Registration Number 05479512

DECO SERIES 2005–UK CONDUIT 1 PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

DECO SERIES 2005–UK CONDUIT 1 PLC

ANNUAL REPORT AND ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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DECO SERIES 2005–UK CONDUIT 1 PLC

COMPANY INFORMATION

The board of directors	Mr Graham Cox Mr Graham Hodgkin
Company secretary	Sunil Masson
Registered office	**Up to 15 July 2018** c/o Deutsche Bank AG, London Branch Winchester House Mailstop 428 1 Great Winchester Street London EC2N 2 DB United Kingdom **As from 16 July 2018** c/o Vistra (UK) Ltd 3rd Floor 11-12 St. James's Square Suite 2 London England SW1Y 4LB
Auditor	Deloitte LLP Statutory Auditor London United Kingdom

DECO SERIES 2005–UK CONDUIT 1 PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their Strategic report together with the audited financial statements of Deco Series 2005–UK Conduit 1 Plc (the "Company") for the year ended 31 March 2018.

REVIEW OF THE BUSINESS
The Company is a special purpose vehicle established under the laws of England and Wales in order to issue loan notes due July 2017 ("the loan notes"), to acquire the beneficial interest in a commercial mortgage portfolio ("the mortgage loans") from Deutsche Bank AG, London Branch, to create security and receive interest in respect thereof, and to enter into certain related transactions as described in the Offering Circular dated 8 July 2005. On 12 July 2005, the Company issued £236,056,634 loan notes in accordance with the Offering Circular.

The remaining notes were delisted from the Irish Stock Exchange on 28 July 2017.

Following repayment of all the mortgage loans, with the exception of the remaining payments that will need to be made, the Company has ceased its current activities and the directors will be making a decision on its future activities in the foreseeable future.

RESULTS AND PERFORMANCE
The results of the Company for the year, as set out on page 9, show a loss on ordinary activities before tax of £108,027 (2017: £119,977). The loss was primarily due to the payment of operating expenses. The Company had a shareholder's deficit of £3,440,274 (2017: £3,333,179) as at 31 March 2018. The shareholder's deficit was mainly due to the cumulative losses arising on the cumulative impairment losses of the mortgage loans.

STRATEGY
The principal activity of the Company was the issue of loan notes. The Company had issued loan notes to fund the acquisition of a beneficial interest in a mortgage loan portfolio. These financial assets and liabilities provided the majority of the assets and liabilities of the Company along with associated interest income and expense. In the preceding financial year, all the mortgage loans were repaid and the corresponding swaps were terminated. The Company ceased trading. Hence, the Company is no longer exposed to the financial risk.

KEY PERFORMANCE INDICATORS ('KPIs')
No key performance indicator has been presented in these financial statements as all the mortgage loans were repaid in 2016 and the Company has ceased trading.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES
The Company's financial instruments comprise cash and cash equivalents and various receivables and payables that arise directly from its operations. The main purpose of the loan notes was to acquire the mortgage loans from Deutsche Bank AG, London Branch.

All the mortgage loans were repaid in 2016 and the Company has ceased trading. Thus the Company is not exposed to significant financial instrument risk.

As per the Offering Circular, following enforcement, if the Issuer Security Trustee determines, in its sole opinion and discretion, that all amounts outstanding under the notes have become due and payable, all available funds have been distributed, and that there is no reasonable likelihood of there being any further realisations (whether arising from an enforcement of the Issuer Security or otherwise) available to pay amounts outstanding under the notes, the PECO Holder will have the option to purchase all notes then outstanding for a consideration of one penny in respect of each note (a ''Post-Enforcement Call Option''). The PECO Holder is DECO Series 2005-UK Conduit 1 Holdings Limited. The Post-Enforcement Call Option will be granted to the PECO Holder by the Note Trustee on behalf of all the noteholders. At year end, the Post-Enforcement Call Option has not been exercised.

DECO SERIES 2005–UK CONDUIT 1 PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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

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 within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with the regulatory obligations.

