Annual report and financial statements

Lanark Master Issuer PLC

For the 18-month period ended 31 March 2025

Company Number: 06302751

Lanark Master Issuer PLC

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For the 18-month period ended 31 March 2025

Contents

Officers and professional advisers

Directors	Christopher Upton Justin Fox Julius Bozzino (resigned 31 May 2024) Madeleine Houston (appointed 31 May 2024)
Secretary	Accomplish Secretaries Limited
Registered office	Suite 2 7th Floor 50 Broadway London SW1H 0DB
Independent auditors	Ernst & Young LLP 25 Churchill Place London E14 5EY

Strategic report

The Directors of Lanark Master Issuer PLC (the "Company") present their Strategic report for the 18-month period ended 31 March 2025.

Principal activities and business structure

The Company is a Special Purpose Vehicle ("SPV") which was established as part of Clydesdale Bank PLC's ("CB PLC") Lanark Residential Mortgage Backed Securities Programme (the "Programme"). The Programme was established primarily for the purpose of raising wholesale funding for the Programme Sponsor ("Sponsor") CB PLC. CB PLC is a wholly owned subsidiary of Virgin Money UK PLC ("VMUK PLC") and forms part of the Virgin Money UK PLC Group ("VMUK PLC Group"). The VMUK PLC Group was the Company's ultimate controlling entity for the 12-month period to 30 September 2024.

The Company is incorporated under the Companies Act 2006 and registered in England and Wales as a public limited company. It is a wholly owned subsidiary of Lanark Funding Limited ("LFL"), the immediate parent entity, which is incorporated under the Companies Act 2006 and registered in England and Wales. Following the acquisition of VMUK PLC on 1 October 2024, the ultimate controlling entity is now Nationwide Building Society ("Nationwide"). Nationwide and its subsidiary undertakings, which include CB PLC, comprise the Nationwide Building Society Group ("Nationwide Group"). Further detail of the group structure is disclosed in note 1.1 to the financial statements.

The principal activity of the Company is the issuance of limited recourse class A and class Z Residential Mortgage Backed Loan Notes (the "Notes"), under the Programme, for onward lending to LFL. The Notes in issue have a legal maturity date of December 2069. The class A Notes are listed on the London Stock Exchange. The proceeds of the Notes were advanced via Global Intercompany Loans Agreement ("Intercompany Loans") to LFL who applied the proceeds to acquire interests in a pool of residential mortgage loans held on trust by Lanark Trustees Limited ("LTL").

The Programme documentation relating to the Programme structure defines certain prescribed roles and terms and should be read in conjunction with these financial statements. The Programme documentation can be found on the Virgin Money UK debt investors relations page at: https://www.virginmoneyukplc.com/investor-relations/debt-investors/lanark-programme/.

During the period, the accounting reference date of the Company was changed from 30 September to 31 March, with the financial statements prepared for the 18-month period ended 31 March 2025.

Financial analysis

During the period, the Programme raised additional funds of £1,050m by issuing 2024-1 1A series in January 2024 and 2025-1 1A series in March 2025 of Residential Mortgage Backed Loan Notes ("the Notes"), offset by a £229m decrease in the class Z Variable Funding Notes ("VFN"). These movements were matched in the associated Intercompany Loans. There were also scheduled repayments of £835m including the full redemption of Note 2020-1 2A in November 2023 along with the associated Intercompany Loans.

The class A Notes and associated Intercompany Loans are subject to controlled amortisation, with the maximum repayment on each payment date set out in the Programme documentation. The Company is only obliged to make repayments of interest and principal in respect of the Notes, to the extent that repayments are received from LFL in respect of the Intercompany Loans. Repayments are ultimately dependent on there being sufficient principal receipts from the borrowers of the underlying mortgage loans in the Trust Property or Sponsor cash contributions as outlined in the Programme documentation.

The Company receives income from the Intercompany Loans, in line with the requirements of the Notes. Under the terms of the Programme, the Company is entitled to retain a predetermined profit balance. For the 18-month period ended 31 March 2025 this equated to £13,100 (12-months to 30 September 2023: £12,000). Additional income required to meet the predefined profit balance accrues from LFL as deferred consideration of £2,771,000 (12-months to 30 September 2023: £1,399,000). Deferred consideration is described in note 1.4 to the financial statements.

The combined performance of the receipts under the Intercompany Loan and payments made on the Notes has been in line with expectations.

Key performance indicators ("KPIs")

The Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company.

Section 172(1) statement

In accordance with the Companies Act 2006 as amended by the Companies (Miscellaneous Reporting) Regulations 2018, the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) when performing their duty to promote the success of the Company.

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by the Companies (Miscellaneous Reporting) Regulations 2018, this statement also provides details of how the Directors have engaged with and had regard to the interest of key stakeholders.

Strategic report (continued)

Section 172(1) statement (continued)

As an SPV, the governance structure and key policies to achieve the objectives of section 172(1) were set out in the Programme documentation at inception of the Programme. Therefore, compliance with the Programme documentation ensures regard for the matters set out in section 172(1) as follows:

- The Programme documentation sets out the principal transactions that will be undertaken to achieve the purpose and objectives of the Company, while ensuring the Company's assets are safeguarded;
- The Company has appointed third parties to perform various roles as specified in the Programme documentation. Fees and conditions were agreed at inception and are paid in line with the Programmes' priority of payments schedule;
- In accordance with the securitisation tax regime, the Company is only permitted to retain minimal profit;
- The limited nature and range of activities of an SPV mean the Company has no employees and engagement with community and environmental stakeholders is not relevant for consideration; and
- The Company has a sole member, LFL, which also forms part of the Programme. CB PLC is the Sponsor of the Programme and where matters impact the wider VMUK PLC Group, stakeholder engagement is led by the VMUK PLC Board.

Future developments

The Company was established as a structured entity to issue Notes under the Programme. The Directors continue to monitor the economic environment and financial markets with regard to the further issuance of Notes. No changes in future activities are envisaged.

The geopolitical environment remains volatile, with ongoing global conflicts and a range of global tensions. This uncertainty impacts the macroeconomic environment. Conflicts and disputes also have the potential to disrupt supply chains and increase cyber threats and economic crime.

The entity is exposed to fluctuations in the UK's economic conditions, which are impacted by global trade disputes. The economic environment remains uncertain, as interest rate levels and the growth outlook continue to impact customer finances, as well as other institutions and counterparties. Government policy continues to evolve, including in response to these challenges, with consequential impacts for the UK economy.

Principal risks and uncertainties

The Company is exposed to changes in market variables such as floating rate interest obligations arising from pounds sterling ("GBP") denominated Notes. Aligned to the Nationwide Group approach, climate risk has been assessed as a potential future risk of the Company and has been deemed to have no material impact in these financial statements. The main features of the Company's internal control and risk management systems are set out in note 4.3 to the financial statements.

The risks and challenges identified in the financial statements do not represent an exhaustive list of the risks and issues associated with the Company. Other risks and issues not specifically referenced may adversely impact the future financial position and performance of the Company. Accordingly, no assurances or guarantees of future performance, profitability or returns on capital are given by the Company.

Financial risk management

The Company's principal financial assets are the Intercompany Loans and the associated risks are the potential impairments in the carrying value of the underlying assets which LFL acquired and the floating rate interest obligations under the Notes issued. The financial risk management policies are discussed further in note 4.3 to the financial statements.

This report was approved by the Board of Directors on 4 July 2025 and was signed on its behalf by:

DocuSigned by:
Chris Upton
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Christopher Upton
Director
4 July 2025

Directors' report

The Directors present their report and the audited financial statements of the Company for the 18-month period ended 31 March 2025.

