Company Number 16472271

Harvest Funding Plc

Annual report and financial statements
For the period from 23 May 2025 (date of incorporation) to 31 May 2026

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Company information and independent auditors

Directors

CSC Directors (No.1) Limited (appointed on 23 May 2025)
CSC Directors (No.2) Limited (appointed on 23 May 2025)
Paivi Helena Whitaker (appointed on 23 May 2025)

Company secretary and registered office

CSC Corporate Services (UK) Limited
10th Floor
5 Churchill Place
E14 5HU
London
United Kingdom

Company number

16472271
(England and Wales)

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT
United Kingdom

Strategic report for the period from 23 May 2025 (date of incorporation) to 31 May 2026

The directors present their Strategic report of Harvest Funding Plc (the "Company") for the period from 23 May 2025 (date of incorporation) to 31 May 2026.

Incorporation, principal activities and business review

The Company was incorporated on 23 May 2025 as a public limited company, limited by shares, under the Companies Act 2006 and registered in England and Wales to act as a special purpose company to raise funding through the issue of notes and to apply the proceeds to acquire portfolio of owner-occupied and buy-to-let residential mortgage loans and their related security.

On 21 April 2026 (the "Closing Date"), as part of a securitisation transaction, the Company issued £1,623,108,000 Class A mortgage backed floating rate notes, £65,297,000 Class B mortgage backed floating rate notes, £55,969,000 Class C mortgage backed floating rate notes, £27,985,000 Class D mortgage backed floating rate notes, £27,985,000 Class E mortgage backed floating rate notes, £18,657,000 Class F mortgage backed floating rate notes, £27,985,000 Class X mortgage backed floating rate notes, £46,641,000 Class Z mortgage backed zero rate notes, (together, the "Notes"). The Company also entered into a vertical risk retention loan agreement (the "VRR Loan Note") with Bank of Scotland plc (the "Retention Holder", the "Seller" and the "Servicer"). The £99,665,000 VRR Loan Note was issued to satisfy the requisite risk retention requirements in the UK, being equal to no less than 5 per cent of the notional value of the Notes. The VRR Loan Note is exposed to 5 per cent of the risk and rewards of all classes of the Notes. The Notes and VRR Loan Note were issued at an aggregated discount of £70,905,924. In addition to the Notes and VRR Loan Note, the Company also issued certificates (the "Residual Certificates"). The Notes are listed on the Official List of the London Stock Exchange. The Notes have a first optional redemption date on the IPD falling in November 2029 and a final maturity date due in November 2069. The majority holder of the Residual Certificates has the right to exercise a purchase option in relation to the loans, which would lead to an early redemption of the Notes and VRR Loan Note on the optional redemption date. The Notes, VRR Loan Note and the Residual Certificates are limited recourse obligations of the Company. In addition, as required by the transaction documents, the Company is required to maintain a Liquidity Reserve Fund and a Credit Reserve Fund. Further details are set out in the Liquidity risk section below.

The Company applied the total proceeds from the issuance of the Notes and VRR Loan Note of £1,922,386,076 plus the Funding cost of £22,500,000 to pay the initial consideration of £1,944,886,076 to the Seller to acquire the beneficial title to a portfolio of non-conforming UK owner-occupied and buy-to-let residential mortgage loans together with the related security (the "Loans"). The Funding Cost arose from cash flows received on the Loans between the Reference Date (as defined in the transaction documents) and the Closing Date. The Company was then entitled to retain all other cash flows arising on the Loans during this period, including interest received of £35,919,393 which has the effect of reducing the day 1 consideration paid. The Loans are secured by first charges over residential properties located in England, Wales, Northern Ireland and Scotland. The Loans are well seasoned and were originated between 2003 and 2025.

The purchase price of the mortgage portfolio consists of the adjusted initial consideration, as above, plus deferred consideration. The deferred consideration consists of the residual funds payable to the holder of the Residual Certificates (see above) under the priority of payments at each Interest Payment Date ("IPD"), to the extent funds are available. The right to such payments being represented by the issue of the Residual Certificates to the Seller at nil value, in accordance with the Mortgage Sale Agreement.

Following the issue of the Residual Certificates to the Seller on the Closing Date, the Seller transferred 100 percent of the Residual Certificates to one or more third party investors. As a result of the transfer of the Residual Certificates, the directors concluded that the Seller substantially transferred all the risks and rewards of ownership of the Loans as a result of the transaction. Accordingly, in the Seller's financial statements, the transfer of the ownership of the beneficial interest in the Loans resulted in their derecognition. The directors of the Company have therefore concluded that it is appropriate to account for the beneficial interest acquired in the Loans by recognising the Loans on the Company's Statement of financial position. The day 1 value of the Loans represented the initial consideration paid to the Seller to acquire the beneficial interest, along with the fair value of the Residual Certificates at the Closing Date.

Strategic report for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

Incorporation, principal activities and business review *(continued)*

The Company's functions and business activities are set out in the prospectus dated 17 April 2026 which also documents the terms and conditions of the Notes, VRR Loan Note and the legal agreements setting out the terms of the securitisation (the "transaction documents"). The Company's obligation to pay principal and interest on the Notes and VRR Loan Note and amounts due on the Residual Certificates and its operating and administrative expenses will be met primarily from payments of principal and revenue received from the Loans.

The directors do not anticipate any changes to the present level of activity, or the nature of, the Company's business in the foreseeable future.

Key performance indicators

Given the nature of the Company's activities, the directors consider the performance of the Loans and the related borrowing under the Notes to be the key performance indicator for the Company. The net carrying value of the Loans was £1,689,263,111 as at the period end with an impairment provision of £61,651,647 recognised against the Loans. The principal repaid on the Loans is used to redeem the Notes and VRR Loan Note on each IPD. At the end of the period, the amortised cost of the Notes, VRR Loan Note and Residual Certificates amounted to £1,925,496,556.

A change in the credit rating assigned to the Company's Notes is also considered to be an indicator of the performance of the Company. The credit ratings were first assigned at the time of issue and are then monitored and reviewed by the Credit Rating Agencies and reflect the likelihood of full and timely payment to the note holders of interest and principal when due. There have been no changes in rating from the Closing Date.

The Class Z note and VRR Loan Note are unrated.

The directors monitor the quarterly arrears profile of the Loans:

Delinquencies days	**July 2026**
days	%
Current and up to 30 days	93.65
>30 <=60 days	0.60
>60<=90 days	0.41
>90	5.34
Total	**100.00**

	31 May 2026
Aggregate principal of Loans in arrears (£)	297,192,874
Loans with 1 to 6 months in arrears (£)	73,196,324
Loans with 6+ months in arrears (£)	223,996,550
Total number of Loans in arrears	1,493

A Principal Deficiency Ledger is maintained for each Class of Notes to record any realised losses on the Loans and any Principal Addition Amounts (as defined in the transaction documents) applied as Available Revenue Receipts. Losses and Principal Addition Amounts are recorded as debits to the relevant sub-ledgers in reverse sequential order, beginning with the Class Z Notes and proceeding through Classes F, E, D, C, B, and A, in each case up to the principal amount outstanding of the relevant Class. A credit is then applied to Principal Deficiency Ledgers, as appropriate, at each IPD to reflect Available Revenue Receipts applied pursuant to the priority of payments (as set out in the transaction documents). At the August 2026 IPD, all Principal Deficiency Ledgers were nil, other than that relating to the Class Z notes, which had a balance of £4,299,084.