Due to the nature of the securities which were issued on the Irish Stock Exchange, the directors are satisfied that there is no requirement to publish a corporate governance statement and that the Company is largely exempt from the disclosure requirements of The Irish Corporate Governance Annex and the provisions of the UK Corporate Governance Code..

Going concern
The Company has net liabilities of £3,440,274 (2017: £3,333,179) due to the cumulative losses arising on cumulative impairment losses of the mortgage loans. The terms of the loan notes are limited recourse and therefore the Company is only obliged to repay the notes to the extent that the Company receives cash from the loan assets. The funds received, following repayment of the remaining mortgage loan, was not sufficient to fully repay the remaining loan notes. As such, based on the terms of the transaction, the noteholders will ultimately bear the Company's deficits.

All the mortgage loans were repaid in 2016 and the Company has ceased trading. The funds available in the Company's bank account will be used to meet its expenses based on the pre-enforcement priority of payments. Consequently, the directors continue to prepare the financial statements on a basis other than that of a going concern. As at 31 March 2018, all the assets are current and short term in nature and thus their fair value approximates their carrying value. Moreover, although the fair value of the notes is significantly lower than their current value, the noteholders will ultimately bear the Company's deficits due to its limited recourse nature, as mentioned above.

On behalf of the Board

..............................for and on behalf of Deco Series 2005 – UK Conduit 1 Plc
Director Graham Cox
.....................25/09/2018

DECO SERIES 2005-UK CONDUIT 1 PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements of Deco Series 2005-UK Conduit 1 Plc (the "Company") for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES
The Company is a special purpose vehicle established in order to issue loan notes due July 2017 ("the loan notes"), to acquire the beneficial interest in a mortgage portfolio ("the mortgage loans") from Deutsche Bank AG, London Branch, to create security and receive interest in respect thereof; and to enter into certain related transactions as described in the Offering Circular dated 8 July 2005. On 12 July 2005, the Company originally issued £236,056,634 loan notes in accordance with the Offering Circular. Following repayment of the mortgage loans in 2016, the Company has ceased trading.

RESULTS AND DIVIDENDS
The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

The loss was primarily due to the payment of operating expenses coupled with the nil interest income following repayment of the remaining mortgage loan in 2016. The directors have not recommended a dividend for the year under review (2017: £nil).

CORPORATE GOVERNANCE
The board of directors has overall responsibility for the Company's internal controls systems and risk control which are managed in accordance with the terms of the notes issued, as described in the Offering Circular for the notes. These were monitored through regular meetings of the board.

QUALIFYING INDEMNITY PROVISION
During the year and at the date of the approval of the directors' report, there were no qualifying indemnity provisions in the financial statements (2017: £nil).

CREDITOR PAYMENT POLICY
The Company's policy concerning payment of its trade creditors is to pay in accordance with its contractual and other legal obligations. Due to the nature of the business, the main creditors are the note holders. The Company does not follow any other code or standard on payment practice other than the priority of payments as detailed in the transaction documents.

DIRECTORS
The directors who served the Company during the year and to the date of this report were as follows:

Mr Graham Cox
Mr Graham Hodgkin

SUBSEQUENT EVENTS
Details of significant events since the year end are included in Note 13 to the financial statements.

AUDITOR
Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them as auditor for the ensuing year will be proposed at the next annual general meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors confirm that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board

Director Graham Cox

25/09/2018

DECO SERIES 2005–UK CONDUIT 1 PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

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 year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 year. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern. As explained in note 1 Going concern paragraph, forming part of the financial statements, the directors do not believe it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

Director Graham Cox

25/09/2018

Independent auditor's report to the members of Deco 6 – UK Large Loan 2 Plc

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Deco 6 – UK Large Loan 2 Plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note one in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

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 auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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

Russell Davis (senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
25 September 2018

DECO SERIES 2005–UK CONDUIT 1 PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

Discontinued operations	Notes	2018 £	2017 £
Interest income	2	39	78
Net interest income		39	78
Reversal of mortgage loans previously written off		-	18,940
Operating expenses	3	(108,066)	(138,995)
Loss before tax for the year		(108,027)	(119,977)
Income tax reversal	4	932	-
Loss after tax for the year attributable to equity holders		(107,095)	(119,977)
Other comprehensive income		-	-
Total comprehensive loss for the year		(107,095)	(119,977)

The notes on pages 13 to 22 form part of these financial statements.

