

FOSSE FUNDING (NO.1) LIMITED

**Registered in England and Wales
No. 05925696**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2025**

STRATEGIC REPORT

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

Principal activities

The principal activities of the Company as defined in the Securitisation transaction documents (the “Transaction documents”) which can be found at www.santander.co.uk/uk/about-santander-uk/investor-relations/fosse-master-trust include receiving loans under an intercompany loan agreement from Fosse Master Issuer plc, acquiring a beneficial interest in a mortgage loan portfolio held by Fosse Trustee (UK) Limited, entering into financial instruments with other group undertakings and other activities reasonably incidental thereto (the “Transaction”).

Fosse Funding (No.1) Limited (the “Company”) was established for the purposes of receiving proceeds from Fosse Master Issuer plc, which issues debt securities (the “Notes”) in the international capital markets and make such funds available to Santander UK plc by purchasing a beneficial interest in a UK residential mortgage loan portfolio held by Fosse Trustee (UK) Limited (the “Fosse Master Trust”). The Company receives a share of income from the Fosse Master Trust in proportion to its share of the total mortgage assets of the Fosse Master Trust. The Company, together with Fosse Master Issuer plc, Fosse Trustee (UK) Limited & Fosse (Master Issuer) Holdings Limited form the Fosse Securitisation Structure.

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

The programme

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

Fosse Funding (No.1) Limited uses the funds received from its share in the Fosse Master Trust property to meet its obligations to pay interest and principal due to Fosse Master Issuer plc under the intercompany loan. A master intercompany loan with affiliated company Fosse Master Issuer plc is used to allow Fosse Master Issuer plc to make payments on the Master Issuer Notes. The principal asset from which the Company will make payments on the master intercompany loan is its interest in a master trust over a pool of residential mortgage loans held by Fosse Trustee (UK) Limited (the mortgages trustee).

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

The mortgage loans within the portfolio are monitored and assessed for impairment on a regular basis at Group level as, under International Financial Reporting Standard (IFRS) 9 – ‘Financial Instruments’. The beneficial interest in a mortgage portfolio fails the criteria for recognition within the Company’s financial statements and remains on the Balance Sheet of Santander UK plc. Consequently, the Company recognises a deemed loan to Santander UK plc, the repayment of which is dependent upon the performance of the underlying residential mortgage portfolio.

The only asset held by the Company that is at risk of material impairment is the deemed loan to Santander UK plc. The risk of impairment is mitigated by the collateral and credit enhancements within the Fosse Securitisation Structure.

The Directors believe that the performance of the portfolio has been in line with the Directors’ expectations.

Business review and key performance indicators

During the year the Company earned interest income of £68.6m (2024: £104.0m) from related parties. The Company used those cash resources to pay interest expense of £68.1m (2024: £103.4m) on the intercompany loan due to Fosse Master Issuer plc and other charges.

During the year the Company made no repayments (2024: £965.5m) on the intercompany loans during the year and received no new loan advances (2024: £750m). All amounts were paid in full and on time.

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

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

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

STRATEGIC REPORT (CONTINUED)

Business review and key performance indicators (continued)

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

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

The Directors are satisfied that the Company meets the definition of a 'securitisation company' as defined by both the Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise. As a result, no deferred tax amounts are recognised.

Section 172: Stakeholder Voice

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

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

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

Principal risks and uncertainties facing the Company

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

Geopolitical and macroeconomic risks

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

On behalf of the Board



Raheel Khan
per pro CSC Directors (No. 3) Limited
as Director
20 May 2026

Registered Office Address: 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU

DIRECTORS' REPORT

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

Results and dividends

The loss for the year ended 31 December 2025 amounted to £44.1m (2024: profit of £46.8m). The loss in 2025 was driven by fair value losses on derivative financial instruments totalling £44.1m (2024: gains of £46.8m, driving net profit). The Directors do not recommend the payment of a dividend on the ordinary shares in issue (2024: £nil).

Events after the balance sheet date

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

Directors

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

A S Williams
CSC Directors (No.3) Limited
CSC Directors (No.4) Limited

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

Statement of directors' responsibilities in respect of the financial statements

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

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

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

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

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

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

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

Statement of Going Concern

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

DIRECTORS' REPORT (CONTINUED)

Financial Instruments

The Company's risks are managed by the Company's Board with some oversight at group level by Santander UK Group Holdings plc. The principal risks of the Company are set out in the note 3.