Strategic report for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

Key performance indicators *(continued)*

The outstanding balance of the Loans in repossession & sold during the period end was £2,722,928. As of 30 Sep 2026, there were 103 properties in repossession having outstanding balance of £24,065,290.

Principal risks and uncertainties

The Company's activities expose it to a number of risks and uncertainties which are largely mitigated by the structure of the transaction and discussed in detail within the transaction documents. The key business risks affecting the Company and its management are set out in the Future developments and Financial instruments sections below.

Future developments

The key future developments which the directors expect to have the greatest impact on the Company, due to their impact on the performance of the Loans (in particular, future cash flows, default rates and collateral values), relate to pressures resulting from uncertainty and changes in the macroeconomic environment.

The UK economy continues to face macroeconomic uncertainty, with renewed inflationary pressures and tighter monetary conditions. Consumer Price Index ("CPI") inflation increased to 3.5% in September 2026 and remains above the Bank of England's 2% target, with higher global energy prices contributing to increased inflationary pressures. The recent escalation in the Iran-Israel conflict, including the involvement of the US, has further increased global geopolitical uncertainty. Heightened tensions in the Middle East and associated pressures on energy supply have contributed to volatility in energy prices and financial markets, presenting downside risks to global growth through potential supply chain disruption, increased inflationary pressures and reduced investor confidence.

Against this backdrop, the Bank of England's Monetary Policy Committee increased Bank Rate by 0.25 percentage points from 3.75% to 4.00% in November 2026, reflecting increased inflationary pressures in the economy. The Bank of England currently expects CPI inflation to rise to around 5% by the middle of 2027, before subsequently declining as the impact of higher energy prices fades and restrictive monetary policy bears down on inflation. The future path of Bank Rate remains subject to economic conditions, including the persistence of energy price pressures and their potential impact on wider prices and wages.

While the extent and duration of the effect of this economic uncertainty remains unclear, there is a risk of financial instability for the Company; for example, a detrimental effect on the UK economy may ultimately impact the borrowers' ability to repay the Loans, or on the Servicer's ability to continue to effectively service the Loans. However, as at the reporting date there has been no material impact from these macroeconomic factors on the Company’s financial performance or cash flows. Also, the Notes and VRR Loan Note are a limited recourse obligation of the Company, therefore payment on them is limited to the application of receipts from the Loans and the Company is not ultimately exposed if the borrowers are unable to pay.

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

Financial instruments

The Company’s operations are financed primarily by means of the Notes and the VRR Loan Note. The Company issued such financial instruments to finance the acquisition of the Loans. It is not the Company’s policy to trade in financial instruments. The primary risks arising from the Company’s financial instruments are credit risk, liquidity risk and interest rate risk. The principal nature of such risks is summarised below.

Strategic report for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

Credit risk

Credit risk reflects the risk that the underlying borrowers or other transaction parties will not meet their obligations as they fall due.

The Company's business objective rests on the performance of the Loans. The Loans are secured by first charges over residential properties in UK which represents the Company's primary mitigation of credit risk. The Company considered the Seller's assessment of the borrowers' expected ability to service the Loans according to their contractual terms, deeming this to be a primary factor in assessing the credit risk of the Loans and making the decision to lend at the inception of each Loan. However, given the time which has elapsed since origination, the directors consider the assessment of credit risk at origination to now be less important than the recent performance of the Loans.

Accordingly, the directors monitor performance of the Loans or any deviation from expected terms or missed payments. Credit risk is minimised by the fact that the collateral underlying the Loans is deemed to be good quality and provide a steady cash flow for the Company to discharge all liabilities. Credit risk is monitored and managed on a regular basis through the review of publicly available quarterly investor reports prepared by the cash manager and monthly servicer reports prepared by the Servicer. These are reviewed in detail by senior management. The Company assesses the recoverability of its assets at each balance sheet date and makes an allowance for impairment losses.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at an unacceptably high cost. The Company's ability to meet payments on the Notes, VRR Loan Note and the Residual Certificates as they fall due is dependent on timely receipt of funds which may be delayed due to slow repayments on the Loans. The Liquidity Reserve Fund was established but not funded on the Closing Date. The amount required, from time to time, to be standing to the credit of the Liquidity Reserve Fund Ledger shall be an amount equal to the Liquidity Reserve Fund Required Amount (as defined in the transaction documents). The Liquidity Reserve Fund was initially funded on the first Interest Payment Date through the use of Available Principal Receipts at the Liquidity Reserve Fund Required Amount. Available Principal Receipts comprise principal collections received in respect of the Loans, including scheduled repayments, prepayments and recoveries.

The Liquidity Reserve Fund is available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to cover any shortfalls on the senior expenses, Class A Note (or the equivalent part of the VRR Loan Note) interest payments. If, on any IPD, the Company has insufficient funds to make payment in full of all amounts of interest in relation to any other Class of Note, then the Company is entitled to defer payment of that amount until the following IPD. The Company shall not be entitled to defer amounts of interest payable in respect of the Class A Notes.

The transaction documents also provide for a Credit Reserve Fund mechanism. The Credit Reserve Fund was established but not funded on the Closing Date, and is required to be funded from the first Interest Payment Date onwards in accordance with the transaction documents. The fund is intended to provide additional credit enhancement and support payments under the Priorities of Payment where required to Class F notes and above.

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

The transaction also includes an Estimated Capitalised Interest Ledger (ECI Ledger) which, in effect, records the portfolio's net aggregate unpaid capitalised interest arrears balance on an ongoing basis from the closing date. On each IPD, the Company aims to maintain the interest/revenue receipts equal to the portfolio's realised pay rate and also divert borrower overpayments to cure interest arrears by redirecting a portion of portfolio principal receipts to available revenue funds.

Strategic report for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

Liquidity risk *(continued)*
The Notes and the VRR Loan Note are subject to mandatory redemption in part on each IPD at an amount equal to the principal received or recovered in respect of the Loans. The majority holder of the Residual Certificates has the right to exercise a purchase option in relation to the Loans, which would lead to an early redemption of the Notes and VRR Loan Note on or after the optional redemption date falling on the IPD in November 2029, If not otherwise redeemed or purchased and cancelled, the Notes and VRR Loan Note will be redeemed at their principal amounts outstanding on the IPD falling in November 2069. Ultimately, due to the limited recourse obligations of the Company in respect of the Notes, VRR Loan Note and Residual Certificates the Company is only obliged to make payments of interest and principal on the Notes and the VRR Loan Note to the extent that repayments are received from the Loans or from any security over the Loans being realised. However, it is to be noted that failure to pay interest on the most senior class of the Notes will constitute an event of default.

Interest rate risk
Interest rate risk exists where interest rates on assets and liabilities are either set according to different bases or reset at different times. The net interest margin is dependent on movements in interest rates and can create mismatches in cash flows (non-current assets or liabilities) or repricing dates (floating assets or liabilities). The Company is subject to the risk of a mismatch between the rate of interest (including margin) receivable in respect of the Loans and the rate of interest (including margin) payable in respect of the Notes. The Company's liabilities under the floating rate Notes are based on the compounded daily SONIA rate for the relevant period. As a result, the Company may be exposed to residual interest rate risk arising from the resetting of interest rates of assets and liabilities on different bases. The Liquidity Reserve Fund was established on the Closing Date to cover shortfalls in interest payments on the Class A Notes, to the extent that interest income from the Loans is insufficient to meet the interest amounts due to the senior noteholders. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar.

Currency risk
The Company is not exposed to currency risk as all its financial instruments are denominated in GBP.