Corporate governance

The Directors have been charged with governance in accordance with the Programme documentation, describing the structure and operation of the Programme. The governance structure of the Company is such that the key policies have been predetermined at inception and the operational roles have been assigned to third parties with their roles strictly governed by the Programme documentation.

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

The main features of the Company's internal control and risk management system are set out in note 4.3 to the financial statements.

Profits and appropriations

The statement of comprehensive income for the period is set out on page 12.

The Directors do not recommend the payment of a dividend for the period under review (12-months to 30 September 2023: £Nil).

Future developments, principal risks and financial risk management objectives and policies

Information regarding future developments, principal risks and financial risk management objectives and policies of the Company in relation to the use of financial instruments that would otherwise be required to be disclosed in the Directors' report, and which is incorporated into this report by reference, can be found in the Strategic report.

Directors and Directors' interests

The Directors of the Company during the period and up to the date on which the financial statements were approved are shown on page 1.

Directors' interests

None of the Directors had any interest either during the period or at the end of the period in any material contract or arrangement with the Company.

Appointments and resignations

Madeleine Houston was appointed as a Director of the Company on 31 May 2024.

Julius Bozzino resigned as a Director of the Company on 31 May 2024.

Directors' remuneration

None of the Directors were directly remunerated by the Company in respect of their duties as Directors of the Company. However, during the period, an expense in the amount of £25,000 (12-months to 30 September 2023: £12,000) was incurred to Vistra (UK) Limited, for the provision of corporate administration services, including services of two Directors to the Company. In relation to the remaining Director, their service to the Company was performed as part of their employment with CB PLC and no remuneration was received in respect of qualifying services provided to the Company. CB PLC has not recharged the Company for the cost of this service.

Company secretary

The company secretary during the period, and subsequently is Accomplish Secretaries Limited.

Third party indemnities

A qualifying third-party indemnity provision for the benefit of the Directors was in force during the period and remains in force as at the date of approval of the annual report and financial statements.

Employees

The Company does not have any employees.

Directors' report (continued)

Stakeholder engagement

The Directors have provided a statement in the Strategic report, describing how they have performed their duty to promote the success of the Company and how they have engaged with and had regard to the interest of key stakeholders.

While the Company is now part of the Nationwide Group, it remains a controlled entity of VMUK PLC and as such follows many of the processes and practices of this company which are further referenced in this statement where relevant.

Political donations

No political donations were made in the period (12-months to 30 September 2023: £Nil)

Research and development costs

The Company does not undertake formal research and development activities.

Related parties

Details of related party transactions are set out in note 4.2 to the financial statements.

Share capital

Information about share capital is shown in note 3.8 to the financial statements.

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for 12 months from the approval of the financial statements.

The Company's use of the going concern basis for preparation of the accounts is discussed in note 1.3 to the financial statements.

Events after the balance sheet date

There have been no other significant events between 31 March 2025 and the date of approval of the annual report and financial statements which would require a change to or additional disclosure in the financial statements.

Auditors and disclosure of information to the auditors

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

In October 2023 PricewaterhouseCoopers LLP ("PwC") was appointed as the Group's External Auditor following a comprehensive audit tender process overseen by the Committee. In March 2024, PwC gave notice that they would be resigning as the Group's External Auditor with effect from 19 March 2024 in light of potential conflicts arising in relation to the acquisition as announced on 7 March 2024. EY was reappointed by the Board to fill the resulting vacancy. The committee provided oversight of the transition to PwC and the reappointment of EY.

In accordance with section 485 of the Companies Act 2006, a resolution to appoint Ernst & Young LLP as External Auditor will be proposed at the 2025 Annual General Meeting.

This report was approved by the Board of Directors on 4 July 2025 and was signed on its behalf by:

DocuSigned by:
Chris Upton
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Christopher Upton
Director
4 July 2025

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have elected to prepare the financial statements in accordance with UK adopted International Accounting Standards ("IAS"). 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 the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in International Financial Reporting Standards ("IFRS") is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- state whether UK adopted IASs have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report and Directors' report that comply with the law and those regulations.The Directors are responsible for the maintenance and integrity of the corporate and financial information relating to the Company included on the VMUK PLC Group's website.

This statement was approved by the Board of Directors on 4 July 2025 and was signed on its behalf by:

DocuSigned by:
Chris Upton
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Christopher Upton
Director
4 July 2025

Independent auditor’s report to the members of Lanark Master Issuer PLC

Opinion

We have audited the financial statements of Lanark Master Issuer PLC (the “Company”) for the 18-month period ended 31 March 2025 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity, Statement of cash flows and the related notes 1.1 to 4.4, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the Company’s affairs as at 31 March 2025 and of its profit for the period then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; 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 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 Ethical Standard as applied to listed public interest entities, 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. Our evaluation of the Directors’ assessment of the Company’s ability to continue to adopt the going concern basis of accounting included the following procedures:

- We reviewed the Directors’ going concern assessment, taking into consideration the nature of the Company as a bankruptcy-remote structured entity, its operations, its financial performance and position, including verifying the reasonableness of the key factors which could affect the entity’s ability to continue as a going concern, including current economic volatility and the foreseeable risks of climate change.
- We obtained the Directors’ forecasts and compared these forecasts against our own assessment of the reasonable prospects of the entity, including consideration of stress testing of the future performance of the Companies.
- We considered the recoverability of the assets of the Company, including the intercompany loan asset.
- We reviewed the Company’s going concern disclosures included in the financial statements in order to assess whether the disclosures were consistent with the going concern analysis performed and in conformity with the financial reporting standards.

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

Overview of our audit approach

Key audit matters	• Performance and recoverability of the Intercompany Loan
Materiality	• Overall materiality of £30m which represents 1% of total assets.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact entities such as the Company. The Company has determined that the most significant future impacts from climate change on its operations will be from physical and transitional risks and has concluded that these are longer term in nature than the assets and liabilities held by the Company. These are explained on page 3 of the Strategic Report, which form part of the “Other information,” rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Independent auditor's report to the members of Lanark Master Issuer PLC (continued)

Climate change (continued)

As explained in Note 1.2 to the financial statements, the Directors have considered climate risk in the preparation of the accounts. We note that governmental and societal responses to climate change risks are still developing, and are interdependent of each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of uncertainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK adopted International Accounting Standards. Note 4.3 to the financial statements sets out the Directors' conclusion that there is no material impact from climate change on the Company's current period results or financial position.

Our audit effort in considering the impact of climate change on the financial statements was focused on ensuring that reasonably probable effects of material climate risks have been appropriately considered in the preparation of the financial statements, and particularly that any material impact appropriately reflected in the carrying value of, and disclosures associated with, the intercompany loan held by the Company. Details of our procedures and observations are included in our key audit matter below. We also challenged the Directors' considerations of climate change in their assessment of going concern and associated disclosures.