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

Directors' indemnities

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

The Company has made qualifying third party indemnity provisions for the benefit of the Directors as set out in a corporate services agreement. CSC Management Services (UK) Limited as corporate services provider, has made qualifying third party indemnity provisions for the benefit of CSC Directors (No.3) Limited and CSC Directors (No.4) Limited.

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

Corporate governance

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

The Transaction documents provide for procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with the regulatory obligations.

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

Streamlined Energy and Carbon Reporting (SECR)

The Company is out of scope of the Streamlined Energy and Carbon Reporting (SECR), as it does not meet the numerical thresholds in relation to turnover and number of employees.

Directors' confirmations

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

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

Likely future developments

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

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed as auditors under Section 487(2) of the Companies Act 2006.

On behalf of the Board
Raheel Khan
per pro CSC Directors (No. 3) Limited
as Director



20 May 2026

Registered Office Address: 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU

Independent auditors' report to the members of Fosse Funding (No.1) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Fosse Funding (No.1) Limited's financial statements:

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

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

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Making inquiries with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluating the business rationale for any significant transactions that are unusual or outside the scope of the transaction documents; and
- Performing audit procedures to address the risk of management override of controls, including through testing journal entries and assessing accounting estimates for evidence of management bias.

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

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

Use of this report

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

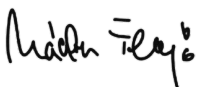
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		2025	2024
Continuing operations	note	£000	£000
Interest and similar income	5	68,555	103,999
Interest expense and similar charges	6	(68,079)	(103,439)
Net interest income		476	560
Net other operating (expense)/ income	7	(44,138)	46,826
Operating expenses	8	(469)	(554)
(Loss)/ profit before tax	9	(44,131)	46,832
Tax charge on (loss)/ profit for the year	10	(1)	(1)
(Loss)/ profit for the year		(44,132)	46,831
Other comprehensive income for the year		-	-
Total comprehensive (expense)/ income for the year		(44,132)	46,831

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2024	-	41,980	41,980
Total comprehensive income for the year	-	46,831	46,831
At 31 December 2024 and 1 January 2025	-	88,811	88,811
Total comprehensive expense for the year	-	(44,132)	(44,132)
At 31 December 2025	-	44,679	44,679

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

BALANCE SHEET

At 31 December 2025

	note	2025 £000	2024 £000
Non-current assets			
Loans and advances due from related parties	11	1,341,973	1,339,029
Derivative financial instruments	12	18,159	95,785
Total non-current assets		1,360,132	1,434,814
Current assets			
Loans and advances due from related parties	11	12,840	15,547
Cash and cash equivalents	13	46,756	47,421
Derivative financial instruments	12	31,221	-
Total current assets		90,817	62,968
Total assets		1,450,949	1,497,782
Current liabilities			
Corporation tax		(1)	(1)
Loans and advances due to related parties	14	(12,562)	(15,250)
Accruals and deferred income		(43)	(41)
Total current liabilities		(12,606)	(15,292)
Net current assets		78,211	47,676
Non-current liabilities			
Loans and advances due to related parties	14	(1,393,664)	(1,393,679)
Total non-current liabilities		(1,393,664)	(1,393,679)
Total liabilities		(1,406,270)	(1,408,971)
Net assets		44,679	88,811
Equity			
Share capital	15	-	-
Retained earnings		44,679	88,811
Total equity		44,679	88,811

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

The financial statements on pages 8 to 19 were approved by the Board of Directors and authorised for issue on 20 May 2026. They were signed on its behalf by:



Raheel Khan
per pro CSC Directors (No. 3) Limited
as Director

20 May 2026

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

1. ACCOUNTING POLICIES

General Information

Fosse Funding (No.1) Limited (the “Company”) is a private limited company, limited by shares and incorporated, domiciled and registered in England and Wales having a registered office address at 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU.

Basis of preparation

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

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

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

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

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

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

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

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

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

Statement of Going Concern

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

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

The Company’s profit is dictated mainly from the fair value gains and losses on Derivative financial instruments. The Directors consider the gains and losses on Derivative financial instruments to level out over the long-term duration of the liabilities. Under the terms of the bonds in issue, the mortgage balance in the Fosse Securitisation Structure has to be maintained at a value at least equivalent to the value of the Note principal in issue.

