

HOLMES MASTER ISSUER PLC

Registered in England and Wales
No: 05953811

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2025

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2025.

Principal activities

Holmes Master Issuer plc (the “Company”) was established for the purposes of issuing debt securities (the “Notes”) in the international capital markets primarily the London Stock Exchange, and lending the proceeds thereof to Holmes Funding Limited, on a limited recourse basis. In turn Holmes Funding Limited made such funds available to Santander UK plc, its subsidiaries and associated undertakings by purchasing a beneficial interest in a UK residential mortgage loan portfolio (the “mortgage loans” as defined in the Transaction documents) held by Holmes Trustees Limited (the “Holmes Master Trust”). Because Santander UK plc remains exposed to the credit risks arising from the mortgage loans and has retained control of them, the sale of the underlying assets under the securitisation arrangement fails the derecognition criteria is therefore classed as a deemed loan to Santander UK plc in the financial statements of Holmes Funding Limited.

The principal activities of the Company as defined in the Securitisation transaction documents (the “Transaction documents”) which can be found at www.santander.co.uk/uk/about-santander-uk/investor-relations/holmes-master-trust include holding loans under an intercompany loan agreement to Holmes Funding Limited, entering into financial instruments, issuing the debt securities and other activities reasonably incidental thereto (the “Transaction”). The Company, together with Holmes Trustees Limited, Holmes Funding Limited & Holmes Holdings Limited form the “Holmes Securitisation Structure”.

The Company meets the definition of a Special Purpose Vehicle and whilst neither Santander UK plc nor its parent, Santander UK Group Holdings plc own directly or indirectly any of the Company’s share capital, its results are consolidated within Santander UK plc’s and Santander UK Group Holdings plc’s group financial Statements. They are consolidated because the substance of the relationship indicates control. Santander UK Group Holdings plc, together with its subsidiaries, including the Company form the “Group”.

The programme

The mortgage-backed programme was established on 28 November 2006 (the “Programme”). Notes issued under the Programme have been and will be issued in series. Each series will normally: (a) be issued on a single date; (b) be subject to the terms and conditions of Notes; and (c) consist of one or more classes (or sub-classes) of the Notes. Notes of the same class rank *pari passu* and *pro rata* among themselves. Each series of the same class will not, however, be subject to identical terms in all respects (for example, interest rates, interest calculations, expected maturity and final maturity dates may differ). Details of the Notes are given in Note 13.

The Company pays principal and interest on the Notes, funded primarily from the payments of principal and interest received from Holmes Funding Limited under the intercompany loan. Holmes Funding Limited uses the amounts received from its share in the residential mortgage loan portfolio to meet its obligations to pay interest and principal due to the Company under the intercompany loan. The Company lends to Holmes Funding Limited on a limited recourse basis.

The loans included within the underlying portfolio include repayment loans and interest only loans with balances of less than £750,000 and having a maturity of no later than October 2070 at the point of securitisation.

The mortgage loans within the portfolio are monitored and assessed for impairment on a regular basis in accordance with International Financial Reporting Standard (IFRS) 9 – ‘Financial Instruments’.

The only asset held by the Company that is at risk of material impairment is the loan to Holmes Funding Limited, the repayment of which is dependent upon the performance of the residential mortgage portfolio. The risk of impairment is mitigated by the collateral and credit enhancements within the Holmes Securitisation Structure as described in the Transaction documents.

Business review and key performance indicators

During the year the Company earned interest income of £234m (2024: £192m) largely generated from Holmes Funding Limited. The Company recognised interest expense of £234m (2024: £193m) on the Notes in issue.

During the year, the Company issued new note issuances of £1,500m (2024: £1,250m), made net advances on intercompany loans of £1,500m (2024: net advances of £1,250m) and made no payments of principal on its redemption of issued Notes (2024: £17m). All amounts were paid in full and on time.

There are no full redemptions scheduled for 2026, other than mid-term principal repayments (note 13).

The performance of the portfolio is in line with the Directors’ expectations.

The key performance indicators used by management are predominantly consideration of whether there have been breaches of the Transaction documents. However, there are certain measures (triggers) set out in the Transaction documents which are relevant to the Company including assessing whether all counterparties involved in the transaction have a rating that remains adequate to support their on-going roles in the Programme, and arrears related events. There were no triggers breached in the year (2024: none).

The Holmes Securitisation Structure has cash balances and reserves which also act as a credit enhancement feature.

During the year, the Company has undergone transition from reporting under UK-adopted International Accounting Standards to FRS 101 as issued by the Financial Reporting Council and with the requirements of the Companies Act 2006. The transition has not resulted in any changes to the Company’s Balance Sheet and Statement of Comprehensive Income. The only changes in the financial statements are availing disclosure exemptions permitted by FRS 101.

