Company Registration No. 10765119

ANNINGTON FUNDING PLC

Annual Report and Financial Statements

For the year ended 31 March 2026

ANNINGTON FUNDING PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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ANNINGTON FUNDING PLC

STRATEGIC REPORT

The principal activity of Annington Funding plc ('the Company') is the financing of the Annington Limited Group ('the Group') via an intercompany loan to Annington Homes Limited ('AHL').

BUSINESS REVIEW

At 31 March 2026, the Company held five tranches of corporate, unsecured bonds, totalling c.£730.4 million (2025: £730.5 million). The majority of the funding has been lent to AHL, its immediate parent, which in turn provides this funding to the rest of the Group. At 31 March 2026, the Group, held just under £1.4 billion (2025: £1.4 billion) of cash and cash equivalents.

These funds are being held while the Group reviews investment opportunities, assessing the market for suitable investments which provide a stable quality asset with an attractive yield. Until suitable investment opportunities are identified and acquired, the Group will continue to invest this cash in interest bearing deposits and short-term government instruments to maximise returns, whilst managing counterparty credit risk, maintaining the Group's position of financial strength and therefore helping to support its future strategy of growing its investment property portfolio.

The Company recorded a gain of £0.01 million on bond redemptions (2025: gain of £208.1 million) and recognised £26.1 million of finance income (2025: £122.2 million) and £23.3 million of finance costs (2025: £122.2 million) during the year. This decrease in finance income and costs in comparison with prior year are due to the bond redemption settlements in the prior year.

On 18 August 2025, the Company was notified that an extraordinary resolution to remove BNY Mellon Corporate Trustee Services (BNY) as trustee had been approved by the requisite number of holders of the Outstanding Notes. In response, the Company held a series of meetings to facilitate the appointment of a replacement trustee. On 20 January 2026, GLAS Trustees Limited ("GLAS") were appointed as Trustee in respect of the 2029 Notes, the 2032 Notes, the 2047 Notes and the 2051 Notes, and Law Debenture Trust Corporation p.l.c. was appointed as Trustee in respect of the 2034 Notes.

On 27 January 2026, the Company and its Guarantors received notifications from GLAS, in its capacity as Trustee in respect of the 2032 Notes, the 2047 Notes, and the 2051 Notes asserting that the sale of the Married Quarters Estate (MQE) to the Ministry of Defence (MoD) on 9 January 2025 constituted an Event of Default. Also on 27 January 2026, GLAS, acting on upon instructions of certain Noteholders, issued Notices of Acceleration for the 2032 Notes, the 2047 Notes and the 2051 Notes. Subsequently GLAS initiated court proceedings in relation to the Notices of Acceleration. Annington rejects in its entirety the basis upon which the Notices of Acceleration have been issued, and its position is that such notices are a legal nullity.

On the above matters, the Company incurred £2.7 million (2025: £Nil) of professional fees.

The Company ended the year with total assets of £915.0 million (2025: £914.1 million) and total liabilities of £730.4 million (2025: £729.5 million). Its result for the year after taxation is a profit of £0.02 million (2025: profit of £183.8 million).

PRINCIPAL RISKS AND UNCERTAINTIES

The areas of potential risks and uncertainty which face the business are mainly related to its financial risks (credit risk and liquidity risk). For details of financial instruments, their related risks and the policies and actions put in place to manage them, please refer to Note 15 to the financial statements.

The Company's financing facilities include a number of obligations upon the issuer and guarantors to the debt. Not meeting these obligations may result in a range of outcomes, including the debt becoming repayable at its early redemption amount. The terms of the financing facilities include financial covenants such as Loan to Value and Interest Coverage Ratio covenants, calculated on the basis of the Group. Although the Group currently benefits from significant headroom in its covenants, including cash balances in excess of outstanding debt, and has processes and procedures in place to forecast and monitor covenant compliance, unexpected changes in financial performance or asset values could potentially lead to the possibility of a breach of these covenants which could adversely affect the Group's business, results of operations and financial condition. The covenants are discussed in more detail in Note 12 to the financial statements, as well as Note 2, under 'Going Concern'.

STRATEGIC REPORT

STATEMENT ON S172 OF THE COMPANIES ACT 2006

The directors consider section 172(1) factors, including the Company's business relationships with finance providers and with AHL, APL and the Group. The directors believe that maintaining effective communication with lenders, including bondholders and banks to be essential to the successful running of the Company. The Company achieves strong relationships with its stakeholders though transparent reporting and provision of information to all stakeholders. Beyond regular financial reporting, the Company, in association with the Group, provides update conference calls on at least an annual basis. The company maintains good relations with its shareholders and borrowers, utilising the relationships within the Annington Limited Group. The Company is a member of the Annington Limited Group, which considers a wider group of stakeholders, and for which a section 172(1) statement is disclosed in the financial statements of Annington Limited for the year ended 31 March 2026.

FUTURE DEVELOPMENTS

The Company has considered the economic impact of current events such as the continuing Russian military action against Ukraine and geopolitical tensions in the Middle East, alongside inflation and interest rates. The Company has on issue fixed interest bonds, leading to highly predictable future cash flows on the listed debt. These factors serve to mitigate any further risks arising from the aforementioned factors.

Future developments and other factors not under the control of the Company may impact the ongoing operations of the business, however, the directors expect the business to continue, for the foreseeable future, in a manner consistent with its historical operations.