The Company has adequate financial resources. The intercompany financial liabilities (note 14) have scheduled repayment dates to match those of the Debt securities issued by Fosse Master Issuer plc, as per the Transaction documentation, and the principal receipts from the underlying mortgages are expected to be sufficient to meet the loan redemptions.

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

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

1. ACCOUNTING POLICIES (CONTINUED)

Recent accounting developments

Lack of Exchangeability (Amendments to IAS 21)

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

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

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

Revenue recognition

a) Interest income and expense

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

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

The Company recognises interest cash flows from the mortgage loans only to the extent that it is entitled to retain such cash flows under the transaction documents. After all payments required under the transaction documents have been made, all excess income is returned to Santander UK plc as deferred consideration under the terms of the transaction documents. The interest income recognised in relation to the deemed loan is therefore limited to that proportion of interest income on the mortgage loans that the Company is entitled to retain, to make payments under the transaction documents. Income in excess of this is not recognised by the Company as it has no entitlement to it and must return it to Santander UK Plc as deferred consideration.

Financial Instruments

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

a) Initial recognition and measurement

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

b) financial assets and liabilities

i) Classification and subsequent measurement

The Company classifies its financial assets in the measurement categories of amortised cost and fair value through profit and loss (FVTPL).

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

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

Financial assets and financial liabilities are classified as held for trading if they are derivatives or if they are acquired or incurred principally for the purpose of selling or repurchasing in the near-term, or form part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial assets: debt instruments

Classification and subsequent measurement of debt instruments depend on the Company's business model for managing the asset, and the cash flow characteristics of the asset.

Business model

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

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

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets: debt instruments (continued)

Solely Payment of Principal and Interest (“SPPI “)

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

On the basis that the deemed loan (Loans due from related parties) is to be held for collection of the underlying contractual cash flows of the mortgage loan portfolio and the cash flows are deemed to represent SPPI, it is measured at amortised cost.

Under IFRS 9, the legal transfer of the beneficial interest in the Fosse Master Trust mortgage portfolio from Santander UK plc to the Company fails the criteria for de-recognition in the financial statement of Santander UK plc. As no transfer has occurred for accounting purposes the beneficial interest has not been recognised in the Company's financial statements and remains in the Balance Sheet of Santander UK plc.

The beneficial interest in the mortgage portfolio is replaced by a related party deemed loan included in Loans and advances due from related parties on the Company's Balance Sheet. The related party loan is recorded at the book value of the issuance at the time of transfer less any subsequent repayments of capital less deferred purchase consideration and start-up costs.

Deferred purchase consideration and start-up costs

Under the terms of the mortgage sale agreement, Santander UK plc, as the originator of the mortgage loans, legally retains the right to receive excess income (deferred consideration) arising on those loans, after certain higher priority payments have been met by the Company. Deferred consideration is treated as a reduction in the interest due from Santander UK plc on the loans and advances due from related parties arising on the failure to recognise the sale of the beneficial interest in the mortgage portfolio. Incremental elements of deferred consideration are recognised on an effective interest rate basis; all other elements are accounted for as incurred.

Deferred start-up costs are capitalised and then amortised over the scheduled life based upon the redemption payments, as per the Transaction documents, of the loan Note.

Financial liabilities:

Financial liabilities comprise loans and advances due to related parties and accruals.

Financial assets and financial liabilities are classified as held for trading if they are Derivatives or if they are acquired or incurred principally for the purpose of selling or repurchasing in the near-term, or form part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

ii) Impairment of debt instrument financial assets

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

Loans and advances due from related parties represent a deemed loan to Santander UK plc, the repayment of which is dependent upon the performance of the underlying residential mortgage portfolio. At each balance sheet date an assessment is made as to whether, as a result of one or more events, there is a significant increase in credit risk since initial recognition. In assessing the loans and advances due from related parties for impairment, the Directors first consider the impairment of the underlying mortgage loans and consider the ECL of the loans and advances due from related parties taking into account the relevant credit enhancements available for the Company in the structure. Based upon these credit enhancements and the standing of Santander UK plc as counterparty to the deemed loan, the loss given default is deemed to be nil and therefore no impairment provision is recognised. Expected losses against loans and advances due from related parties are only likely to be material if the ECL on the underlying assets exceeded the available credit enhancements.

