issuers/economic-master-issuer-plc.

PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT

The Company's exposure to and subsequent management of risks was largely determined at inception of the transaction. The Company's activities and the role of each party to the transaction is clearly defined and documented within the transaction documents, and summarised in the Prospectus. The Society manages the mortgage loans through the terms outlined in the transaction documents. In managing the mortgage loans, the Society applies its formal structure for managing risk and other control procedures. Details of the Society's centralised risk management framework are available in the Society's Annual Report & Accounts for the year ended 31 December 2024.

STRATEGIC REPORT (CONTINUED)

The principal business risks of the Company are therefore set out in a number of asset and non-asset trigger events in the transaction documents. The occurrence of trigger events may lead to a change in the priority in which liabilities are settled. There have been no such trigger events since the inception of the Company.
Financial instruments incorporate the vast majority of the Company's assets and liabilities, and the Company's activities expose it to a variety of financial risks including interest rate risk, credit risk, operational risk and liquidity risk. These risks may affect the Company's performance and are detailed below.

Principal Risks
As a result of its ordinary business activities, the Company is exposed to a number of principal risk categories, which are:

- Credit risk;
- Liquidity risk;
- Interest rate risk; and
- Operational risk.

Each of these risks is considered below and additional information on these is also included in note 12 to the accounts.

Credit risk

Credit risk reflects the risk that the underlying borrowers of the mortgage loans or other transaction parties will not meet their obligations as they fall due. When considering the credit risk of the Deemed loan to Originator, the directors consider the credit risk of the underlying mortgage loans and the credit enhancement inherent in the structure, including that of the Society.

The Company's principal business objective rests on the performance of the mortgage loans. The mortgage loans are secured over residential owner occupier property in the United Kingdom and the performance of the mortgage loans is influenced by economic conditions and the performance of the UK housing market. To mitigate the credit risk on the mortgage loans they are required to meet certain eligibility criteria - such as low loan to value - to ensure that they are of good quality. The Company places reliance on the checks performed by the Society at origination regarding the borrower's ability to service the mortgage loan according to its terms, as well as the Society's established procedures to monitor and mitigate credit risk.

During 2024, the credit risk profile of the Society's mortgage book remained of a high quality. As at 31 December 2024, 94.7% of mortgage loans were assessed by management of the Society as being in stage 1 under IFRS 9, with 5.1% in stage 2, and negligible balance in stage 3. More information on the impact on credit risk and performance of the Company's mortgage pool is included in note 12 to the accounts.

Liquidity risk

Liquidity risk is the risk that the Company has insufficient funds to meet its financial obligations as and when they fall due. Liquidity risk arises on the Company's debt securities in issue.

To further mitigate liquidity risk, the Company's obligations on the notes in issue have limited recourse to the payments received on the mortgage loans and other income of the Company. If the incurred credit losses on the mortgage loans were so high that there were insufficient funds to repay the notes in full then the notes would be deemed to have been discharged in full once the available funds had been paid out. This would only arise in the event that there are no longer sufficient excess proceeds available to cover principal losses.

Notes in issue fall into two categories: (i) Controlled Amortisation Notes (with mandatory redemption in instalments on each Note Payment Date to the extent of Available Principal Receipts in an amount up to the Controlled Amortisation Amount) and (ii) Pass-Through Redemption Notes (with mandatory redemption on each Note Payment Date), to the extent of Available Principal Receipts. Ultimately, the Company's obligations on the notes in issue are limited to the payments received on the mortgage loans and other income of the Company. At the year end, the Class A notes in issue were Controlled Amortisation Notes, and the Class Z notes and Seller's Note were Pass-Through Redemption Notes.

Interest rate risk

Interest rate risk arises from the interest rate mismatch between fixed and variable rates on the mortgage loans and the floating interest rate payable on the issued notes.

To manage interest rate risk, the Company has entered into an interest rate swap with the Society, whereby the Company receives a rate on interest inherent with the issued notes and pays a rate based on the mortgage pool.

STRATEGIC REPORT (CONTINUED)

Operational risk

Operational risk is the risk of a loss arising from inadequate internal processes, systems or people, or from external events. In accordance with the transaction documents, the Company's operations are outsourced to third parties. The Society has been appointed to act as Servicer and Cash Manager on behalf of the Company. CSC Capital Markets UK Limited has been appointed to provide services in accordance with a Corporate Service Agreement. Other third parties who have agreed to provide services with respect to notes include Citibank N.A. London Branch as the paying agent and agent bank. In order to manage operational risk, experienced service providers are chosen. As the Society is the key provider of servicer and cash management arrangements, operational risk is further managed as part of its overall risk management framework.

Key performance indicators (KPIs)

The transaction documents define a set of KPIs and these are published in monthly investor reports (available via the Society's website https://www.coventrybuildingsociety.co.uk/member/investor-relations/funding-programmes/economic-master-issuer-plc-terms/reports.html). These include: the yield on the mortgage loans; and the excess proceeds available to mitigate the credit risk on the notes; the losses that have occurred and the level of arrears and possessions on the mortgages; the rate of repayment; and an analysis of the characteristics of the mortgage loans.