DECO SERIES 2005–UK CONDUIT 1 PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018 £	2017 £
Assets			
Current assets			
Trade and other receivables	5	16,764	19,464
Cash and cash equivalents	6	120,392	277,032
		137,156	296,496
Total assets		137,156	296,496
Equity			
Share capital	7	12,502	12,502
Accumulated losses		(3,452,776)	(3,345,681)
Total shareholders' deficits		(3,440,274)	(3,333,179)
Liabilities			
Current liabilities			
Loan notes	8	3,543,776	3,543,776
Interest payable on loan notes	8	414	414
Trade and other payables	9	33,240	84,553
Current tax liability		-	932
Total current liabilities		3,577,430	3,629,675
Total equity and liabilities		137,156	296,496

The financial statements of Deco Series 2005-UK Conduit 1 Plc, registration number 05479512, on pages 9 to 22 were approved and authorised for issue by the board of directors on 25/09/ 2018 and were signed on their behalf by:

Director Graham Cox

The notes on pages 13 to 22 form part of these financial statements.

DECO SERIES 2005–UK CONDUIT 1 PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Share capital £	Accumulated losses £	Total equity £
Balance at 31 March 2016	12,502	(3,225,704)	(3,213,202)
Loss for the year	-	(119,977)	(119,977)
Other comprehensive income	-	-	-
Balance at 31 March 2017	12,502	(3,345,681)	(3,333,179)

	Share capital £	**Accumulated losses £**	**Total equity £**
Balance at 31 March 2017	12,502	(3,345,681)	(3,333,179)
Loss for the year	-	(107,095)	(107,095)
Other comprehensive income	-	-	-
Balance at 31 March 2018	12,502	(3,452,776)	(3,440,274)

The notes on pages 13 to 22 form part of these financial statements.

DECO SERIES 2005–UK CONDUIT 1 PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Loss before tax for the year		(108,027)	(119,977)
Adjustments for:			
Decrease/ (increase) in trade and other receivables		2,700	(11,993)
(Decrease)/ increase in trade and other payables	9	(51,313)	8,290
Tax paid		-	-
Net cash used in operating activities		(156,640)	(123,680)
Investing activities			
Movement in funds placed on deposit		-	520,186
Net cash from investing activities		-	520,186
Financing activities			
Liquidity facility movement		-	(520,186)
Net cash used in financing activities		-	(520,186)
Net decrease in cash and cash equivalents		(156,640)	(123,680)
Cash and cash equivalents at beginning of year		277,032	400,712
Cash and cash equivalents at 31 March	6	120,392	277,032

Actual cash received and paid as interest income on the mortgage loans and interest expense on the loan notes during the year was £nil (2017: £nil) and £nil (2017: £nil) respectively.

As explained in the accounting policies on page 13, the cash is not freely available to be used.

The notes on pages 13 to 22 form part of these financial statements.

DECO SERIES 2005–UK CONDUIT 1 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. SIGNIFICANT ACCOUNTING POLICIES

Deco Series 2005-UK Conduit 1 Plc is a Company incorporated in the United Kingdom under the Companies Act 2006 and domiciled in England.

Statement of compliance
The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs") as they apply to the financial statements of the Company for the year ended 31 March 2018.

The accounting policies set out below have been applied consistently in respect of the financial year ended 31 March 2018.

Basis of preparation
The financial statements have been prepared on the historical cost basis as modified for the revaluation of certain financial instruments under IAS 39 Financial Instruments: Recognition and Measurement.

The financial statements are presented in Pound Sterling.

Due to the fact that the nature of the business is to provide finance, the directors are of the opinion that it is more appropriate to use interest income and interest expense rather than turnover and cost of sales in preparing the Statement of Comprehensive Income.