Approved by the Board of Directors and signed on behalf of the Board

I Rylatt
Director

21 September 2026

REGISTERED OFFICE
Hays Lane House
1 Hays Lane
London, United Kingdom,
SE1 2HB

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2026.

Directors

The directors who served throughout the year and to the date of this report were:

Ian Rylatt
Stephen Leung (resigned as Director with effect from 1 August 2026)
Bruce Naylor* (appointed as Director with effect from 1 August 2026)

*Bruce Naylor appointed as an alternate Director for Stephen Leung on 28 January 2026 and ceased to act in this role, consequently resigning on 19 February 2026.

Audit Committee

The function of the Audit Committee of the Company is carried out by the Audit Committee of the Annington Limited Group. The Audit Committee includes at least two independent, non-executive directors and one non-executive director appointed by Terra Firma Capital Partners Limited. Alongside other responsibilities, the Committee considers the ongoing effectiveness of controls and procedures operated by management and has oversight of the financial reporting and audit process. Further details regarding the governance of the Group can be found in the Group accounts, available at https://www.annington.co.uk/investors/results-and-reports/.

Dividends

No dividends have been paid or proposed during the year (2025: £nil).

Subsequent events

None noted.

Going concern

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of not less than twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis are to be found in Note 2 to the financial statements.

Financial instruments and risk management policies

Financial instruments and risk management policies are addressed in Note 15.

Internal control and risk management systems over financial reporting

The Company has put in place systems and controls to ensure that data integrity is maintained throughout the financial reporting process. These include data access controls and backups and reviews of financial data and reports by suitably qualified individuals.

Principal risks and uncertainties and future developments

The areas of potential risks and uncertainty which face the business, details of its financing and its future outlook are addressed in the Strategic Report, as well as an indication of likely future developments and activities in the business.

Directors' indemnities

Qualifying third party indemnity provisions are in place for all directors of the Company for the current and preceding year.

Greenhouse gas reporting

The Company, as a member of the Annington Limited Group, is included within the Group's reporting of greenhouse gas data, as disclosed within Annington Limited's Directors' Report for 31 March 2026.

DIRECTORS' REPORT (continued)

Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Deloitte LLP has expressed their willingness to continue in office as auditor and arrangements have been put in place for them to be re-appointed as auditor in the absence of an Annual General Meeting.
Approved by the Board of Directors and signed on behalf of the Board

B Naylor
Director
21 September 2026

REGISTERED OFFICE
Hays Lane House
1 Hays Lane
London, United Kingdom,
SE1 2HB

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with IFRS Accounting Standards as issued by the IASB. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the board of directors and is signed on its behalf by:

B Naylor
Director
21 September 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ANNINGTON FUNDING PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Annington Funding plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB.

2. Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the company for the year are disclosed in note 4 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Recoverability of receivable from group undertaking • Ongoing bondholder litigation Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used in the current year was £9.2m which was determined on the basis of 1% of total assets. We also apply a lower materiality of £0.5m based on 2% of the finance income. This lower materiality has been applied to transactions reported on the income statement relating to finance income and finance cost (and related interest receivable and payable on the balance sheet).
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	During the current year, we identified ongoing bondholder litigation as a key audit matter, due to the uncertainty surrounding the outcome of the legal proceedings and the significant judgement required to assess the related accounting implications. Apart from this, there have been no significant changes to our audit approach in the current year.

4. 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.

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

- Challenging the judgements and assumptions applied in the going concern assessment and associated forecasts, including the reasonableness of assumptions regarding uncertain cash inflows and the timing and quantum of cash outflows; this challenge was informed by our review of advice received by the company in connection with the ongoing litigation (see Section 5.2 below);
- Testing the mechanical accuracy of the model utilised;
- Evaluating the historical accuracy of forecasts prepared by the company
- Assessing the appropriateness of the sensitivities in the downside scenario;
- Reviewing loan documentation to understand the principal terms, including financial covenants, and assessing the company's existing and forecast compliance with these (including testing of the mechanical accuracy of management's covenant calculations and consistency with the contractual definitions);
- Assessing the level of headroom available on covenants under the base case and downside scenario; and
- Evaluating the appropriateness of the disclosures in the financial statements around going concern and the clarity of the process undertaken by management in concluding on the appropriateness of the assessment.

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.

5. 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) that we identified. These matters included 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 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.

5.1. Recoverability of receivable from group undertaking

Key audit matter description	The company's receivable from a group undertaking is stated in the balance sheet at £913m (2025: £912m). This receivable is initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less any loss allowance for expected credit losses (ECL). There is a significant level of judgement involved in determining the recoverability of this receivable from a group undertaking based on the financial position and future prospects of the group undertaking. In considering recoverability and potential impairment under IFRS 9 "Financial Instruments", the directors of the company must assess the respective credit quality and liquidity of the group undertaking. Further details are included within note 2 and note 8 to the financial statements.

How the scope of our audit responded to the key audit matter	We assessed the recoverability of the loan receivable held at amortised cost by performing the following procedures: • We obtained an understanding of relevant controls over the valuation and recoverability of receivable from the group undertaking. • We have challenged the director's judgements regarding the appropriateness of the carrying value through an assessment of the credit and liquidity position of the group undertaking and by assessing the ability of the group undertaking to repay these amounts. • We have assessed whether the ECL model used by management is appropriate, considering the changes to the credit risk since origination of the financial assets. • We have examined and validated post balance sheet events to consider whether the impairment assessment assumptions remain valid

Key observations	Based on the work performed we concluded that receivable from group undertaking is appropriately stated.