A change in the credit rating assigned to the Company's notes in issue is also an indicator of the performance of the Company. The credit rating is first assigned at the time of issue and is then monitored and reviewed by the Credit Rating Agencies and reflects the likelihood of full and timely payment to the noteholders of interest and principal when due. The Company's Class A notes are all rated AAA (Fitch)/Aaa (Moody's), the remaining notes are not rated. No downgrade has been applied in the year and subsequently up to the date of approval of these Financial Statements, and there are no indicators of any future potential downgrade.

On behalf of the Board

Sukanthapriya Jeyaseelan
per pro CSC Directors (No.1) Limited
Director
21 May 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECONOMIC MASTER ISSUER PLC

Report on the audit of the accounts

Opinion

In our opinion, Economic Master Issuer PLC's accounts:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the accounts, included within the Report & Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2024; the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended; and the notes to the accounts, 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 accounts 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 accounts 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 was established as a special purpose entity to raise funding through the issuance of notes on the London Stock Exchange (the 'Notes'). The proceeds of the notes issuance were used to purchase a portfolio of mortgages loans, secured by first charge over residential properties within the UK, from Coventry Building Society (the 'Originator'). As such, the activities of the Company are limited to the application of receipts received from the securitised loans in line with the applicable priority of payments as per the underlying transaction documents.

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 classes of transactions, account balances and disclosures including those that were considered qualitatively material, and conducted our work over those accordingly.

Key audit matters

- Accounting for the cash flows associated with the underlying mortgage loans.

Materiality

- Overall materiality: £25,634,971 (2023: £21,168,535) based on 1% of total assets.
- Performance materiality: £19,226,228 (2023: £15,876,401).

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECONOMIC MASTER ISSUER PLC (CONTINUED)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accounts.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the accounts 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 accounts 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.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Accounting for the cash flows associated with the underlying mortgage loans. The Originator has retained substantially all the risks and rewards in respect of the securitised loans due to the credit enhancement provided to the transaction by the Originator in the form of the Seller's Note, the Class Z Notes subscribed for, the interest rate swap and the deferred consideration mechanism. As a result, the Company does not recognise the mortgage loans on its Balance Sheet and instead recognises a Deemed loan to Originator. As a special purpose entity, the Company is required on each interest payment date to make payments in accordance with the priority of payments, set out in the underlying transaction documents. This ensures that creditors, including noteholders, receive payments in accordance with their seniority in the priority of payments. The correct sequencing of payments at each interest payment date is therefore critical, given the limited recourse nature of the Notes. Related disclosures in the accounts: Note 1: Accounting Policies Note 3: Interest receivable and similar income Note 7: Deemed loan to Originator Note 11: Financial instruments – Classification and fair value measurement Note 12: Risk Management	We undertook the following procedures to test the cash flows associated with the mortgage loans: • Agreed the Company's beneficial interest in the mortgage portfolio to a breakdown of the underlying mortgage loans; • Tested a sample of mortgage loans acquired by the Company and agreed them back to the Originator's loan system to ensure they were flagged as being owned by the Company; • Validated the data associated with a sample of mortgage loans back to underlying documentation and, for a sample of collections, matched the total amounts recorded in the Originator's loan system to that received by the Company to provide evidence over the distributable amount; and • Agreed the prevailing priority of payments to that stated within the transaction documents and, for a sample of interest payment dates occurring during the year, compared the available amounts for distribution to the amounts received in respect of the mortgage loans. 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 accounts as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

The purpose of the Company as a securitisation vehicle is to raise and repay funds as dictated by the underlying legal documentation. We identified all material classes of transactions, account balances and disclosures, including those that were considered qualitatively material. The procedures performed provided sufficient evidence over all material classes of transactions, account balances and disclosures in the accounts.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Company's accounts, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Company's accounts.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECONOMIC MASTER ISSUER PLC (CONTINUED)

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 accounts as a whole.

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

Overall company materiality	£25,634,971 (2023: £21,168,535).
How we determined it	1% of total assets.
Rationale for benchmark applied	The Company is a not for profit special purpose entity, whose main priority is to remit the cash received in respect of its assets so as to repay its liabilities.

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% (2023: 75%) of overall materiality, amounting to £19,226,228 (2023: £15,876,401) for the Company accounts.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount 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 £1,281,749 (2023: £1,058,427) 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:

- Reviewed the directors' going concern assessment and note that the Directors believe that the Company will continue in operational existence for the foreseeable future and anticipate that the Company will have adequate funds available to meet its obligations as they fall due;
- Inspected the transaction documents to verify that the Debt securities in issue are limited recourse in all circumstances;
- Reviewed historical levels of non-deferrable expenses and payments and considered the sufficiency of liquidity to cover such expenses;
- Enquired with the Originator (who continues to service the loans) to understand the current impact of the macro-environment on the mortgage loans and its ability to continue to service the mortgage loans; and
- Inspected post year end investor reports for pertinent changes in cash flows, such as deterioration in the performance of the underlying mortgage loans or uncleared write offs on the principal deficiency ledger.

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 accounts are authorised for issue.

