ALBA 2007-1 PLC

Annual Report and Financial Statements

For the year ended 31 December 2025

Registered number 05965813



Company information

Directors
LDC Securitisation Director No.3 Limited (Resigned on 7 October 2025)
LDC Securitisation Director No.4 Limited (Resigned on 7 October 2025)
L.D.C Securitisation Director No.1 Limited (Appointed on 7 October 2025)
L.D.C Securitisation Director No.2 Limited (Appointed on 7 October 2025)
Mark Filer

Company secretary
Law Debenture Corporate Services Limited

Registered office
8th Floor
100 Bishopsgate
London
EC2N 4AG

Chartered Accountants & Statutory Auditor
Ecovis Wingrave Yeats LLP
3rd Floor, Waverley House
7-12 Noel Street
London
W1F 8GQ

Contents **Page**

Strategic report	1 - 4
Directors' report	5 - 7
Statement of directors' responsibilities in respect of the financial statements	8
Independent auditor's report to the members of Alba 2007-1 PLC	9 - 12
Statement of comprehensive income	13
Balance sheet	14
Statement of changes in equity	15
Statement of cash flows	16
Notes (forming part of the financial statements)	17 – 33

Document Classification: External Confidential

Strategic report (continued)

The directors present their strategic report for Alba 2007-1 PLC (the "Company") for the year ended 31 December 2025.

Overview of the Company

The Company was incorporated in England and Wales on 13 October 2006, as Zestcroft PLC and changed its name to Alba 2007-1 PLC on 26 February 2007.

On 15 June 2007 the Company issued a prospectus (the "Prospectus") to issue floating rate notes ("Notes"), which are listed on the Irish Stock Exchange, trading as Euronext Dublin, in order to acquire portfolios of sub-prime mortgages (the "Mortgage Portfolio") as part of a securitisation transaction. The Company raised £980,904k through the Note issue. The Notes have a final maturity date of 17 March 2039. Under the terms of the securitisation transaction the Mortgage Portfolio is serviced by Homeloan Management Limited (the "Servicer").

Principal activities

The principal activity of the Company was to use the proceeds of the Notes to acquire portfolios of residential mortgages and enter into all financial arrangements in connection with the securitisation transaction. The Company collects mortgage interest and principal to service the Notes through the Servicer.

Business review

	2025		2024	
Loan Note Class	**Notes repaid**	**% of Notes in issue**	**Restated Notes repaid**	% of Notes in issue
	£'000	**%**	£'000	%
A3a	**12,272**	**4.56**	15,193	5.65
B	**5,538**	**5.23**	6,858	6.48
C	**2,894**	**5.23**	3,585	6.48
D	**1,806**	**5.23**	2,236	6.48
E	**1,246**	**5.23**	1,543	6.48
F	**1,068**	**5.23**	1,322	6.48
Total	**24,824**		30,737	

There were no new issues of Notes during the year ended 31 December 2025 or post-year end up to the date of this report.

The Directors consider the financial position of the Company to be satisfactory.

On 20 May 2025 Oakwood Homeloans Limited ("OHL") formally notified the Issuer of its intention to cease to carry on its business by the end of the calendar year 2025. In connection with such cessation of its business, on 20 May 2025, OHL transferred its rights and obligations as Special Servicer and holder of legal title in respect of the Mortgage Loans under the applicable Transaction Documents to Topaz Finance Limited ("Topaz") as new Special Servicer and new holder of legal title to the Mortgage Loans to be held on trust for the Issuer with such transfers to take effect on 27 May 2025.

On 19 June 2025 Credit Suisse International transferred its rights and obligations as interest rate swap counterparty under the applicable Transaction Documents to Citibank Europe PLC.

Document Classification: External Confidential

Strategic report (continued)

Business review (continued)

During the year a prior year restatement was posted in relation to an error identified in the historic distributions made to the Noteholders. As a consequence of this error, distributions made in the prior period were incorrectly allocated between Noteholder classes and residual certificate holders. Payments to the Class A Noteholders exceeded their contractual entitlement, while payments to certain other Noteholders and certificate holders were correspondingly below the amounts due under the transaction documents. Further details are disclosed in note 1.

Results

The results for the year to 31 December 2025 are set out on page 13.

During the year the Company made a loss of £1,047k (2024: £2,725k loss), including a derivative fair value gain of £34k (2024: £3k gain), an increase in mortgage impairment debit of £114k (2024: £19k credit) and an EIR interest income adjustment increasing the loss by £2,074k (2024: £1,276k).

Key performance indicators (KPIs)

Financial KPIs - the Directors monitor the actual receipts and payments of interest to and by the Company through the bank statements and measure these against schedules and forecasts prepared by the servicers of the mortgage pools, in accordance with the transaction documents. Detailed information about the performance of the Mortgage Portfolio is contained in the quarterly investor reports that contain a range of data on the performance of the Mortgage Portfolio. As presented in the 17 March 2026 investor report (comparative 17 March 2025), the KPIs of the portfolio include:

	2025	2024
Percentage of the pool greater than 3 months in arrears	**8.00%**	13.81%
Weighted average current loan to value (by original value)	**88.22%**	81.56%
Weighted average interest rate	**5.78%**	7.16%
Average loan size	**£95,282**	£104,374

Non-financial KPIs – as a securitisation transaction, the key performance indicators used by management are predominantly consideration of whether there have been any breaches of the transaction documents. The Directors do not believe that there have been any breaches during the year.

Going concern

The Going Concern is disclosed in the Directors' report on page 5.

Document Classification: External Confidential

Strategic report (continued)

Principal risks and uncertainties

The principal financial risks faced by the Company are credit, interest and liquidity risks. These include the correct and timely receipts of interest and principal on the mortgage loans. Further details about these risks and the steps that are taken to manage them are set out at note 16 to the financial statements. Impairment provisions are recorded on loans in arrears where the value of the loan in arrears is in excess of the estimated forced sale value of the underlying property held as security based on the probability of the loan going to repossession. More information, including about forbearance, is included in note 1.

The Company has been structured to withstand extreme liquidity stresses. There are a variety of liquidity mechanisms, which can be used for support and protection, including liquidity facility and a reserve fund.

The liquidity facility is a revolving drawdown facility renewable every 364 days and can be used for revenue shortfall in the waterfall on the interest payment date (IPD).

The reserve fund of £9,904k (2024: £9,904k) is in place to make good certain shortfalls in the funds available to meet the senior payments, including shortfalls of interest payable on the Notes and principal deficiencies.

