The Great Rolling Stock Company Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

The Great Rolling Stock Company Limited
Registered in England and Wales: Number 03086382
Registered Office: 123 Victoria Street, London, SW1E 6DE

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The Great Rolling Stock Company Limited

Officers and Independent Auditors

Directors:	M. Brown A. Lowe D. Jordan M. Prosser
Company secretary:	C. Garcia
Registered office:	123 Victoria Street London SW1E 6DE
Independent auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

Registered in England and Wales: Number 03086382

The Great Rolling Stock Company Limited

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their strategic report on The Great Rolling Stock Company Limited (the 'Company') for the year ended 31 December 2025.

REVIEW OF THE BUSINESS

The principal activity of the Company is the provision of finance, including long-term finance leasing to other group companies, which involves the use of financial derivatives where appropriate to support the acquisition of train rolling stock. There are no direct employees or stakeholders, except its shareholders and debt providers.

During the year, the Company took the opportunity to partly refinance it's interest rate swap portfolio. This involved amending a number of in-the-money interest rate swaps and re-striking the pay fixed rate leg to prevailing market rates. The Company was able to realise the value through a series of cash settlements, partly received during 2025 and further amounts due during 2026. Other swaps were also terminated early so that the Company avoided being in an overhedged position. Existing designated hedge relationships that contained swaps that were amended or terminated were discontinued because they no longer met the original qualifying risk management criteria

The Company re-registered as a Private Limited Company under the Companies Act with Companies House on the 19th February 2025. This was as a result of not expecting to require further funding from the bond markets in the short to medium term. The re-registration aims to reduce the administrative burden associated with being registered as a Public Limited Company.

The Company’s total external senior debt at 31 December 2025 was £2,386,813,000 (2024: £2,499,385,000). The net decrease of £112,572,000 was due to contractual repayments on bonds and bank debt less the Willow Group Holdings Limited and its subsidiaries (the 'Group') funding requirements for capital expenditure.

The directors are satisfied with the Company’s underlying performance during the year. In future, the Company will continue to provide finance to other group companies to support the investment in assets at economic returns that properly reward the capital investment and long-term residual value risk. The Company will be guided by its ultimate parent company in seeking further opportunities for growth.

The Company’s financial performance is presented in the Income Statement on page 16. The profit for the financial year was £169,667,000 (2024: £52,368,000 profit) and this was transferred to reserves.

The directors do not anticipate any material change in either the type or level of activities of the Company.

KEY PERFORMANCE INDICATORS

Other gains for the year were £6,324,000 (2024: £13,054,000), primarily as a result of fair value gains recognised on interest rate swaps and amounts recycled from cash flow hedge reserves in relation to interest rate swaps no longer held in hedge relationships. Revenue increased by 0.3% and and cost of sales decreased by 5.3%. Administrative expenses increased by 105.2% due to management recharges as a result of the refinancing activity during the year.

At the end of the year, the financial position showed total assets of £3,575,555,000 (2024: £3,635,632,000) representing a decrease of 1.6%. This includes the carrying value of finance lease receivables due from other group companies of £557,120,000 compared to £606,902,000 at the previous year end. Other non-current assets include loans receivable of £2,265,536,000 (2024: £2,113,807,000).

The key performance indicator that the directors consider is the ratio of loan and lease receivables to loans payable. The loan ratio in 2025 was 1.12 (2024: 1.05), with a target ratio below 1.20 being considered by the directors to be an efficient utilisation of group funding by the Company.

STRATEGY

The strategy of the Company is to ensure the objectives are executed, which are primarily to manage its asset risk profile and maintain the long term profitability of the Group.

SECTION 172 (1) STATEMENT

The Board of directors has acted in a way that it considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so has had regard to the matters set out in section 172(1) of the Companies Act 2006 (the “Act”). The Company applies The Wates Corporate Governance Principles for Large Private Companies.

This report sets out how the directors comply with the requirements of Section 172 Companies Act 2006 and how these requirements have impacted the Board’s decision making throughout 2025.

The Company proactively engages with its stakeholders to maximise value and secure long-term success and is continually striving to improve its impact. We set out below our key stakeholders groups, their material issues and how we engage with them.

Shareholders – The Company attaches considerable importance to communications with its direct shareholders as well as the shareholders of the ultimate parent company, Willow Group Holdings Limited and engages with them on a regular basis. Open and frequent dialogue with investors enables them to fully understand the Group’s strategy, objectives and governance. The Group's shareholders are also invited to attend individual discussions with the executive and non-executive directors throughout the year.