In auditing the accounts, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the accounts 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECONOMIC MASTER ISSUER PLC (CONTINUED)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the accounts and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2024 is consistent with the accounts 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 accounts and the audit

Responsibilities of the directors for the accounts

As explained more fully in the Statement of directors' responsibilities in respect of the accounts, the directors are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECONOMIC MASTER ISSUER PLC (CONTINUED)

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 base prospectus dated 27 July 2020 was issued or of the transaction documents, and we considered the extent to which non-compliance might have a material effect on the accounts. We also considered those laws and regulations that have a direct impact on the accounts such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the accounts (including the 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 those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- testing of the reconciliation of the accounts to the year end investor reports and to the bank statements of the Company;
- testing journals using a risk-based approach; and
- testing, on a sample basis, that the priority of payments has been applied in accordance with the underlying 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 accounts. 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 accounts 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 accounts are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECONOMIC MASTER ISSUER PLC (CONTINUED)

Appointment

We were appointed by the directors on 19 October 2020 to audit the accounts for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement is 5 years, covering the years ended 31 December 2020 to 31 December 2024.

Andrew Batty (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
21 May 2025

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**2024** £000	2023 £000
Interest receivable and similar income	3	**122,479**	97,925
Interest payable and similar charges	4	**(117,631)**	(93,525)
Net interest income		**4,848**	4,400
Administration expenses	5	**(4,838)**	(4,393)
Profit before tax		**10**	7
Taxation	6	**(2)**	(1)
Net profit for the year		**8**	6

Profit for the year arises from continuing operations.

The notes on pages 18 to 27 form part of these accounts.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

There are no other items of comprehensive income or expense other than the profit for the financial year shown above (2023: £nil). Accordingly, the profit for the financial year represents total comprehensive income.

BALANCE SHEET

AS AT 31 DECEMBER 2024

Registration Number: 12341676

	Note	**2024 £000**	2023 £000
Assets			
Deemed loan to Originator	7	**2,501,441**	2,071,628
Cash and cash equivalents (restricted)	8	**62,056**	45,225
Total assets		**2,563,497**	2,116,853
Liabilities			
Debt securities in issue	9	**2,563,457**	2,116,818
Corporation tax payable		**—**	3
Total liabilities		**2,563,457**	2,116,821
Equity			
Share capital	10	**13**	13
Retained earnings		**27**	19
Total equity		**40**	32
Total liabilities and equity		**2,563,497**	2,116,853

The notes on pages 18 to 27 form part of these accounts.

These accounts on pages 15 to 27 were approved by the Board of directors on 21 May 2025 and were signed on its behalf by:

Sukanthapriya Jeyaseelan
per pro CSC Directors (No.1) Limited
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £000	Retained earnings £000	Total equity £000
As at 1 January 2024	**13**	**19**	**32**
Profit for the year	**—**	**8**	**8**
As at 31 December 2024	**13**	**27**	**40**

	Share Capital £000	Retained Earnings £000	Total Equity £000
As at 1 January 2023	13	13	26
Profit for the year	—	6	6
As at 31 December 2023	13	19	32

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Profit before tax		**10**	7
Adjustments for:			
Non-cash items included in profit before tax		**32**	9,016
Net decrease in liabilities		**(2)**	—
Taxation		**(2)**	1
Net cash flows generated from operating activities		**38**	9,024
Cash flows from investing activities			
Net increase in deemed loan arising from mortgage loan cash flows	7	**(429,814)**	(7,385)
Net cash flows used in investing activities		**(429,814)**	(7,385)
Cash flows from financing activities			
Issuance of debt securities	9	**500,000**	750,000
Repurchase and repayment of debt securities	9	**(53,393)**	(752,540)
Net cash flows generated from / (used in) financing activities		**446,607**	(2,540)
Net increase / (decrease) in cash		**16,831**	(901)
Cash and cash equivalents at start of year		**45,225**	46,126
Cash and cash equivalents at end of year		**62,056**	45,225

The notes on pages 18 to 27 form part of these accounts.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied in dealing with items that were considered material in relation to the accounts of Economic Master Issuer Plc (the 'Company').

BASIS OF PREPARATION

These accounts have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006.

The accounts have been prepared under the historic cost convention. A summary of the Company's accounting policies is set out within this note. These accounting policies have been applied consistently throughout the current and prior year. In preparing the accounts, management are required to exercise judgement in 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 accounts are disclosed in note 2.

The functional currency of the Company is British Pound Sterling and the accounts are presented in British Pound Sterling thousands (£000s) except where otherwise indicated.

The Company operates on the basis that any returns on the mortgage portfolio underlying the Deemed loan to Originator will be returned to the note holders net of operating expenses and a minimal level of retained issuer profit.

The going concern basis has been used in preparing these accounts. More detail can be seen in the Strategic report.

CHANGES IN ACCOUNTING STANDARDS

There are no amendments to standards with effect from 1 January 2024 that apply to or have a material impact on the Company's financial statements.

SEGMENTAL REPORTING

The Company operates in one business segment and all business is conducted in the UK; therefore, no segmental information is presented.

INTEREST RECEIVABLE AND PAYABLE

For instruments measured at amortised cost the Effective Interest Rate (EIR) method is used to measure the carrying value of a financial asset or liability and to allocate associated interest income or expense and relevant fees over the relevant period. The EIR is the rate that discounts the 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 liability.

TAXATION

Tax on the profit or loss for the year comprises current tax, which is recognised in the Income Statement. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted on the Balance Sheet date and any adjustment to tax payable in respect of previous years. The Company is taxed under The Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) under which the Company is taxed by reference to its retained profit as defined by the "Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)".