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

1. ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments (derivatives)

Derivatives are contracts or agreements whose value is derived from one or more underlying indices or asset values inherent in the contract or agreement, which require no or little initial net investment and are settled at a future date. Transactions are undertaken in interest rate, cross currency, equity, residential property and other index-related swaps, forwards, caps, floors, swaptions, as well as credit default and total return swaps, equity index contracts and exchange traded interest rate futures, and equity index options.

Derivatives are held for risk management purposes and classified as fair value through profit or loss.

Derivatives are classified as held for trading unless they are designated as being in a hedge accounting relationship.

Derivatives are recognised initially (on the date on which a derivative contract is entered into), and are subsequently remeasured, at their fair value. Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are estimated using valuation techniques, including discounted cash flow and option pricing models.

All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative, except where netting is permitted. Gains and losses from changes in the fair value of derivatives held for trading are recognised in statement of comprehensive income and included in Other operating income.

The Company holds interest rate swap contracts to hedge significant future transactions and cash flows dependent on movement in interest rates.

Income taxes

The Directors are satisfied that the Company meets the definition of a 'securitisation company' as defined by both the Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise. As a result, no deferred tax amounts are recognised.

Under the powers conferred by the Act, secondary legislation was enacted in 2006 which ensures that, subject to certain conditions being met and an election being made, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the profit of the securitisation company required to be retained in accordance with the relevant capital market arrangement which is currently £5,000 (2024: £5,000).

Cash and cash equivalents

Cash and cash equivalents comprise assets with less than three months' maturity from the date of acquisition.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF SIGNIFICANT MANAGEMENT JUDGEMENT

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

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF SIGNIFICANT MANAGEMENT JUDGEMENT (CONTINUED)

Derivative financial instruments (estimate)

The following accounting estimates are considered critical to the portrayal of the Company's financial results and financial condition because: (i) they are highly susceptible to change from period to period as assumptions are made to calculate the estimates, and (ii) any significant difference between the estimated amounts and actual amounts could have a material impact on the Company's future financial results and financial condition.

As described under "Derivative financial instruments" above, the Company holds interest rate swap contracts to hedge significant future transactions and cash flows dependent on movement in interest rates. Fair values of derivative financial instruments are sensitive to changes in the mortgage rates payable.

Derivatives are contracted with Santander UK plc or counterparties that meet standards set out in the relevant Transaction documents. If subsequently there is a ratings downgrade of the counterparty credit rating, remedial measures include provision of collateral for obligations under the relevant swap contract.

3. FINANCIAL RISK MANAGEMENT

Principal risks and uncertainties facing the Company

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

The Company's assets consist of intercompany receivables, cash and derivative financial instruments. Intercompany receivables and cash expose the Company to credit risk. The Company's liabilities comprise intercompany liabilities. These liabilities expose the Company to liquidity risk.

The principal risks are as follows:

Credit risk

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

The total loans within the securitisation pool that Santander UK plc had assigned legal title to the Fosse Securitisation Structure was £1,845m (2024: £2,383m). The Fosse Securitisation Structure acquired an interest in a portfolio of these mortgage loans totalling £1,394m (2024: £1,394m), which represents the funder share.

Credit risk stems from intercompany loan with Santander UK plc (the deemed loan). The repayment of the intercompany loan is dependent upon the performance of the mortgage portfolio within the securitised pool as the Company is reliant upon the repayment of customer payments of principal and interest to settle cashflows to Fosse Master Issuer plc, for it to service principal repayments and interest payments against the Notes in issue.

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

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

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

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

In assessing the deemed loan to Santander UK plc for impairment, the Directors first consider the impairment of the underlying mortgage loans and consider the ECL of the loan taking into account the relevant credit enhancements available for the Company in the structure.

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

Derivatives are contracted with Santander UK plc or counterparties that meet standards set out in the relevant Transaction documents. If subsequently there is a ratings downgrade of the counterparty credit rating, remedial measures include provision of collateral for obligations under the relevant swap contract.

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

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

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

The Company's primary objective is to provide funding to Fosse Master Issuer plc. Receipts from customer repayment of mortgage principal are used by the Company to fund Fosse Master Issuer plc as and when the principal repayments and interest against the debt securities in issue fall due. The Company delegates the servicing of this activity to specialist teams within Santander UK plc in order to mitigate liquidity risk.