5.2. Ongoing bondholder litigation

Key audit matter description	In FY25, Annington Property Limited (APL), a fellow subsidiary within the Annington Limited Group (the Group), completed the sale of the Married Quarters Estate (MQE) property portfolio to the Ministry of Defence (MoD). Following this sale, a newly appointed trustee commenced legal proceedings against the company during the current year. The proceedings are brought in relation to notices of acceleration which that trustee, acting on instructions of certain bondholders, issued which assert that the sale of the MQE constituted an Event of Default under the terms of the bond. The claim seeks, amongst other matters, the immediate repayment of the 2032, 2047 and 2051 outstanding notes. Significant judgement is required by management in assessing the accounting implications of the ongoing bondholder litigation, including: • The impact of the litigation on the classification and measurement of the company's borrowings and related financing costs; • Whether the litigation gives rise to a present obligation in addition to the company's borrowings already recognised on the balance sheet, and whether any resulting additional outflow of economic benefits is probable, given the uncertainty surrounding the outcome of the legal proceedings; • Whether a reliable estimate can be made of any additional obligation arising from the litigation; and • The nature and extent of contingent liabilities, related disclosures to be disclosed in the financial statements; and • Whether any potential outflows would impact the directors’ going concern assessment. Management concluded that the loan notes should remain classified as non-current, that no provision was required, but that a contingent liability disclosure should be made. Further details are included within the business review section, Note 2 under the critical accounting judgements and going concern sections, Note 12 and Note 20, to the financial statements.

How the scope of our audit responded to the key audit matter	We performed the following audit procedures, amongst others, to address this matter: • Evaluated the treatment of unamortised debt issue costs and classification of non-current borrowings in accordance with the financial reporting framework; • Evaluated management's assessment of whether the litigation gives rise to a present obligation requiring recognition of a provision, including the probability of any additional outflow of economic benefits and the potential outcomes under IAS 37; • Inquired with and inspected correspondence from the Group internal and external counsel to assess the litigation matter and evaluate the Group significant judgements and assumptions; • Read board minutes and legal correspondence to evaluate management's approach and position in respect of the litigation and whether there was evidence of any additional obligation requiring recognition or disclosure; • Evaluated whether the disclosures made in the financial statements appropriately reflect the facts and accounting judgements.
Key observations	Based on the work performed, we concluded that management's assessment of the accounting implications of the ongoing bondholder litigation, including the related financial statement disclosures, was appropriate.

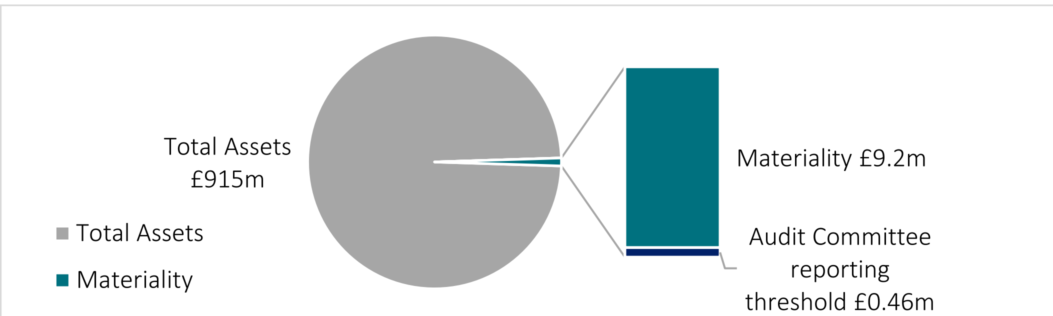
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Materiality	£9.2m (2025: £9.0m) £0.5m (2025: £2.1m) for transactions reported on the income statement relating to finance income and finance cost (and related interest receivable and payable on the balance sheet).
Basis for determining materiality	1% of total assets (2025: 1% of total assets) The lower materiality was determined with reference to 2% of the finance income (2025: 2% of the finance income)
Rationale for the benchmark applied	We determined materiality based on total assets, as the key metric for the users of financial statements, as the company's principal activity is raising debt and the provision of financing to group entities. Finance income is deemed an appropriate benchmark for items impacting the finance income and finance cost as these are more sensitive to the users of the financial statements.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2026 audit (2025: 70%). In determining performance materiality, we considered the following factors:

a. the quality of the control environment and whether we were able to rely on controls;
b. the low number of corrected and uncorrected identified in prior periods; and
c. the absence of material changes in the business.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.46m (2025: £0.45m) for the overall financial statements, and £0.02m (2025: £0.10m) for transactions reported on the income statement relating to finance income and finance cost and related interest receivable and payable balances, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team. There were no changes to our scoping compared to the prior year.

7.2. Our consideration of the control environment

With the involvement of our IT specialists, we obtained an understanding of the IT environment. We did not test the general IT controls and we did not place reliance on IT controls as the company's operations are largely based on manual processes and controls.

We tested the operating effectiveness of the relevant control in relation to the recoverability of the intercompany receivable. We tested and relied on the annual relevant control in respect of the recoverability of receivable. In addition, we obtained an understanding of the relevant controls relating to the borrowings process and the financial reporting cycle given the significance to the company.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

9. Responsibilities of directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Annington Limited Group remuneration policies impacting the company and key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, financial instruments and IT specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

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

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

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

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the directors on 24 March 2023 to audit the financial statements for the year ended 31 March 2023 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is four years, covering the years ended 31 March 2023 to 31 March 2026.