Debt providers - Our debt providers play an important role in our business and we maintain a proactive, open and transparent relationship with them. Regular meetings are held with our diverse group of debt providers and credit rating agency to keep them informed about relevant areas of the business. We provide them with regular financial updates, twice-yearly investor reports and debt investor presentations.

LOOKING FORWARD

The Company’s role is to support the critical objective of the Group in the short to medium term of re-leasing successfully all the rolling stock vehicles that are coming towards the end of their current lease at rates that meet the expectations of the shareholders.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company’s portfolios of financial instruments principally comprise of loans, deposits, interest rate swaps and payables. Applying International Accounting Standards ("IAS") in conformity with the requirements of the Companies Act 2006, all portfolios are considered to be held for non-trading purposes. The directors are responsible for considering risk management issues that arise across the Company’s financial instrument portfolios. Risk management policies are detailed in note 20.

From the perspective of the Company, except for the above, the principal risks and uncertainties are integrated with the principal risks of the Group, and are not managed separately. The Group has an Internal Control Framework that is designed to monitor its risks, including financial, operational, regulatory, credit and reputational risks. The Framework includes processes to review the effectiveness of the Group's system of internal control. The Group has an organisational structure with clearly defined lines of responsibility and delegation of authority.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The consultation on policies for inclusion in the Railways Bill concluded in April 2025, and the Bill was introduced to Parliament in November 2025 with recently completing its second reading in December 2025. The Government's intention remains that Great British Railways (GBR) will act as the single directing mind for the rail system, bringing together responsibility for rail infrastructure, strategic planning, and most passenger operations within a unified public body. While the Bill introduces major structural reform for train operations, it does not directly alter the role or ownership model of the ROSCOs, we will continue to monitor the developments as the Bill passes through Parliament. Angel Trains will continue to engage with the legislative process and emphasise the importance that continued private investment in rolling stock and rail infrastructure makes to the reliability, efficiency, and long term sustainability of the UK rail network.

Operational risk

Operational risk is the risk of unexpected losses attributable to human error, systems failure, fraud or inadequate internal financial controls and procedures.

The Company manages this risk through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review. The Company also maintains contingent facilities to support operations in the event of disaster.

Approved by the Board of Directors and signed on its behalf

M. Brown

Director

16 April 2026

The Great Rolling Stock Company Limited

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

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

FUTURE DEVELOPMENTS

For information on future developments, refer to the 'looking forward' section of the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and 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 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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards 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 website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

GOING CONCERN

These financial statements are prepared on a going concern basis. The Company continues to comply with the requirements of the Group's debt covenants, with performance underpinned by positive cash flows from the Company's operations despite a net current liabilities position. The Directors having made appropriate enquiries, have a reasonable expectation the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have received confirmation that there is no intention to redeem the intercompany loan balances in full within one year from the date of the financial statements are signed.

In considering the impact on the Company, the Group has analysed the potential impact on forecasts and liquidity and has concluded there are no material impacts that would affect its conclusion on going concern. In particular:

- Strong liquidity position - Committed facilities are available that more than cover all debt repayments coming due within one year from the date of signing the financial statements.
- The company in conjunction with the broader Group has assessed projected debt covenant compliance under both a normal and stress situation without any breaches being identified.

DIVIDENDS

Interim dividends of £111,050,000 was paid during the year (2024: £nil). The directors do not anticipate any material change in either the type or level of activities of the Company.

DIRECTORS AND COMPANY SECRETARY

The present directors and company secretary who have served during the year and up to the date of signing this report are listed on page 1

DIRECTOR'S INDEMNITY COVER

No director has been granted Qualifying Third Party Indemnity Provisions during the year or as at the date of approval of the financial statements.

FINANCIAL RISK MANAGEMENT

The major risks associated with the Company's business are market risk, liquidity risk, capital risk and credit risk. The management of these risks is carried out at Group level by its ultimate parent company. Interest rate risk is partially mitigated through the use of hedging (see Note 20 for further details of the Hedging Policy) and liquidity risk is managed by monitoring cash flow forecast and ensuring the Groups liquidity requirements to meet operational needs and ensuring it does not breach covenants on its external borrowing facilities. The Group has established a comprehensive framework for managing these risks which are continually evolving as business activities change in response to market, credit, product and other developments. Risk management policies are detailed in note 20.