The Group manages its operations on a divisional basis. For this reason, the Company’s Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the divisions of Santander UK plc, which include the Company, are discussed in the Santander UK Group Holdings plc 2025 Annual Report which is available from the Corporate Governance Office, Santander UK plc, 2 Triton Square, Regent’s Place, London NW1 3AN.

STRATEGIC REPORT (CONTINUED)

Business review and key performance indicators (continued)

The purpose of this report is to provide information to the shareholders of the Company and as such it is only addressed to those shareholders. The report may contain certain forward-looking statements with respect to the operations, performance and financial condition of the Company. By their nature, these statements involve inherent risks and uncertainties since future events, circumstances and other factors can cause results and developments to differ materially from the plans, objectives, expectations and intentions expressed in such forward-looking statements.

Members should consider this when relying on any forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of preparation of this report and the Company undertakes no obligation to update any forward-looking statement during the year. Nothing in this report should be construed as a profit forecast.

The Directors are satisfied that the 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. As a result, no deferred tax amounts are recognised.

Section 172: Stakeholder Voice

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

- (a) the Transaction documents have been formulated to achieve the Company's purpose and business objectives, safeguard the assets and promote the success of the Company and as disclosed in Note 9 in accordance with relevant securitisation legislation the Company is only permitted to retain minimal profit;
- (b) as a securitisation vehicle, the Company has no employees;
- (c) the operational roles have been assigned to third parties with their roles strictly governed by the Transaction documents and fee arrangements agreed in advance;
- (d) as a securitisation vehicle the company has no physical presence or operations and accordingly has minimal impact on the community and the environment; and
- (e) the Company has a sole shareholder with the issued shares all held on a discretionary trust basis for the benefit of undisclosed charities.

The Directors consider the ongoing suitability of the governance structure of the Company by reference to the borrowing requirements of Santander UK plc and the performance of its mortgage portfolio and make changes where necessary.

Principal risks and uncertainties facing the Company

For details of the principal risks and uncertainties, see Note 3.

Geopolitical and macroeconomic risks

The Company continues to monitor risk from geopolitical and macroeconomic events and the potential impact on the business.

On behalf of the Board



L T Grant
Director
20 May 2026

Registered Office Address: 2 Triton Square, Regent's Place, London, NW1 3AN

DIRECTORS' REPORT

The Directors present their Report together with the audited financial statements for the year ended 31 December 2025.

Results and dividends

The profit after tax for the year was £0.3m (2024: loss of £0.6m). The Directors do not recommend the payment of a final dividend on the ordinary shares in issue (2024: £nil).

Details of the Company's activities and business performance during 2025 are set out in the Strategic report.

Events after the balance sheet date

For details of significant events after the balance sheet date, see note 18.

Directors

The Directors who served during the year and up to the date of signing the financial statements were as follows:

Mr L T Grant
Mr D J Wynne
Wilmington Trust SP Services (London) Limited

All shares in the Company are held by Holmes Holdings Limited.

All shares in the holding company, Holmes Holdings Limited, are held by Wilmington Trust SP Services (London) Limited.

Mr D J Wynne is also a Director of Wilmington Trust SP Services (London) Limited.

None of the other Directors had a beneficial interest in the shares of the Company, or of the holding company, Holmes Holdings Limited or its subsidiaries, at the year end or the previous year end.

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's financial statements published on the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' REPORT (CONTINUED)

Statement of going concern

For the Company's statement on going concern, see Note 1.

Financial Instruments

The Company's risks are managed by the Company's Board with some oversight at group level by Santander UK Group Holdings plc. The principal risks of the Company are set out in the Strategic Report.

The main purpose of the Company's financial instruments is to raise finance for the Group's operations.

Directors' indemnities

Enhanced indemnities are provided to certain Directors of the Company by Santander UK plc (where such person has been nominated in writing by Santander UK plc as its representative on the board) against liabilities and associated costs which they could incur in the course of their duties to the Company.

Enhanced indemnities are provided to the Directors of the Company who are also employees of Wilmington Trust SP Services (London) Limited by M&T Bank Corporation, the ultimate holding company of Wilmington Trust SP Services (London) Limited, against liabilities and associated costs which they could incur in the course of their duties to the Company.

The Company has made qualifying third party indemnity provisions for the benefit of the Directors as set out in a corporate services agreement. These indemnity provisions remain in force at the date of the Annual Report and Financial Statements.

All of the indemnities remained in force throughout the accounting period and as at the date of the Annual Report and Financial Statements. A copy of each of the indemnities is kept at the registered office address of Santander UK plc, 2 Triton Square, Regent's Place, London, NW1 3AN.

Corporate governance

Due to the nature of the securities which have been issued, the Company is largely exempt from the requirements of the Financial Conduct Authority pertaining to the Disclosure and Transparency Rules (DTR) with the exception of DTR 7.2.5 requiring a description of the main features of the issuer's internal control and risk management systems in relation to the financial reporting process. The directors are satisfied that there is no requirement for an audit committee.