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are measured at amortised cost. The use of this cash is restricted by a detailed priority of payments as set out in the transaction documents. As the cash can only be used to meet certain specific liabilities and is not available to be used with discretion, it is viewed as restricted cash. For the purposes of the Statements of Cash Flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition.

Since inception, Coventry Building Society has acted as bank account provider.

NOTES TO THE ACCOUNTS (CONTINUED)

1. ACCOUNTING POLICES (CONTINUED)

DEEMED LOAN TO ORIGINATOR

The directors have concluded that the risks and rewards of ownership of the mortgage loans substantially remain with the Society, due to the credit enhancement provided to the transaction by the Society through the subscription of the Class Z notes and the commitment to hold the Seller's Note, the interest rate swap and the entitlement to receive deferred consideration. As a result, the transfer of the ownership of the beneficial interest in the mortgage loans fails the derecognition criteria of IFRS 9 Financial instruments and the transfer is instead accounted for by the Society and the Company as a financing transaction. As a result, notwithstanding the fact that the transaction is a sale transaction from a legal perspective, the Company has not recognised the mortgage loans on its Balance Sheet but has instead recognised a receivable from the Society (the 'Deemed loan to Originator').

The day 1 value of the Deemed loan to Originator represented the initial consideration paid to the Society to acquire the beneficial interest in the mortgage loans. It is subsequently adjusted due to any subsequent mortgage loan sales, capital repayments on the mortgage loans and deferred consideration payable by the Company to the Society.

The Company recognises principal and interest cash flows from the mortgage loans only to the extent that it is entitled to retain such cash flows under the transaction documents. After all payments required under the transaction documents have been made, all excess income is returned to the Society as deferred consideration under the terms of the Mortgage Sale Agreement. The interest income recognised in relation to the Deemed loan to Originator is therefore limited to that proportion of interest income on the mortgage loans that the Company is entitled to retain in order to make payments under the transaction documents. Income in excess of this is not recognised by the Company as it has no entitlement to it and must return it to the Society.

To manage interest rate risk the Company has entered into derivative transactions with the Society, paying a rate of interest based on the mortgage loans and receiving a rate inherent in the debt issuances. Under this agreement, the Company pays a blended rate of interest based on the mortgage loans in which it retains a beneficial interest and receives a margin adjusted SONIA compounded average rate. As at the year end, the notional swap principal amounted to £2,016.9 million (2023: £1,659.7 million), which is balance guaranteed. Whilst having separate legal form, these transactions were entered into at the same time as the Mortgage Sale Agreement, are between the same counterparties, relate to the same set of underlying cash flows and there is no apparent economic need or substantive business purpose for structuring the transactions separately that could not have been accomplished as a single transaction. Cash flows arising from these derivative transactions are accounted for on an accruals basis as part of the Deemed loan to Originator.

On the basis that the Deemed loan to Originator is to be held for collection of the underlying contractual cash flows and the cash flows are deemed to represent solely payments of principal and interest ('SPPI'), it is measured initially at fair value and then subsequently at amortised cost using the effective interest rate method.

Significant judgement - Classification and measurement of the Deemed loan to Originator

The Deemed loan to Originator is a 'deemed loan', because whilst the substance of the arrangement giving rise to it is a secured funding transaction, the legal form was an asset sale. The directors have concluded that the Deemed loan to Originator should be measured at amortised cost under IFRS 9, having assessed the business model and underlying cash flows against the relevant criteria below.

Business model test: Given the nature of the Company's activities, the applicable business model was identified as being one that holds to collect the cash flows of the deemed loan.

SPPI test: It was then necessary to confirm that cash flows received in respect of the deemed loan represent payments of solely principal and interest ("SPPI"). IFRS 9 does not provide specific guidance on assessing the SPPI criterion for deemed loan assets. Furthermore, a deemed loan does not have a single contract which sets out its contractual terms, but instead is formed from elements of different contracts that give rise to the deemed loan. It is therefore necessary to determine what the contractual terms of the deemed loan are by considering the various contractual rights and obligations that the deemed loan represents. This requires consideration of the terms of the underlying assets and of the notes purchased or subordinated loans provided by the Society, as well as any associated instruments to determine which of the cash flows of the underlying assets are incorporated into the deemed loan.

In assessing SPPI the directors concluded that, considering clean up calls and given the level of overcollateralisation inherent in the Deemed loan to Originator, the Company is not deemed to be materially exposed to external risks other than credit risk associated with the mortgage loans. As a result, the directors concluded that the Deemed loan to Originator does not violate the SPPI test and therefore should be measured at amortised cost under IFRS 9.

NOTES TO THE ACCOUNTS (CONTINUED)

1. ACCOUNTING POLICES (CONTINUED)

IMPAIRMENT OF DEEMED LOAN TO ORIGINATOR

Under IFRS 9 the Company assesses, on a forward-looking basis, the expected credit losses (ECL) associated with the Deemed loan to Originator. The Company treats the Deemed loan to Originator as a single unit of account but makes an assessment of the performance of the loan by reference to the beneficial interest in the mortgage loans which, in effect, collateralise the Deemed loan to Originator.