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

Section 172 statement
Section 172(1) of Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long term,
b) the interests of the Company's employees,
c) the need to foster the Company's business relationships with suppliers, customers and others,
d) the impact of the Company's operations on the community and the environment,
e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
f) the need to act fairly as between members of the Company

As a special purpose vehicle 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:

Strategic report for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

Section 172 statement *(continued)*

With reference to the likely consequences of any decision in the long term, the transaction documents have been formulated to achieve the Company's purpose and business objectives, safeguard the assets and promote the success of the Company with a long term view and in accordance with relevant securitisation legislation.

The matters set out in subsections (b)–(f) have limited or no relevance to the Company for the following reasons:

- The Company has no employees;
- The Company has no customers other than the underlying borrowers of the Loans;
- The Company has appointed various professional third parties to perform certain roles governed by the transaction documents;
- As a special purpose vehicle, the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment; and
- The Company has a sole member with the issued shares all held on a discretionary trust basis for charitable purposes.

In accordance with s. 426B Companies Act 2006 a copy of this statement is available at https://connect.cscgfm.com/issuer/public/UGUfKEun1jQDl

On behalf of the Board

umar khan (Nov 23, 2026 16:16:04 GMT)

Muhammad Umar Khan
per pro CSC Directors (No.1) Limited
as Director
23 November 2026

Directors' report for the period from 23 May 2025 (date of incorporation) to 31 May 2026

The directors present their annual report together with the audited financial statements of the Company for the period from 23 May 2025 (date of incorporation) to 31 May 2026.

Results

The statement of comprehensive income of the Company is set out on page 21 and shows the loss after tax of £64,299,844 for the period. Under the terms of the securitisation the Company retains £1,250 (the "Issuer Profit") on each IPD which is credited to the retained profit ledger as described in the transaction documents. The Issuer profit for the period was £548, which forms part of the profit for the financial period. Residual cash in excess of this amount are paid to the Residual Certificate holders as deferred consideration after the redemption of Class X Notes. Therefore, whilst over the life of the transaction the profit or loss shown in the statement of comprehensive income in any accounting period may differ from this amount, due to non-cash accounting adjustments, such as the effective interest rate and movements in the impairment provision, such profits or losses are expected to reverse over the life of the transaction, leaving the Company ultimately with retained earnings equal to the aggregate Issuer profit accruing over the life of the transaction.

The directors do not recommend the payment of a dividend for the period ended 31 May 2026.

Going concern

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

The ability of the Company to meet its obligations on the Notes, VRR Loan Note and Residual Certificates and to meet its operating and administrative expenses is dependent principally on the performance of the Loans. The Notes, VRR Loan Note and Residual Certificates are a limited recourse obligation of the Company, secured over the Loans, and the Company's ability to pay amounts due on them are, in substance, limited to the application of the receipts from the Loans under the terms of the priority of payments as set out in the terms and conditions of the Notes, VRR Loan Note and Residual Certificates.

Liquidity support for each Class of Notes except for Class Z Notes is provided in the following manner:

- the subordination in payment of those Classes of Notes and Residual Certificates ranking junior in the Priority of Payments;
- in respect of the Class A Notes only, prior to Class A Notes being redeemed in full or the service of an Enforcement notice, application of the Liquidity Reserve Fund (if any) as Available Revenue;
- in respect of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes only, the Principal Addition Amounts to cure a revenue shortfall on the Most Senior Class of Notes.

The directors have performed an assessment of going concern. In terms of considering going concern, the focus was upon the Company's position in respect of the potential for reduced cash flows to trigger an event of default, amounts that may be deferred per the transaction documents, and the operational resilience of the Company. The Company is in a net current liability position mainly as a result of EIR and other accounting adjustments on the Loans, Notes, VRR Loan Note and Residual Certificates. The Directors do not consider it as an indicator of the Company's inability to continue as a going concern due to the limited recourse nature of the Notes, VRR Loan Note and Residual Certificates.

The directors have concluded that should there be an economic event resulting in a significant decrease in the revenue receipts from the portfolio of Loans, the credit enhancement provided to the Company, in the form of the Liquidity Reserve Fund, Credit Reserve Fund and cash balance, is sufficient to cover the interest due on the Notes and the expense obligations of the Company for a period in excess of 12 months following the date of approval of the annual report and financial statements.

Directors' report for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

Going concern *(continued)*

The directors are satisfied that the Company will continue to be able to meet its liabilities as they fall due for a period of at least 12 months from the approval date of these financial statements. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

Streamlined energy and carbon reporting

The Company is out of scope for Streamlined Energy and Carbon Reporting ("SECR") as it does not meet the relevant numerical thresholds in relation to turnover and number of employees. The Company acknowledges recommendations provided by the Task Force on Climate-related Financial Disclosures ("TCFD"). However, as a special purpose vehicle with no physical presence or workforce, the Company has determined that TCFD disclosures (which are intended for companies with operational footprints) are not applicable at this time. The directors will continue to monitor any changes in the climate risk environment.

Future developments

Information on future developments is included in the Strategic report.

Financial risk management

Information on financial risk management is included in the Financial instruments section of the Strategic report.

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 have been issued, the Company is exempt from the disclosure requirements of the Financial Conduct Authority pertaining to the Disclosure and Transparency Rules (DTR) as detailed in DTR 7.1 audit committees and DTR 7.2 corporate governance statements (save for DTR 7.2.5 requiring a description of the features of the internal control and risk management systems), which would otherwise require the Company respectively, to have an audit committee in place and to include a corporate governance statement in the report of the directors. The directors are therefore satisfied that there is no requirement for an audit committee, or a supervisory body entrusted to carry out the functions of an audit committee.

The directors have established processes regarding internal control and risk management systems to ensure their effective oversight of the financial reporting process.

Issued share capital

The issued share capital consists of £12,501 comprising 49,999 quarter paid and 1 fully paid ordinary shares of £1 each.

Directors' report for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

Directors and their interests

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

CSC Directors (No.1) Limited
CSC Directors (No.2) Limited
Paivi Helena Whitaker

None of the directors or their immediate relatives have any beneficial interest in the ordinary share capital of the Company.

None of the directors or their immediate relatives had any interest during the period in any material contract or arrangement with the Company.

Company secretary

CSC Corporate Services (UK) Limited was appointed company secretary on 23 May 2025 and continued to act as secretary for the period from 23 May 2025 (date of incorporation) to 31 May 2026 and subsequently.

Third party indemnities

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

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 period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under Company law, 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 102 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.

Directors' report for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

Directors' confirmations

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

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

Independent auditor

The auditor, PricewaterhouseCoopers LLP, was appointed as the first auditor of the Company during the period under review and are to remain in office until the concluding of the Company's first annual general meeting. Having expressed their willingness to continue in office and pursuant to section 489 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP will be proposed at the forthcoming annual general meeting.

On behalf of the Board



umar khan (Nov 23, 2026 16:16:04 GMT)

Muhammad Umar Khan
per pro CSC Directors (No.1) Limited
as Director
23 November 2026

Independent auditors' report to the members of Harvest Funding PLC

Report on the audit of the financial statements

Opinion

In our opinion, Harvest Funding PLC's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2026 and of its loss and cash flows for the period from 23 May 2025 to 31 May 2026;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

- the Statement of financial position as at 31 May 2026;
- the Statement of comprehensive income for the period then ended;
- the Statement of changes in equity for the period then ended;
- the Statement of cash flows for the period then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the directors.