As more fully described in the Section 172(1) statement in the Strategic Report the Directors have been charged with governance in accordance with the Transaction documents describing the structure and operation of the transaction.

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.

The Company's risks, including those involved in the financial reporting process are the responsibility of the Company's Board, with the daily management and monitoring of risk carried out at Group level. The Company adheres to the risk frameworks of the Group to ensure consistency of application. The Group's risk organisational structure involves established processes regarding internal control and risk management systems to ensure their effective oversight of the finance reporting process.

Streamlined Energy and Carbon Reporting (SECR)

The Company is out of 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.

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.

DIRECTORS' REPORT (CONTINUED)

Likely future developments

The Directors do not expect any significant change in the level of business in the foreseeable future.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the Company's forthcoming Annual General Meeting.

On behalf of the Board

A handwritten signature in blue ink, appearing to be 'L T Grant', with a long horizontal stroke extending to the right.

L T Grant
Director
20 May 2026

Registered Office Address: 2 Triton Square, Regent's Place, London, NW1 3AN.

Independent auditors' report to the members of Holmes Master Issuer Plc

Report on the audit of the financial statements

Opinion

In our opinion, Holmes Master Issuer Plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Balance Sheet as at 31 December 2025;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Our audit approach

Context

The Company is a special purpose vehicle ("SPV") that forms part of a securitisation structure to issue residential mortgage-backed securities, established primarily as a means of creating funding and liquidity by Santander UK plc. The Company's operations are governed by underlying legal and transaction documents (the "Transaction documents").

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements.
- The scope of our audit and the nature, timing and extent of our audit procedures performed were determined by our risk assessment and other qualitative factors.
- 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

- Measurement of the Loans and advances due from related parties and the Debt Securities in Issue

Materiality

- Overall materiality: £54,596,820 (2024: £37,688,861) based on 1% of total assets.
- Performance materiality: £40,947,615 (2024: £28,266,646).

The scope of our audit

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

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Measurement of the Loans and advances due from related parties and the Debt Securities in Issue The Loans and advances due from related parties, represents an intercompany loan to Holmes Funding Limited. The underlying receivables securing the intercompany loan are a ring fenced pool of residential mortgage loans originated by Santander UK plc. These form part of the Holmes Master Trust structure (the “Holmes structure”) as outlined in the Transaction documents. As an SPV the Company is required on each interest payment date (“IPD”) to pay out cash receipts in respect of the intercompany loan in line with the prevailing priority of payments (or “Waterfall”) set out in the Transaction documents. As such, payments (including those pertaining to the residential mortgage-backed notes) are made subject to cash being available, via application of the Waterfall. The correct sequencing of payments at each IPD is therefore important, given the limited recourse nature of the Debt securities in issue. We focused a substantial part of our testing on the measurement of the intercompany loan (along with the associated interest receivable and any impairment deemed to be present), the residential mortgage-backed notes (and associated interest payable) and the application of the cash flows in accordance with the Waterfall. Related disclosures in the financial statements: Note 5: Interest and similar income Note 6: Interest expense and similar charges Note 11: Loans and advances due from related parties Note 13: Debt securities in issue	In response to this key audit matter we have: • Agreed the Loans and advances due from related parties balance in note 11 to supporting breakdown and tested the reconciliation of opening balance, movements (additions, repayments) to the closing balance; • Tested a sample of residential mortgage loans acquired by the Holmes structure and agreed them back to Santander UK Plc’s loan system to ensure that they were flagged as designated to the master trust structure; • Assessed the intercompany loan for impairment which included consideration of the credit enhancement deemed to be present in the securitisation structure; • In respect of the Debt securities in issue, we agreed interest and principal payments to bank statements. We agreed the closing balance as being equal to the opening balance, plus additions, less principal redemptions during the year; • Confirmed the amounts outstanding under the Debt securities in issue, through obtaining to third-party confirmations at the year-end; • Compared the prevailing priority of payments to that stated within the legal Transaction documents and tested the amounts distributed via this priority of payments to the bank statements of the Company; • Read the investor reports and minutes of board meetings for the year to identify and investigate any unusual trends or incidents that would indicate a misstatement in the preparation and calculation of the Waterfall; and • Tested the corresponding notes to the financial statements.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of the significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

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 financial statements, 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 financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

Overall company materiality	£54,596,820 (2024: £37,688,861).
How we determined it	1% of total assets
Rationale for benchmark applied	The Company is a not-for-profit 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% (2024: 75%) of overall materiality, amounting to £40,947,615 (2024: £28,266,646) for the company financial statements.