Under applicable accounting standards, the potential impacts have not resulted in changes in valuation or measurement in these financial statements.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

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 our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to Those charged with governance
Performance and recoverability of intercompany loan **31 March 2025: £2,976m** **30 September 2023: £2,976m;** Refer to the accounting policies Note 1.4; and Note 3.1 of the Financial Statements. The Company is a special purpose vehicle within a securitisation structure. It exists to advance intercompany funding to Lanark Funding Limited through the issuance of listed debt used to acquire a beneficial interest in a mortgage portfolio held by Lanark Trustees Limited. The interest and capital repayments on the intercompany loan are required to be received by the Company in order to service its external debt. Due to the significance of the intercompany loan (representing 98% of total assets) and the reliance of the Company on the associated interest and capital repayments, we determined the performance and recoverability of the loan (including an assessment of expected credit losses) to be a key audit matter. This includes the impact of both climate risk and recent economic volatility on the recoverability of the underlying mortgage assets.	We walked through the process and relevant controls by which the Directors assessed expected credit losses for the intercompany loan in order to understand the assessment performed. We also walked through the process by which cashflows of the loan were realised. We independently evaluated this assessment, which involved the following procedures: • Considering the terms of the intercompany loan between Lanark Master Issuer plc and Lanark Funding Limited, including the potential for any expected loss events under the Lanark programme. • Confirming that interest and principal repayments made during the period were recognised appropriately, completely and in accordance with the loan agreement. This included agreeing a sample of repayments to cash transactions in the period. • Examining the loan for any indicators of potential future losses, which involved looking through to the securitised mortgage loan portfolio from which intercompany loan repayments flow and assessing whether shortfalls in mortgage recoveries are expected, as well as an assessment of the probable impact of other risk factors including current economic volatility and climate change. • Assessing the adequacy of provisions for expected credit losses recognised by the Company and assessing the sufficiency and completeness of disclosures of the risk to the intercompany loan.	We reported to those charged with governance that we were satisfied that expected credit losses relating to the intercompany loan were appropriately measured as at 31 March 2025. We concluded that the financial statement disclosures in respect of the recoverability of the intercompany loan, including the impact of climate risks and current economic volatility, are appropriate and in accordance with the requirements of UK adopted International Accounting Standards.

Independent auditor’s report to the members of Lanark Master Issuer PLC (continued)

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £30m (2023: £30m), which is 1% (2023: 1%) of total assets. We believe that total assets is appropriate since the entity is a special purpose vehicle that is structured to make a nominal profit, and so the most relevant aspect of the entity is its assets.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company’s overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £23m (2023: £23m). We have set performance materiality at this percentage due to our previous experience as auditors of the Company, from which we concluded that there is a lower expectation of material financial statement inaccuracies.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with those charged with governance that we would report to them all uncorrected audit differences in excess of £1.5m (2023: £1.5m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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

Independent auditor's report to the members of Lanark Master Issuer PLC (continued)

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 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 Statement of Directors' responsibilities statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and the Directors.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are UK adopted International Accounting Standards, the Companies Act 2006, the UK Listing Rules of the London Stock Exchange, Market Abuse Regulations, Transparency Regulations, and UK Tax legislation.
- We understood how the Company is complying with those frameworks by inquiring of the Directors and identifying the controls in place in order to comply.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of legal counsel, executive management, internal audit for their awareness of any known instances of non-compliance or suspected non-compliance with laws and regulations. We also performed focused testing, as referred to in the Key Audit Matter section above.
- The Company operates in the capital markets industry which is a regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

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

Independent auditor's report to the members of Lanark Master Issuer PLC (continued)

Other matters we are required to address

- We were appointed by the Company on 30 September 2008 to audit the financial statements for that period and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointment was 16 years, covering the years ending 30 September 2008 to 30 September 2023. We resigned as auditors on 23 February 2024 and were reappointed on 25 June 2025. The second period of uninterrupted engagement as auditors of Lanark Master Issuer PLC is the 18-month period ending 31 March 2025. Our total tenure is therefore 17.5 years.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to Those Charged with Governance.

Use of our report

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

DocuSigned by:

Ernst & Young LLP

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Andrew Bates (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
4 July 2025

Statement of comprehensive income for the period

	Note	**18 months to 31 Mar 2025 £'000**	12 months to 30 Sep 2023 £'000
Interest income	2.2	**265,020**	142,122
Interest expense	2.3	**(263,268)**	(141,696)
Operating income		**1,752**	**426**
Operating expenses	2.4	**(1,739)**	(414)
Net gains and losses		**-**	(169)
Profit/(loss) before tax		**13**	(157)
Tax expense	2.5	**(3)**	(3)
Total comprehensive Income/(loss) attributable to equity holders		**10**	(160)

The notes on pages 16 to 32 form part of these financial statements.

Balance sheet
as at

	Note	31 Mar 2025	30 Sep 2023
		£'000	£'000
Assets			
Intercompany Loans	3.1	**2,975,659**	2,976,285
Other assets	3.2	**50,567**	47,794
Cash and cash equivalents	3.3	**13,123**	19,019
Total assets		**3,039,349**	3,043,098
Liabilities			
Notes in issue	3.4	**2,982,014**	2,986,051
Other liabilities	3.6	**57,180**	56,902
Current tax liability		**3**	3
Total liabilities		**3,039,197**	3,042,956
Equity			
Share capital	3.8	**13**	13
Retained earnings		**139**	129
Total equity		**152**	142
Total liabilities and equity		**3,039,349**	3,043,098

The notes on pages 16 to 32 form part of these financial statements.

The financial statements were approved by the Board of Directors on 4 July 2025 and was signed on its behalf by:

DocuSigned by:
Chris Upton
638827578F834B5...

Christopher Upton
Director
4 July 2025
Company No: 06302751

Statement of changes in equity

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 30 September 2022	13	289	302
Total comprehensive loss for the period	-	(160)	(160)
Balance at 30 September 2023	13	129	142
Total comprehensive income for the period	-	10	10
Balance at 31 March 2025	**13**	**139**	**152**

The notes on pages 16 to 32 form part of these financial statements.

Statement of cash flows
for the

	Note	**18 months to 31 Mar 2025**	12 months to 30 Sep 2023
		£'000	£'000
Operating activities			
Profit/(loss) before tax		**13**	(157)
Adjustments for non cash movements included in profit/(loss)before tax:			
Interest income	2.2	**(265,020)**	(142,122)
Interest expense	2.3	**263,268**	141,696
Net gains and losses		**-**	169
Adjustments to working capital:			
Changes in operating assets	4.1	**(2)**	55
Changes in operating liabilities	4.1	**(515)**	4,913
Tax paid		**(3)**	(2)
Net cash flows (used in)/provided by operating activities		**(2,259)**	4,552
Investing activities			
Increase in Intercompany Loans issued		**(835,215)**	(1,239,793)
Principal repayment of Intercompany Loans		**835,000**	1,006,807
Interest received on Intercompany Loans		**261,705**	137,552
Interest received on cash and cash equivalents		**1,385**	543
Net cash provided by/(used in) investing activities		**262,875**	(94,891)
Financing activities			
Issuance of Notes	4.1	**835,215**	1,239,793
Payment of transaction costs	4.1	**(1,409)**	(3,320)
Redemption of Notes	4.1	**(835,000)**	(1,006,807)
Interest paid on Notes		**(265,314)**	(127,892)
Interest paid on cross currency swaps		**-**	(232)
Drawdown of start-up loan	4.1	**4,020**	4,100
Principal repayment of start-up loan	4.1	**(4,020)**	(4,478)
Interest paid on start-up loan		**(4)**	(87)
Net cash (used in)/provided by financing activities		**(266,512)**	101,077
Net (decrease)/increase in cash and cash equivalents		**(5,896)**	10,738
Cash and cash equivalents at beginning of period		**19,019**	8,281
Cash and cash equivalents at end of period	3.3	**13,123**	19,019

The notes on pages 16 to 32 form part of these financial statements.

Notes to the financial statements
Section 1: Basis of preparation and accounting policies

1.1 General information

The Company is incorporated under the Companies Act 2006 as a public limited company and registered in England and Wales.

The immediate parent company is LFL, a company incorporated under the Companies Act 2006 and registered in England and Wales. The ultimate parent company is Vistra Capital Markets (Ireland) Limited ("Vistra Ltd"), a company incorporated and registered in the Republic of Ireland. Vistra Ltd does not consolidate the results of the Company.