The Deemed loan to Originator did not result in a day one ECL. Unlike other financial instruments, the Deemed loan to Originator is, by its construction, an instrument that incorporates credit enhancement. As previously noted the interest due on the Deemed loan to Originator is only due to the extent it matches the obligations of the Company. All securitisation programmes incorporate credit enhancement in the form of excess income and various reserve funds for use in the event the excess income for a particular payment period is insufficient. Expected losses for the Deemed loan to Originator would only therefore be recognised where the ECLs on the underlying mortgage loans were large enough that no credit enhancement remained. To date, no losses have occurred on the mortgage loans since the structure's inception and credit enhancement is expected to remain more than sufficient to cover expected losses on underlying mortgage loans. Therefore no impairment (2023: £nil) has been recognised in respect of the Deemed loan to Originator.

Significant judgement - Determining a significant increase in credit risk under IFRS 9

In determining whether there has been a significant increase in credit risk, the Company considers both qualitative and quantitative criteria. The qualitative criteria include the IFRS 9 staging of the mortgages that collateralise the deemed loan (95% of loans classified as Stage 1, 5% Stage 2 with negligible balance in stage 3 evidencing the high quality), the eligibility criteria for selection and the surplus income available in the structure. Given the credit rating of the senior notes in issue is a reliable proxy for the performance of the mortgage pool; the quantitative trigger would be a reduction in the credit rating of the senior notes below A+ (Fitch)/A1 (Moody's).

The assessment of a significant increase in credit risk and the calculation of ECL both incorporate forward-looking information and therefore require significant management judgement. The impairment of the underlying mortgage portfolio itself does not result in the impairment of Deemed loan to Originator. This is due to the levels of surplus income from the underlying mortgage portfolio being expected to exceed the interest payable on liabilities prior to payment of any deferred consideration.

IFRS 9 requires the Company to categorise its deemed loan into one of three stages at the Balance Sheet date. Loans that are performing are shown in Stage 1; loans where there has been a significant increase in credit risk since origination are in Stage 2 and loans which are credit impaired or in default are in Stage 3. The Company is required to recognise a 12 month expected credit loss allowance on all Stage 1 assets and a lifetime expected credit loss allowance on all Stage 2 and 3 assets. The ECL allowance on the underlying mortgage loans is calculated by Coventry Building Society using probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"). This assessment is performed using models and management judgements which incorporate both quantitative and qualitative factors such as historical experience on loan performance, risk evaluation at the point of origination and forecast of future economic scenarios.

Applying the above criteria, given the headroom available, the probability of default ('PD') on the deemed loan is considered to remain close to zero, and the deemed loan is deemed to fall within stage 1 of the ECL model. As such, on the basis of materiality, no 12 month ECL has been recognised in the accounts.

DEBT SECURITIES IN ISSUE

Debt securities in issue are recognised initially at fair value. Fair value includes the issue proceeds (the fair value of consideration received) net of issue costs incurred. Financial liabilities are subsequently stated using the Effective Interest Rate method at amortised cost. Any difference between issue proceeds net of issue costs and the redemption value is recognised in the Income Statement over the period of the borrowings. Directly attributable issue costs include premiums and discounts, commissions and other costs incurred in the issuing of notes.

The Company has the option to redeem the Class A Notes on or after the relevant step-up date or when the aggregate Sterling Equivalent Principal Amount Outstanding of such Series of Class A Notes is less than 10 percent of the aggregate as at the closing date for such Series of Class A Notes, which would result in their early redemption. If the step-up date option is not exercised the margins over the reference rate will be increased. As such, the payments on these debt securities in issue are impacted due to the option and increase in the margin. Whilst these features are considered to represent embedded derivatives, the economic characteristics and risks of such features are closely related to the economic characteristics and risks of the debt securities in issue. As such, these embedded derivatives are not required to be separated and accounted for as a derivative.

NOTES TO THE ACCOUNTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the accounts requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

There are judgements relating to the application of the Company's accounting policies which have had a significant effect on the amounts recognised in the accounts. The most significant judgments are disclosed in the following notes:

Significant judgements	Note
Classification and measurement of Deemed loan to Originator	1
Determining a significant increase in credit risk under IFRS 9	1

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. There are no significant estimates involved in the preparation of these accounts.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024	2023
	£000	£000
On deemed loan to Originator	**118,728**	94,709
On cash and cash equivalents	**3,751**	3,216
Total	**122,479**	97,925

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2024	2023
	£000	£000
Interest payable on debt securities in issue	**117,631**	93,525
Total	**117,631**	93,525

5. ADMINISTRATIVE EXPENSES

	2024	2023
	£000	£000
Servicer fee	**4,578**	4,157
Cash manager fee	**230**	209
Other	**30**	27
Total	**4,838**	4,393

The Company had no employees the year (2023: none). The Society acts as the Servicer of the mortgage portfolio and Cash Manager as prescribed in the transaction documents.

One of the directors, Lyndon Horwell, was an employee of the Society, and provided services to the Society as a whole during the year, until his resignation on 6 November 2024. His services to the Company were performed as part of his services to the Society. Accordingly, the above details include no remuneration in respect of Lyndon Horwell.

CSC Capital Markets UK Limited, who are the appointed corporate services provider as per transaction documents were paid a fee of £28,000 (2023: £23,000) for the provision of corporate administration and back up servicer facilitator services incurred during the year for Economic Master Issuer Plc and Economic Master Holdings Limited.