Internal controls, risk profile and risk management

The Directors have overall responsibility for the Company's internal control system which encompasses business, operational and compliance risks in relation to the securitisation transaction entered into by the Company. The principal risks faced by the Company are set out in the following paragraphs, and expanded upon at note 16, including a description of how those risks are managed.

Derivatives and other financial instruments

The Company's financial instruments, other than derivatives and fixed and variable rate mortgages, comprise the Notes and cash and other liquid resources. The financial instruments provide the Company's working capital. Further details are set out in note 17 to the accounts.

Future developments

The Company was established solely to establish a Note Issuance Programme to issue loan Notes to acquire residential mortgage portfolios originated in the UK. The Company will continue to operate until all Notes have been fully redeemed. No changes in future activities are envisaged and there are no plans to issue any further Series of Notes other than those already in existence.

Due to the way in which the transaction underlying the sole purpose of the Company has been structured, the Company is only required to repay the funding to the extent that it receives income from the underlying mortgage pool.

Geopolitical tensions have affected the global economic markets and are exacerbating ongoing economic challenges, including inflation and global supply chain disruption. The Directors believe that the Company's performance is not directly affected by the economic implications of the conflict. However, while the extent and duration of the effect of this economic uncertainty remains unclear, there is a risk of stifled growth for the Company as borrowers will be unable/unwilling to take on extra debt in the current environment.

After making enquiries and taking into consideration the availability of liquidity and reserve funds and that the Company continued to collect interest and principal on the mortgage loans, that there were no financial or non-financial triggers during the year, as well as that principal repayments of Loan Notes are only required to the extent that amounts are received from borrowers, the directors have a reasonable expectation that the Company has access to adequate resources to continue to operate for a period of at least 12 months from the date of this report. The Directors have therefore prepared these financial statements on the going concern basis.

Document Classification: External Confidential

Strategic report (continued)

Future developments (continued)

The Directors do not expect there to be any change in the activities of the Company in the foreseeable future.

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 the minimum requirement.

Subsequent events

On 5 May 2026 the Company renewed its 364 day Liquidity Facility Agreement with Danske Bank.

Section 172(1) of the Companies Act 2006

As a special purpose vehicle the governance structure of the Company is such that the key policies have been predetermined at the time the Company issued the bonds which are listed on the Irish Stock Exchange, trading as Euronext Dublin. The Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 as follows:

a) the transaction documents, which cannot be changed without bondholder consent, have been formulated to achieve the Company's purpose and business objectives, safeguard the assets and promote the success of the Company with a long term view and as disclosed in note 1:
b) the transaction documents only allow the Company to retain a minimal profit and due to the limited recourse nature of the structure, the returns to bond holders are limited by the cash flows received;
c) the company has no employees;
d) the Company is a securitisation vehicle and therefore the key stakeholders are the bondholders or equivalent. The transaction documents determine the nature and quality of assets that can be securitised and how the cash flows from securitised assets are distributed. Relationships are also fostered with suppliers and others via professional third parties who have been assigned operational roles with their roles strictly governed by the transaction documents and fee arrangements agreed in advance. The Company has no customers;
e) as a securitisation vehicle the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment;
f) the Company maintains a reputation for high standards of business conduct via professional third parties who have contracted with the Company to provide specific operational roles. Fee arrangements have been agreed in advance and supplier invoices paid strictly in accordance with the transaction documents including a priority of payments, if applicable; and
g) the Company has a sole member The Law Debenture Intermediary Corporation and entire issued share capital on a discretionary trust basis.

By order of the board,



Mark Filer

For and on behalf of L.D.C. Securitisation Director
No.1 Limited Director
Date: 25 September 2026

Document Classification: External Confidential

Directors' report

The Directors present their Directors' report and audited financial statements of the Company for the year ended 31 December 2025.

Directors

The Directors who held office during the year and up to the date of this report were:

- LDC Securitisation Director No.3 Limited (Resigned on 7 October 2025)
- LDC Securitisation Director No.4 Limited (Resigned on 7 October 2025)
- L.D.C Securitisation Director No.1 Limited (Appointed on 7 October 2025)
- L.D.C Securitisation Director No.2 Limited (Appointed on 7 October 2025)
- Mark Filer

The Directors are not subject to retirement by rotation.

Directors' interests

During the year none (2024: none) of the Directors held beneficial interests in the shares of the Company.

Going concern

Key factors in determining going concern include cash flows, loan losses and loan loss impairment provisions. The repayment of Notes issued by the Company is solely dependent on the performance of the pool of mortgages acquired. Specifically, if mortgages in arrears and expected losses on repossession increase, there may be less cash available to pay Noteholders. The legal structure of the Notes means that the Company is only required to pay out funds to the extent that it has received them from mortgage holders in a strict order of priority under the Cash Waterfall set out in the transaction documents. A funding deficit may occur should the available cash be insufficient to pay all of the items in the waterfall.

The Company has a liquidity facility which it may drawdown on to fund temporary cash flow shortfalls to allow certain amounts under items of the Pre-Enforcement Interest Priority of Payments (the "Senior Payments") of the Cash Waterfall to be paid. Drawings under the Liquidity Facility are of a revolving nature and are repayable in full on the IPD following the date of such drawing. To provide limited coverage for shortfalls in paying the Senior Payments, the transaction documents required the Company to establish a reserve fund. The size of the reserve fund may reduce over time as the Notes are repaid if certain conditions are met.

On the date the Notes reach contractual maturity, or an early termination trigger event has occurred, any remaining balance in the reserve fund will be released and used in the cash flows to repay the amounts outstanding. At that time, this might lead to a principal deficiency if there are insufficient cash flows or reserve funds to pay Noteholders and other secured creditors at that time. The trigger events are monitored for the Company by its agents and to the best knowledge of the Directors, no such trigger events have occurred during 2025 or to the date of this report.

The Servicers, on behalf of the Company, continue to monitor the impacts of the global economic disruption which has the potential to impact on the cash flows as some customers may not be able to meet contractual payments as they fall due. The Servicers are following the guidance provided by the FCA in relation to forbearance.

In assessing the impact of risk, the Directors considered the potential available cash and the Waterfalls within the transaction documents. The liquidity facility and cash reserve fund can be used to mitigate the effect of economic downturns and help in settlement of the Company's liabilities as they fall due in accordance with the transaction documents.