14.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

15. Use of our report

This report is made solely to the company's member, 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 member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Dodworth (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

21 September 2026

INCOME STATEMENT
For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Finance income	6	**26,097**	122,159
Finance costs	6	**(23,301)**	(122,216)
Gain on bond redemption	6	**11**	208,148
Administrative expenses		**(126)**	(362)
Trustee transition and professional costs	6	**(2,660)**	-
Profit before taxation		**21**	207,729
Taxation	7	**-**	(23,905)
Profit for the year		**21**	183,824
Profit attributable to shareholder		**21**	183,824

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Profit for the year		**21**	183,824
Items that may subsequently be recycled through the income statement			
Cash flow hedge:			
Fair value losses on cash flow hedge	14	**-**	(1,396)
Losses arising on cash flow hedge reclassified to income statement	6	**-**	1,723
Reclassification from OCI to profit or loss		**-**	33
Total other comprehensive income		**-**	360
Total comprehensive income for the year		**21**	184,184
Total comprehensive income attributable to shareholder		**21**	184,184

BALANCE SHEET
At 31 March 2026

	Note	2026 £'000	2025 £'000
Non-current assets			
Financial assets at amortised cost	8	**903,459**	902,876
		903,459	902,876
Current assets			
Financial assets at amortised cost	8	**9,591**	8,949
Other receivables	9	**1,867**	2,154
Cash and cash equivalents	10	**43**	71
		11,501	11,174
Total assets		**914,960**	914,050
Current liabilities			
Payables	11	**(9,591)**	(8,949)
		(9,591)	(8,949)
Non-current liabilities			
Loans and borrowings	12	**(720,763)**	(720,516)
Total liabilities		**(730,354)**	(729,465)
Net assets		**184,606**	184,585
Capital and reserves			
Share capital	13	**50**	50
Retained earnings		**184,556**	184,535
Total equity		**184,606**	184,585

The accompanying Notes (1 to 21) should be read in conjunction with these financial statements. The annual financial statements of Annington Funding plc, registered number 10765119, were authorised for issue on 21 September 2026.

Signed on behalf of the Board of Directors

B Naylor
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2026

	Share capital £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2024	50	(360)	711	401
Profit for the year	-	-	183,824	183,824
Other comprehensive income for the year	-	360	-	360
Balance at 31 March 2025	50	-	184,535	184,585
Profit for the year	**-**	**-**	**21**	**21**
Balance at 31 March 2026	**50**	**-**	**184,556**	**184,606**

CASH FLOW STATEMENT
For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Cash utilised in operations	16	**(238)**	(449)
Finance income received from Group undertakings		**24,760**	165,757
Finance costs paid		**(22,557)**	(142,877)
Trustee transition and professional costs		**(1,904)**	-
Taxation		**-**	(26,050)
Net cash inflow/(outflow) from operating activities		**61**	(3,619)
Investing activities			
Redemption of preference shares		**-**	793,600
Repayments from Group undertakings		**-**	2,151,121
Net cash inflow from investing activities		**-**	2,944,721
Financing activities			
Repayment of borrowings		**(89)**	(2,904,013)
Cash paid on settlement of swap principal		**-**	(5,121)
Debt issuance costs and refinancing fees		**-**	(31,975)
Net cash outflow from financing activities		**(89)**	(2,941,109)
Net decrease in cash and cash equivalents		**(28)**	(7)
Cash and cash equivalents at the beginning of the year		**71**	55
Effect of exchange differences on cash and cash equivalents		**-**	23
Cash and cash equivalents at the end of the year	10	**43**	71

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2026

1. CORPORATE INFORMATION

Annington Funding plc ('the Company') is a company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a public company limited by shares and is registered in England and Wales. The address of its registered office is Hays Lane House, 1 Hays Lane, London SE1 2HB. Information on the Company's ultimate parent is presented in Note 19.

2. MATERIAL ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with United Kingdom adopted International Accounting Standards, comprising International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and related Interpretations (SIC-IFRIC interpretations). They have also been prepared in accordance with the Companies Act 2006.

The financial statements are presented in pound sterling, which is the functional currency of the Company. All values are rounded to the nearest thousand (£'000), except where otherwise indicated. They have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and the Directors' Report, which describe the financial position of the Company. The Company's objectives, policies and process for managing its capital, its financial risk management objectives and details of its financial instruments can be found in Note 15.

At 31 March 2026, the Company held five tranches of corporate, unsecured bonds, totalling c.£730.4 million. In May 2025, the Company redeemed £0.1 million of the 2034 bonds.

Critical to the Company's future as a going concern is the ability to service and repay this debt. The Group is forecast to hold sufficient cash on hand to pay interest on the debt.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

2. MATERIAL ACCOUNTING POLICIES (continued)

Going concern (continued)

The debt imposes a number of covenants that must be complied with, on a Group basis. These ratios incorporate the effect of the repurchase referred to in Note 12, and remain well below covenant thresholds.