CB PLC, a company incorporated under the Companies Act 2006 and registered in Scotland, is the Sponsor of the Programme. The smallest group in which the results of the Company are consolidated is that headed by CB PLC. CB PLC is a wholly owned subsidiary of VMUK PLC and forms part of the VMUK PLC Group. The Company's results are consolidated in the VMUK PLC Group financial statements.

Following the acquisition of VMUK PLC by Nationwide Building Society on 1 October 2024, Nationwide, a building society incorporated and registered in England and Wales, replaced VMUK PLC as the ultimate controlling entity. Nationwide and its subsidiary undertakings, which include CB PLC, comprise the Nationwide Group. The Nationwide Group is the largest group in which the post-acquisition results of the Company are consolidated. The financial statements of Nationwide Building Society may be obtained from the registered office at Nationwide House, Pipers Way, Swindon, SN38 1NW.

1.2 Basis of accounting

The Company's financial statements, which should be read in conjunction with the Strategic report and the Directors' report, have been prepared in accordance with UK adopted IAS. The financial information has been prepared under the historical cost convention as modified by the application of fair value measurements. Climate risk has been considered in the preparation of these accounts and no adjustments have been deemed necessary.

During the period, the accounting reference date of the Company was changed from 30 September to 31 March, with the financial statements prepared for the 18-month period ended 31 March 2025.

1.3 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. In addition, note 4.3 includes the Company's risk management objectives.

The Company has access to financial resources through its Intercompany Loans with LFL. It is the intention of the Directors of the Company to continue operations while the Programme supports the funding and liquidity needs of the VMUK PLC Group. Due to the limited recourse nature of the Notes the ultimate risk is borne by the Noteholders, therefore any shortfall in the proceeds from the Intercompany Loans will be a risk to the Noteholders rather than the Company.

The Directors believe the Company is well placed to manage its business risks successfully in line with the Programme documentation. Accordingly, the financial statements have been prepared on a going concern basis.

1.4 Accounting policies

There were no significant mandatory International Accounting Standards Board ("IASB") pronouncements adopted by the Company in the current financial period. As a result of the VMUK PLC acquisition by Nationwide, IASB pronouncements that were applicable for accounting periods beginning on or after 1 January 2024 have been early adopted in these financial statements. Their early adoption has not had a material impact for the Company. The IASB has also issued a number of minor amendments to IASs that are not mandatory for 31 March 2025 reporting periods and have not been early adopted by the Company. These amendments are not expected to have a material impact for the Company and have therefore not been listed.

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

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in GBP, which is also the Company's presentation currency, rounded to the nearest thousand pounds ("£'000") unless otherwise stated.

(b) Foreign currency – transactions and balances

Initially, at the date of a foreign currency transaction, the Company records an asset, liability, income or expense arising from a transaction using the end of day spot exchange rate between the functional and foreign currency on the transaction date

Subsequently, at each reporting date, the Company translates foreign currency monetary items at the closing rate. Foreign exchange ("FX") differences arising on translation or settlement of monetary items are recognised in the statement of comprehensive income during the period in which the gains or losses arise. Foreign currency non-monetary items measured at historical cost are translated at the date of the transaction. Foreign currency non-monetary items measured at fair value will be translated at the date when the fair value is determined. Foreign exchange differences are recognised directly in equity for non-monetary items where any component of associated gains or losses is recognised directly in equity.

Notes to the financial statements (continued)
Section 1: Basis of preparation and accounting policies (continued)

1.4 Accounting policies (continued)

(c) Interest income and interest expense

Interest income is reflected in the statement of comprehensive income using the Effective Interest Rate ("EIR") method which discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the non-credit impaired financial asset. Interest expense is reflected in the statement of comprehensive income using the same EIR method on the amortised cost of the financial liability.

When calculating the EIR, cash flows are estimated considering all contractual terms of the financial instrument (e.g. prepayment, call and similar options) excluding future Expected Credit Losses ("ECL"). The calculation includes all amounts paid or received that are an integral part of the EIR such as transaction costs and all other premiums or discounts. Where it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments) are used.

Interest income and expense on hedged assets and liabilities are also recognised as part of net interest income.

Deferred consideration income from LFL

The deferred consideration income arises when the Company receives additional income from LFL to provide for the expenses of the Company and meet the predefined profit level. The deferred consideration paid to the Company is paid in priority to the deferred consideration LFL pays to the Programme Sponsor CB PLC as per the priority of payments in the Programme documentation. The income is included within interest income in the statement of comprehensive income and the balance is accrued as a receivable from LFL and derecognised once settled.

(d) Net gains and losses

Net gains and losses contain the fair value movement of the derivatives designated as fair value hedges and FX and fair value adjustments attributable to the hedged risk on hedged items. The net of these amounts represents hedge ineffectiveness for the previous period. No derivatives are held in the current period. The net of these amounts represents hedge ineffectiveness for the previous period.

(e) Income tax

Income tax on the profit or loss for the period comprises current tax. Income tax is recognised in the statement of comprehensive income except to the extent that it is related to items recognised in equity, in which case the tax is also recognised in equity.

Income tax expense is the tax payable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and liabilities and is based on the permanent tax regime for securitisation companies.

Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

(f) Financial instruments

Recognition and derecognition

A financial asset or a financial liability is recognised on the balance sheet when the Company becomes party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers the right to receive contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership are transferred. Financial liabilities are derecognised from the balance sheet when the Company has discharged its obligation to the contract, or the contract is cancelled or expires.

Classification and measurement

The Company measures a financial asset or liability on initial recognition at its fair value, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability (with the exception of financial assets or liabilities at fair value through profit or loss, where transaction costs are recognised directly in the statement of comprehensive income as they are incurred).

Financial assets

Subsequent accounting for a financial asset is determined by the classification of the asset depending on the underlying business model and contractual cash flow characteristics. This results in classification within one of the following categories: i) amortised cost, ii) fair value through other comprehensive income ("FVOCI"), or iii) fair value through profit or loss ("FVTPL"). The Company has no financial assets classified as FVOCI.

Notes to the financial statements (continued)
Section 1: Basis of preparation and accounting policies (continued)

1.4 Accounting policies (continued)

(f) Financial instruments (continued)

A financial asset is measured at amortised cost when (1) the asset is held within a business model whose objective is achieved by collecting contractual cash flows; and (2) the contractual terms give rise to cash flows on specified dates which are solely payments of principal and interest on the principal amount outstanding. Financial assets held at amortised cost are assessed for impairment using the ECL methodology. Further detail is provided in note 1.5.

A financial asset is measured at FVTPL if it (1) does not fall into the business model for amortised cost or FVOCI; (2) is specifically designated as FVTPL on initial recognition in order to eliminate or significantly reduce a measurement mismatch; or (3) is classified as held for trading.

The Company's cash and cash equivalents and Intercompany Loans are classified as financial assets at amortised cost. The derivative financial assets are classified as FVTPL.

Financial liabilities

All of the Company's financial liabilities are classified as financial liabilities at amortised cost, with the exception of derivative financial liabilities which are classified as FVTPL.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Where no such active market exists for the particular asset or liability, the Company uses a valuation technique to arrive at the fair value, including the use of transaction prices obtained in recent arm's length transactions where possible, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. In doing so, fair value is estimated using a valuation technique that makes maximum possible use of market inputs and that places minimal possible reliance upon entity specific inputs.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises profits or losses on the transaction date.

The carrying value of financial instruments at FVTPL reflects the credit risk attributable to the counterparty. Changes in the credit profile of the counterparty are reflected in the fair value of the instrument and recognised in the statement of comprehensive income.