SUSTAINABILITY REPORT

The Company has maintained its strategy of directing investment towards electric, bi-mode and hybrid rolling stock assets as well as funding existing rolling stock enhancements to improve passenger experience and support modal shift. Decarbonisation solutions for the existing diesel fleet have been focused on fuel metering, aerodynamic drag reduction and Hydrotreated Vegetable Oil (HVO) fuel to reduce carbon emissions and improve air quality.

SUSTAINABILITY REPORT (continued)

Governance

The Group will publish a sustainability report in 2026 making public disclosure of its ESG metrics and provide an annual overview of the initiatives that have been undertaken demonstrating the Company's commitment to sustainability. Governance is provided by the sustainability steering group which has been active in 2025 and is supported by the environmental review group which is tasked with delivery of the Company's environmental improvement objectives and monitoring our alignment with the principles of ISO 14001. Sustainability steering group remit was expanded in 2025 to incorporate oversight of Wellbeing, ED&I and CSR initiatives with additional attendees joining the group.

The Company undertook a detailed analysis of Scope 3 emissions data, working with consultancy Expleo and their subsidiary Moorhouse Consulting during 2025. The project focused on setting the Company's emissions boundary, which then enabled a further phase, creating a GHG data protocol document, setting out roles, responsibilities and methods for Scope 3 emissions calculations. During the year, the Company calculated its baseline Scope 3 emissions, setting a baseline for future emission to be measured against it. Undertaking this important step will enable the Company to further its efforts in relation to climate resilience and, if appropriate, SBTi target setting in the future beyond 2025.

Leased Asset Carbon Emissions

The Company continued to enhance its Scope 3 reporting during the year by modelling carbon emissions from both its diesel and electric vehicle fleets. The Carbon Calculator, developed in 2023, was upgraded to incorporate activity data from the Fleet Management System (FMS), enabling more accurate and reliable emission results. The modelling estimates that the Group combined fleets contributed 568,127 metric tonnes of CO2e in 2025.

Environmental Performance

The Group has not suffered from any environmental incidents nor any non-compliance with mandatory legislation as a result of its operations in 2025.

The Group's annual Sustainability Report was published in January 2025. The ESG Steering Committee continued to have oversight of sustainability performance and ensure that appropriate ESG risk controls are in place. ESG presentations are given to the Board to ensure such matters remain strategic, current and effective.

In 2025 we retained our Global Real Estate Sustainability Benchmark ("GRESB") rating as a 5-star rated business for the fifth consecutive year, increasing our benchmark score from 99/100 to 100/100 and being ranked 1st out of 650 companies participating in the survey.

Assets identified for disposal in 2025 were dismantled by approved waste management contractors where around 95% of the waste generated had been recycled. The Group has also been able to dispose of vehicle assets through sale to other rail organisations abroad.

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (unaudited)

The disclosures set out below for SECR reporting purposes have been prepared on a Group basis.

Greenhouse gas emissions and energy use data used by the Group in its business activities involving the combustion of gas and fuels, the purchase of electricity and fuel used in vehicles operated on its behalf, in both kWh and tCO2e are as follows:

	Year Ended 31 December 2025
Annual Energy consumption used to calculate emissions (kWh)	**828,612**
Energy consumption break down (kWh)	
Scope 1 - Stationary Combustion - Natural gas	33,775
Scope 2 - Purchased Electricity	484,186
Scope 2 - Purchased Steam / Heat / Cooling	97,805
Scope 3 - Grey Fleet	126,396
Scope 3 - Hire Vehicles	86,450
Annual Carbon Emissions	
Scope 1 emissions in metric tonnes CO2e	6
Scope 2 emissions in metric tonnes CO2e	104
Scope 3 emissions in metric tonnes CO2e	53
Total gross emissions in metric tonnes CO2e	**163**
Intensity Measurement	
The chosen intensity measurement ratio is occupied floor space:	
Floor Area (m^2)	2,996
Intensity ratio Kgs CO2e per m^2	**55**

Emission sources can be categorised into the following three 'scopes':

- Scope 1 - direct emissions from controlled or owned sources, which includes those from combustion of fuel and operation of facility.
- Scope 2 - indirect energy emissions from generation of purchased energy.
- Scope 3 - emissions from use of sold products and services for which the company does not own or control.

Quantification and reporting methodology

Management have decided to include 100% of the Group's energy usage and emissions in the above disclosure for the Company as it is not feasible for all elements of the disclosure to be apportioned on a reasonable basis.