Document Classification: External Confidential

Directors' report (continued)

Going concern (continued)
The Directors believe that these factors should enable the Company to continue to trade normally and that, notwithstanding any deterioration that might arise in the housing market or in the general economy within the next 12 months, the Company should be able to meet the payments required under the transaction Cash Waterfalls falling due for payment over the next 12 months based on current expectations of the performance of the Mortgage Portfolio. Should the cash-flows be insufficient the Company may default on any Note payments due. In such circumstances and in accordance with the transaction documents, the Security Trustee may choose to dispose of the Company's assets and, potentially, wind up the Company.

Due to the nature of the Company the Directors are of the opinion that climate change has a negligible impact on the Company.

Having reviewed these factors, and taking into account current market conditions, in the opinion of the Directors, the Company remains a going concern and the financial statements have been prepared on this basis.

Proposed dividend
The Directors do not recommend the payment of a dividend (2024: £Nil).

Political and charitable donations
The Company made no political or charitable donations during the year (2024: £Nil).

Corporate governance
As more fully described in the section 172(1) statement in the strategic report, the Directors have been charged with governance in accordance with the transaction documents describing the structure and operation of the transaction. The 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 on the Euronext Dublin (formerly known as the Irish Stock Exchange), the Directors are satisfied that there is no requirement to publish a corporate governance statement and that the Company is largely exempt from the disclosure requirements of The Irish Corporate Governance Annex and the provisions of the UK Corporate Governance Code.

Share capital
The issued share capital consists of £12,502 comprising 49,998 quarter paid and 2 fully paid ordinary shares of £1 each.

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

Company secretary
Law Debenture Corporate Services Limited served as the Company secretary during the year and up to the date of signing this report.

Document Classification: External Confidential

Directors' report (continued)

Auditor
The auditors, Ecovis Wingrave Yeats LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Disclosure of information to the auditor
The Directors who held office at the date of approval of this Directors' report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board,



Mark Filer

For and on behalf of L.D.C. Securitisation Director No.1 Limited
Director

Date: 25 September 2026

Document Classification: External Confidential

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge: the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and include a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

Document Classification: External Confidential

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALBA 2007-1 PLC

Opinion

We have audited the financial statements of Alba 2007-1 PLC (the 'Company') for the year ended 31 December 2025, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related Notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our 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) we identified, 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 were addressed in the conduct 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.

Document Classification: External Confidential

Key audit matters – impairment losses on the loans

The Company holds a portfolio of Loans consisting of residential properties in England, Scotland, Wales and Northern Ireland.

A provision for impairment is made which represents the Directors' best estimate of losses incurred within the portfolio of loans at the balance sheet date. The impairment provision is derived from a model that incorporates subjective judgements, in particular on the key assumptions of probability of default and forced sale discounts against collateral. There is a risk that the provision is not reflective of the incurred losses at the end of the period to which these judgments are made.

Audit response

We performed the following procedures:

- We assessed the impairment model used for its sensitivity to changes in the key assumptions of probability of default and forced sale discount by performing stress testing.
- We reviewed the performance of the Loans post year-end to gain assurance that the impairment model was valid and no further adjustment or disclosure was required.
- For balances classed as in arrears, we considered the current outstanding loan balances and the current valuation, which provided us with assurance that there was significant excess collateral.
- We compared the brought forward and closing Mortgage Portfolios, investigating any new or missing accounts. We also completed a proof in total cash reconciliation to support this.
  As disclosed in the strategic report, the Notes are limited recourse, secured over the Loans, and the Company's ability to pay amounts due on the Notes 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.

Key observations

Based on the evidence we did not identify any material misstatements.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Document Classification: External Confidential

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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:

- We determined that the laws and regulations which are directly relevant to the financial statements are those that relate to the reporting framework FRS 102 and the UK tax compliance regulations. We evaluated the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- In addition, there are other significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to General Data Protection Regulation (GDPR), fraud, bribery and corruption. For these laws and regulations, the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through fines or litigation being imposed. As required by the auditing standards, auditing procedures in respect of non-compliance with these identified laws and regulations are limited to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. 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 areas of estimate and judgement in the financial statements (significantly the assessment of impairment of assets).

Document Classification: External Confidential

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and fraud risks identified in the paragraphs above. In addition to the audit procedures, we remained alert to any indications of non-compliance throughout the audit. The specific audit procedures performed included:
  - Review of Board minutes;
  - Reviewed large and unusual bank transactions;
  - Challenging assumptions and judgements made by management in its significant accounting estimates, in particular in relation to assessment of impairment of assets; and
  - Review of all manual inputs into the financial statements.

There are inherent limitations of an audit. There is a higher risk that irregularities, including fraud, will not be detected during the audit as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The primary responsibility for the prevention and detection of non-compliance with all laws and regulations and fraud lies with both those charged with governance of the entity and management.

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

Use of our report

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

Jamie Mullen

Jamie Mullen (Senior statutory auditor)
for and on behalf of
Ecovis Wingrave Yeats LLP
Chartered Accountants & Statutory Auditor
3rd Floor, Waverley House
7-12 Noel Street
London
W1F 8GQ

25 September 2026

Document Classification: External Confidential

Statement of comprehensive income For the year ended 31 December 2025

	Note	31 December 2025 £000s	Restated 2024 £000s
Interest receivable and similar income	3	**8,178**	10,340
Interest payable and similar charges	4	**(8,511)**	(12,369)
Net interest payable		**(333)**	(2,029)
Impairment (charge)/credit	9b	**(114)**	19
Administration expenses	7	**(634)**	(718)
Fair value movements of derivatives	5	**34**	3
Loss on ordinary activities before taxation		**(1,047)**	(2,725)
Taxation	8	-	-
(Loss)/profit for the year		**(1,047)**	(2,725)
Other comprehensive income		-	-
Total comprehensive loss		**(1,047)**	(2,725)

All the Company's income is derived from continuing operations.

The notes form part of these financial statements.

Document Classification: External Confidential

Balance sheet
As at 31 December 2025

	Note	2025 £000s	Restated 2024 £000s
Current assets			
Mortgage loans due after more than one year	9a	**116,480**	136,850
Mortgage loans due within one year	9a	**22,929**	29,029
Cash at bank and in hand	10	**12,340**	12,243
Total assets		**151,749**	178,122
Current liabilities			
Liabilities: amounts falling due within one year	11	**(23,393)**	(29,600)
Total assets less current liabilities		**128,356**	148,522
Non-current liabilities			
Liabilities: amounts falling due after one year	12	**(124,997)**	(144,082)
Derivative liabilities	13	**(149)**	(183)
Net assets		**3,210**	4,257
Capital and reserves			
Called up share capital	14	**13**	13
Retained earnings		**3,197**	4,244
Shareholder's funds		**3,210**	4,257

The notes on pages 17 to 34 form part of these financial statements.