(g) Intercompany Loans

The loans issued under the terms of the Global Intercompany Loan Agreement with LFL comprise the Intercompany Loans. The Intercompany Loans are initially recognised on the balance sheet at the fair value of the proceeds received and subsequently measured at amortised cost.

(h) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments to manage exposure to interest rate and foreign currency risk. Interest rate risk arises when there is a mismatch between fixed interest rate and floating interest rates, and different repricing characteristics between assets and liabilities. Currency risk arises when assets and liabilities are not denominated in the functional currency of the entity. Derivatives are recognised on the balance sheet at fair value on trade date and are remeasured at fair value throughout the life of the contract. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The notional amount of a derivative contract is not recorded on the balance sheet.

Fair value hedge

Although there are no active micro fair value hedges at the Company's balance sheet date, these were designated as the hedging strategy on foreign currency denominated fixed rate debt issuances in prior periods.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of the hedged liability that are attributable to the hedged risk. This movement in the fair value of the hedged item is made as an adjustment to the carrying value of the hedged liability.

Notes to the financial statements (continued)
Section 1: Basis of preparation and accounting policies (continued)

1.4 Accounting policies (continued)

(h) Derivative financial instruments and hedge accounting (continued)

Hedge ineffectiveness

Hedge ineffectiveness can arise from:

- Differences in timing of cash flows of hedged items and hedging instruments;
- Changes in expected timings and amounts of forecast future cash flows;
- Different interest rate curves applied to discount the hedged items and hedging instruments; and
- Derivatives used as hedging instruments having a non zero fair value at the time of designation.

Other risks such as credit risk and liquidity risk are managed by the Company but are not included in the hedge accounting relationship. Changes in the designated risk component usually account for the largest portion of the overall change in fair value or cash flows of the hedged item.

(i) Other assets

Other assets include intercompany receivables and prepaid expenses, which are recognised initially at fair value and subsequently measured at amortised cost.

(j) Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost and are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership. For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition.

(k) Notes in issue

The Residential Mortgage Backed Securities in issue comprise the Notes. The Notes are initially recorded in the balance sheet at the fair values of proceeds received net of any transaction costs. On subsequent reporting dates, the Notes are measured at amortised cost. The EIR has been calculated based on the assumption that the Notes will be fully redeemed on the step-up date.

The accrual for interest payable on the Notes is recognised unless the collectability of the income from the underlying assets in which the proceeds from the limited recourse Notes were invested is in doubt, in which case no interest expense is recognised as there is no obligation to pay interest to the Noteholders in those circumstances.

(l) Other liabilities

Other liabilities include non-interest bearing intercompany payables and accrued expenses, which are recognised initially at fair value and subsequently measured at amortised cost.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of tax effects.

(n) Capital management overview

The Company is not subject to externally imposed capital requirements outside the scope of Programme documentation. The Company considers its capital to reflect share capital which can be found in the balance sheet on page 13.

Notes to the financial statements (continued)
Section 1: Basis of preparation and accounting policies (continued)

1.5 Expected Credit Losses Impairment

The preparation of financial statements in accordance with UK adopted IAS requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses reported in these financial statements. Assumptions made at each balance sheet date are based on best estimates at that date and are reviewed by the Directors at each reporting date. Although the Company has internal control systems in place to ensure that estimates can be reliably measured, actual amounts may differ from those estimates. The most significant use of estimates and judgements relate to the following:

Impairment of financial assets

At initial recognition, allowance is made for ECLs resulting from default events that are forecast within the next 12 months (12-month ECL). In the event of a significant increase in credit risk since origination, allowance (or provision) is made for ECLs resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). In assessing a significant increase in credit risk, the Company monitors the level of credit enhancement within the Programme as detailed in the monthly reporting, as well as considers the presence of any trigger events as per the Programme documentation.

Financial assets where 12-month ECL are recognised are considered to be Stage 1; financial assets which are considered to have experienced a significant increase in credit risk since initial recognition are in Stage 2; and financial assets which have defaulted or are otherwise considered to be credit impaired are allocated to Stage 3.

CB PLC as the sponsor of the securitisation programme owns the mortgages assigned to the mortgage portfolio which are subject to an ECL impairment assessment as per IFRS 9. Therefore, a separate ECL impairment assessment is not performed at the SPV level, as these entities are special vehicles and do not hold any level of provision for the mortgages securitised.

Mortgages entered the securitisation pool and recognised as a component of the deemed loan are performing assets. Unlike other financial instruments, the deemed loan is, by its construction, an instrument that incorporates credit enhancement. The interest due on the deemed loan is only due to the extent it matches the obligations of the entity. All securitisation programmes incorporates credit enhancement in the form of excess spread and various reserve funds for use in the event the cash flow for a particular payment period is insufficient. ECL for the deemed loan would only therefore be recognised where the ECL on the underlying assets were large enough that no credit enhancement remained, which is not currently the case.

Given the significant level of over collateralisation of the mortgage pool within the deemed loan, unprecedented levels of defaults would be required before any actual loss event could occur.

1.6 Critical accounting estimates and judgements

There are no critical estimates or judgements made in the preparation of these financial statements.

Notes to the financial statements (continued)
Section 2: Results for the 18-month period ended 31 March 2025

2.1 Employee costs and Directors' remuneration

The Company does not have any employees thus there are no associated costs included within these financial statements (12-months to 30 September 2023: £Nil). The corporate administrative duties of the Company have been outsourced to an external services provider, Vistra (UK) Limited. Refer to page 4 for details of Directors' remuneration.

2.2 Interest income

	18 months to 31 Mar 2025	12 months to 30 Sep 2023
	£'000	£'000
Interest income on Intercompany Loans	**260,864**	140,180
Deferred consideration income	**2,771**	1,399
Interest income on cash and cash equivalents	**1,385**	543
	265,020	142,122

The increase in interest income is driven by the issuance of Note 2024-1 1A in January 2024 and Note 2025-01 1A in March 2025 and the associated Intercompany Loans.

2.3 Interest expense

	18 months to 31 Mar 2025	12 months to 30 Sep 2023
	£'000	£'000
Interest expense on Notes	**260,981**	139,852
Interest expense on cross currency swaps	**-**	245
Amortisation charge	**2,283**	1,512
Interest expense on start-up loans	**4**	87
	263,268	141,696

The increase in interest expense is driven by the issuance of Note 2024-1 1A in January 2024 and Note 2025-01 1A in March 2025 and the associated Intercompany Loans.

2.4 Operating expenses

	18 months to 31 Mar 2025	12 months to 30 Sep 2023
	£'000	£'000
Cash management fee	**150**	100
Other operating expenses	**1,589**	314
	1,739	414

During the period, the Company expensed £29,000 (12-months to 30 September 2023: £23,000) of audit fees for the statutory audit which are included in other operating expenses.

Notes to the financial statements (continued)
Section 2: Results for the 18-month period ended 31 March 2025 (continued)

2.5 Income tax

The Company is taxable under The Taxation of Securitisation Companies Regulations 2006 ("Securitisation Regulations"), which is effective for accounting periods beginning on or after 1 January 2007. As the payments condition has been satisfied at all times during the accounting period, the calculation of corporation tax is based upon the Company's retained profits.

The Company is entitled to retain an amount of £13,100 (12-months to 30 September 2023: £12,000) before any net gains or losses as profit for the 18-month period ended 31 March 2025. This annual profit meets the definition of retained profits under the Securitisation Regulations and is taxable at the current taxation rate.

	18 months to 31 Mar 2025	12 months to 30 Sep 2023
	£'000	£'000
Tax expense comprises:		
Current tax expense	**3**	3
The total charge for the 18-month period can be reconciled to the accounting profit as follows:		
Profit/(Loss) before tax	**13**	(157)
Income tax expense/(credit) calculated at a pro rata standard UK tax rate of 25% (2023: 22%)	**3**	(35)
Effects of:		
Non-deductible income	**-**	38
Income tax expense recognised in the statement of comprehensive income	**3**	3

The charge above has been calculated in accordance with the Securitisation Regulations.