Going concern
The Company has net liabilities of £3,440,274 (2017: £3,333,179) due to the cumulative losses arising on repayment of the mortgage loans. The terms of the loan notes are limited recourse and therefore the Company is only obliged to repay the notes to the extent that the Company receives cash from the loan assets. The funds received, following repayment of the mortgage loan, was not sufficient to fully repay the loan notes. As such, based on the terms of the transaction, the noteholders will ultimately bear the Company's deficits.

All the mortgage loans were repaid in 2016 and the Company has ceased trading. The funds available in the Company's bank account will be used to meet its expenses based on the pre-enforcement priority of payments. Consequently, the directors continue to prepare the financial statements on a basis other than the going concern. As at 31 March 2018, all the assets are current and short term in nature and thus their fair value approximates their carrying value. Moreover, although the fair value of the notes is significantly lower than their current value, the noteholders will ultimately bear the Company's deficits due to its limited recourse nature, as mentioned above.

The comparatives relating to the year ended 31 March 2017 were also prepared on a non-going concern basis as the Company's ceasing to trade was also included and disclosed in the prior year financial statements.

Critical accounting judgements and key sources of estimation and uncertainty
The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

In particular for the fair value of derivatives and the recoverability of assets, 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 judgements and carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates used in the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions 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 the current and future years.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments
The Company's financial instruments comprise the cash and liquid resources, loan notes and various receivables and payables that arise directly from its operations. The main purpose of the loan notes is to finance the beneficial interest in a mortgage portfolio. These financial instruments are classified in accordance with the principles of IAS 39 Financial Instruments: Recognition and Measurement as described below.

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Cash and cash equivalents
Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements and as such the cash and cash equivalents are not freely available to be used for other purposes.

Deferred consideration
A deferred consideration charge/(release) is included in interest expense. Deferred consideration on Class X certificate holders is payable to the Originator (Deutsche Bank AG, London Branch), dependent on the extent to which the surplus income, in excess of the margin generated by the mortgage loans in which the Company has purchased an interest, exceeds the administration costs of the mortgage loans. Deferred consideration is recognised on an accruals basis.

Loan notes
Loan notes were classified as financial liabilities and were recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loan notes thereon were stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowings on an effective interest basis.

Interest income and expense
Interest income and expense is accounted for on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that asset's or liability's net carrying amount.

Value added tax
Value added tax is not recoverable by the Company and is included with its related cost.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income tax expense
Income tax in the Statement of Comprehensive Income for the year comprises current and deferred tax. Income tax is recognised as expense or gain except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

As explained in note 4, income tax expense is calculated by reference to the profit of the Company which is required to be retained in accordance with the pre-enforcement priority of payments as defined in the terms and conditions of the loan notes.

Standards issued and adopted during the year
All new and amended accounting standards which have become effective for the current year have been adopted but have had no material effect on the reported performance, financial position or disclosures of the Company, therefore these standards have not been listed separately.

New and amended standards issued, not yet effective and not early adopted
At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective and in some cases have not been adopted by the EU:

- IFRS 15 Revenue from Contracts with Customers and the related Clarifications
- IFRS 9 Financial Instruments
- IFRS 16 Leases
- Amendments to IFRS 9: Financial instruments on prepayment features with negative compensation and modifications of financial liabilities
- IFRS Standards 2014 - 2016 Cycle: Annual improvements
- IFRIC 22: Foreign Currency Transactions and Advance Consideration

The Directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact of the financial statements of the Company in future periods as the entity has ceased to trade.

Segmental reporting
The principal asset of the Company was the beneficial interest in the mortgage portfolio originated in the United Kingdom which was funded by floating rate notes issued in the United Kingdom. The directors do not consider it necessary to provide a further analysis of the results of the Company from those already disclosed in these financial statements because there is only one segment.

2. **INTEREST INCOME**

	2018	2017
	£	£
Bank interest received	39	78

3. OPERATING EXPENSES

	2018	2017
	£	£
Administration and cash management fees	50,432	84,620
Audit fees for the audit of the Company's accounts	30,720	23,340
Fees paid to the Company's auditor for non-audit tax services	-	11,760
Corporate services fees	19,474	19,275
Other expenses	7,440	-
	108,066	138,995

Directors' emoluments during the year amounted to £4,800 (2017: £4,800), being £2,400 (2017: £2,400) each, for their services as directors of the Company during the year. £1,200 was further accrued as Director's emoluments at year end and are disclosed under other expenses in the above table. The directors had no material interest in any contract of significance in relation to the business of the Company (2017: none). The Company did not have any employees in the current year (2017: none).