Details of the prior year restatement can be found in note 1.

These financial statements were approved by the board of directors and were signed on its behalf by:



Mark Filer

For and on behalf of L.D.C. Securitisation Director No.1 Limited
Director

Date: 25 September 2026

Document Classification: External Confidential

Statement of changes in equity
As at 31 December 2025

	Share capital £000s	Retained earnings £000s	Total £000s
Balance at 1 January 2024	13	6,969	6,982
Loss for the year	-	(612)	(612)
Impact of restatement		(2,113)	(2,113)
Restated balance at 31 December 2024	**13**	**4,244**	**4,257**
Loss for the year	-	**(1,047)**	**(1,047)**
Balance at 31 December 2025	**13**	**3,197**	**3,210**

The notes on pages 17 to 34 form part of these financial statements.

Details of the prior year restatement can be found in note 1.

Document Classification: External Confidential

Statement of cash flows
For the year ended 31 December 2025

	Note	2025 £000s	Restated 2024 £000s
Cash flows from operating activities			
Loss on ordinary activities before tax		**(1,047)**	(2,725)
Adjustment for non-cash items			
Net interest expense		**(1,741)**	(375)
Impairment charge /(credit)	9b	**114**	(19)
Fair value movement of derivative	5	**(34)**	(3)
EIR and deferred consideration on residual certificate holders	9a	**2,074**	291
		(634)	(2,831)
Changes in			
Decrease in mortgage loans	9a	**24,282**	31,229
Increase / (decrease) in trade creditors and other payables	12	**67**	(1,873)
		23,715	26,525
Interest received	3	**10,426**	13,568
Interest paid	4/12	**(8,545)**	(11,547)
Net cash inflow from operating activities		**25,595**	28,540
Cash flows from financing activities			
Payment to Noteholders and certificate holders	12	**(25,498)**	(30,991)
Net cash outflow from financing activities		**(25,498)**	(30,991)
Increase/(decrease) in cash in the year		**97**	(2,445)
Cash and cash equivalents at 1 January		**12,243**	14,688
Cash and cash equivalents at 31 December	10	**12,340**	12,243

The notes on pages 17 to 34 form part of these financial statements.

Details of the prior year restatement can be found in note 1.

Document Classification: External Confidential

Notes (forming part of the financial statements)

For the year ended 31 December 2025

1. Accounting policies

The Company was incorporated in England and Wales on 13 October 2006, and has its registered office at 8th Floor, 100 Bishopsgate, London, EC2N 4AG.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation
The financial statements have been prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). All amounts in the financial statements have been rounded to the nearest £1,000.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and financial instruments classified at fair value through the profit or loss.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern
In making the going concern assessment for the Company, the Directors have considered forecast cash flows, anticipated losses on mortgage assets, and the likelihood of the call option in place over the issued notes being exercised.

Key factors in determining going concern include forecast cash flows, including the assumptions underlying those forecasts, loan losses and loan loss impairment provisions.The repayment of Notes issued by the Company is solely dependent on the performance of the pool of mortgages acquired. Specifically, if mortgages in arrears and expected losses on repossession increase, there may be less cash available in the structure to pay Noteholders. The legal structure of the Notes means that the Company is only required to pay out funds to the extent that it has received them from mortgage holders.

The Company holds a pool of sub-prime mortgages which were purchased by Oakwood Homeloans Limited and securitised in the Company.

Payments are made by the Company on quarterly IPDs in accordance with the priority of payments set out in the securitisation transaction documentation. Payments are made only to the extent that the Company has funds available in accordance with the terms of the securitisation documentation. If there is insufficient cash flow in the future, the Company may default on any loan Note payments due. In such circumstances and in accordance with the transaction documents, the Security Trustee may choose to dispose of the Company's assets and, potentially, wind up the Company. The Directors have considered the cash flows for the next 12 months and are satisfied that the Company will continue to be able to meet its liabilities as they fall due.

Principal Deficiency Ledgers are maintained, and cash held back from distribution to Noteholders in respect of any amount of principal which remains outstanding under a mortgage loan after completion of the arrears and default procedures up to certain pre-set limits. These Principal Deficiency Ledgers have reached the maximum permitted levels under the securitisation documentation with the cash being held by the Company.

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

1. Accounting policies (continued)

Going concern (continued)
As at June 2026, the Company held £9.9m of cash (March 2025: £9.9m) in the Principal Deficiency Ledger which is available to cushion adverse performance in the mortgages. The Directors believe that the reserve fund will continue to meet its target levels. In the event that the reserve fund drops below the target level and should the Company face shortfalls in receipts, the transaction documents permit deferral of interest payments on certain junior Notes. Taking these factors into account, the Directors consider that they will be able to pay any interest actually due in cash 12 months from the signing of the accounts based on current expectations of the performance of the Mortgage Portfolio, although the Company will have only limited cash headroom.

A call option exists over the Notes issued by the Company, which is exercisable at the discretion of the Noteholders upon the carrying amount of the outstanding Notes reaching 10% of the Note amount initially issued by the Company. This threshold could be varied, but any variation requires the consent of the Directors of the Company, and no such requests have been received from the Noteholders at the date of this report. The exercise of the call option would result in the effective cessation of the Company's trade, followed by the orderly settlement of any remaining assets and liabilities and ultimately the dissolution of the Company.

At the balance sheet date, the carrying value of the Notes was 14.21% of the initial value, and in June 2026, 13.03% were outstanding. Therefore, the Directors forecast that the Notes will not reach the 10% threshold within the next 12 months.

Should the total cash flows be insufficient, the Company may default on Note payments due. In such circumstances, the Trustee may choose to dispose of the Company's assets, and potentially wind up the Company.

Having reviewed the above factors, and taking into account current market conditions, in the opinion of the Directors, the Company is a going concern and the financial statements have been prepared on this basis.

Income recognition
The Company's principal source of income is interest receivable which is recognised on an effective interest rate basis. Interest income is recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that effectively discounts the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. Other income is bank interest earned in the year.

Interest payable
Interest is paid to Noteholders quarterly during the year and is recognised on an accruals basis.

Interest is calculated using the relevant underlying interest reference rate plus a margin on each class of Notes outstanding.

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

1. Accounting policies (continued)

Administrative expenses
All administrative expenses, which comprise primarily professional fees and other overheads, are accounted for on an accruals basis.