Covenant	Test	Limit for Bonds	Limit for Loans	31 March 2026	31 March 2025
Limitation on Debt	Total debt / Total assets	<65%	<65%	*	*
Limitation on Secured Debt	Secured debt / Total assets	<40%	<40%	-	-
Interest Cover Ratio	EBITDA / Interest	1.0x (dividend lockup at 1.3x)	1.15x (dividend lockup at 1.3x)	*	1.87x
Unencumbered Assets	Unencumbered assets / Unsecured Debt	>125%	>125%	*	*

* - Due to the surplus of cash and cash equivalents at 31 March 2026, the Group is not in a net indebtedness position and has net interest income and so is not in a net finance charges position.

The Company receives finance income on its loan from Annington Homes Limited, which is sufficient to meet the Company's debt obligations and the covenants as set out above. Additionally, the loan is guaranteed by Annington Limited and Annington Property Limited. The Annington Limited Group's forecasts do not indicate that any of the above covenants will be breached in the foreseeable future. Further, the forecasts indicate that sufficient cash will be held to cover payments of interest on its debt, while also allowing for reinvestment and potential dividends to shareholders. The Group is satisfied that sufficient actions are available to mitigate any potential adverse impact on covenant compliance. The Board has taken into account the effects of current market conditions, including inflation and interest rates, the military action against Ukraine and geopolitical tensions in the Middle. Possible downside effects considered included falling house prices, falling rental values and increased arrears from tenants. While the Board strongly rejects the basis upon which the Notices of Acceleration have been issued by the Trustee of some of its Notes, the matter has been considered as part of this going concern exercise for completeness. In all circumstances, cash reserves were sufficient to fund the ongoing operations of the Group.

After making enquiries, the directors have assessed that the Group generates sufficient cash flows, which has been committed to be made available to the Company by the Group, to settle their obligations as and when they fall due. This assessment is made on the basis of the Group's existing cash reserves and forecasts of operational activity. Based on this analysis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of not less than twelve months from the date of approval of these financial statements. Accordingly, they adopt the going concern basis in preparing the Annual Report and financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, 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 experience and other factors that are considered relevant. Actual results may differ from these estimates. Further details regarding key sources of estimation uncertainty for the Company can be found at Note 8 regarding loans receivable.

The Company rejects in its entirety the basis upon which the Notices of Acceleration have been issued by the Trustee of some of its Notes. Accounting within these accounts is therefore prepared on this basis.

The Company has one operating segment; therefore, no separate segmental analysis is presented.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognised in the income statement, except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

New Standards, interpretations and amendments adopted as at 1 April 2025

The Company has adopted the new accounting standards, amendments or interpretations which have become effective for the year ending 31 March 2026. The application of these has had no material impact on the Group's financial statements.

New Standards, interpretations and amendments issued not yet effective

At the date of authorisation of these financial statements, the following new and revised IFRSs relevant to the Company have been issued and adopted by the UK Endorsement Board ('UKEB') but are not yet effective:

New/Amended Standards and Interpretations		**Effective date (annual periods beginning on or after)**
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
UK SRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2027
UK SRS S2	Climate-related Disclosures	1 January 2027

IFRS 18 will replace IAS 1 Presentation of Financial Statements and introduces new requirements for the presentation and disclosure of financial information within the financial statements, including defined subtotals in the statement of profit or loss and enhanced disclosures regarding management-defined performance measures. The Company is currently assessing the impact of adopting IFRS 18.

The directors do not expect that the adoption of the above standard will have a material impact on the recognition or measurement of amounts reported in the financial statements, although additional disclosures and changes to presentation will be required.

In February 2026, the UK Government published UK Sustainability Reporting Standards ("UK SRS") S1 and S2, based on the ISSB Sustainability Disclosure Standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. The standards are currently available for voluntary use in the UK, with mandatory application for listed entities from January 2027. The Company is monitoring developments in relation to these reporting requirements.

4. OPERATING PROFIT

The auditor's remuneration was £78,000 (2025: £51,000) for the audit of the Company's annual financial statements. No other services were provided by the auditor to the Company in either the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Company had no employees of its own during the year (2025: none). The directors of the Company are also directors of other Annington Limited Group companies and were remunerated on a group-wide basis. The disclosures for directors' emoluments for the Group can be found in the Annington Limited financial statements. No amount has been allocated to the Company in both the current and preceding years.

6. FINANCE INCOME AND COSTS

ACCOUNTING POLICY

Interest income and dividends on redeemable preference shares are recognised over time, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance costs, including any transaction costs, are charged to the income statement using the effective interest rate method. Gains or losses on the settlement of debt are recognised in the profit or loss at the date of derecognition, measured as the difference between the carrying amount of the liability and the consideration paid. Costs associated with securing favourable repurchasing pricing, which are not designated as hedging instruments, are recognised in the profit or loss when incurred.

	2026 £'000	2025 £'000
Finance income		
Interest receivable on intercompany balances	**25,985**	105,672
Preference dividends	**-**	16,487
Other interest receivable	**112**	-
Total finance income	**26,097**	122,159
Finance costs		
Interest payable on unsecured fixed rate bonds	**22,244**	97,470
Amortisation of issue costs	**347**	1,628
Interest payable on term loan	**-**	21,491
Foreign exchange gains on financing	**-**	(1,271)
Losses arising on designated hedging instruments in cash flow hedges reclassified from equity to income statement	**-**	1,723
Other finance expenses	**710**	1,175
Total finance costs	**23,301**	122,216
Gain on bond redemption		
Gain on bond redemption	**11**	236,018
Bond repurchase price lock costs	**-**	(27,870)
Total gain on bond redemption	**11**	208,148

During the year, the Company incurred £2.7 million (2025: £Nil) of professional fees relating to an extraordinary resolution to replace the Trustee of the Company's bond portfolio and subsequent Notices of Acceleration which were received from one of the newly appointed Trustees.