The auditors' remuneration, in relation to the audit fees, for the year of £52,000 (2023: £35,000) excluding VAT was borne by the Society, the ultimate parent of the Company. There were no (2023: none) non-audit services provided to the Company by the Company's auditors.

NOTES TO THE ACCOUNTS (CONTINUED)

6. TAXATION

The current tax charge for the year is consistent with the UK standard corporate tax rate of 25.0% (2023: 23.5%) as the UK corporation tax rate increased from 19% to 25% with effect from 1 April 2023. There is no difference between the standard and current tax charge and therefore no reconciliation has been presented.

The Company's tax expense is based on the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296). This secondary tax legislation ensures that, for companies who satisfy certain conditions, including the definition of a 'securitisation company', corporation tax will be calculated by reference to the retained profit required to be retained under the securitisation agreement. As at 31 December 2024, the Company's retained profit (referred to as issuer profit) is £800 a month.

The directors are satisfied that this Company meets all relevant conditions and that no unfunded tax liabilities arise.

7. DEEMED LOAN TO ORIGINATOR

The sale of the beneficial interest in the mortgage portfolio, even though legally acquired from the Society, does not pass the derecognition criteria as described in IFRS 9 and therefore a Deemed Loan to Originator is shown on the Balance Sheet.

	2024 **£000**	2023 £000
Beneficial interest in mortgage loans	**2,496,937**	2,065,085
Accrued interest	**431**	660
Further advances and fees due to the Society	**(49)**	(327)
Deferred consideration payable	**4,122**	6,210
Total	**2,501,441**	2,071,628

The deemed loan is repaid as and when the cash is received by the Society from the principal repayments of the mortgage loans. Based upon the principal payment rate at 31 December 2024 approximately £344.8 million (2023: £250.6 million) will be repaid within 12 months. Further information on the rate or repayment of the mortgage loans is available in the Company's monthly Investor Report (available on the Society's website https://www.coventrybuildingsociety.co.uk/member/investor-relations/funding-programmes/economic-master-issuer-plc-terms/reports.html).

8. CASH AND CASH EQUIVALENTS (RESTRICTED)

Cash withdrawals are restricted by the detailed priority of payments set out in the transaction documents.

NOTES TO THE ACCOUNTS (CONTINUED)

9. DEBT SECURITIES IN ISSUE

	2024 £000	2023 £000
Series Notes		
Series 2020-1 Class A2 notes £500,000,000 at SONIA + 0.57%	**433,957**	500,000
Series 2021-1 Class A notes £350,000,000 at SONIA + 0.30%	**329,350**	350,000
Series 2023-1 Class A notes £350,000,000 at SONIA + 0.56%	**256,375**	301,875
Series 2023-2 Class A notes £400,000,000 at SONIA + 0.5%	**336,000**	395,000
Series 2024-1 Class A notes £500,000,000 at SONIA + 0.47%	**487,500**	—
Program Notes		
Class Z notes at SONIA	**314,012**	241,385
Seller's Note[1]	**394,608**	316,935
Accrued interest	**11,655**	11,623
Total	**2,563,457**	2,116,818

1. The interest rate for the Seller's Note is calculated as the lower of SONIA and the weighted average fixed rate of the mortgage loans less 0.21%.

Based upon the principal payment of the Deemed loan to Originator, and assuming no further issuances, at 31 December 2024 it is estimated that approximately £344.8 million (2023: £250.6 million) will be repaid within 12 months.

There was one new issuance in the year ended 31 December 2024 of £500 million in July 2024, this is detailed further below. The SONIA interest rate compounds daily and is paid monthly.

The 2020-1 Class A2 notes have a final maturity date of 27 June 2072, when the balance outstanding will be repaid. The A2 notes are Controlled Amortisation notes with a target balance of zero by 25 June 2025, and are also subject to a step-up and optional redemption by the Company at 25 June 2025. If the optional redemption by the Company is not exercised, then the margin paid on the Class A2 notes will increases from 0.57% to 1.14% per annum. The optional redemption by the Company is in relation to only all, and not some of these Class A2 notes.

The 2021-1 Class A notes have a final maturity date of 26 June 2073, when the balance outstanding will be repaid. The notes are also subject to a step-up and optional redemption by the Company as at 25 July 2026. If the optional redemption by the Company is not exercised then the margin paid on this Class A notes increases from 0.30% to 0.60% per annum. The optional redemption by the Company is in relation to only all, and not some of these Class A notes.

The 2023-1 and 2023-2 Class A note have a final maturity dated 25 June 2074 and 25 April 2075 respectively, when the balance outstanding will be repaid. The notes are also subject to a step-up and optional redemption by the Company as at 25 January 2027 and 25 October 2027 respectively. If the optional redemption by the Company is not exercised then the margin paid on this Class A notes increases from 0.56% to 1.12% and 0.50% to 1.00% per annum respectively. The optional redemption by the Company is in relation to only all, and not some of these Class A notes.

The 2024-1 Class A notes have a final maturity date of 25 April 2075, when the balance outstanding will be repaid. The notes are also subject to a step-up and optional redemption by the Company as at 25 July 2030. If the optional redemption by the Company is not exercised then the margin paid on this Class A notes increases from 0.47% to 0.94% per annum. The optional redemption by the Company is in relation to only all, and not some of these Class A notes.