Since 1 April 2023, the statutory rate of UK corporation tax is at 25%.

On 11 July 2023, the UK Government enacted legislation to implement the G20-OECD Inclusive Framework Pillar 2 rules in the UK, including Qualified Domestic Minimum Top-Up Tax rules, to ensure that large UK-headquartered enterprises pay a minimum tax rate of 15% on UK and overseas profits. The legislation is effective for accounting periods beginning on or after 31 December 2023. As the Group was acquired by Nationwide on 1 October 2024, further disclosures on the impact of the Pillar 2 rules on the Nationwide Group can be found in the Nationwide Annual Report and Accounts for the year ended 31 March 2025. As mandated by IAS 12, the exemption to recognise and disclose information about deferred tax assets and liabilities related to Pillar 2 income taxes has been applied by the Company. Moreover, SPVs are generally treated as excluded entities for Pillar 2 purposes and no material impact is therefore expected.

Notes to the financial statements (continued)
Section 3: Assets, liabilities and capital

3.1 Intercompany Loans

The Company entered into a Global Intercompany Loan Agreement with the immediate parent company, LFL, pursuant to which the Company advanced the total of GBP equivalent cash proceeds received from the issue of the Notes in intercompany loan tranches to LFL.

	31 Mar 2025	30 Sep 2023
	£'000	£'000
Principal balance	**2,972,200**	2,971,985
Accrued interest receivable	**3,459**	4,300
	2,975,659	2,976,285

Series and class of Intercompany Loans	**Credit rating of associated Note**	**Initial principal amount £'000**	**Interest**	**Margin**	**Step-up date**	**Adj margin**
2022-1 Class 1A	AAA rated	700,000	SONIA	0.500%	22 February 2028	1.000%
2022-2 Class 1A	AAA rated	800,000	SONIA	0.820%	22 February 2027	1.640%
2023-1 Class 1A	AAA rated	500,000	SONIA	0.520%	22 August 2028	1.040%
2024-1 Class 1A	AAA rated	750,000	SONIA	0.500%	22 May 2028	1.000%
2025-1 Class 1A	AAA rated	300,000	SONIA	0.470%	22 September 2029	0.940%

Intercompany Loans linked to the class Z Variable Funding Notes (“VFN”) are also in existence. Any deficit or surplus of the VFN notes is reassessed at the point of each issuance depending on the level of liquidity required in the Programme using appropriate credit enhancement techniques, thereby increasing or decreasing the proportion of VFN required. They have a rate matching the Z notes and this is Compounded Daily SONIA plus 0.90%

The Intercompany Loans are repayable quarterly in order of priority starting from the class A tranches on a pro rata basis to the class Z tranches, to the extent there are sufficient funds available in LFL.

The Intercompany Loans are interest bearing and have a step-up provision for the interest margin. The adjusted margin is the rate that is payable if the principal is not paid by the step-up date. The ultimate maturity date for all loan tranches is December 2069.

Movements in the underlying Notes during the period are further disclosed in note 3.4.

3.2 Other assets

	31 Mar 2025	30 Sep 2023
	£'000	£'000
Deferred consideration receivable	**50,555**	47,784
Other receivables	**12**	10
	50,567	47,794

Notes to the financial statements (continued)
Section 3: Assets, liabilities and capital (continued)

3.3 Cash and cash equivalents

	31 Mar 2025	30 Sep 2023
	£'000	£'000
Cash and cash equivalents	**13,123**	19,019

The Company holds a bank account with National Australia Bank. The account has been established in the Company's name for the following purposes:

- to hold the Company's available principal and revenue receipts until each quarterly Note payment date;
- to apply proceeds to pay various creditors in accordance with the relevant priority of payments; and
- to retain the remaining balance as the Company's profits and paid-up share capital.

3.4 Notes in issue

	31 Mar 2025	30 Sep 2023
	£'000	£'000
Notes in issue	**2,967,197**	2,966,902
Accrued interest payable	**14,817**	19,149
	2,982,014	2,986,051

Series and class of Notes	Credit rating	Currency	Initial consideration '000	Interest	Margin	Step-up date	Adj margin
2022-1 Class 1A	AAA rated	GBP	700,000	SONIA	0.500%	22 February 2028	1.000%
2022-2 Class 1A	AAA rated	GBP	800,000	SONIA	0.820%	22 February 2027	1.640%
2023-1 Class 1A	AAA rated	GBP	500,000	SONIA	0.520%	22 August 2028	1.040%
2024-1 Class 1A	AAA rated	GBP	750,000	SONIA	0.500%	22 May 2028	1.000%
2025-1 Class 1A	AAA rated	GBP	300,000	SONIA	0.470%	22 September 2029	0.940%

Credit enhancements in the form of class Z VFNs are also in existence to provide credit enhancement to the structure and act as the first loss. Any deficit or surplus of the VFN notes is reassessed depending on the level of liquidity required and have a rate of Daily Compounded SONIA plus 0.90%.

Full details of all Notes in issue can be found in the investor reports at https://www.virginmoneyukplc.com/investor-relations/debt-investors/lanark-programme/

Key movements in the period are shown in the table below[1].

	Issuances	Redemptions
Denomination	£'000	£'000
GBP	835,215	(835,000)

[1] Other movements relate to the amortisation of issuance costs.

The Notes are repayable quarterly in order of priority starting from the class A tranches to the class Z tranches, to the extent there are sufficient funds available.

Notes to the financial statements (continued)
Section 3: Assets, liabilities and capital (continued)

3.4 Notes in issue (continued)

The Notes are interest bearing and have a step-up provision for the interest margin. The adjusted margin is the margin that is payable if the principal is not paid by the step-up date. The ultimate maturity date for all classes of Notes is December 2069.

The proceeds from each issue and class of Notes have been applied to fund a specified loan tranche of the Intercompany Loans, as discussed in note 3.1.

Interest

Interest is payable quarterly in arrears. The payment of interest on the Notes is dependent on the receipt of income from the underlying loan tranches under the Intercompany Loans. If the Company does not receive income from the underlying loan tranches there is no obligation to pay interest to the Noteholders or the swap counterparty.

Redemption

Redemption of the Notes will be made from the principal proceeds received from LFL on the relevant payment date, in accordance to the seniority of the Notes and availability of funds.

Limited recourse and segregation of assets and liabilities

The Notes are limited in recourse to the swap agreements and to the underlying Intercompany Loans held pursuant to each class of Notes. Following termination of a swap agreement and its enforcement against the counterparty and the enforcement of the Global Intercompany Loan Agreement against LFL, there will be no other assets of the Company available to meet any outstanding claims of the Noteholders, who will bear any shortfall pro rata to their holdings of Notes.

The Noteholders of each class therefore cannot claim against the assets of any other classes of Notes.

3.5 Start-up loan

The Company entered into an issuer start-up loan agreement with CB PLC, pursuant to which the Company may receive loans to be applied towards:

- the funding of the issuer reserve fund (in whole or in part); or
- payment (in whole or in part) of the fees and expenses incurred by the Company and LFL in respect of the issuance of the Notes, and the lending of proceeds thereof to LFL.

The loans bear interest at the rate of a Daily Compounded SONIA plus 0.90%. The loan is subordinated to the class A Notes but senior to the class Z Notes.

During the period the Company repaid £4,020,000 which relates to notes; 2024-1 1A and 2025 1A. Both have been paid in full.