Further details regarding gains made on bond redemptions is provided in Note 12.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

7. TAXATION

ACCOUNTING POLICY

The taxation expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except where it is required to be recognised in other comprehensive income.

Current tax

Current tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Taxable profit differs from profit before tax as reported in the income statement because it excludes some items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 25% (2025: 25%). The charge for the year can be reconciled to profit before tax as follows:

	2026 **£'000**	**2025** **£'000**
Profit before tax	**21**	207,729
Tax charge at the standard rate	**(5)**	(51,932)
Factors affecting the current tax for the year:		
Group relief surrendered	**(5)**	-
Utilisation of tax losses	**-**	23,905
Income not assessed for tax	**-**	4,122
Taxation for the year	**-**	(23,905)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

8. FINANCIAL ASSETS AT AMORTISED COST

ACCOUNTING POLICY

Financial assets are initially recognised at fair value plus transaction costs. If the receivables fall within a 'held to collect' business model and its contractual terms give rise to cash flows that are solely payments of principal and interest on that principal, they are subsequently measured at amortised cost using the effective interest method, less any impairment.

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. Should there be a significant increase in credit risk since origination of the loan, the loss allowance is measured at an amount equal to the lifetime expected credit losses, otherwise it is measured at the expected credit losses over the next 12 months.

Key source of estimation uncertainty

In assessing the recoverability of loans receivable, assumptions and estimates are required to be made regarding the future activities and earnings of the counterparty. If these assumptions and estimates are not accurate, this could have a significant effect on the recoverability of the loan receivables presented below.

	2026 £'000	2025 £'000
Amounts falling due within one year		
Amounts owed by Group undertakings	**9,591**	8,949
	9,591	8,949
Amounts falling due after more than one year		
Amounts owed by Group undertakings	**903,459**	902,876
	903,459	902,876
Total financial assets at amortised cost	**913,050**	911,825

	2026 £'000	2025 £'000
Amounts owed by Group undertakings include:		
Loan receivable - unsecured, interest-bearing and no fixed date of repayment	**913,050**	911,825
	913,050	911,825

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

8. FINANCIAL ASSETS AT AMORTISED COST (continued)

Loan Receivable

The recoverable amount of loans receivable from related parties are reviewed annually by reference to the borrower's balance sheet and expected future activities, with a provision recorded to the extent the loan is not considered recoverable. There has been no change in the estimation techniques used or increase in the lifetime expected credit losses of the financial asset in the current period. In assessing the expected credit loss the directors have considered, amongst other things, the potential impact of future interest rates and inflation within the economy and the impact of these on the borrower as well as the fact that there is no history of credit default. Interest is charged on the loan at a rate of 2.899% (2025: 4.215%). This rate is mutually agreed upon periodically. Unpaid interest balances are accrued within amounts owed by Group undertakings; balances expected to be received in the next 12 months are shown separately.

The carrying value of financial assets approximates the fair value.

9. OTHER RECEIVABLES

ACCOUNTING POLICY

Other receivables are initially recognised at fair value when the Company becomes entitled to receive the contractual cash flows and are subsequently measured at amortised cost using the effective interest method less any impairment. Corporation tax receivables are recognised to the extent the amount of corporation tax payments made exceed the related tax expense.

	2026	**2025**
	£'000	**£'000**
Amounts falling due within one year		
Prepayments	**9**	9
Corporation tax	**1,858**	2,145
	1,867	2,154

The carrying value of other receivables approximates the fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

10. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents comprise cash at bank. Cash and cash equivalents are limited to instruments with a maturity of less than three months.

	2026 £'000	2025 £'000
Cash at bank	**43**	71

11. PAYABLES

ACCOUNTING POLICY

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	2026 £'000	2025 £'000
Amounts falling due within one year		
Accrued interest	**8,735**	8,736
Other accruals	**856**	213
	9,591	8,949

The carrying value of payables approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

12. LOANS AND BORROWINGS

ACCOUNTING POLICY

Loans and borrowings are initially recognised at fair value less the transaction costs directly attributable to their issue. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method, such that discounts and costs are charged to the income statement over the term of the borrowing at a constant return on the carrying amount of the liability. The debt is classified as current and non-current based on the contractual payments required within 12 months of the balance sheet date.

	2026 £'000	2025 £'000
Amounts falling due between one and five years		
Unsecured notes	**1,497**	1,496
	1,497	1,496
Amounts falling due after five years		
Unsecured notes	**719,266**	719,020
Total non-current loans and borrowings	**720,763**	720,516
Total loans and borrowings	**720,763**	720,516

The Company holds five tranches of corporate, unsecured bonds, totalling c.£730.4 million.

On 14 May 2025, the Company paid £0.09 million to redeem bonds with a nominal value of £0.1 million.