Basis for opinion

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

Independence

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

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

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

Our audit approach

Context

The Company is a special purpose entity ("SPE") that forms part of a securitisation structure, established for the purpose of acquiring a portfolio of mortgage loans (the "Loans") funded by the issuance of mortgage backed notes (the "Notes") along with the issuance of certificates (the "Certificates"). The Notes issued by the Company (other than VRR Loan Note) are listed on the London Stock Exchange and the Certificates are not listed. The activities of the Company are conducted primarily by reference to a series of transaction documents (the "transaction documents").

Overview

Audit scope

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

Key audit matters

- Impairment of Loans
- Errors in accounting due to a lack of understanding of the transaction

Materiality

- Overall materiality: £18,730,357 based on 1% of total assets.
- Performance materiality: £14,047,768.

The scope of our audit

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

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material

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

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

Key audit matter	How our audit addressed the key audit matter
Impairment of Loans The risk of material misstatement in the Loans impairment provision is a significant risk because of the judgement involved in determining the definition of a loss event and the subjectivity involved in estimating the recoverable amount if the property is repossessed. We note that as the Company reports under UK GAAP (FRS102 with IAS 39), provisioning is on an incurred loss basis. This means that as the portfolio reduces there is an increased risk of latent credit risk building up, which only ultimately occurs in the event of a future economic event (e.g. increases in base rate, increase in unemployment) or at the expected maturity date of the loan (e.g. if there is no repayment plan for an interest only loan). As such, consideration of loss events that have occurred but not yet been reported is important, along with the recoverable amount of the collateral. As referenced in Note 1, there is significant judgement involved in management's determination of the necessity for, and quantum of, any impairment provision against the Loans. Related disclosures in the financial statements: Note 1: Accounting policies - Critical accounting judgement and estimates, Note 7: Loans and Note 12: Financial instruments - Credit risk	In response to this key audit matter we: • Understood and evaluated the relevant controls; • Tested the probability of default and forced sale discount assumptions used in the impairment calculation, based on the historical performance of the portfolio; • Tested the mathematical accuracy of the model used to calculate the impairment provision; • Re-performed the arrears categorisation and, for a sample of the Loans, tested the cash collections; • For a sample of the Loans, tested the existence of a legal charge, over the collateral properties; • Critically assessed the reasonableness of management's point estimate, based on our analysis of the Loans and their performance post period end and; • Assessed the appropriateness of the disclosures in the financial statements in accordance with FRS 102

Errors in accounting due to a lack of understanding of the transaction As this was the first period for which financial statements were prepared there is a risk that - due to unfamiliarity and the complexity of the transaction - the accounting may not fully reflect all aspects of the underlying transaction. The directors have concluded that the Seller achieved derecognition on the sale of the Loans to the Company as a result of the transfer of the Certificates to a third party and have therefore recognised the Loans on the Company's Statement of financial position. The Loans, Notes and Certificates are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method and will be reduced by any payments or effective interest rate adjustments occurring during the period. Related disclosures in the financial statements: Note 1. Accounting policies - Critical accounting judgement and estimates, Note 7. Loans, Note 9. Creditors and Note 12. Financial instruments	In response to this key audit matter, we have: • Evaluated the terms of the securitisation in order to ensure that the director's conclusions regarding the accounting for the Company's purchase of a beneficial interest in the Loans is consistent with the requirements of IAS 39; • Tested the calculations and reconciliations underlying the fair values of the Loans, Notes and Certificates at initial recognition and subsequent measurement at amortised cost; and • Assessed the appropriateness of the disclosures in the financial statements in accordance with FRS 102.

How we tailored the audit scope

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

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

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	£18,730,357
How we determined it	1% of total assets
Rationale for benchmark applied	The Company is a not for profit entity, whose main priority is to remit the cash received in respect of its assets 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% of overall materiality, amounting to £14,047,768 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 £ 936,518 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:

- Obtaining an understanding of the directors' going concern assessment and reviewing the underlying assumptions, including evaluating the possibility of the exercise of a Portfolio Purchase Option.
- Inspecting the transaction documents to verify that the Notes and the VRR Loan Note are limited recourse in all circumstances and that certain expenses can be deferred if there are insufficient funds.
- 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 post year end investor reports for pertinent changes in cash flows, such as deterioration in the performance of the Loans or uncleared write offs on the principal deficiency ledger.
- Assessing the appropriateness of the disclosures in the financial statements.

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 31 May 2026 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 London Stock Exchange under which the prospectus dated 17 April 2026 was issued or of the conditions 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 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 of management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulation and fraud;
- Testing of the reconciliation of the financial statements to the year end servicer's reports and to the bank statements of the Company;
- Testing journals using a risk-based approach.

- Audit procedures performed over the provision for impairment of the Loans are outlined in the key audit matters section above.

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

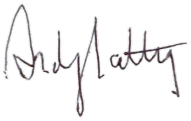
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 31 May 2026. Our uninterrupted engagement covers one financial year.



Andrew Batty (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 November 2026

Statement of comprehensive income for the period from 23 May 2025 (date of incorporation) to 31 May 2026

	Note	Period ended 31 May 2026 £
Interest receivable and similar income	2	14,086,666
Interest payable and similar expenses	3	(12,543,196)
Net Interest income		**1,543,470**
Impairment charge	7	(61,651,647)
Principal write-offs	7	(2,058,994)
Operating expenses		(2,132,536)
Loss before taxation		**(64,299,707)**
Taxation	6	(137)
Loss for the financial period		**(64,299,844)**
Other comprehensive income		–
Total comprehensive expense for the financial period		**(64,299,844)**

All amounts relate to continuing activities.

The accompanying notes on page number 25 to 40 are an integral part of these financial statements.

Statement of financial position as at 31 May 2026

	Note	31 May 2026 £
Fixed assets		
Loans	7	1,246,791,817
Current assets		
Loans	7	442,471,294
Cash at bank (restricted)	13	181,673,563
Debtors	8	2,099,067
		626,243,924
Creditors: amount falling due within one year	9	(585,926,919)
Net current assets		**40,317,005**
Total assets less current liabilities		**1,287,108,822**
Creditors: amounts falling due after more than one year	9	**(1,351,396,165)**
Net Liability		**(64,287,343)**
Capital and reserves		
Called up share capital	10	12,501
Profit and loss account	11	(64,299,844)
Total shareholders' deficit		**(64,287,343)**

The accompanying notes on page number 25 to 40 are an integral part of these financial statements.

The financial statements on page number 21 to 40 were approved and authorised for issue by the Board on 23 November 2026, and were signed on its behalf by:

umar khan (Nov 23, 2026 16:16:04 GMT)

Muhammad Umar Khan
per pro CSC Directors (No.1) Limited
As Director
23 November 2026

Statement of changes in equity for the period ended 31 May 2026

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£	£	£
At 23 May 2025 (date of incorporation)	–	–	–
Issue of share capital	12,501	–	12,501
Total comprehensive expense for the financial period	–	(64,299,844)	(64,299,844)
Balance as at 31 May 2026	**12,501**	**(64,299,844)**	**(64,287,343)**

The accompanying notes on page number 25 to 40 are an integral part of these financial statements.