Of the Series notes, £1,611 million (2023: £1,280 million) are held by counterparties outside of the Coventry Building Society Group as at 31 December 2024.

Class Z notes rank as subordinate to the Class A and A2 notes, and are held by the Society.

A portion of the Seller's Note represents a retained material interest in the securitisation of not less than 5% in accordance with relevant securitisation regulations.

The final maturity date of the Class Z notes and the Seller's Note is 25 July 2100, when the balance outstanding will be repaid.

During the year there have been no defaults in principal, interest or other breaches on the debt securities in issue. In the event that the cashflows of the underlying mortgages fail to satisfy the controlled amortisation, the notes will be repaid through the use of reserve funds and the drawdown of the Seller's Note.

NOTES TO THE ACCOUNTS (CONTINUED)

10. SHARE CAPITAL

	2024 £	2023 £
Called up and allotted		
49,999 ordinary shares of £1 each, partly paid by 25p each	**12,500**	12,500
1 ordinary share of £1, fully paid	**1**	1
Total	**12,501**	12,501

11. FINANCIAL INSTRUMENTS – CLASSIFICATION AND FAIR VALUE MEASUREMENT

The Company's financial instruments comprise of a Deemed loan to Originator, cash and cash equivalents (restricted), interest-bearing borrowings and various receivables and payables that arise directly from its operations. It is, and has been throughout the year, the Company's policy that no trading in financial instruments is undertaken.

The following is a comparison of the carrying value and fair values of the Company's financial instruments by category as at the Balance Sheet date.

2024	**Book value £000**	**Fair value Level 1 £000**	**Fair value Level 2 £000**	**Fair value Level 3 £000**	**Fair value Total £000**
Assets					
Deemed loan to Originator	**2,501,441**	**—**	**—**	**2,587,080**	**2,587,080**
Liabilities					
Debt securities in issue	**2,563,457**	**—**	**1,842,279**	**654,038**	**2,496,317**

2023	Book value £000	Fair value Level 1 £000	Fair value Level 2 £000	Fair value Level 3 £000	Fair value Total £000
Assets					
Deemed loan to Originator	2,071,628	—	—	2,081,233	2,081,233
Liabilities					
Debt securities in issue	2,116,818	—	1,549,518	511,048	2,060,566

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement:

- Level 1: unadjusted quoted prices in active markets for identical instruments.
- Level 2: valuation techniques for which all significant inputs are based on observable market data.
- Level 3: valuation techniques for which significant inputs are not based on observable market data.

Deemed loan to Originator

The Deemed loan to Originator has been assessed as the value of the expected future cash flows. Future cash flows are projected using contractual interest payments, contractual repayments and the expected prepayment behaviour of borrowers in the underlying pool which makes up the Deemed loan to Originator. Reasonable assumptions are applied regarding expected levels of customer prepayments and the risk of defaults. The resulting estimated future cash flows are discounted at current market rates to determine a fair value. These fair values have been adjusted where necessary to reflect any observable market conditions at the time of valuation.

Debt securities in issue

The fair value of the Class A notes has been calculated using external quoted prices where available or using similar issues as a proxy for those that are not of sufficient size or liquidity to have an active market. The fair values of the Class Z and Seller's notes have been assessed as the value of the expected future cash flows, which have been projected using forecast interest rates and the expected prepayment of the notes. The resulting estimated cash flows are then discounted at rates implied from market transactions with similar standing.

NOTES TO THE ACCOUNTS (CONTINUED)

12. RISK MANAGEMENT

The Company's principal risks and uncertainties and financial risk management are discussed in the Strategic report and this note provides additional information on credit, liquidity and interest rate risk.

Credit risk

Credit risk is the risk that a borrower or counterparty will not be able to meet its financial obligations to the Company as they become due.

The maximum credit risk exposure at 31 December 2024, without taking into account any collateral held or other credit enhancements, is set out below.

	2024	2023
	£000	£000
Deemed loan to Originator	**2,501,441**	2,071,628
Cash and cash equivalents (restricted)	**62,056**	45,225
Total	**2,563,497**	2,116,853

Deemed loan to Originator

The risk on the Deemed loan to Originator is mitigated by the quality of the mortgage loans and credit enhancement inherent in the structure of this special purpose entity.

The table below presents the indexed loan to value percentage of the mortgage loan portfolio to which the Deemed loan to Originator relates to as at the end of the year.

	2024 Mortgage balances	**2024 Number of accounts**	2023 Mortgage balances	2023 Number of accounts
Indexed loan to value on securitised mortgage portfolio	**%**	**%**	%	%
<50%	**61.2**	**74.5**	59.4	73.2
50% to 65%	**29.6**	**20.1**	31.4	21.3
65% to 75%	**8.9**	**5.2**	8.5	5.1
>75%	**0.3**	**0.2**	0.7	0.4
Total	**100.0**	**100.0**	100.0	100.0

The table below presents the number of customers in arrears as a percentage of the underlying mortgage portfolio to which the Deemed loan to Originator relates to compared to that reported by UK Finance.