On 27 January 2026, the Company announced that it had received Notices of Acceleration in connection with the Group's sale of the MQE in 2025, from GLAS, acting upon instructions of certain Noteholders of the 2032 Notes, the 2047 Notes and the 2051 Notes. Subsequently GLAS initiated court proceedings in relation to the Notices of Acceleration. The Company rejects in its entirety the basis upon which the Notices of Acceleration have been issued, and its position is that such notices are a legal nullity. If the Company's position is found to be incorrect then the principal amount of the Notes will be repayable at their early redemption amount together with accrued interest.

The Company had issued the bonds in the following denominations, maturities and fixed interest rates:

Principal Amount	Currency	Final Maturity	Coupon
1.5m	GBP (£)	12-Jul-29	3.184%
178.2m	GBP (£)	06-Oct-32	2.308%
1.3m	GBP (£)	12-Jul-34	3.685%
194.9m	GBP (£)	12-Jul-47	3.935%
354.5m	GBP (£)	06-Oct-51	2.924%

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

12. LOANS AND BORROWINGS (continued)

The debt imposes a number of covenants that must be complied with under the bonds facility and are calculated based on the results and financial position of the wider Annington Group. The covenants attaching to the debt are:

Covenant	Test	Limit for Bonds	Limit for Loans	31 March 2026	31 March 2025
Limitation on Debt	Total debt / Total assets	<65%	<65%	*	*
Limitation on Secured Debt	Secured debt / Total assets	<40%	<40%	-	-
Interest Cover Ratio	EBITDA / Interest	1.0x (dividend lockup at 1.3x)	1.15x (dividend lockup at 1.3x)	*	1.87x
Unencumbered Assets	Unencumbered assets / Unsecured Debt	>125%	>125%	*	*

* - Due to the surplus of cash and cash equivalents at 31 March 2026, the Group is not in a net indebtedness position and has net interest income and so is not in a net finance charges position.

The Company's forecasts do not indicate any of these covenants will be breached in the foreseeable future.

Reconciliation of movement

	31 March 2026 £'000	Amortisation of debt issue costs £'000	Derecognised on repurchase £'000	31 March 2025 £'000
Fixed Rate GBP Bonds 2029	**1,497**	1	-	1,496
Fixed Rate GBP Bonds 2032	**177,522**	94	-	177,428
Fixed Rate GBP Bonds 2034	**1,270**	1	(100)	1,369
Fixed Rate GBP Bonds 2047	**189,064**	168	-	188,896
Fixed Rate GBP Bonds 2051	**351,410**	83	-	351,327
	720,763	347	(100)	720,516

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

12. LOANS AND BORROWINGS (continued)

Fair values

The fair values of the Company's borrowings and interest rate swaps are determined by a Level 2 valuation technique.

This fair value measurement hierarchy level is specified in accordance with IFRS 13 'Fair Value Measurement'. The levels are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		2026	
	Par value £'000	**Balance sheet value £'000**	**Fair value £'000**
Level 2			
Financial liabilities			
Unsecured bonds	**(730,390)**	**(720,763)**	**(606,619)**
Total financial liabilities	**(730,390)**	**(720,763)**	**(606,619)**

Unsecured bonds
The bonds are listed on the main market of the London Stock Exchange and were not actively traded at 31 March 2026. As there was no active market, the fair value of the bonds cannot be determined by a directly quoted price at 31 March and no IFRS 13 Level 1 valuation is available. The Group has determined a fair value using a Level 2 input methodology, in accordance with IFRS13 para 82(b), being the quoted bid price of each instrument, at year end.

		2025	
	Par value £'000	**Balance sheet value £'000**	**Fair value £'000**
Level 2			
Financial liabilities			
Unsecured bonds	(730,490)	(720,516)	(598,600)
Total financial liabilities	(730,490)	(720,516)	(598,600)

Unsecured bonds
The bonds are listed on the main market of the London Stock Exchange and have been fair valued by a third party valuer using a spread to a reference gilt curve. The reference gilt curve is based upon observable market data. The spread is determined with reference to comparable sector bond pricing. This represents a Level 2 fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

13. SHARE CAPITAL

	2026 £'000	2025 £'000
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each	**50**	50

Upon incorporation, 50,000 ordinary shares of £1 each were allotted.

14. HEDGING RESERVE

	2026 £'000	2025 £'000
At 1 April	**-**	(360)
Fair value losses on cash flow hedge	**-**	(1,396)
Gains arising on cash flow hedge reclassified to income statement	**-**	1,723
Recycling of hedge reserve on termination of swaps	**-**	33
At 31 March	**-**	-

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

ACCOUNTING POLICY

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value and net of directly attributable transaction costs as appropriate.

The Company has the following financial instruments:

	Note	2026 £'000	2025 £'000
Financial assets			
Financial assets at amortised cost	8	**913,050**	911,825
Cash and cash equivalents	10	**43**	71
Total financial assets		**913,093**	911,896
Financial liabilities			
Liabilities measured at amortised cost:			
Payables	11	**9,591**	8,949
Loans and borrowings	12	**720,763**	720,516
Total financial liabilities		**730,354**	729,465

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Exposure to credit, liquidity, and interest rate risks arise in the normal course of the Company's business activities. Derivative financial instruments have been used to manage exposure to fluctuations in exchange rates but are not employed for speculative purposes.

Credit Risk

The Company's principal financial assets are cash and cash equivalents and amounts due from Group undertakings.

The Company's exposure to credit risk is assessed as low as this is primarily attributed to its receivables, which consists entirely of an intercompany loan to AHL (refer to note 8).