Statement of cash flows for the period ended 31 May 2026

	Note	Period from 23 May 2025 to 31 May 2026
		£
Cash flow from operating activities		
Net cash outflow from operating activities	13	**(1,493,053)**
Tax paid		**–**
Net cash used in operating activities		**(1,493,053)**
Cash flow from investing activities		
Acquisition of the Loans		(1,908,966,683)
Principal repayments on Loans		169,870,616
Interest received on Loans		5,215,427
Movement in Receivable from servicer		(2,086,567)
Interest received on bank balances		290,969
Net Cash flow used in investing activities		**(1,735,676,238)**
Cash flows before financing activities		**(1,737,169,291)**
Cash flow from financing activities		
Share Capital issued and paid		1
Proceeds from the issue of Notes		1,922,386,076
Issue Cost		(3,543,223)
Net Cash flow from financing activities		**1,918,842,854**
Increase in cash at bank and in hand		**181,673,563**
Cash at bank and in hand at the start of the period		**–**
Cash at bank and in hand at the end of the period		**181,673,563**

The accompanying notes on pages 25 to 40 are an integral part of these financial statements.

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026

1. Accounting policies

General information

Harvest Funding Plc (the "Company") is a public company, limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of its registered office is 10th Floor, 5 Churchill Place, London, E14 5HU.

The Company was incorporated on 23 May 2025 as a public limited company, limited by shares, under the Companies Act 2006 and registered in England and Wales to act as a special purpose company to raise funding through the issue of notes and to apply the proceeds to acquire a portfolio of non-conforming UK owner-occupied and buy-to-let residential mortgage loans and their related security. Further information is included in the "Incorporation, principal activities, business review and future developments" section of the Strategic report.

Statement of compliance

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

Adjusting the Statement of comprehensive income

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

Basis of preparation

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. As permitted by Section 11 of FRS 102, the provisions of IAS 39 have been applied consistently with respect to the recognition and measurement of financial instruments. The significant accounting policies which have been applied consistently throughout the period to the Company's financial statements are set out below. The presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

Going concern

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

The ability of the Company to meet its obligations on the Notes, VRR Loan Note and Residual Certificates and to meet its operating and administrative expenses is dependent principally on the performance of the Loans. The Notes, VRR Loan Note and Residual Certificates are a limited recourse obligation of the Company, secured over the Loans, and the Company's ability to pay amounts due on them are, in substance, limited to the application of the receipts from the Loans under the terms of the priority of payments as set out in the terms and conditions of the Notes, VRR Loan Note and Residual Certificates.

Liquidity support for each Class of Notes except for Class Z Notes is provided in the following manner:

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

1. Accounting policies *(continued)*

Going concern *(continued)*

- the subordination in payment of those Classes of Notes and Residual Certificates ranking junior in the Priority of Payments;
- in respect of the Class A Notes only, prior to Class A Notes being redeemed in full or the service of an Enforcement notice, application of the Liquidity Reserve Fund (if any) as Available Revenue;
- in respect of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes only, the Principal Addition Amounts to cure a revenue shortfall on the Most Senior Class of Notes.

The directors have performed an assessment of going concern. In terms of considering going concern, the focus was upon the Company's position in respect of the potential for reduced cash flows to trigger an event of default, amounts that may be deferred per the transaction documents, and the operational resilience of the Company. The Company is in a net current liability position mainly as a result of EIR and other accounting adjustments on the Loans, Notes, VRR Loan Note and Residual Certificates. The Directors do not consider it as an indicator of the Company's inability to continue as a going concern due to the limited recourse nature of the Notes, VRR Loan Note and Residual Certificates.

The directors have concluded that should there be an economic event resulting in a significant decrease in the revenue receipts from the portfolio of Loans, the credit enhancement provided to the Company, in the form of the Liquidity Reserve Fund, Credit Reserve Fund and cash balance, is sufficient to cover the interest due on the Notes and the expense obligations of the Company for a period in excess of 12 months following the date of approval of the annual report and financial statements.

The directors are satisfied that the Company will continue to be able to meet its liabilities as they fall due for a period of at least 12 months from the approval date of these financial statements. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

Segmental analysis

The whole Company's operations are carried out in the United Kingdom and the results and net liabilities are derived from its acquisition of the Loans and therefore the directors only report one business and one geographic segment.

Loans

The Loans are non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market. They are classified under IAS 39 as loans and receivables. The Loans and related transaction cost are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. The initial fair value of the Loans is based on the initial consideration paid and the directors' assessment of the expected deferred consideration to be paid to the Residual Certificates holders. The discount inherent in the acquisition price of the Loans is accreted over the expected life of the structure as a part of the effective interest rate.

Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of comprehensive income when there is objective evidence that the assets are impaired. Impairment on the Loans is discussed under the Impairment section of the accounting policies.

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.

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

1. Accounting policies *(continued)*

Notes and VRR Loan Note
The Notes and VRR Loan Note are classified as other financial liabilities and are initially recognised at fair value at the date of issuance of the liability and are subsequently measured at amortised cost using the effective interest rate method. The discount on the Notes and VRR Loan Note along with the issue cost is accreted over the expected life of the structure as part of the effective interest rate. The holder of the majority of the Residual Certificates has the option to purchase the Loans on or after the optional redemption date in November 2029 which would result in the early redemption of the Notes and VRR Loan Note.

If the option is not exercised the margins over the reference rate on the Notes and VRR Loan Note will be increased. As such the payments on the Notes and VRR Loan Note are impacted due to the option and increase in the margin. Whilst these features of the Notes and VRR Loan Note are considered to represent embedded derivatives, the economic characteristics and risks of such features are closely related to the economic characteristics and risks of the Notes and VRR Loan Note. As such these embedded derivatives are not required to be separated and accounted for as a derivative.

The Notes and VRR Loan Note are limited recourse liabilities of the Company. Payments due on each IPD are dependent on the Company's receipt of payments from the underlying Loans. However, the Company's legal obligation to repay the principal and interest on the Notes and VRR Loan Note remains in place until the final maturity date, irrespective of the actual performance of the Loans. Consequently, in calculating the amortised cost of the Notes and the VRR Loan Note, the Company does not take into account any anticipated future credit gains or potential write-offs related to the Notes and VRR Loan Note.

Impairment of Loans
The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. These indicators primarily relate to arrears in scheduled payments past due by more than 30 days. If there is objective evidence that an impairment loss on a financial asset classified as loans and receivables has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset.

Impairment losses are recognised in the Statement of comprehensive income and the carrying amount of the financial asset reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance. Once an impairment loss has been recognised on a financial asset, interest income is recognised on the carrying amount using the rate of interest at which estimated future cash flows were discounted on measuring impairment. The key assumptions for recoverability relate to estimates of the probability of any account going into default, cash flows from borrowers' accounts, their timing and expected proceeds from the sale of repossessed collateral.

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

Cash at Bank and in hand (restricted)
Cash at bank and in hand comprise cash balances recorded in the Statement of financial position. All withdrawals from the Company's bank accounts are governed by the detailed priority of payments set out in the underlying transaction documentation and as such are considered restricted.

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

1. Accounting policies *(continued)*

Interest receivable and similar income and interest payable and similar charges
Interest income on financial assets that are classified as loans and receivables and interest expense on financial liabilities measured at amortised cost is determined using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liabilities and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount. When calculating the effective interest rate, the Company estimates cashflows considering all contractual terms of the financial instrument but does not consider future credit losses.

Residual Certificates
The Company issued the Residual Certificates to the Seller as part of the consideration for the purchase of the Loans, in accordance with the Mortgage Sale Agreement. The Residual Certificates were subsequently transferred to a third party, following which they were classified as other financial liabilities and initially recognised at fair value. The expected obligation on the Residual Certificates to pay deferred consideration is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The amortised cost of the Residual Certificates is calculated using a discounted cash flow model whereby the expected cash outflows are discounted at the original effective interest rate. The assumptions used in this model are the constant default rate, constant pre-payment rate, the average interest rate and the expected life of the Loans. Any remeasurement gains or losses arising as a result of a change in future cash flows are recorded as effective interest rate adjustments in the Statement of Comprehensive Income.