Mortgage loans and premiums
Upon initial recognition, the Company measures the mortgage loans at fair value and subsequently at amortised cost.

In applying FRS 102 the Company has made an accounting policy choice by applying the recognition and measurement requirement of IAS 39 instead of Section 11 and 12 of FRS 102. The Company upon initial recognition has measured the mortgage loans at fair value and subsequently at amortised cost.

The amortised cost of the mortgages is the amount at which the mortgage is measured at initial recognition, minus principal repayment, plus or minus the cumulative amortisation using the effective interest method (see income recognition) of any difference between the initial amount recognised and the maturity amount minus any reduction for impairment.

Mortgage impairment provisions
At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is 'impaired' when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

All individually significant loans and advances are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances that are not individually significant are collectively assessed for impairment by grouping together loans and advances with similar risk characteristics. Individual assessments are made of all loans and advances on properties which are in possession or in arrears by 3 months or more.

A provision may also be made in the case of accounts, which may not currently be in arrears, where the servicer on behalf of the Company has exercised forbearance in the conduct of the account. The provision will be based on the propensity of the account to realise a loss had forbearance not been shown. In all cases account will be taken of any amounts recoverable under contract of indemnity insurance and of anticipated disposal costs. Provisions made during the year are charged to the Statement of comprehensive income, net of recoveries.

Offsetting financial instruments
Financial assets and liabilities are offset in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and liability simultaneously.

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

1. Accounting policies (continued)

Recognition and de-recognition of assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial instruments

The Company uses derivative financial instruments to hedge its exposure to fluctuations in interest rates. In accordance with IAS 39, derivative financial instruments are accounted for at fair value. The derivatives are initially recognised at fair value on the date that the contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivative financial instruments are recognised in the Statement of comprehensive income as they arise.

Financial liabilities

Financial liabilities comprise the mortgage backed floating rate Notes, loans and deferred consideration. Financial liabilities are initially recorded in the Balance sheet as the proceeds received net of any direct issue costs. On subsequent reporting dates, financial liabilities are measured at amortised cost based on the original effective interest rate.

Deferred purchase consideration due to residual interest holders

Under the terms of the agreement for the purchase of mortgage loans, the Company has a liability to pay deferred purchase consideration to the holders of the residual certificates. The payment of these amounts is conditional on the performance of the Loans. The amount due at the balance sheet date is shown as a liability in the financial statements and included as part of the Note liability, which will ultimately be satisfied by payments of cash, in accordance with the securitisation transaction documents. In addition, the residual entitlement holder receives residual amounts on each quarterly waterfall date if all other quarterly obligations under the terms of the securitisation are satisfied. The expected obligation on the residual certificates to pay deferred purchase consideration is initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The deferred purchase consideration balance is based on projected estimates of expenses incurred and revenue receipts at each IPD and therefore is prone to volatile fluctuations based on multiple variables.

At the June 2026 IPD £98,183 (June 2025: £422,524) was paid to residual interest holders.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, at bank and short-term bank deposits.

Taxation

The Company has elected to enter the permanent tax regime for securitisation companies. The Directors are satisfied that the Company meets the definition of a 'securitisation company' as defined by both the Finance Act 2005 and subsequent secondary legislation and that no incremental unfunded tax liabilities will arise.

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

1. Accounting policies (continued)

Prior year restatement

During the prior year, an error relating to the allocation of distributions to Noteholders in prior periods was identified. On the Payment Date falling in September 2024, the Master Servicer recorded a Principal Deficiency in the relevant report made available to Instrument holders. The Master Servicer subsequently confirmed that the deficiency related to an asset-liability mismatch originally identified in 2019 when Intertrust Financial Services B.V. was appointed successor Master Servicer. The Issuer had not previously been informed of the amounts identified.

As a consequence of this error, distributions made in the prior period were incorrectly allocated between Noteholder classes and residual certificate holders. Payments to the Class A Noteholders exceeded their contractual entitlement, while payments to certain other Noteholders and certificate holders were correspondingly below the amounts due under the transaction documents.

The correction of the error has resulted in a reduction in the cumulative principal distributions attributable to the Class A Noteholders and a corresponding increase in the cumulative principal distributions attributable to the affected Noteholders. The net cumulative effect of the correction has been recognised as an adjustment to the closing Notes balance and the balance due to residual certificate holders, with the related charge recognised within interest payable and similar charges.

Included within the prior year Notes balance was £6,105 in relation to other creditors. As part of the restatement this amount was reclassified to sundry creditors.

The breakdown of the adjustment is presented in note 21.

Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's knowledge of the amount, actual results may differ from these estimates. If actual results differ from the estimates, the impact will be recorded in future periods.

- **Impairment**
  Impairment provisions are recorded on loans in arrears where the value of the loan in arrears is in excess of the estimated forced sale value of the underlying property held as security, based on the probability of the loan going into repossession. Estimates are required of the likely forced sale discount on the property and likelihood of the loan going into repossession based on the limited historical experience of the vehicle.

  Included in the Statement of comprehensive income is an impairment charge calculated on the forced sale discount arising due to properties being repossessed (forced sale discount is calculated using the sale proceeds less cost of disposal compared to indexed market value of property being disposed on the date of sale). The FSD has been calculated using the simple average of the last three years. When using a 10% sensitivity on the relevant variables of the impairment calculation, the Company would incur the following movements to the current provision.

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

1. Accounting policies (continued)

Significant accounting judgements and estimates (continued)

Variable	Movement in impairment provision £
FSD 10% increase	95,881
FSD 10% decrease	(55,756)
HPI 10% increase	(118,612)
HPI 10% decrease	383,351
PD 10% increase	22,327
PD 10% decrease	(27,153)

- **Effective interest rate**
  In order to determine the EIR applicable to the mortgage loans an estimate must be made of the expected life of each mortgage loan and the cash flows related thereto. These estimates are based on historical data. Any changes in these estimates would result in an adjustment to the carrying value of the deferred consideration. The corresponding charge or release to the profit and loss will be included in the period in which the estimates are revised.

  For all financial assets and liabilities measured at amortised cost, income and expenses are recognised in the income statement on an EIR basis.
- **Fair value**
  Fair values are used in these financial statements for recognition (derivatives) and disclosure purposes. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The existence of published price quotations in an active market is the best evidence of fair value and when they are available they are used. If the market for a financial instrument is not active, fair value is established using a valuation technique. Fair value represents point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. The fair value of derivatives is calculated as the present value of their estimated future cash flows.