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 2,729,841 (2024: 1,884,443) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the Directors' going concern assessment;
- Performing an assessment to identify factors that could impact the going concern basis of accounting, including the key terms of the transaction as set out in the Transaction documents, such as what constitutes an event of default;
- Inspecting the Transaction documents to verify that the Notes are limited recourse instruments and that certain expenses can be deferred if there are insufficient funds;
- Inspecting post year-end investor reports for pertinent changes in cash flows, such as deterioration in the performance of the underlying loans; and
- Assessing the appropriateness of the disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to any breach of the listing requirements of the London Stock Exchange under which the Base Prospectus was issued or of the underlying transaction documents, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Making inquiries with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;

- Evaluating the business rationale for any significant transactions that are unusual or outside the scope of the Transaction documents;
- Testing on a sample basis, that the priority of payments has been applied in accordance with the underlying Transaction documents; and
- Performing audit procedures to address the risk of management override of controls, including through testing journal entries and assessing accounting estimates for evidence of management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 30 June 2016. Our uninterrupted engagement covers 10 financial years.



Marton Fenyo (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 May 2026

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 £000	2024 £000
Interest and similar income	5	233,560	192,100
Interest expense and similar charges	6	(233,504)	(192,911)
Net interest income/ (expense)		56	(811)
Net other operating income	7	991	922
Operating expenses		(739)	(683)
Profit/ (loss) before tax	8	308	(572)
Tax	9	-	-
Profit/ (loss) for the year		308	(572)
Other comprehensive income for the year		-	-
Total comprehensive income/ (expense) for the year		308	(572)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital £000	Retained Earnings £000	Total equity £000
At 1 January 2024	50	976	1,026
Total comprehensive expense for the year	-	(572)	(572)
At 31 December 2024 and 1 January 2025	50	404	454
Total comprehensive income for the year	-	308	308
At 31 December 2025	50	712	762

The accompanying notes form an integral part of the financial statements.

BALANCE SHEET

At 31 December 2025

	Note	2025 £000	2024 £000
Non-current assets			
Loans and advances due from related parties	11	4,938,962	3,726,285
Total non-current assets		4,938,962	3,726,285
Current assets			
Loans and advances due from related parties	11	468,571	-
Cash and cash equivalents	10	1,070	564
Other assets	12	51,079	42,036
Total current assets		520,720	42,600
Total assets		5,459,682	3,768,885
Current liabilities			
Debt securities in issue	13	(468,571)	-
Other liabilities	14	(51,448)	(42,175)
Total current liabilities		(520,019)	(42,175)
Net current assets		701	425
Non-current liabilities			
Debt securities in issue	13	(4,938,901)	(3,726,256)
Total non-current liabilities		(4,938,901)	(3,726,256)
Total liabilities		(5,458,920)	(3,768,431)
Net assets		762	454
Equity			
Share capital	15	50	50
Retained earnings		712	404
Total equity		762	454

The accompanying notes form an integral part of the financial statements.

The financial statements on pages 12 to 22 were approved by the Board of Directors and authorised for issue on 20 May 2026 and signed on its behalf by:



L T Grant
Director

20 May 2026

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. ACCOUNTING POLICIES

General Information

Holmes Master Issuer plc (the “Company”) is a limited company limited by shares and incorporated, domiciled and registered in England and Wales having a registered office address at 2 Triton Square, Regent’s Place, London NW1 3AN.

Basis of preparation

The Company has prepared these financial statements in accordance with Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

Accordingly, during the year, the Company has undergone transition from reporting under UK-adopted International Accounting Standards to FRS 101 as issued by the Financial Reporting Council and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The transition is not considered to have had a material effect on the recognition, measurement and disclosure of transactions and balances.

The Company, in applying FRS 101 for the first time, has also applied the requirements of IFRS 1.

These financial statements are presented with the benefit of the disclosure exemptions permitted by FRS 101 with regards to:

- IFRS 7, ‘Financial instruments: Disclosures’.
- IFRS 13, ‘Fair value measurement’ (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- IAS 1, ‘Presentation of financial statements’, statement of cash flows, statement of compliance with all IFRS, requirement for minimum of two primary statements, including cash flow statements, statement of cash flows information and capital management disclosures.
- IAS 7, ‘Statement of cash flows’ and paragraphs 10(d) (statement of cash flows), and 111 (statement of cash flows information) of IAS 1.
- IAS 8, ‘Accounting policies, changes in accounting estimates and errors’ (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- IFRS1: first-time adoption of IFRS.

Where required, equivalent disclosures are given in the group financial statements of Santander UK plc. These financial statements are available to the public and can be obtained as set out in note 17.

The financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006.

The functional and presentation currency of the Company is Pound Sterling.

Statement of going concern

The going concern of the Company is reliant on preserving a sufficient level of capital and adequately funding the balance sheet. The Company’s business activities and financial position, together with the factors likely to affect its future development and performance, are set out in the Strategic report. The Company’s objectives, policies and processes for managing the financial and other risks to which it is exposed, including funding and liquidity, are described in note 3.

In assessing going concern, the Directors take account of all information of which they are aware about the future, which is at least, but is not limited to, 12 months from the date that the financial statements are approved.