The framework of the overall securitisation structure is designed to ensure liquidity risk is minimised in accordance with the Transaction documents, such that funds are available to Fosse Master Issuer plc to pay principal and interest to the Note holders. See the programme section for further detail. In addition, the Company enters into interest rate swap contracts with Santander UK plc, a related party, to mitigate differences between the interest flows on the intercompany loan with Fosse Master Issuer plc and customer interest from the underlying mortgage portfolio. Hedge accounting is not adopted by the Company for these derivatives and therefore the results of the Company are subject to volatility due to the movements in fair value of those interest rate swap contracts, however changes in the fair values of derivatives have little impact over the Company's cashflows.

Market risk

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

In order to economically hedge against interest risks, the Company enters into interest rate swap contracts with Santander UK plc, to manage basis risk between interest flows on the intercompany loan with Fosse Master Issuer plc and on interest payments received from Santander UK plc. Hedge accounting is not adopted by the Company for these derivatives and therefore the results of the Company are subject to volatility due to the movement in fair value of those interest rate swap contracts.

Interest rate risk

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

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

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

5. INTEREST AND SIMILAR INCOME

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Interest income from loans due from related parties (the deemed loan)	25,130	26,767
Bank interest income from Santander UK plc	2,021	6,646
Swap interest income with Santander UK plc	41,404	70,586
	68,555	103,999

6. INTEREST EXPENSE AND SIMILAR CHARGES

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Interest on loans and advances due to related parties	68,079	103,439
	68,079	103,439

7. NET OTHER OPERATING (EXPENSE)/ INCOME

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Fair value (loss)/ gain on derivative financial instruments	(44,138)	46,826
	(44,138)	46,826

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

8. OPERATING EXPENSES

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Professional fees	33	58
Deferred acquisition costs	297	363
Administrative expenses and bank charges	139	133
	469	554

9. (LOSS)/ PROFIT BEFORE TAX

Directors' emoluments

The Directors' services to the Company are an incidental part of their duties. No Directors were remunerated for their services to the Company. Directors' emoluments are borne by Santander UK plc and corporate service fees of £6,437 (2024: £14,194), which include the provision of Directors, were incurred by the Company to CSC Management Services (UK) Limited. No emoluments were paid by the Company to Directors during the year (2024: £nil).

Staff costs

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

Auditors' remuneration

The audit fee for the current and prior years have been paid by the Company. The audit fee payable to the Company's auditors for the audit of the Company's annual financial statements for the current year is £35,930 (2024: £34,550), exclusive of VAT.

Fees payable to the auditors for non-audit services were nil (2024: £nil).

10. TAX CHARGE ON (LOSS)/ PROFIT FOR THE YEAR

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Current tax:		
UK corporation tax on (loss)/ profit for the year	1	1
Tax charge on (loss)/ profit for the year	1	1

For UK corporation tax purposes, the Company has been considered as a Securitisation Company under the 'Taxation of Securitisation Companies Regulations (SI 2006/3296)'. Therefore, the Company is not required to pay corporation tax on its accounting profit or loss. Instead, the Company is required to pay tax on its retained profits as specified in the documentation governing the Transaction, which is currently £5,000 (2024: £5,000). Any other amounts that form part of its retained profit and all other amounts that it receives are disregarded for tax purposes.

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

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

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
(Loss)/ profit before tax	(44,131)	46,832
Tax calculated at a rate of 19% (2024: 19%)	(8,385)	8,898
Non-taxable income	8,386	(8,897)
Tax charge for the year	1	1

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

11. LOANS AND ADVANCES DUE FROM RELATED PARTIES

	2025 £000	2024 £000
Loans receivable from Santander UK plc	1,354,813	1,354,576
These borrowings are repayable as follows:		
Amounts due within one year	12,840	15,547
Greater than one year and less than five years	1,341,973	1,339,029
	1,354,813	1,354,576

Amounts due within one year include interest against the intercompany loan with Fosse Master Issuer plc of £12.6m (2024: £15.3m).