Credit risk on financial assets, cash and deposits is managed in accordance with Group Treasury Policy and risk is minimised by using banks and sovereign bonds identified as low risk according to Credit Agency ratings. The maximum amount of funds that can be placed with any one institution is also limited. The banks and criteria are reviewed and updated periodically to ensure they reflect the prevailing market conditions. Counterparty credit risk with respect to cash and deposits is assessed as low, as cash balances are held with counterparties with at least an upper medium grade rating.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Debt Management

The Company holds five tranches of corporate, unsecured bonds, totalling c.£ 730.4 million.

Options for the extension, refinancing or repayment of debt are considered well in advance of maturity so that the Company is able to take steps to manage its debt levels and maturity profile of its debt.

Capital Risk Management

The capital is managed at a Group level to ensure that entities in the Group are able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt and equity. Net debt includes borrowings (Note 12) offset by cash and cash equivalents, while equity comprises that attributable to equity holders of the Company, being issued share capital (Note 13), and retained earnings.

The debt imposes a number of covenants that must be complied with under the bonds facility. Refer to Note 12 for the covenants attaching to the debt.

Currency Risk

During the year and at the reporting date, the Company had no foreign currency denominated financial assets or liabilities, and therefore is not exposed to exchange rate fluctuations.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest Rate Risk Management

All of the Company's borrowings are at fixed interest rates, although it will be exposed to interest rate risk on the maturity of such borrowings.

Cash and Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Cash levels are also monitored at a Annington Limited Group level to ensure sufficient resources are available to meet the individual entities and Group's current and projected operational commitments. Annington Funding plc provides funding to Annington Homes Limited which in turn provides intercompany loans at fixed interest rates to other entities in the Group.

Financial maturity analysis

In respect of the net non-derivative financial liabilities, the following table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay or receive monies. The table includes both interest and principal cash flows.

	2026			
	Total £'000	**Less than one year £'000**	**One to five years £'000**	**More than five years £'000**
Non-derivative financial liabilities				
Payables	**856**	**856**	**-**	**-**
Loans and borrowings	**1,194,163**	**22,242**	**90,400**	**1,081,521**
Total derivative financial instruments	**1,195,019**	**23,098**	**90,400**	**1,081,521**

	2025			
	Total £'000	**Less than one year £'000**	**One to five years £'000**	**More than five years £'000**
Non-derivative financial liabilities				
Payables	213	213	-	-
Loans and borrowings	1,216,542	22,247	90,462	1,103,833
Total derivative financial instruments	1,216,755	22,460	90,462	1,103,833

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

16. NOTES TO CASH FLOW STATEMENT

	2026 £'000	2025 £'000
Profit after taxation	**21**	183,824
Adjustment for:		
Taxation	**-**	23,905
Finance costs	**23,301**	122,216
Finance income	**(26,097)**	(122,159)
Gain on bond redemption	**(11)**	(236,018)
Bond repurchase price lock costs	**-**	27,870
Trustee transition and professional costs	**2,660**	-
Movements in working capital:		
Decrease in receivables	**1**	16
Decrease in payables	**(113)**	(103)
Cash consumed by operations	**(238)**	(449)

17. ANALYSIS OF CHANGES IN NET DEBT

	2026 £'000	Cash flow £'000	Amortisation of bond issue costs and interest accrued £'000	Profits on refinancing £'000	2025 £'000
Cash and cash equivalents	**43**	**(28)**	**-**	**-**	71
Unsecured notes	**(720,763)**	**89**	**(347)**	**11**	(720,516)
Net debt	**(720,720)**	**61**	**(347)**	**11**	(720,445)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

18. RELATED PARTY DISCLOSURES

During the year, the Company had amounts due to and owed by group undertakings and recognised finance income related to these balances under the terms detailed in Note 8.

The following transactions with related parties were entered into during the year:

	2026 £'000	2025 £'000
Immediate Parent		
Annington Homes Limited – finance income	**25,985**	105,672

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties	
	2026 £'000	2025 £'000
Immediate Parent		
Annington Homes Limited – intercompany loan	**913,050**	911,824

The intercompany loan balance outstanding from Annington Homes Limited relates to a loan provided by Annington Funding plc with no set redemption date and at an interest rate of 2.899% (2025: 4.215%) per annum. An annual fee of £10,000 (2025: £10,000) is payable to Annington Funding plc by Annington Homes Limited for administration services. The short-term receivable relates to costs paid on Annington Homes Limited's behalf.

19. ENTITY INFORMATION AND CONTROLLING PARTY

The Company is incorporated in the United Kingdom and the address of its registered office is Hays Lane House, 1 Hays Lane, London SE1 2HB.

Annington Homes Limited, a company incorporated in the United Kingdom, is the immediate parent company.

The directors regard Terra Firma Holdings Limited, a company registered in Guernsey, as the ultimate parent entity. The ultimate controlling party is Guy Hands.

Annington Limited is the parent company of the largest and smallest group of which the Company is a member and for which Group financial statements are drawn up. The Annual Report and Financial Statements for Annington Limited are available on request from the registered office at Hays Lane House, 1 Hays Lane, London SE1 2HB.

20. CONTINGENT LIABILITIES

Details on the Trustee matter are outlined in Note 12.

21. SUBSEQUENT EVENTS

None noted.

REGISTERED OFFICE

Hays Lane House
1 Hays Lane
London
SE1 2HB.

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Registered in England and Wales No 10765119