Having assessed the principal risks and that of the overall Holmes Securitisation Structure, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Recent accounting developments

Lack of Exchangeability (Amendments to IAS 21)

The Company has applied the following amendment for the first time in the reporting period commencing 1 January 2025:

– Effective from 1 January 2025, the Company has adopted the IASB’s amendment to IAS 21 which helps entities determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The amendments did not have a material impact on the Company’s operations or financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

The following material accounting policies have been applied in preparing these financial statements.

Revenue recognition

a) Interest income and expense

Interest and similar income and expense are recognised in the income statement using the effective interest rate method for all financial instruments measured at amortised cost.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets.

Financial Instruments

Financial instruments of the Company comprise loans and advances due from related parties, debt securities in issue, cash and cash equivalents and other financial assets and financial liabilities arising from the Company's operations. These instruments are recognised, classified and subsequently measured in accordance with IFRS 9 as described below.

a) Initial recognition and measurement

Financial assets and liabilities are initially recognised when the Company becomes a party to the contractual terms of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition and measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at Fair Value through profit and loss (FVTPL), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Immediately after initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost.

b) Financial assets and liabilities

i) Classification and subsequent measurement

The Company classifies its financial assets in the measurement category of amortised cost.

Financial assets and financial liabilities are classified as FVTPL where there is a requirement to do so or where they are otherwise designated at FVTPL on initial recognition. Financial assets and financial liabilities which are required to be held at FVTPL include:

- Financial assets and financial liabilities held for trading
- Debt instruments that do not have solely payments of principal and interest (SPPI) characteristics. Otherwise, such instruments are measured at amortised cost.

Financial assets: debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans. Classification and subsequent measurement of debt instruments depend on the Company's business model for managing the asset, and the cash flow characteristics of the asset.

Debt instruments comprise loans and advances with related parties that represents the intercompany loan with Holmes Funding Limited and other assets which largely consists of accrued interest against the intercompany loan.

Business model

The business model reflects how the Company manages the assets in order to generate cash flows and, specifically, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of the assets. If neither of these is applicable, such as where the financial assets are held for trading purposes, then the financial assets are classified as part of an 'other' business model and measured at FVTPL. Factors considered in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported to key management personnel and how risks are assessed and managed.

Solely Payment of Principal and Interest ("SPPI")

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the assets' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the related asset is classified and measured at FVTPL.

The Company classifies the intercompany loan with Holmes Funding Limited as measured at amortised cost since it represents the passing through of receipts collected from Note issuances and conversely, to service redemption and interest payments against these Notes. These cash flows are deemed to represent SPPI.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

b) Financial assets and liabilities (continued)

Financial liabilities:

Financial liabilities, which consist of debt securities in issue and other liabilities are classified as subsequently measured at amortised cost.

ii) Impairment of debt instrument financial assets

The Company assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost.

Loans and advances due from related parties represent a loan to Holmes Funding Limited, the repayment of which is dependent upon the performance of the underlying residential mortgage portfolio, of which the beneficial interest is held by Holmes Trustees Limited. At each balance sheet date an assessment is made as to whether, as a result of one or more events, there is a significant increase in credit risk since initial recognition. In assessing these balances for impairment, the Directors first consider the impairment of the underlying mortgage loans and then consider the ECL of the loans and advances due from related parties taking into account the relevant credit enhancements available to the Company. The residential mortgage loans are regularly assessed for impairment in accordance with IFRS 9 by Santander UK plc. Credit enhancements are provided in the form of over-collateralisation and cash reserves within the Holmes Securitisation Structure. Based upon these credit enhancements, the loss given default is deemed to be nil and therefore no impairment provision is recognised.

Critical judgements used in the impairment assessment are discussed under Critical judgements and accounting estimates.

Income taxes

The Directors are satisfied that the 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. As a result, no deferred tax amounts are recognised.

Under the powers conferred by the Act, secondary legislation was enacted in 2006 which ensures that, subject to certain conditions being met and an election being made, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the profit of the securitisation company required to be retained in accordance with the relevant capital market arrangement which is currently £1,250 (2024: £1,250).

Cash and cash equivalents

Cash and cash equivalents comprise balances with not more than three months maturity from the date of acquisition.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF MANAGEMENT JUDGEMENT

The preparation of the Company's financial statements in accordance with FRS 101 requires management to make judgements and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based on amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management has considered the impact of developments in principal risks and uncertainties under note 3, on critical judgements and accounting estimates.