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

2. Directors' remuneration and employees

The Company has no employees (2024: Nil). None of the Directors, all of whom are appointed under the terms of a Corporate Services Agreement entered into by the Company with Law Debenture Corporate Services Limited, received any remuneration for their services during the year (2024: £Nil) (see note 20).

3. Interest receivable and similar income

	2025	2024
	£000s	£000s
Interest receivable on mortgage loans	**9,793**	11,005
Bank interest	**633**	841
Swap interest (net)	**(174)**	(230)
EIR income adjustment	**(2,074)**	(1,276)
	8,178	10,340

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

4. Interest payable and similar charges

	2025 £000s	Restated 2024 £000s
Loan interest payable to Noteholders	**7,318**	10,194
Movement in balance due to residual certificate holders	**312**	1,128
Payment to subordinated loan Noteholders	**881**	1,047
	8,511	12,369

5. Fair value movements of derivatives

	2025 £000s	2024 £000s
Fair value movements on derivative liability	**34**	3

6. Profit before taxation is stated after charging

	2025 £000s	2024 £000s
Auditor's remuneration for the audit of these financial statements (VAT exclusive)	**46**	50

7. Administrative expenses

	2025 £000s	2024 £000s
Other administrative expenses	**634**	718
	634	718

8. Taxation

(a) Analysis of taxation charge

UK corporation tax:	2025 £000s	2024 £000s
Current tax	-	-
Total tax charge	-	-

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2024: lower) than the standard rate of corporation tax in the UK of 25% (2024: 25%). The difference is explained below:

	2025 £000s	2024 £000s
Loss on ordinary activities before tax for the year	**(1,047)**	(2,725)
UK corporation tax at 25% (2024: 25%)	**(262)**	(681)
Accounting profit not taxable in accordance with Statutory Instrument No 3296 The Taxation of Securitisation Companies Regulation 2006	**262**	681
Total current tax expense	-	-

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025
8. Taxation (continued)

(c) Factors affecting the Company current tax charge for the year

The Company has elected to enter the permanent tax regime for securitisation companies. The Directors are satisfied that the Company meets the definition of a 'securitisation Company' as defined by both The Finance Act 2005 and subsequent secondary legislation and that no incremental unfunded tax liabilities will arise.

9a. Mortgage loans

	2025 £000s	2024 £000s
Mortgage assets movement – gross		
Mortgage assets brought forward	**160,385**	191,614
Redemptions	**(23,263)**	(30,971)
Amount written off in year	**(1,019)**	(258)
Mortgage assets carried forward	**136,103**	160,385
Analysis of net mortgage balance		
Gross mortgage assets	**136,103**	160,385
Impairment provision	**(250)**	(136)
EIR adjustment	**3,556**	5,630
Net mortgage balance at 31 December	**139,409**	165,879
Disclosed as:		
Mortgage loans due after more than one year	**116,480**	136,850
Mortgage loans due within one year	**22,929**	29,029
Net mortgage balance at 31 December	**139,409**	165,879

The maturity profile of the Mortgage loans due within one year is assumed to be the same as the Notes due within one year. The maturity profile of the Mortgage loans is derived from future expected cash flows.

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

9b. Reconciliation of loan loss impairment provision

	2025 £000s	2024 £000s
Provision for impairment brought forward	**(136)**	(155)
Amounts written off	**(1,019)**	(258)
Charge for the year	**905**	277
Provision for impairment carried forward	**(250)**	(136)

10. Cash at bank and in hand

	2025 £000s	2024 £000s
Cash deposits with instant access	**12,340**	12,243
	12,340	12,243

The cash deposit with instant access includes the Principal Deficiency Ledger balance of £9.9m (2024: £9.9m).

11. Liabilities: amounts falling due within one year

	2025 £000s	2024 £000s
Notes	**22,929**	29,029
Interest due to Noteholders	**259**	382
Interest due on subordinated loans	**36**	87
Sundry creditors	**169**	102
	23,393	29,600

Notes due within one year refers solely to Class A3 Floating Rate Notes, due 2039. Further details are disclosed in note 12.

12. Liabilities: amounts falling due after one year

	2025 £000s	Restated 2024 £000s
Notes	**124,988**	143,710
Residual certificate holders	**9**	372
	124,997	144,082

All the Notes are denominated in pounds sterling. Interest is paid quarterly based on the underlying interest reference rate for the Notes plus the relevant Note margin. The Notes are repayable at maturity in March 2039.

Residual certificate holders will be paid any amount left from the waterfall, after paying all the expenses, interest due to Noteholders, issuer's profit and any shortfall on principal redemption of the Notes, at each interest payment date. In each case there is an option for early repayment which will only be exercised with the prior consent of the Irish Financial Services Regulatory Authority.

The subordinated loan Notes are recognised at their principal amount, but in the event of the Security Trustee serving an Enforcement notice, payments will be made in accordance with the "Post-Enforcement Priority of Payments" set out in the transaction documents.

The Notes are secured over all assets of the Company.

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

13. Derivative liabilities

	Notional value	2025	2024
	£000s	£000s	£000s
Interest rate derivatives	**133,945**	**149**	183

14. Called up share capital

	2025	2024
	£000s	£000s
Allotted and paid		
49,998 £1 shares 25% paid	**13**	13
2 ordinary shares of £1 each- fully paid up	-	-
	13	13

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. The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

15. Financial instruments

The Company does not trade in financial instruments.

The Company's financial instruments, other than the Notes it has issued, comprise mortgage assets, borrowings, derivatives, cash and liquid resources. The main purpose of these financial instruments is to fund the initial acquisitions of the Mortgage Portfolios and to provide the Company's working capital. The Note structure and interest payments thereon are designed to match the funding and risks inherent in the Mortgage Portfolios acquired by the Company. Set out below is the classification of the Company's financial instruments.