The payments on the Residual Certificates are impacted by the change in the spread, prepayments and extent of credit losses. Whilst these features of the Residual Certificates are considered to represent embedded derivatives, the economic characteristics and risks of features are closely related to the economic characteristics and risks of Loans. As such these embedded derivatives are not required to be separated and accounted for as a separate derivative.

Taxation
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.

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

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

1. Accounting policies *(continued)*

Critical accounting judgement and estimates *(continued)*
Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The judgments and estimates involved in the Company's accounting policies that are considered by the directors to be the most important to the portrayal of the Company's financial condition and that have a significant effect on the amounts recognised in the financial statements, are discussed below:

Critical Judgement
Recognition of the Loans
On Closing Date, the Company acquired a portfolio of Loans from the Seller. There is a judgement involved in determining whether or not the transfer of the beneficial interest in the Loans from the Seller to the Company resulted in the Seller transferring substantially all the risks and rewards associated with the Loans to the Company. The judgement is considered a critical judgment as it impacts whether the transfer of the Loans qualified for derecognition from the perspective of the Seller, thereby enabling the Company to recognise the Loans as its own assets or whether the Company should instead derecognise the cash and other consideration paid and recognise a receivable from the Seller. The directors have concluded that, following the transfer of the Residual Certificates to a third party, the Seller qualified to derecognise the Loans and therefore that it is appropriate to recognise the Loans on the Company's Statement of financial position.

Critical estimate
Impairment losses on the Loans
The level of potential credit losses on the Loans is uncertain and could depend on a number of micro and macroeconomic factors that may affect repayment conditions and the value of the underlying collateral. The Company estimates the expected cash flows from borrowers after taking account of expected proceeds from realisable security less estimated forced sale discount. The Company assesses impairment provisions based on historical and incurred loss experience and will calculate and recognise impairment when there is objective evidence of an impairment event having occurred, for example a missed repayment, in line with the stated accounting policy on Impairment. The Loans are considered in default when the borrower has missed equivalent of more than three full payments.

The fair value of collateral has been derived using the original valuation on the completion of the Loans adjusted for indexation with the use of a haircut of 35% for a Forced Sale Discount. This adjusted collateral value is capped at the current balance of the Loans if it is higher. Management has performed sensitivity analysis of the key inputs and assumptions used in the impairment assessment. The results of such sensitivities are as follows:

Sensitivity	Impact on Impairment
5% increase in the indexed valuations	Decrease by £6,874,889
5% decrease in the indexed valuations	Increase by £7,646,085
5% increase in the FSD	Increase by £14,278,035
5% decrease in the FSD	Decrease by £11,789,122
Default definition changed to 1 month	Increase by £1,889,132

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

2. Interest receivable and similar income

	Period ended 31 May 2026
	£
Interest income from Loans	12,275,162
Accretion of discount on Loans	1,520,535
Interest income on bank account	290,969
	14,086,666

3. Interest payable and similar expenses

	Period ended 31 May 2026
	£
Interest expense on Notes and VRR Loan Note	10,230,131
Accretion of discount on Notes	2,175,028
Amortisation of issue costs	138,037
	12,543,196

4. Loss before taxation

	Period ended 31 May 2026
	£
This has been arrived at after charging:	
Auditors' remuneration for statutory audit (excluding VAT)	66,000

No non-audit services were provided by PricewaterhouseCoopers LLP during the period.

The directors have agreed with the Company's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the Company's financial statements for the period should be limited to the greater of £5,000,000 or five times the auditor's fees, and that in any event the auditor's liability for damages should be limited to that part of any loss suffered by the Company as is just and equitable having regard to the extent to which the auditor, the Company and any third parties are responsible for the loss in question. The shareholders approve this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 4 September 2026.

5. Directors and employees

The Company has no employees and services required are contracted from third parties. The directors received no remuneration from the Company in respect of qualifying services rendered during the current period. During the period, fees of £52,937 were charged by CSC Management Services (UK) Limited, of which £52,937 was accrued, for the provision of corporate administration services to the Company, including the provision of directors to the Company.

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

6. Taxation on loss

	Period ended 31 May 2026
	£
a) The Company tax charge in the period	
UK corporation tax charge on the profit for the period at an effective rate of 25%	137
	137
b) Factors affecting the company tax charge for the period	
Loss before taxation	(64,299,707)
Current tax credit at 25.00%	16,074,927
Effects of:	
Accounting loss not taxed in accordance with SI 2006/3296	(16,074,927)
Retained profit taxed in accordance with SI 2006/3296	137
Total tax charge	**137**

For UK corporation tax purposes, the Company has been considered as a Securitisation Company under the 'Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)'. Therefore, the Company is not required to pay corporation tax on its accounting profit or loss. Instead, the Company is required to pay tax on its retained profits as specified in the documentation governing the transaction. In accordance with the prospectus, the Company is expected to retain an amount of £1,250 per IPD.

As announced in the March 2023 Budget, the UK's corporation tax was increased to 25% from 1 April 2023 for taxable profits of £250,000 and over. The small profits rate of 19% is chargeable if a company's taxable profits fall below £50,000 per annum (with marginal relief available where the profits are between these amounts). The small profits rate and marginal relief is not available for Close Investment Holding Companies (CIHC). In the interest of prudence, the Company (defined as a securitisation company) closely resembles a CIHC and will therefore be subject to the main 25% rate of corporation tax.

7. Loans

The Loans are secured by first charges over residential properties in UK.

The Loans were purchased from the Seller on the Closing Date. The Loans were initially recognised at fair value, being the adjusted purchase price paid on the Closing Date (£1,908,966,683). This amount includes a funding cost of £22,500,000 arising from cash flows received on the Loans between the Reference Date and the Closing Date. During this period, the Company was entitled to retain all other cash flows arising on the Loans, including interest receipts of £35,919,393, which reduced the day one consideration paid. The purchase price also included an estimate of deferred consideration to be paid over the life of the transaction through payments to the holders of the Residual Certificates (£5,297,413). This resulted in a net discount to the aggregate principal value of the Loans acquired of £49,569,431.

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

7. Loans *(continued)*

	31 May 2026
	£
Loans - Principal Acquired	1,963,833,526
Discount on acquisition	(49,569,431)
Day one value of the Loans acquired	1,914,264,095
Redemption of the Loans	(169,870,616)
Capitalised interest	7,059,738
Accretion of discount on Loans	1,520,535
Principal write-offs for the period	(2,058,994)
	(163,349,337)
Opening Impairment	–
Charge for the period	(61,651,647)
Closing Impairment	**(61,651,647)**
Closing book value as at 31 May 2026	1,689,263,111
The maturity profile of the Loan was as follows:	
In one year or less	442,471,294
In more than one year	1,246,791,817
	1,689,263,111

8. Debtors

	31 May 2026
	£
Other debtors	12,500
Receivable from servicer	2,086,567
	2,099,067

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

9. Creditors

	31 May 2026
	£
Amounts falling due within one year	
Notes	545,332,392
VRR Loan Note	28,767,999
	574,100,391
Other Creditors:	
Accrued interest payable on Notes	10,230,131
Accrued expenses	639,483
Other creditors	956,777
Tax provision	137
	11,826,528
Total of creditors falling due within one year	**585,926,919**
Amounts falling due after one year:	
Notes	1,278,638,684
VRR Loan Note	67,460,068
Residual Certificates	5,297,413
	1,351,396,165

The optional redemption date for the Notes is on or after the IPD falling in November 2029 and the contractual final maturity date for the Notes is in November 2069. Notes are based on Compounded Daily SONIA and are secured over the Loans.