The significant judgements, apart from those involving estimation, made by management in these financial statements (key judgements) and the key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year (key estimates), which together are considered critical to the Company's results and financial position, are as follows:

Impairment of Loans and advances due from related parties (judgement)

As described under the 'Impairment of debt instrument financial assets' above, the repayment of the loans and advances due from related parties is dependent on the performance of the underlying residential mortgage portfolio. At each balance sheet date an assessment is made as to whether, as a result of one or more events, there is a significant increase in credit risk since initial recognition. In assessing the loans and advances to group companies for impairment, the Directors first consider the impairment of the underlying mortgage loans using the above 3 stage approach and consider the ECL of the loans and advances to group companies taking into account the relevant credit enhancements available for the Company in the structure. Expected credit losses for loans and advances to group companies are immaterial and are only likely to be material if the ECL on the underlying assets exceeded the available credit enhancements.

The Company has made no critical accounting estimates in the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. FINANCIAL RISK MANAGEMENT

Principal risks and uncertainties facing the Company

The Santander UK Group Holdings plc Risk Frameworks have been adopted by the Company to ensure consistency of application.

The Company's assets consist of intercompany receivables and cash. These assets expose the Company to credit risk and interest rate risk. Interest rate risk is not deemed significant as the intercompany receivables accrue interest at SONIA and the liabilities representing Notes in issue accrue interest at SONIA plus margin.

The Company's liabilities comprise Notes in issue. These liabilities expose the Company to liquidity risk.

The principal risks are as follows:

Credit risk

Credit risk is the risk of financial loss due to the default or credit quality deterioration of a counterparty, for whom the Company has assumed a financial obligation.

The total loans within the securitisation pool that Santander UK plc had assigned legal title to the Holmes Securitisation Structure was £7,090m (2024: £5,109m). The Holmes Securitisation Structure acquired an interest in a portfolio of these mortgage loans totalling £5,407m (2024: 3,735m), which represents the funder share.

Credit risk stems from the intercompany loan with Holmes Funding Limited. The repayment of the intercompany loan is dependent upon the performance of the mortgage portfolio within the securitised pool as the Company is reliant upon the repayment of customer payments of principal and interest to pay principal and interest against the Notes in issue.

The loans within the portfolio are monitored and assessed for impairment on a regular basis at the Group level using the 3 stage approach under International Accounting Standard ("IFRS") 9 'Financial Instruments'. Credit risk is mitigated by the quality of securitised loans within the pool. The maximum LTV ratio of the securitised mortgages within the structure at origination is 95% (2024: 95%) with arrears rates significantly below the rate that can be absorbed by the level of over collateralisation currently within the structure. There are no repurchase obligations on the underlying loans. The Holmes Securitisation Structure is over collateralised in the current and preceding year.

Credit risk is further mitigated by the relevant collateral and credit enhancements available for the Company in the structure. The Holmes Securitisation Structure holds ample cash balances and reserves which acts as a credit enhancement feature. Accordingly, expected losses against the loan to Holmes Funding Limited would only arise if the ECL on the underlying assets is greater than the available credit enhancements. The Santander UK plc seller share of mortgage loans within the pool does not provide credit enhancement.

There is limited recourse under the loans as the Company only pays loan Notes to the extent that it has available cash.

All cash balances held with Santander UK plc are held under a Guaranteed Investment Contract and are classified as restricted funds, as withdrawals are restricted by a priority of payments in accordance with the terms of the securitisation structure.

In assessing the intercompany loan with Holmes Funding Limited for impairment, the Directors first consider the impairment of the underlying mortgage loans and consider the ECL of the loan taking into account the relevant credit enhancements available for the Company in the structure.

At the balance sheet date the impact of ECL has been assessed as immaterial on all financial assets subject to credit risk, due to the credit enhancement features applied by the Company. As such no ECL allowance was recognised (2024: £nil). All financial assets subject to credit risk were neither past due nor impaired (2024: neither past due nor impaired).

Credit risk in this respect is mitigated by high-quality loans forming the loan securitisation pool and by collateral and other credit enhancements within the Holmes Securitisation Structure as described in the Transaction documents.

Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient liquid financial resources available to meet its obligations when they fall due, or that it can only secure such resources at excessive cost.

The framework of the overall securitisation structure is designed to ensure liquidity risk is minimised in accordance with the Transaction Documentation through the availability of credit enhancements.

The Company's primary objective is to provide funds to Holmes Funding Limited through Note issuances. Receipts from customer repayment of mortgage principal are then used to make principal repayments and interest against the Notes. The terms of the Transaction documents ensure a sufficient pool of customer mortgage repayments is maintained to service the Notes, as and when they fall due. The Company delegates the servicing of these activities to specialist teams within Santander UK plc. Credit enhancements outlined in the Transaction documents further support the mitigation of liquidity risk.

Market risk

Market risk is the potential for loss of income or decrease in the value of net assets caused by movements in interest rates. The Company is subject to market risk in the form of interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Company is not subject to interest rate risk as the terms of the Company's liabilities are matched to those of its assets.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

All of the Company's income is derived from activities in the same business and geographical segment, within the UK.