4. INCOME TAX CHARGE

The Company has elected to be taxed under the Taxation of Securitisation Companies 2006 (Regulations) i.e. the "permanent regime". Corporation tax is therefore calculated by reference to the profit of the securitisation company required to be retained in accordance with the pre-enforcement priority of payments as defined in the terms and conditions of the loan notes.

The directors are satisfied that this Company meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise.

	2018	2017
Current tax:	£	£
Corporation tax charge for the year at a rate of 19% (2017: 20%)	-	-
Over provision of the prior period charge	(932)	-
Total income tax reversal in Statement of Comprehensive Income	(932)	-

4. INCOME TAX CHARGE (CONTINUED)

	2018	2017
Reconciliation of total tax charge	£	£
The tax assessed for the period is at the standard rate of corporation tax in the UK of 19% (2017: 20%)		
Loss before tax	(108,027)	(119,977)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	(20,525)	(23,995)
Over provision of the prior period charge	(932)	-
Permanent difference to application of Taxation of Securitisation Companies Regulations 2006	20,525	23,995
Total income tax reversal in Statement of Comprehensive Income	(932)	-

5. TRADE AND OTHER RECEIVABLES

	2018	2017
	£	£
Prepayments and accrued income	16,764	19,464

The directors consider that the carrying value of trade and other receivables approximates to their fair value.

6. CASH AND CASH EQUIVALENTS

Withdrawals from the Company's bank account are restricted by the detailed priority of payments set out in the securitisation agreements.

	2018	2017
	£	£
Cash and cash equivalents	120,392	277,032

The directors consider that the carrying value of cash and cash equivalents approximates to their fair value.

The use of cash and cash equivalents is restricted by a detailed priority of payments set out in the securitisation transaction agreements. 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.

7. TOTAL EQUITY

	Issued capital	Accumulated losses	Total equity
	£	£	£
At 1 April 2017	12,502	(3,345,681)	(3,333,179)
Loss for the year	-	(107,095)	(107,095)
Balance at 31 March 2018	12,502	(3,452,776)	(3,440,274)

There are 50,000 authorised ordinary shares of £1 each. The issued share capital comprises two fully paid £1 shares, and 49,998 ordinary shares quarter called up and paid. Castlewoods CS Holdings Limited holds one fully paid £1 share under a declaration of trust for charitable purposes. The remaining 49,999 shares are held by Deco Series 2005-UK Conduit 1 Holdings Limited.

8. LOAN NOTES

This note provides information about the contractual terms of the Company's interest-bearing loan notes. For more information about the Company's exposure to interest rate risk, see note 10.

	2018	2017
	£	£
At 1 April	3,543,776	3,543,776
At 31 March	3,543,776	3,543,776

	2018	2017
Current liabilities	£	£
Loan notes	3,543,776	3,543,776
Interest payable on loan notes	414	414
	3,544,190	3,544,190

Current liabilities due within one year are paid when cash is available after other commitments have been fulfilled in order of priority in accordance with the Offering Circular.

The loan notes were secured by way of fixed and floating charges over the Company's assets.

The loan notes were denominated in Pound Sterling.

On 12 July 2005, the Company issued the following classes of notes.

Class of Notes	Currency	Issue price	Interest	Margin	Maturity
A	GBP	195,215,000	3 month Libor	0.23%	July 2017
B	GBP	14,785,000	3 month Libor	0.40%	July 2017
C	GBP	12,400,000	3 month Libor	0.57%	July 2017
D	GBP	10,750,000	3 month Libor	0.80%	July 2017
E	GBP	2,906,634	3 month Libor	1.25%	July 2017

8. LOAN NOTES (CONTINUED)

At the reporting date, the outstanding amount for each class of notes were as shown in table below.