Included within the Notes are issue costs of £4,361,963, comprising £1,259,586 within amounts falling due within one year and £3,102,377 within amounts falling due after more than one year.

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

9. Creditors *(continued)*

As at 31 May 2026	ISIN	Interest rates	Carrying Value at Day 1	Principal Repayments	Accretion of Discount	Closing Carrying Value
Notes			**£**	**£**	**£**	**£**
Class A	XS3317471228	SONIA + 0.90%	1,615,820,245	—	223,551	1,616,043,796
Class B	XS3317471814	SONIA + 1.30%	64,875,834	—	12,919	64,888,753
Class C	XS3317472036	SONIA + 1.70%	55,789,340	—	5,511	55,794,851
Class D	XS3317472200	SONIA + 2.0%	26,641,720	—	41,205	26,682,925
Class E	XS3317472465	SONIA + 3.0%	25,830,155	—	66,100	25,896,255
Class F	XS3317472895	SONIA + 4.25%	11,399,427	—	222,625	11,622,052
Class X	XS3317473190	SONIA + 4.25%	25,845,052	—	65,643	25,910,695
Class Z	XS3317473356	NA	65,000	—	1,428,710	1,493,710
Class VRR Loan Note	NA	NA	96,119,303	—	108,764	96,228,067
			1,922,386,076	**—**	**2,175,028**	**1,924,561,104**

The carrying value presented in the table above excludes issue costs of £4.3m as at 31 May 2026.

As at 31 May 2026	ISIN	Interest rates	Carrying Value at Day 1	Payments	EIR Adjustment	Closing Carrying Value
			£	**£**	**£**	**£**
Certificates						
Residual Certificates	XS3317478405	N/A	5,297,413	—	—	5,297,413
			5,297,413	**—**	**—**	**5,297,413**

10. Called up share capital

	31 May 2026
	£
Called up, allotted and issued	
Ordinary shares of £1 each: 49,999	12,500
1 ordinary share of £1 - fully paid	1
	12,501

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

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

11. Profit and loss account

	31 May 2026
	£
Opening balance	—
Loss for the financial period	(64,299,844)
Closing balance	**(64,299,844)**

12. Financial instruments

The narrative disclosure required by Financial Reporting Standard 102 in relation to the nature of the financial instruments used during the period to mitigate credit, interest rate and liquidity exposure is shown in the Strategic report under the heading 'Financial instruments'. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The Company's exposure to risk on its financial instruments and the management of such risk is largely determined from inception of the securitisation transaction. The Company's activities and the role of each party to the transaction is clearly defined and documented.

Following initial set-up, the directors monitor the Company's performance, reviewing quarterly reports on the performance of the Loans. Such review is designed to ensure that the terms of the documentation have been met, that no unforeseen risks have arisen and that the noteholders have been paid on a timely basis.

Credit risk

Credit risk reflects the risk that the underlying borrowers or other transaction parties will not meet their obligations as they fall due.

The Company's business objective rests on the performance of the Loans. The Loans are secured by first charges over residential properties in UK which represents the Company's primary mitigation of credit risk. The Company considered the Seller's assessment of the borrowers' expected ability to service the Loans according to their contractual terms, deeming this to be a primary factor in assessing the credit risk of the Loans and making the decision to lend at the inception of each Loan. However, given the time which has elapsed since origination, the directors consider the assessment of credit risk at origination to now be less important than the recent performance of the Loans. Accordingly, the directors monitor performance of the Loans or any deviation from expected terms or missed payments. Credit risk is minimised by the fact that the collateral underlying the Loans is deemed to be good quality and provide a steady cash flow for the Company to discharge all liabilities. Credit risk is monitored and managed on a regular basis through the review of publicly available quarterly investor reports prepared by the cash manager and monthly servicer reports prepared by the Servicer. These are reviewed in detail by directors. The Company assesses the recoverability of its assets at each balance sheet date and makes an allowance for impairment losses.

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

12. Financial instruments *(continued)*

Credit risk *(continued)*

	Carrying value	Maximum exposure
	2026	2026
	£	£
Assets:		
Loans	1,689,263,111	1,798,963,656
Cash at bank and in hand	181,673,563	181,673,563
Other debtors	2,099,067	2,099,067
	1,873,035,741	**1,982,736,286**

The credit quality and fair value of collateral for the Loans (excluding accreted discount) are summarised as follows:

31 May 2026	Aggregate principal of Loans	Impairment	Fair value of collateral (capped)
	£	£	£
Loans			
Current	1,501,770,782	331,112	1,501,439,670
From 1 to 2 months	42,056,348	478,339	41,578,009
From 2+ to 3 months	10,040,166	454,114	9,586,052
From 3+ to 4 months	8,747,097	722,821	8,024,276
From 4+ to 5 months	5,455,988	241,842	5,214,146
From 5+ to 6 months	6,896,725	538,786	6,357,939
From 6+ months	223,996,550	58,884,633	165,111,917
	1,798,963,656	**61,651,647**	**1,737,312,009**

The Loans are secured by first charges over residential properties in UK.

The estimate of fair value is based on indexing the valuation performed at the time of borrowing using the Halifax Index and capped at the amount of the underlying loans if the indexed valuation is greater.

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

12. Financial instruments *(continued)*

Range of LTV Ratios as at 31 May 2026	Aggregate principal of Loans £	% of Total	Number of Accounts	% of Total
<60%	1,452,301,559	80.73%	15710	90.28%
>=60% to < 70%	156,390,993	8.69%	998	5.74%
>=70% to < 80%	63,517,023	3.53%	292	1.68%
>=80% to < 90%	51,406,369	2.86%	193	1.11%
>=90% to < 100%	23,470,896	1.30%	83	0.48%
>=100%	51,876,816	2.89%	125	0.71%
Total	**1,798,963,656**	**100%**	**17,401**	**100%**

Interest rate risk
Interest rate risk exists where interest rates on assets and liabilities are either set according to different basis or reset at different times. The net interest margin is dependant on the movements of interest rates and can create mismatches in cash flows (non-current assets or liabilities) or repricing dates (floating assets or liabilities). The Company is subject to the risk of a mismatch between the rate of interest (including margin) receivable in respect of the Loans and the rate of interest (including margin) payable in respect of the Notes. The Company's liabilities under the floating rate Notes are based on the compounded daily SONIA rate for the relevant period.

As a result, the Company may be exposed to residual interest rate risk arising from the resetting of interest rates of assets and liabilities on different bases. The Company established the Liquidity Reserve Fund on the Closing Date to cover shortfalls in interest payments on the Class A Notes, to the extent that interest income from the Loans is insufficient to meet the interest amounts due to the senior noteholders. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar.