31 December 2025	**Assets at fair value through income statement**	**Assets measured at amortised cost less impairment**	**Total carrying value**
Financial assets			
	£000s	**£000s**	**£000s**
Mortgage loans	-	139,409	139,409
Cash at bank and in hand	-	12,340	12,340
Total financial assets	**-**	**151,749**	**151,749**

	Liabilities at fair value through income statement	**Liabilities measured at amortised cost**	**Total carrying value**
Financial liabilities			
	£000s	**£000s**	**£000s**
Long term borrowings	-	147,926	147,926
Derivative financial liability	149	-	149
Total financial liabilities	**149**	**147,926**	**148,075**

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025
15. Financial instruments (continued)

31 December 2024 Financial assets	Assets at fair value through income statement	Assets measured at amortised cost less impairment	Total carrying Value
	£000s	£000s	£000s
Mortgage loans	-	165,879	165,879
Cash at bank and in hand	-	12,243	12,243
Debtors		-	-
Total financial assets	-	178,122	178, 122

Financial liabilities	Liabilities at fair value through income statement	Liabilities measured at amortised cost	Total carrying value
	£000s	£000s	£000s
Long term borrowings	-	173,111	173,111
Derivative financial liability	183	-	183
Total financial liabilities	183	173,111	173,294

In accordance with the terms of issue, the Company is contractually obliged to repay the outstanding Notes on maturity in March 2039.

16. Financial risk management

a) General

The Company raised £980,904k in 2007 by the issue of Notes secured on the Mortgage Portfolios acquired at that time. The Company's activities, and the respective roles and responsibilities of the parties to the transaction (such as swap counterparties, cash manager, servicer, etc) are clearly defined under contractual arrangements between the Company and those parties, and are summarised in the transaction prospectus published on 15 June 2007.

The Company's financial instruments comprise debt securities issued on the Irish Stock Exchange, trading as Euronext Dublin (see note 12).

The risks arising from exposures to the financial instruments are summarised below. When the securitisation was established, the contractual arrangements with counterparties were structured to enable the Company, or agents on its behalf, to identify all potential risks and take mitigating action as required. In addition, the securitisation was structured with credit enhancements including a reserve fund, which can be used to make good certain shortfalls in the funds available to meet the senior payments including shortfalls of interest payable on the Notes and principal deficiencies and liquidity facility can be used for revenue shortfall in the Cash Waterfall on the IPD and guarantee from a third party in respect of the A3 Notes to enable the Company to help manage the consequences of any risk materialising. The principal risks arising from the Company's financial instruments are credit risk, interest rate risk and liquidity risk.

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

16. Financial risk management (continued)

b) Types of risk

Credit risk
Credit risk arises primarily from the potential for default in the Mortgage pool. This risk is managed via the Note Issue terms and conditions whereby credit risk is transferred to the Noteholders. All mortgages are secured on residential property, and the Company places strong emphasis on the market value of the properties. There are no significant concentrations of risk due to the number of customers within the Mortgage Portfolio.

The table below provides further information on residential loans by payment due status.

The table below shows the Loan to Value for the Mortgage Portfolio analysed across residential and buy to let facilities.

LTV	**2025**	2024
	£000s	£000s
Less than 50%	**32,071**	40,842
51% to 70%	**100,569**	117,603
71% to 100%	**3,463**	1,940
	136,103	160,385
Less impairment provision	**(250)**	(136)
	135,853	160,249

Concentration by sector – carrying amount	2025	2024
	£000s	£000s
Residential	135,870	131,710
Buy to let	233	28,675
	136,103	160,385
Less impairment provision	(250)	(136)
	135,853	160,249

Concentration by location – carrying amount	**2025**	**2025**	2024	2024
	£000s	**%**	£000s	%
London & South East	**53,830**	**39.6**	63,060	39.4
North East & North West	**23,132**	**17.0**	26,841	16.7
Midlands	**22,708**	**16.7**	27,602	17.2
York & Humber	**10,627**	**7.8**	12,229	7.6
South West	**10,800**	**7.9**	12,732	7.9
Wales	**10,715**	**7.9**	13,002	8.1
Other UK	**4,291**	**3.2**	4,919	3.1
	136,103	**100**	160,385	100
Less impairment provision	**(250)**	-	(136)	-
Total	**135,853**	-	160,249	-

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

16. Financial risk management (continued)

b) Types of risk (continued)

The table below provides further information on residential loans by payment due status.

	2025		2024	
	£000s	**%**	£000s	%
Not impaired				
Neither past due nor impaired (0 to 2 months)	**115,528**	**84.9**	139,346	86.9
	115,528	**84.9**	139,346	86.9
Impaired				
Past due 3 to 6 months	**8,160**	**6.0**	11,702	7.3
Past due 7 to 12 months	**5,192**	**3.8**	5,077	3.2
Past due over 12 months	**6,204**	**4.6**	1,797	1.1
	19,556	**14.4**	18,576	11.6
Possessions	**1,019**	**0.7**	2,463	1.5
	136,103	**100.0**	160,385	100.0

The maximum exposure to credit risk for the Company is represented by the carrying value of each financial asset as set out below:

	2025 £000s	2024 £000s
Mortgage loans gross	**136,103**	160,385
Cash at bank and in hand	**12,340**	12,243
	148,443	172,628

The table below sets out the carrying amount and the approximate fair value of collateral held against exposures to the Mortgage Portfolio. The estimate of fair value is based on the valuation performed at the time of borrowing or re-valued using the house price index (HPI) at 31 December 2025, or the most recent indexed valuation if the loan has been individually assessed as impaired. The fair value of collateral is capped at the lower of mortgage book value or collateral indexed valuation on a loan-by-loan basis.

	2025 Gross carrying value £000s	**2025 Fair value of collateral £000s**	2024 Gross carrying value £000s	2024 Fair value of collateral £000s
Mortgage loans	**136,103**	**308,390**	165,879	353,942

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

16. Financial risk management (continued)

b) Types of risk (continued)

Interest rate risk
Interest rate risk exists where assets and liabilities have interest rates set under different bases or which reset at different times. The Company has mitigated interest rate risk by matching the floating rates on the mortgage pool with floating rate liabilities.

The Directors regularly monitor the risks associated with any timing differences that arise with the resetting of the underlying reference rates and have entered into interest basis swap agreements with a third party to manage this risk. The principal profiles for each swap are initially input as the expected redemption profile of the individual mortgage pools.

If SONIA was 1% higher or lower, with all other variables held constant, the effect on the Company's net interest income would be immaterial due to the equivalent movements on interest on the Notes.

	2025 £000s	Restated 2024 £000s	Relevant Note margin
Loan Notes Class A3 due 2039	**68,240**	80,512	0.17%
Loan Notes Class B due 2039	**30,784**	36,321	0.24%
Loan Notes Class C due 2039	**16,090**	18,984	0.29%
Loan Notes Class D due 2039	**10,038**	11,844	0.50%
Loan Notes Class E due 2039	**6,925**	8,171	1.20%
Loan Notes Class F due 2039	**5,936**	7,003	3.25%
Subordinated Loan Notes	**9,904**	9,904	5.00%
Residual certificate holders	**9**	372	-
	147,926	173,111	

All the Notes are denominated in pounds sterling. Interest is paid quarterly based on the underlying interest reference rate for the Notes plus the relevant Note margin. On the IPD falling due on 17 March 2022 the underlying interest reference rate on the Notes moved from LIBOR to Compound Daily SONIA with an additional spread adjustment of 0.1193%.