Class of Notes	2018	2017
	£	£
D	695,290	695,290
E	2,848,486	2,848,486
	3,543,776	3,543,776

The notes were secured by way of a fixed and floating charge over the assets of the Company. The proceeds of the notes were used by the Company to acquire the beneficial interest in the mortgage portfolio from Deutsche Bank AG, London Branch in accordance with the terms of the securitisation documents. Following repayment of all the mortgage loans in 2016, no further funds are expected to be received in order to pay down the remaining loan notes. As such, the Company is no longer exposed to refinancing risk. On 28 July 2017, the loan notes were delisted from the Irish Stock Exchange.

9. TRADE AND OTHER PAYABLES

	2018	2017
Current liabilities	£	£
Accruals and deferred income	33,240	84,553

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

On 12 July 2005, an agreement was entered into with Credit Agricole Corporate and Investment Bank (formerly Calyon) for the provision of a liquidity facility for the Company. The facility was in place to allow the Company to meet its obligations should there be a shortfall in the revenue or principal received from the mortgage loans on a temporary basis. At the Statement of Financial Position date, the limit on this facility was £nil (2017: £nil). An amount of £nil (2017: £nil) of liquidity facility was drawn during the year ended 31 March 2018.

10. FINANCIAL RISK MANAGEMENT

The principal risks and uncertainties are set out in the Strategic report on pages 2 to 3.

The Company's financial instruments comprise cash and liquid resources and various receivables and payables that arise directly from its operations. All the mortgage loans have been repaid in 2016 and the Company has ceased trading. Thus the Company is not exposed to significant financial instrument risk.

Fair values, methodology and assumptions

Fair values
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value of financial instruments is always determined on the basis of the listed price on an active market (mark to market) or, if this is not possible, on the basis of industry standard valuation models (mark to matrix or mark to model).

Financial instruments valued using observable market prices
If a quoted market price in an active market is available for an instrument, the fair value is calculated based on the market price.

Financial instruments valued using a valuation technique
In the absence of a quoted market price in an active market, management uses industry standard models to make its best estimate of the price that the market would set for that financial instrument. In order to make these estimations, various techniques are employed, including extrapolation from observable market data and observation of similar financial instruments with similar characteristics. Wherever possible, valuation parameters for each product are based on prices directly observable in active markets or that can be derived from directly observable market prices. The Company did not make any material changes to the valuation techniques and industry standard models it used during the year ended 31 March 2018.

Fair value hierarchy
The Company applies the following fair value hierarchy that prioritises the inputs to valuation techniques used in measuring fair value. The hierarchy establishes three categories for valuing financial instruments, giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

Level 1 - Unadjusted quoted prices for identical assets or liabilities in an active market that the Company has the ability to access at the measurement date.

Level 2 - Quoted prices in markets that are not active, quoted prices for similar assets or liabilities, recent market transactions, inputs other than quoted market prices for the asset or liability that are observable either directly or indirectly for substantially the full term, and inputs to valuation techniques that are derived principally from or corroborated by observable market data through correlation or other statistical means for substantially the full term of the asset or liability.

Level 3 - Inputs to the pricing or valuation techniques that are significant to the overall fair value measurement of the asset or liability are unobservable.

10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair values, methodology and assumptions (continued)

Fair value hierarchy (continued)
The methodology and assumptions used in estimating the fair value of financial instruments are disclosed below. No financial instruments were held at fair value at the Statement of Financial Position date.

The fair values together with the carrying amounts shown in the Statement of Financial Position are as follows:

	Notes	Carrying amount 2018	Fair value 2018	Carrying amount 2017	Fair value 2017
Assets		£	£	£	£
Trade and other receivables	5	16,764	16,764	19,464	19,464
Cash and cash equivalents	6	120,392	120,392	277,032	277,032
		137,156	137,156	296,496	296,496

	Notes	Carrying amount 2018	Fair value 2018	Carrying amount 2017	Fair value 2017
Liabilities		£	£	£	£
Loan notes	8	3,543,776	-	3,543,776	-
Interest payable	8	414	414	414	414
Trade and other payables	9	33,240	33,240	84,553	84,553
		3,577,430	33,654	3,628,743	84,967