	2024 Mortgage portfolio	**2024 UK Finance[1]**	2023 Mortgage portfolio	2023 UK Finance[1]
	%	**%**	%	%
Greater than three months	**0.14**	**0.91**	0.08	0.91
Greater than six months	**0.09**	**0.60**	0.03	0.56
Greater than one year	**0.01**	**0.33**	—	0.26
In possession	**—**	**0.04**	—	0.03

1. UK Finance data as at 31 December 2024 (31 December 2023), which is unaudited.

There have been two properties taken into possession, both of which were sold in the year with no losses incurred. Details of the geographical distribution of the mortgages are contained in the Company's monthly investor reports (available via the Society's website https://www.coventrybuildingsociety.co.uk/member/investor-relations/funding-programmes/economic-master-issuer-plc-terms/reports.html).

Credit risk in respect of cash and cash equivalents and other transaction parties is managed through rating downgrade triggers that are written into the transaction documentation. These are set out in the Company's monthly investor report. There has been no breach of any triggers since inception.

NOTES TO THE ACCOUNTS (CONTINUED)

12. RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company has insufficient funds to meet its financial obligations as they fall due. Contractual maturity analysis for debt securities in issue is provided in note 9.

The following is an analysis of gross contractual undiscounted cash flows payable under financial liabilities:

As at 31 December 2024	Up to three months £000	More than three months less than six months £000	More than six months less than one year £000	More than one year less than five years £000	More than five years £000	Total £000
Debt securities in issue	**127,696**	**654,729**	**161,046**	**1,384,560**	**478,262**	**2,806,293**

As at 31 December 2023	Up to three months £000	Up to three months £000	More than six months less than one year £000	More than one year less than five years £000	More than five years £000	Total £000
Debt securities in issue	66,091	76,970	218,226	1,935,074	—	2,296,361

Interest payable on the notes has been based on the current SONIA rates and margin for Class A, Class Z and Seller's notes.

The Class Z notes, and the Seller's Note are pass-through notes, as they are repaid based on the cash received from the loans. The contractual cash flows included in the table above are based on the outstanding balance of the Class Z notes and the Seller's Note at the year end date being repaid in full on the optional maturity date. The Class A notes have a contractual amortisation profile and the table above expects this to be followed.

This differs from expected cash flows due to the requirement to use principal received on the loans to repay the notes at each interest payment date, in accordance with the Principal Priority of Payments. Therefore, an equivalent portion of the notes will be required to be repaid on the next interest payment date.

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times. The Company minimises its exposure to interest rate risk by fully hedging the difference between the interest rate characteristics of the deemed loan and the notes, under an economic hedge.

The Company is exposed to interest rate risk in that its interest expense is SONIA based, whilst its interest income originates from a pool of mortgages at fixed and floating rates. The Company manages its interest rate exposure through entering into an interest rate basis swap with the Society. Through this the Company is able to swap the interest it receives from the beneficial interest on the mortgage loans for a SONIA related return which substantially eliminates interest rate risk. Any residual risk relates to reset timing, hence this is not a material risk.

NOTES TO THE ACCOUNTS (CONTINUED)

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY

The entire issued share capital of the Company is held by Economic Master Holdings Limited, a private limited company incorporated in the United Kingdom and registered in England and Wales. The issued share capital of Economic Master Holdings Limited is held by CSC Corporate Services (UK) Limited, on a discretionary trust basis for the benefit of certain charities. Copies of the financial statements of CSC Corporate Services (UK) Limited, a company incorporated in Great Britain and registered in England and Wales, may be obtained from 10th Floor, 5 Churchill Place, London, United Kingdom, E14 5HU. For accounting purposes, the Company's ultimate parent and controlling entity is Coventry Building Society. The Company's results are included within the consolidated financial statements of the Society which are available from Coventry House, Harry Weston Road, Binley, Coventry, CV3 2TQ, and on the Society's website (www.coventrybuildingsociety.co.uk).

14. RELATED PARTY TRANSACTIONS

No transactions were entered into with key management personnel.

Pursuant to the terms of the transaction documents, CSC Capital Markets UK Limited were paid a fee of £28,000 (2023: £23,000) for the provision of corporate administration and back up servicer facilitator services incurred during the year for Economic Master Issuer Plc and Economic Master Holdings Limited.

Transactions with other Group undertakings

The Company's accounts are consolidated within the Group accounts of the Society. Consequently, the directors of the Company consider the Society and its subsidiaries to be related parties of the Company. Transactions with the Society and its subsidiaries are disclosed below:

	For the year ended 31 December 2024		As at 31 December 2024		
	Interest receivable and similar income	Interest expense and other charges	Deemed loan to Originator	Debt securities in issue	Cash and cash equivalents (restricted)
	£000	£000	£000	£000	£000
Coventry Building Society	**118,728**	**43,264**	**2,501,441**	**950,867**	**62,056**
Total	**118,728**	**43,264**	**2,501,441**	**950,867**	**62,056**

	For the year ended 31 December 2023		As at 31 December 2023		
	Interest receivable and similar income	Interest expense and other charges	Deemed loan to Originator	Debt securities in issue	Cash and cash equivalents (restricted)
	£000	£000	£000	£000	£000
Coventry Building Society	94,709	49,598	2,071,628	836,943	45,225
Total	94,709	49,598	2,071,628	836,943	45,225

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

15. CAPITAL

The Company's capital comprises share capital and retained earnings.