Liquidity risk
Mortgage assets are funded by the issue of non-recourse Notes. Liquidity risk is managed by issuing the Notes prior to or at the same time as the assets are acquired. Cash flow forecasts are used to determine the Company's liquidity requirements. Liquidity risks generated by delinquencies and any ultimate credit losses are managed through the non-recourse nature of the Notes and through the liquidity facility with Danske Bank (set out in note 18).

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

16. Financial risk management (continued)

b) Types of risk (continued)

The contractual undiscounted cash flows associated with financial liabilities were as follows;

	Carrying value £000s	Expected gross cash flows £000s	Within 3 months £000s	After 3 months but within 1 year £000s	After 1 year but within 5 years £000s	After 5 years £000s
As at 31 December 2025						
Derivative liabilities	**149**	**149**	**5**	**15**	**16**	**113**
Amounts due to credit institutions	**12,340**	**12,340**	**12,340**	**-**	**-**	**-**
Notes	**147,927**	**147,927**	**5,973**	**16,956**	**60,194**	**64,804**

	Carrying value £000s	Expected gross cash flows £000s	Within 3 months £000s	After 3 months but within 1 year £000s	After 1 year but within 5 years £000s	After 5 years £000s
As at 31 December 2024						
Derivative liabilities	183	183	8	23	24	128
Amounts due to credit institutions	12,243	12,243	12,243	-	-	-
Notes (Restated)	173,111	173,111	7,585	21,427	73,356	70,743

The mortgage-backed floating rate Notes as included in the above analysis are repaid in line with the redemption profile of the mortgages.

It should be noted that many financial instruments are settled earlier than the contractual maturity dates.

Foreign currency risk
All of the Company's assets and liabilities are denominated in sterling and therefore there is no currency risk.

17. Financial instruments held at fair value

Fair values are determined by using the following fair value hierarchy that reflects the significance of the inputs in measuring fair value:

Level 1
The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)
For the year ended 31 December 2025

17. Financial instruments held at fair value (continued)

Level 2
Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3
Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

	Valuation based on			
	Quoted Market Prices (Level 1)	Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	£000s	£000s	£000s	£000s
31 December 2025				
Derivative Financial liabilities	-	-	149	149
31 December 2024				
Derivative Financial liabilities	-	-	183	183

18. Liquidity facilities

The Company entered into a renewable 364 day Liquidity Facility Agreement with Danske Bank A/S as part of the Securitisation transaction. The purpose of the liquidity facility is to fund reserve shortfalls at an IPD. The facility has been renewed each year with the current facility renewal effective from 29 April 2025. The facility was renewed post year end on 5 May 2026.

Following the downgrade by Standard & Poor's on 5 February 2009 of short term rating of Danske Bank A/S the Liquidity Facility Provider, the Company exercised its contractual entitlement to draw down the full available commitment amount in accordance with the terms of the Liquidity Facility Agreement and as required under the terms of the Securitisation transaction documentation. The transaction documents do not provide for the resizing of the facility, on which the Company pays commitment fees, or to allow for the repayment of a drawdown if there is a ratings upgrade of the liquidity facility provider.

On 17 June 2015, Moody's upgraded Danske Bank's short-term rating to P1 from P2. On 20 January 2016, the Company received consent to transfer the Cash drawn down on the facility to a separate Danske Bank, where it is still held.

19. Related party transactions

Under the terms of a corporate service agreement Law Debenture Corporate Services Limited is contracted to provide certain corporate services including a registered office, administration and Directors among other things for which it charges a corporate service fee. Amount accrued at year end was £13k (2024: £16k).

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)

For the year ended 31 December 2025

19. Related party transactions (continued)

	2025 £000s	2024 £000s
Corporate service fee	**19**	53

20. Ultimate parent undertaking

The Company's immediate parent company is Oakwood Global Assets Limited, a company registered in England and Wales. All of the shares of Oakwood Global Assets Limited are held by The Law Debenture Intermediary Corporation PLC under declaration of trust for discretionary charitable purposes. As the trustees are not entitled to any economic benefit and the beneficiaries do not have any decision-making power, there is no controlling party.

21. Prior year adjustment

As described in note 1, the Company has made a prior period adjustment. Adjustments have been made in these financial statements as set out below:

	31 December 2024		
	As previously reported	Adjustment	As restated
Balance sheet	£000	£000	£000
Current assets			
Total assets	178,122		178,122
Current liabilities			
Liabilities: amount falling due within one year	(29,594)	(6)	(29,600)
Total assets less current liabilities	148,528	(6)	148,522
Non-current liabilities			
Liabilities: amounts falling due after more than one year	(141,975)	(2,107)	(144,082)
Derivative liabilities	(183)		(183)
Net assets	6,370	(2,113)	4,257
Capital and reserves			
Called up share capital	13		13
Retained earnings	6,357	(2,113)	4,244
Shareholder's funds	6,370	(2,113)	4,257

Statement of changes in equity

	Share Capital £000	**Retained earnings £000**	**Total £000**
Balance at 1 January 2024	13	6,969	6,982
Loss for the year	-	(612)	(612)
Prior year adjustment		(2,113)	(2,113)
Balance at 31 December 2024	13	4,244	4,257

Document Classification: External Confidential

Notes (forming part of the financial statements) (continued)

For the year ended 31 December 2025

21. Prior year adjustment (continued)

Statement of comprehensive income	31 December 2024 As previously reported £000s	Adjustment	As restated £000s
Interest receivable and similar income	10,340		10,340
Interest payable and similar charges	(10,256)	(2,113)	(12,369)
Net interest receivable/(payable)	84	(2,113)	(2,029)
Impairment (charge)/credit	19		19
Administration expenses	(718)		(718)
Fair value movements of derivatives	3		3
Loss on ordinary activities before taxation	(612)	(2,113)	(2,725)
Taxation	-		-
(Loss)/profit for the year	(612)	(2,113)	(2,725)
Other comprehensive income	-		-
Total comprehensive loss	(612)	(2,113)	(2,725)

22. Subsequent events

On 5 May 2026 the Company renewed its 364 day Liquidity Facility Agreement with Danske Bank.

Document Classification: External Confidential