3.6 Other liabilities

	31 Mar 2025	30 Sep 2023
	£'000	£'000
Amounts due to LFL	**55,373**	55,850
Accrued capital expenses	**1,320**	527
Other payables to CB PLC	**155**	402
Other payables	**332**	123
	57,180	56,902

Notes to the financial statements (continued)
Section 3: Assets, liabilities and capital (continued)

3.7 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

Analysis of the fair value disclosures uses a hierarchy that reflects the significance of inputs used in measuring the fair value. The level in the fair value hierarchy within which a fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value measurement hierarchy is as follows:

- Level 1 - quoted prices (unadjusted) in active markets for an identical financial asset or liability;
- Level 2 - inputs other than quoted prices within level 1 that are observable for the financial asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 - inputs for the financial asset or liability that are not based on observable market data (unobservable inputs).

The methodologies and assumptions used in the fair value estimates are described in the notes to the tables. The difference between carrying value and fair value is relevant in a trading environment but is not relevant to assets such as the Intercompany Loans.

The table below show a comparison of the carrying amounts, as reported on the balance sheet, and fair values of those financial assets and liabilities measured at the amortised cost where the carrying value amounts of the financial assets and financial liabilities recorded at amortised cost in the balance sheet are not approximately equal to their fair value.

	31 Mar 2025					30 Sep 2023				
			Fair value measurements:					Fair value measurements:		
	Carrying value	**Fair value**	**Level 1**	**Level 2**	**Level 3**	Carrying value	Fair value	Level 1	Level 2	Level 3
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000
Financial assets										
Intercompany Loans	**2,975,659**	**2,991,312**	-	2,991,312	-	2,976,285	2,995,606	-	2,995,606	-
Financial liabilities										
Notes in issue	**2,982,014**	**2,997,769**	-	2,997,769	-	2,986,051	3,008,893	-	3,008,893	-

The Company's fair values for financial instruments at amortised cost are based on the following methodologies and assumptions:

Intercompany Loans – This is determined from a discounted cash flow model using current market rates for instruments of similar terms and maturity.

Notes in issue – This is determined from quoted market prices, as not traded frequently therefore treated as level 2.

There were no transfers between Level 1 and Level 2 in the current period or prior period.

3.8 Share capital

	31 Mar 2025	30 Sep 2023
	£	£
Issued, allotted and paid-up share capital		
2 ordinary shares - fully paid	**2**	2
49,998 ordinary shares - £0.25 partly paid-up	**12,500**	12,500
	12,502	12,502

The entire share capital of the Company is held by LFL.

Notes to the financial statements (continued)
Section 4: Other notes

4.1 Notes to the statement of cash flows

	18 months to 31 Mar 2025	12 months to 30 Sep 2023
	£'000	£'000
Changes in operating assets		
Net (increase)/decrease in:		
Other receivables	**(2)**	55
Changes in operating liabilities		
Net (decrease)/increase in:		
Due to LFL	**(477)**	4,463
Amounts due to CB PLC	**(247)**	379
Other payables	**209**	71
	(515)	4,913

Movements in liabilities arising from financing activities

	Notes in issue	Accrued capital expenses [(1)]	Start-up loan	Total
	£'000	£'000	£'000	£'000
At 30 September 2022	2,775,439	366	378	2,776,183
Cash flows:				
Issuances	1,239,793	-	4,100	1,243,893
Transaction costs	-	(3,320)	-	(3,320)
Redemptions/repayment	(1,006,807)	-	(4,478)	(1,011,285)
Non-cash flows:				
Movement in accrued interest	11,959	-	-	11,959
Other movement [(2)]	(34,333)	3,481	-	(30,852)
At 30 September 2023	2,986,051	527	-	2,986,578
Cash flows:				
Issuances	835,215	-	4,020	839,235
Transaction costs	-	(1,409)	-	(1,409)
Redemptions/repayment	(835,000)	-	(4,020)	(839,020)
Non-cash flows:				
Movement in accrued interest	(4,332)	-	-	(4,332)
Other movement [(2)]	80	2,202	-	2,282
At 31 March 2025	**2,982,014**	**1,320**	**-**	**2,983,334**

[(1)] Accrued capital expenses are transaction costs associated with the issuance of notes which have not yet been invoiced and form a component of the total other payables balance.

[(2)] Other movements capitalisation or amortisation of issuance costs.

Notes to the financial statements (continued)
Section 4: Other notes (continued)

4.2 Related party transactions

During the period, the Company had intercompany transactions with the immediate parent company, LFL, and the Sponsor of the Programme, CB PLC. The transactions with these related parties are disclosed below.

Transactions during the period	**18 months to 31 Mar 2025**	12 months to 30 Sep 2023
	£'000	£'000
LFL		
Intercompany Loans advanced	**835,215**	1,239,793
Principal repayments received on Intercompany Loans	**835,000**	1,006,807
Interest earned on Intercompany Loans	**260,864**	140,180
Deferred consideration earned	**2,771**	1,399
CB PLC		
Notes issued	**205,000**	400,000
Notes redeemed	**610,933**	188,864
Interest expensed on Notes	**100,736**	61,549
Proceeds from start-up loans drawn	**4,020**	4,100
Principal repayments made on start-up loans	**4,020**	4,478
Interest expensed on start-up loans	**4**	87
Cash management fee expensed	**150**	100
Other expenses recharged from CB PLC	**30**	24

Balances at the end of the period	**18 months to 31 Mar 2025**	12 months to 30 Sep 2023
	£'000	£'000
LFL		
Intercompany Loans receivable	**2,975,659**	2,976,285
Deferred consideration receivable	**50,555**	47,784
Expense contribution payable	**(55,373)**	(55,850)
	2,970,841	2,968,219
CB PLC		
Notes in issue	**(837,439)**	(1,246,292)
Start-up loans payable	**-**	-
Other payables due to CB PLC	**(155)**	(402)
	(837,594)	(1,246,694)

Notes to the financial statements (continued)
Section 4: Other notes (continued)

4.3 Management of risk

Introduction and overview

The principal activity of the Company is the issue of limited recourse Notes, under the Lanark Programme, for onward lending to LFL. Therefore, the role of financial assets and financial liabilities is central to the activities of the Company; the financial liabilities provide the funding advanced to LFL, which represents the Company's principal financial asset. Financial assets and liabilities provide the majority of the assets and liabilities of the Company.

The strategies used by the Company in achieving its objectives regarding the use of financial instruments were set when the Company entered into the series of issuance transactions, such as aligning the cash flow profiles of the Notes with the receivables under the Intercompany Loans. The Company has attempted to match the properties of its financial liabilities to its assets in order to avoid significant elements of risk generated by mismatches of maturity and interest rate risk.

This ensures that if one series defaults, the holders of that series do not have the ability to claim other assets of the issuer, resulting in the issuer's bankruptcy and the default of the other series of Notes. The segregation criteria include the following:

- The Company is a bankruptcy remote structured entity;
- The Company issues separate series of debt obligations;
- Intercompany Loan tranches relating to any particular classes of Notes are held separate from the assets relating to any other classes of that series;
- Any swap transaction entered into by the Company for a class of Notes is separate from any other swap transaction for any other class of Notes;
- Only the trustees are entitled to exercise remedies on behalf of the Noteholders; and
- Each series of Notes are reviewed by a recognised rating agency prior to issuance regardless of whether it is to be rated or not.

The Notes are initially recognised at the value of the net proceeds less issue costs received and are carried at amortised cost. The ultimate amount repaid to the Noteholders of these Notes will depend on the proceeds from the relevant tranches of the Intercompany Loans.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework which is in line with the Programme documentation. This includes information about the Company's exposure to risk, and its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are provided below.