The fair value of the loan notes was based on observable inputs given that these notes were listed on the Irish Stock Exchange. And hence a market price was available for each class of loan notes excluding Class E notes. For those classes of notes for which a market price was not available, a fair value of nil was used. However, given that the loan notes were thinly traded, the market price was manually adjusted for large moves, backwardation and general price challenges received. Therefore the loan notes were categorised as level 2 financial instruments. Following repayment of the mortgage loans, no value is now available for the remaining classes of Notes and hence their market value is deemed zero. On 28 July 2017, the loan notes were delisted from the Irish Stock Exchange.

The carrying values of cash and cash equivalents, trade and other receivables, interest payable, trade and other payables and current tax liability are a reasonable approximation of the fair values of these instruments.

During the year ended 31 March 2018, there have been no transfers between fair value hierarchy levels (2017: £nil). In addition, there were no financial instruments that have been classified as level 3 and hence there is no need to disclose reconciliation of assets and liabilities categorised as level 3 instruments.

Interest rate risk profile of financial liabilities
Interest rate risk exists where assets and liabilities have interest rates under a different basis or which reset at a different time. As at the Statement of Financial Position date, all the mortgage loans were repaid and the interest rate swap terminated. Hence, the Company is no longer exposed to interest rate risk.

10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Prepayment risk
Prepayment risk on the mortgage loans arises when these are voluntarily prepaid by the relevant borrower or borrowers thereof. As at the Statement of Financial Position date, all the mortgage loans were repaid. Hence, the Company is no longer exposed to prepayment risk.

Capital risk management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company is not subject to any external capital requirements. The gearing ratios at 31 March 2018 and 2017 were 2,608.29% and 1,224.19% respectively.

Currency risk
All of the Company's assets and liabilities are denominated in Pound Sterling, therefore there is no foreign currency risk.

Liquidity risk
Interest receipts on the mortgage loans may, under certain circumstances, be delayed. Such delays could adversely impact upon the ability of the Company to make timely payments of interest on the loan notes. As at the Statement of Financial Position date, all the mortgage loans were repaid. Hence, the Company is no longer exposed to liquidity risk.

Credit risk
Credit risk on the mortgage loans arises where the borrower is not able to meet their obligations as they fall due. As at the Statement of Financial Position date, all the mortgage loans were repaid, the Company is no longer exposed to credit risk.

11. RELATED PARTY TRANSACTIONS

The Company is a special-purpose vehicle governed by the transaction documents. Mr Graham Cox and Mr Graham Hodgkin are directors of the Company. Directors' emoluments during the year amounted to £4,800 (2017: £4,800) for their services as directors to the Company. The Company paid corporate service fees, cash management fees, trustee fees and director fees to Deutsche Bank AG, London Branch in connection with the various services received. The fees payable for the services for the year ended 31 March 2018 amounted to £62,140 (2017: £29,223), with £nil (2017: £nil) unpaid at year end. On 16 July 2018, the corporate servicer was novated from Deutsche Bank AG, London to Vistra (UK) Ltd (Note 14).

12. ULTIMATE PARENT UNDERTAKING

Deco Series 2005-UK Conduit 1 Plc is a company incorporated in the United Kingdom and registered in England and Wales.

Deco Series 2005-UK Conduit 1 Holdings Limited holds 49,999 shares in the Company. Castlewood CS Holdings Limited holds one share in Deco Series 2005-UK Conduit 1 Plc and the entire share capital in Deco Series 2005-UK Conduit 1 Holdings Limited under a declaration of trust for charitable purposes. However, as a result of the terms of the notes issued by the Company, Deco Series 2005 – UK Conduit 1 Holdings Limited is not deemed to control the Company. Further neither the shareholders nor the directors have variable return over the Company and accordingly the Company has no ultimate controlling party.

13. SUBSEQUENT EVENTS

On 16 July 2018, the corporate servicer was novated from Deutsche Bank AG, London to Vistra (UK) Ltd.