5. INTEREST AND SIMILAR INCOME

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Interest income from Holmes Funding Limited	233,499	192,063
Interest income from Santander UK plc	61	37
	233,560	192,100

6. INTEREST EXPENSE AND SIMILAR CHARGES

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Interest expense on debt securities in issue	233,504	192,911
	233,504	192,911

7. NET OTHER OPERATING INCOME

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Fee income from Holmes Funding Limited	991	922
	991	922

8. PROFIT/ (LOSS) BEFORE TAX

Directors' emoluments

The Directors' services to the Company are an incidental part of their duties. No Directors were remunerated for their services to the Company. Directors' emoluments are borne by Santander UK plc and corporate service fees, which include the provision of Directors, are borne by Holmes Funding Limited. No emoluments were paid by the Company to the Directors during the year (2024: £nil).

Staff costs

The Company had no employees in the current or previous financial year.

Auditors' remuneration

The audit fees for the current and prior years have been paid by the Company. The audit fee for the current year exclusive of VAT was £45,515 (2024: £43,765).

There were no non-audit fees incurred by the Company. Non-audit fees are paid by Santander UK plc.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

9. TAX

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Current tax:		
UK corporation tax on profit/ (loss) for the year	-	-
Tax charge on profit/ (loss) for the year	-	-

For UK corporation tax purposes, the Company has been considered as a Securitisation Company under the 'Taxation of Securitisation Companies Regulations (SI 2006/3296)'. Therefore, the Company is not required to pay corporation tax on its accounting profit or loss. Instead, the Company is required to pay tax on its retained profits as specified in the documentation governing the Transaction, which is currently £1,250 (2024: £1,250). Any other amounts that form part of its retained profit and all other amounts that it receives are disregarded for tax purposes.

UK corporation tax is calculated at the statutory rate of 19% (2024: 19%) for companies with profits under £50,000.

The tax on the Company's profit/ (loss) before tax differs from (2024: differs from) the theoretical amount that would arise using the basic tax rate of the Company as follows:

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Profit/ (loss) before tax	308	(572)
Tax calculated at a rate of 19% (2024: 19%)	(59)	109
Non-taxable income	59	(109)
Tax charge for the year	-	-

The Company meets the requirements of a securitisation company for tax purposes and is taxed on the margin that it receives in return for participating in the securitisation structure under the waterfall arrangement. Any other amounts that form part of its retained profit and all other amounts that it receives are disregarded for tax purposes.

10. CASH AND CASH EQUIVALENTS

	2025 £000	2024 £000
Deposits with Santander UK plc	1,070	564
	1,070	564

All cash balances held with Santander UK plc are held under a Guaranteed Investment Contract and are classified as restricted funds, as withdrawals are restricted by a priority of payments in accordance with the terms of the securitisation structure.

11. LOANS AND ADVANCES DUE FROM RELATED PARTIES

	2025 £000	2024 £000
Receivable:		
Current	468,571	-
Non-current	4,938,962	3,726,285
	5,407,533	3,726,285

Mortgage Loans underlying the Loans and advances due from related parties are amortising however the repayments are not contractually certain. The maturity profile of this balance is matched to the maturity profile of the debt securities in issue, based on the scheduled repayments per the Transaction documents.

Loans and advances due from related parties largely comprise the proceeds received from debt securities (note 13) paid to Holmes Funding Limited, less principal and interest payments made against these debt securities and customer mortgage loan principal repayments. The loans are all denominated in Sterling and are subject to variable rates of interest.

12. OTHER ASSETS

	2025 £000	2024 £000
Accrued interest due from related parties	51,042	41,999
Called up share capital not paid – due from Holmes Holdings Limited (see note 15)	37	37
	51,079	42,036

The carrying amount of other assets approximates to their fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

13. DEBT SECURITIES IN ISSUE

	2025 £000	2024 £000
Residential mortgage-backed debt securities	5,407,472	3,726,256
These borrowings are repayable as follows:		
Current:		
Debt securities in issue	468,571	-
Non-current:		
Debt securities in issue	4,938,901	3,735,058
Deferred start-up costs	-	(8,802)
	5,407,472	3,726,256

From the years ending 31 December 2025 and 31 December 2024 the classification of the Debt securities in issue is in line with the scheduled repayment dates of the Debt securities as per the Transaction documents.

Total mortgage-backed Debt securities include amounts owed to Santander UK plc of £562,144,037 (2024: £388,966,953) relating to Notes held by Santander UK plc, together with any associated accrued interest.

The tables below disclose the list of debt securities in issue.