Loans due from related parties represents an intercompany loan, generated as a result of the beneficial interest in the mortgage portfolio failing the derecognition criteria described in IFRS 9. The intercompany loan replaces the beneficial interest in the mortgage portfolio legally held by the Company and represents the substance of the transaction for accounting purposes.

Repayments of loans due from related parties are not contractually certain and are dependent upon the repayment of underlying mortgages. The maturity profile is matched to the scheduled repayments of the loans and advances due to related parties, which is itself matched to the scheduled repayments of the debt securities issued by Fosse Master Issuer plc, as per the Transaction documents.

Loans and advances due from related parties are all designated in Sterling and are either non-interest bearing, at fixed rates or at variable rates of interest, based on the standard variable rate of the administrator, Santander UK plc.

12. DERIVATIVE FINANCIAL INSTRUMENTS

The Company holds derivatives to manage the interest rate risks associated with the beneficial interest on the mortgage portfolio. These derivatives are held with Santander UK plc, a related party, and require the Company to pay a weighted average of the mortgage interest earned on the beneficial interest in the mortgage portfolio and receive payments based on rates linked to compounded daily SONIA. These derivatives are recorded at fair value through profit or loss.

The use of derivatives is determined in the Transaction documents at the time of issue of each series of debt securities in issue.

The Company held derivative assets of £49.4m (2024: £95.8m) and held no derivative liabilities (2024: £nil).

Reconciliation of fair value measurements in the fair value hierarchy

The following table provides a reconciliation of the movement between opening and closing balances of asset and liability financial instruments:

	Assets £000	Liabilities £000	Net £000
At 1 January 2024	54,968	(3,371)	51,597
Interest movements	70,586	-	70,586
Settlements	(74,186)	962	(73,224)
Fair value movements	44,417	2,409	46,826
At 31 December 2024 and 1 January 2025	95,785	-	95,785
Interest movements	41,405	-	41,405
Settlements	(43,672)	-	(43,672)
Fair value movements	(44,138)	-	(44,138)
At 31 December 2025	49,380	-	49,380

13. CASH AND CASH EQUIVALENTS

	2025 £000	2024 £000
Deposits with Santander UK plc	46,756	47,421
	46,756	47,421

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

A cash deposit of £1 is held by CSC Corporate Services (London) Limited in the name of and benefit for the Company and is accessible by the Company on demand.

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

14. LOANS AND ADVANCES DUE TO RELATED PARTIES

	2025 £000	2024 £000
Loans due to related parties	1,406,226	1,408,929
These borrowings are repayable as follows:		
Less than one year	12,562	15,250
Greater than one year and less than five years	1,393,664	1,393,679
	1,406,226	1,408,929

The maturity of loans and advances due to related parties is matched to the scheduled repayments of the debt securities issued by Fosse Master Issuer plc to which the loans relate. The carrying amount of loans and advances due to related parties approximates to their fair value.

15. SHARE CAPITAL

	2025 £	2024 £
Issued and fully paid:		
1 (2024: 1) ordinary share of £1	1	1

16. RELATED PARTY TRANSACTIONS

Balances and transactions with related parties include:

	Interest income £000	Interest expense and other charges £000	Loans due from related parties £000	Loans due to group undertakings £000	Cash and cash equivalents £000
As at 31 December 2025					
Santander UK plc	68,555	-	1,354,244	-	46,756
Fosse Master Issuer plc	-	68,079	-	1,406,226	-
				Derivative assets £000	Derivative liabilities £000
Santander UK plc				49,380	-

	Interest income £000	Interest expense and other charges £000	Loans due from related parties £000	Loans due to group undertakings £000	Cash and cash equivalents £000
As at 31 December 2024					
Santander UK plc	103,999	-	1,353,710	-	47,421
Fosse Master Issuer plc	-	103,439	-	1,408,062	-
				Derivative assets £000	Derivative liabilities £000
Santander UK plc				95,785	-

In addition to the above, corporate service fees paid to CSC Management Services (UK) Limited are disclosed under note 9.

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

17. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Fosse (Master Issuer) Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. The entire share capital of Fosse (Master Issuer) Holdings Limited is held by CSC Corporate Services (London) Limited on a discretionary trust basis for the benefit of certain charities.

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

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

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

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

18. EVENTS AFTER THE BALANCE SHEET DATE

There were no adjusting or significant non-adjusting events that have occurred between the 31 December 2025 and the date of authorisation of these financial statements.