Credit risk

Credit risk is the risk of the financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's Intercompany Loans.

The Company limits its exposure to credit risk by investing only with counterparties that have a credit rating defined in the documentation of the relevant Note series. The risk of default on the Intercompany Loans is borne by the holders of the relevant classes of Notes.

Derivatives

At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Company (i.e. assets where their fair value is positive) which, in relation to derivatives, may only be a small fraction of the contract, or notional values used to express the volume of instruments outstanding.

The Company further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with whom it undertakes derivative transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities. However, credit risk associated with the favourable contracts is reduced by a master netting arrangement to the extent that, if any counterparty failed to meet its obligations in accordance with the agreed terms, all amounts with the counterparty are terminated and settled on a net basis. Derivative financial instrument contracts are typically subject to the International Swaps and Derivatives Association ("ISDA") master netting agreements, as well as Credit Support Annexes, where relevant, around collateral arrangements attached to those ISDA agreements.

Notes to the financial statements (continued)
Section 4: Other notes (continued)

4.3 Management of risk (continued)

Credit risk (continued)

Maximum exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to the credit risk and at the reporting date was:

	31 Mar 2025	30 Sep 2023
	£'000	£'000
Intercompany Loans	**2,975,659**	2,976,285
Other assets	**50,567**	47,794
Cash and cash equivalents	**13,123**	19,019
	3,039,349	3,043,098

Maturity analysis of assets and liabilities

The following tables represent a breakdown of the Company's balance sheet, according to the contractual maturity of the assets and liabilities. Maturity analysis of Intercompany Loans and Notes has been based upon these being redeemed at the step-up date.

				2025			
	Call	**3 months or less**	**3 months to 12 months**	**1 to 5 years**	**Over 5 years**	**No specified maturity**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Assets							
Intercompany Loans	**-**	**93,459**	**295,500**	**2,586,700**	**-**	**-**	**2,975,659**
Other assets	**-**	**12**	**-**	**-**	**-**	**50,555**	**50,567**
Cash and cash equivalents	**13,123**	**-**	**-**	**-**	**-**	**-**	**13,123**
	13,123	**93,471**	**295,500**	**2,586,700**	**-**	**50,555**	**3,039,349**
Liabilities							
Notes in issue	**-**	**104,666**	**295,003**	**2,582,345**	**-**	**-**	**2,982,014**
Other liabilities	**-**	**1,807**	**-**	**-**	**-**	**55,373**	**57,180**
Current tax liability	**-**	**-**	**3**	**-**	**-**	**-**	**3**
	-	**106,473**	**295,006**	**2,582,345**	**-**	**55,373**	**3,039,197**

				2023			
	Call	3 months or less	3 months to 12 months	1 to 5 years	Over 5 years	No specified maturity	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets							
Intercompany Loans	-	404,300	180,000	2,391,985	-	-	2,976,285
Other assets	-	10	-	-	-	47,784	47,794
Cash and cash equivalents	19,019	-	-	-	-	-	19,019
	19,019	404,310	180,000	2,391,985	-	47,784	3,043,098
Liabilities							
Notes in issue	-	418,465	179,692	2,387,894	-	-	2,986,051
Other liabilities	-	1,052	-	-	-	55,850	56,902
Current tax liability	-	-	3	-	-	-	3
	-	419,517	179,695	2,387,894	-	55,850	3,042,956

Notes to the financial statements (continued)
Section 4: Other notes (continued)

4.3 Management of risk (continued)

Liquidity and funding risk

Liquidity risk is the risk that the Company is unable to meet its current and future financial obligations as they fall due at acceptable cost.

The Company's obligation to the Noteholders of a particular class of Notes is limited to the net proceeds receivable under the related tranche of Intercompany Loans and any available reserve fund. Should the net proceeds be insufficient to make all payments due in respect of a particular series of Notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Noteholders according to established priorities.

Cash flows payable under financial liabilities by contractual maturity

The following are the gross undiscounted contractual cash flows of the financial liabilities. Liquidity analysis of Notes has been based upon these being redeemed at the step-up date.

	2025						
	Call	**3 months or less**	**3 months to 12 months**	**1 to 5 years**	**Over 5 years**	**No specified maturity**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Notes in issue	**-**	**124,890**	**394,272**	**2,810,409**	**-**	**-**	**3,329,571**
Other liabilities	**-**	**1,807**	**-**	**-**	**-**	**55,373**	**57,180**
Current tax liability	**-**	**-**	**3**	**-**	**-**	**-**	**3**
	-	**126,697**	**394,275**	**2,810,409**	**-**	**55,373**	**3,386,754**

	2023						
	Call	3 months or less	3 months to 12 months	1 to 5 years	Over 5 years	No specified maturity	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Notes in issue	-	443,132	293,295	2,756,713	-	-	3,493,140
Other liabilities	-	1,052	-	-	-	55,850	56,902
Current tax liability	-	-	3	-	-	-	3
	-	444,184	293,298	2,756,713	-	55,850	3,550,045

The balances in the cash flow tables above do not agree directly to the balances in the balance sheet as the table incorporates all future cash flows, on an undiscounted basis, related to both principal and interest.

The Company's exposure to liquidity risk is mitigated by matching the repayments received on the Intercompany Loans with the repayment profiles of the Notes.

Interest rate risk

Interest rate risk comprises the sensitivity of the Company's current and future net interest income to movements in market interest rates. The Company would be exposed to interest rate risk, to the extent that there is a difference between the amount of the interest-earning assets and the amount of the interest bearing liabilities, or that the assets and liabilities mature or reprice on different schedules.

For Notes at variable rates, the Company has fully mitigated any interest rate risk by matching interest receivable on the Intercompany Loans to that payable under the Notes.

Notes to the financial statements (continued)
Section 4: Other notes (continued)

4.3 Management of risk (continued)

Currency risk

The Company's functional currency is GBP and the Programme allows issuances in GBP, USD and Euros. The Company is therefore exposed to movements in exchange rates between its functional currency GBP and its currency denominated financial instruments. Currently the Company has no issuances in USD or Euros.

The Company's policy is to fully mitigate any exchange rate exposures by using cross currency swaps, if the exposure exists. The impact of any movements in the exchange rates on any foreign currency denominated Notes are offset by FX movements on the related cross currency swaps. Therefore, any change in interest rates would not affect the statement of comprehensive income of the Company.

Prepayment risk

Prepayment risk is the risk that the underlying loans in the deemed loan, which allow LFL to make Intercompany Loan payments, may be realised earlier than it is possible to redeem the liabilities. This may arise due to redemptions of mortgages in the underlying pool. In the event that the mortgage loans are redeemed sooner, the prepayment proceeds are distributed in accordance with the Programme documentation and additional mortgage loans are assigned to the pool as required.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes, people, systems or from external events. All administration functions have been outsourced by the Company to reputable organisations with strong operational risk controls.

Climate risk

Climate risk is the exposures to physical and transition risks arising from climate change. The potential impact of climate-related risks on the Company's financial position and performance has been considered in preparing the financial statements. This involved undertaking an assessment over the VMUK PLC Group assets (both financial and non-financial) and evaluating whether the observable effects of physical and transition risk of climate change would have a material impact on the financial position and performance in the current period. It is widely accepted that the effects of climate change in the UK will not be significant in the short term and that the inherent risks and uncertainties in quantifying the effect of climate change in the financial statements are considerable and more likely to impact in the medium to longer term. Consequently, the Company does not consider there to be a material impact of climate change in these financial statements.

4.4 Events after the balance sheet date

There have been no other significant events between 31 March 2025 and the date of approval of the annual report and financial statements which would require a change to or additional disclosure in the financial statements.