Issue	Currency	Book value 2025 £000	Book value 2024 £000
2021-1 Class Z VFN 2054 (Compound daily SONIA plus 0.90%)	GBP	557,472	385,058
2023-1 Class A1 Floating Rate debt securities 2054 (Compound daily SONIA plus 0.73%)	GBP	600,000	600,000
2023-1 Class A1 Floating Rate debt securities 2072 (Compound daily SONIA plus 0.58%)	GBP	750,000	750,000
2023-2 Class A1 Floating Rate debt securities 2072 (Compound daily SONIA plus 0.54%)	GBP	750,000	750,000
2024-1 Class A1 Floating Rate debt securities 2072 (Compound daily SONIA plus 0.55%)	GBP	750,000	750,000
2024-2 Class A1 Floating Rate debt securities 2072 (Compound daily SONIA plus 0.50%)	GBP	500,000	500,000
2025-1 Class A1 Floating Rate debt securities 2072 (Compound daily SONIA plus 0.53%)	GBP	750,000	-
2025-2 Class A1 Floating Rate debt securities 2072 (Compound daily SONIA plus 0.50%)	GBP	750,000	-
Total		5,407,472	3,735,058

Interest is payable on the debt securities in issue at variable rates based on compounded daily Sterling Over Night Index Average (SONIA).

The principal assets of the Company are loans made to Holmes Funding Limited, a Group company, whose obligations in respect of these loans, are secured under a deed of charge which grants security over all its assets, primarily comprising shares in a portfolio of residential mortgage loans, in favour of the security trustee. These mortgages fail the derecognition criteria described in IFRS 9 and as such are represented by a receivable on the balance sheet of Holmes Funding Limited, though legally Holmes Funding Limited is entitled to the income from these mortgages. The security trustee holds this security for the benefit of all secured creditors of Holmes Funding Limited, including the Company.

With the exception of Class Z debt securities which are issued within the Banco Santander SA Group, all debt securities in issue are listed on the London Stock Exchange and are included in the amounts shown above.

The Company's debt securities in issue are denominated in Pounds Sterling (2024: Pounds Sterling).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

14. OTHER LIABILITIES

	2025 £000	2024 £000
Due within one year:		
Accrued interest payable	51,042	41,993
Other liabilities	406	182
	51,448	42,175

Accrued interest includes £4.7m (2024: £3.9m) payable to Santander UK plc. The Directors consider that the carrying amounts of other liabilities approximate to their fair value.

Other liabilities comprise professional fees owed to Wilmington Trust SP Services (London) Limited.

15. SHARE CAPITAL

	2025 £000	2024 £000
Issued and fully paid:		
50,000 (2024: 50,000) Ordinary shares of £1 (2024: £1) each	50	50

The Company is not subject to any externally imposed capital requirements.

16. RELATED PARTY TRANSACTIONS

Balances and transactions with related parties include:

	Expense		Income		Cash and cash equivalents		Amounts due (to) / from related parties	
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Santander UK plc	21,622	20,373	61	37	1,070	564	(562,144)	(388,967)
Holmes Funding Limited	-	-	234,491	192,985	-	-	5,458,574	3,768,284
Holmes Holdings Limited	-	-	-	-	-	-	37	37

The Company paid £18,047 (2024: £18,074) to Wilmington Trust SP Services (London) Limited for the provision of Directors to the Company. Holmes Funding Limited reimburses the Company in respect of these fees paid.

Included in the amounts due from related parties is accrued interest receivable from Holmes Funding Limited of £51.1m (2024: £42.0m). Included in the amounts due to related parties is accrued interest payable to Santander UK plc of £4.7m (2024: £3.9m).

There were no related party transactions during the year or existing at the balance sheet date (2024: £nil), with either the Company or the parent company Holmes Holdings Limited's key management personnel.

17. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Holmes Holdings Limited. Wilmington Trust SP Services (London) Limited, a company incorporated in Great Britain and registered in England and Wales, holds the entire share capital of Holmes Holdings Limited as trustee under a discretionary charitable trust, dated 17 February 1999, for the benefit of certain charities.

The administration, operations, accounting and financial reporting functions of the Company are performed by Santander UK plc, which is incorporated in Great Britain and registered in England and Wales.

Santander UK plc has been delegated administration and servicing functions in respect of the loans on behalf of the mortgages' trustee and the beneficiary as the service providers.

The Company is a Special Purpose Vehicle controlled by Santander UK plc and is therefore consolidated within the Santander UK Group Holdings plc's financial statements.

The ultimate parent and controlling party is Banco Santander SA, a company incorporated in Spain. The smallest and largest groups into which the Company's results are included are the group accounts of Santander UK plc and Banco Santander SA, respectively, copies of which may be obtained from Shareholder Relations, 2 Triton Square, Regent's Place, London NW1 3AN, on the corporate website (www.aboutsantander.co.uk) or on the Banco Santander corporate website (www.santander.com).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

18. EVENTS AFTER THE BALANCE SHEET DATE

On 21 January 2026 the Company issued Series 2026-1 Notes, comprising £500,000,000 of Class A1 and £750,000,000 of Class A2 Notes. Interest on these Notes is compounded at SONIA plus 0.53% and SONIA plus 0.60% respectively.