Interest on the floating rate liabilities is determined and payable quarterly in arrears at the following rates above the Compounded Daily SONIA:

	ISIN	31 May 2026 £	Interest rate
Class A Notes	XS3317471228	1,623,108,000	SONIA + 0.90%
Class B Notes	XS3317471814	65,297,000	SONIA + 1.30%
Class C Notes	XS3317472036	55,969,000	SONIA + 1.70%
Class D Notes	XS3317472200	27,985,000	SONIA + 2.0%
Class E Notes	XS3317472465	27,985,000	SONIA + 3.0%
Class F Notes	XS3317472895	18,657,000	SONIA + 4.25%
Class X Notes	XS3317473190	27,985,000	SONIA + 4.25%
Class Z Notes	XS3317473356	46,641,000	Nil
VRR Loan Note	NA	99,665,000	Various
Total outstanding principle of the Notes and VRR Loan Note		**1,993,292,000**	

VRR Loan Note is entitled to 5% of the interest paid to each Class of Notes.

The Notes and VRR Loan Note are limited recourse obligations dependent on receipt of principal and interest from the borrowers on each IPD. The Class A Notes rank ahead of other classes of Notes.

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

12. Financial instruments *(continued)*

Currency profile
All of the Company's financial assets and liabilities are denominated in sterling.

Liquidity risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at an unacceptably high cost. The Company's ability to meet payments as they fall due is dependent on timely receipt of funds which may be delayed due to slow repayment on the Loans.

The Liquidity Reserve Fund is available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to cover any shortfalls on the senior expenses, Class A Note (or the equivalent part of the VRR Loan Note) interest payments. If, on any IPD, the Company has insufficient funds to make payment in full of all amounts of interest in relation to any other Class of Note, then the Company is entitled to defer payment of that amount until the following IPD. The Company shall not be entitled to defer amounts of interest payable in respect of the Class A Notes.

The transaction documents also provide for a Credit Reserve Fund mechanism. The Credit Reserve Fund was established but not funded on the Closing Date, and is required to be funded from the first Interest Payment Date onwards in accordance with the transaction documents. The fund is intended to provide additional credit enhancement and support payments under the Priorities of Payment where required to Class F notes and above.

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

The transaction also includes an Estimated Capitalised Interest Ledger (ECI Ledger) which, in effect, records the portfolio's net aggregate unpaid capitalised interest arrears balance on an ongoing basis from the closing date. On each IPD, the Company aims to maintain the interest/revenue receipts equal to the portfolio's realised pay rate and also divert borrower overpayments to cure interest arrears by redirecting a portion of portfolio principal receipts to available revenue funds.

The Notes and the VRR Loan Note are subject to mandatory redemption in part on each IPD at an amount equal to the principal received or recovered in respect of the Loans. The majority holder of the Residual Certificates has the right to exercise a purchase option in relation to the Loans, which would lead to an early redemption of the Notes and VRR Loan Note on or after the optional redemption date falling on the IPD in November 2029, If not otherwise redeemed or purchased and cancelled, the Notes and VRR Loan Note will be redeemed at their principal amounts outstanding on the IPD falling in November 2069. Ultimately, due to the limited recourse obligations of the Company in respect of the Notes, VRR Loan Note and Residual Certificates the Company is only obliged to make payments of interest and principal on the Notes and the VRR Loan Note to the extent that repayments are received from the Loans or from any security over the Loans being realised. However, it is to be noted that failure to pay interest on the most senior class of the Notes will constitute an event of default.

The table below reflects the undiscounted contractual cash flows of financial liabilities at the balance sheet:

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

12. Financial instruments *(continued)*

Liquidity risk *(continued)*

As at 31 May 2026	Carrying value	Gross cash flows	After 1 month but within 3 months	After 3 months but within 1 year	After 1 year but within 5 years	After 5 years
	£	£	£	£	£	£
Notes and VRR Loan Note	1,924,561,104	1,993,292,000	205,929,709	369,430,268	1,417,932,023	—
Interest payable on Notes and VRR Loan Note	10,230,131	206,739,534	29,558,065	59,479,849	117,701,620	—
Residual Certificates	5,297,413	9,216,090	—	—	9,216,090	—
Total as at 31 May 2026	**1,940,088,648**	**2,209,247,624**	**235,487,774**	**428,910,117**	**1,544,849,733**	**—**

The Notes and VRR Loan Note have no contractual amortisation profile and instead, principal repayments on the Loans are used to redeem the Notes and VRR Loan Note. If not otherwise repaid the Notes and VRR Loan Note will follow the repayment profile of the Loans and will therefore be repaid on the final interest payment date falling in November 2069.

Interest payable on the Class A, B, C, D, E and F floating rate Notes has been based on current SONIA rates. The timing of the undiscounted cash flows set out in the table above is dependent on the uncertain timing of cash receipts from the securitised assets and thus the table sets out an estimate derived from observable market data. As a consequence, the Directors have concluded that it was most appropriate to base the maturity profile for the Notes and VRR Loan Note on the contractual cashflows that will arise if the underlying mortgage assets pay their expected cash flows, but assuming that the Notes and VRR Loan Note are repaid on the optional redemption date. The timing of the undiscounted cash flows set out in the table above is dependent on the uncertain timing of cash receipts from the securitised assets and thus the table sets out an estimate derived from unobservable market data. This differs from the expected cash flows due to the requirement to use the principal received on the Loans to repay the Notes at each interest payment date, in accordance with the priority of payments. Therefore, an equivalent portion of the Notes will be required to be repaid on the next interest payment date.

13. Reconciliation of profit for the financial period to net cash outflow from operating activities

	Period ended 31 May 2026
	£
Loss before taxation	(64,299,707)
Interest income from Loans	(12,275,162)
Interest income on bank account	(290,969)
Interest payable on Notes	10,230,131
Accretion of discount on Loans	(1,520,535)
Accretion of discount on Notes	2,175,028
Impairment charge	61,651,647
Principal write-offs	2,058,994
Increase in creditors	639,483
Amortisation of issue cost	138,037
Net cash outflow from operating activities	**(1,493,053)**

At the period end the Company cash at bank held with Bank of Scotland (AA- Rated by fitch rating agency) £181,673,563.

Notes to the financial statements for the period from 23 May 2025 (date of incorporation) to 31 May 2026 *(continued)*

14. Analysis of changes in Net debt

	At 23 May 2025	Issuance	Cash flow	Other non-cash changes	At 31 May 2026
	£	£	£	£	£
Cash and cash equivalents					
Cash at bank and in hand (restricted)	—	—	181,673,563	—	181,673,563
Borrowings					
Notes and VRR Loan Note	—	(1,922,386,076)	—	(2,175,028)	(1,924,561,104)
Issue costs	—	4,500,000	—	(138,037)	4,361,963
Total	**—**	**(1,917,886,076)**	**181,673,563**	**(2,313,065)**	**(1,738,525,578)**

15. Parent undertaking and ultimate controlling party

The Company's immediate parent company is Harvest Funding Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales. The entire share capital of Harvest Funding Holdings Limited is held on a discretionary trust basis under a share trust deed by the legal parent company, CSC Corporate Services (UK) Limited, a company incorporated in the United Kingdom and registered in England and Wales for the benefit of certain charities. CSC Corporate Services (UK) Limited is a wholly owned subsidiary of CSC Capital Markets UK Limited. However, whilst Harvest Funding Holdings Limited is the legal owner of the Company, it is not entitled to any economic benefit and does not have any decision-making power. As such, it is not considered to be the Company's controlling party. It is the view of the directors that the Company does not have an ultimate controlling party.

16. Related party transactions

The Company has no employees and services required are contracted from third parties. The directors received no remuneration from the Company in respect of qualifying services rendered during the current period. During the period, fees of £52,937 were charged by CSC Management Services (UK) Limited, of which £52,937 was accrued, for the provision of corporate administration services to the Company, including the provision of directors to the Company.

17. Post balance sheet events

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