A methodology derived by an external party has been used to ensure compliance with the SECR requirements. The government issued “Greenhouse gas reporting: conversion factors 2025” conversion figures for CO2e were used along with the fuel property figures to determine equivalent emissions.

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (unaudited) (continued)

Measures taken to improve energy efficiency

The Company continues to identify and implement measures aimed at reducing energy consumption and lowering carbon emissions. In 2025, the landlord completed the installation of air-source heat pumps at the 123 Victoria Street office, resulting in the cessation of all gas usage at the site. The building now operates solely with electric heating provided by the newly installed system. Furthermore, the business management system introduced in 2024 has been updated and refined to enhance the accuracy of reported data and improve overall operational efficiency.

Materiality

The Group are reporting upon all the required fuel sources as per SECR requirements. Estimations for Vehicle Fleet consumed fuel in litres and mileages were provided, and The Department for Environment, Food and Rural Affairs (DEFRA) fuel properties used to convert to kWh and tCO2e.

POST BALANCE SHEET EVENTS

There have been no significant events between the year end and the date of approval of the financial statements which would require a change or an additional disclosure in the financial statements

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

M. Brown
Director
16 April 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, The Great Rolling Stock Company 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 profit and cash flows for the year 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.

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 Income Statement for the year then ended;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the Statement of Cash Flows 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.

Our audit approach

Overview

Audit scope

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

Key audit matters

- Valuation of derivatives and related recycling from cash flow hedging reserve.

Materiality

- Overall materiality: £35,680,000 (2024: £36,356,000) based on 1% of Adjusted Total Assets.
- Performance materiality: £26,760,000 (2024: £27,267,000).

The scope of our audit

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED (continued)

Key audit matters

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

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

The key audit matters below are consistent with last year.

Key audit matter	***How our audit addressed the key audit matter:***
Valuation of derivatives and related recycling from cash flow hedging reserve. The company enters derivative financial instruments (primarily interest rate swaps) to hedge its interest rate risk arising from the borrowings. The majority of these swaps are qualified for the cash flow hedge accounting model under the requirements of IFRS 9, whereas some are held under fair value through profit and loss as part of economic hedging. During the year, the Company took the opportunity to partly refinance it's interest rate swap portfolio. This involved amending a number of in-the-money interest rate swaps and re-striking the pay fixed rate leg to prevailing market rates. Hedge accounting is inherently complex and because the company hedges a portfolio of debt which has a shorter maturity than the related swaps, the Directors must assess whether forecast future debt is highly probable in order to continue hedge accounting. When hedge accounting is discontinued, further judgements are required in relation to whether the underlying transactions are still expected to occur. This then drives the accounting treatment of the existing cash flow hedge reserve balance recognized until that date. As per the requirements of IFRS 13 'Fair Value Measurement', management is required to compute the credit value adjustments ('CVA') on the future cash inflows and debit value adjustments ('DVA') on the future cash outflows. Management has a net CVA of circa £5.6m (based on a 70% recovery rate). As a result of the level of judgement involved in the assessment of hedge effectiveness and the fair values including CVA/DVA and the focus we placed on this area, we consider it a key audit matter. Related disclosures in the financial statements: Note 1: Accounting Policies - Derivatives financial instruments and hedging activities. Note 17: Derivatives financial instruments. Note 20: Financial risk management – Market Risk.	Our testing in this area included: • We obtained a schedule of actual and forecast future debt and the related hedge positions and confirmed key terms with external counterparties. • We tested whether the forecast debt was highly probable by comparing it to the company's projections used for business planning purposes and by confirming that the expected usage of the debt was consistent with the asset holdings across the group of entities the company is part of. • For derivatives that are in hedging relationships, we tested the hedge accounting documentation and effectiveness testing performed for compliance with the accounting requirements. • We independently revalued 100% of the derivative financial instruments held by the Company. • We independently calculated the CVA and DVA considering the credit risk of counterparties and the company. We also performed sensitivities on the recovery rate used by the management. • We tested the amounts released from the cash flow hedging reserve for discontinued hedges by comparing the future expected cash flows to the company's projections. • We also tested that the related cash flow hedge reserve balance is being released in line with these debt cash flows. • We involved our treasury and derivative valuation specialists in our testing in this area. • We assessed the accounting for the re-strike exercise including derecognition and the impact on hedge accounting.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED (continued)

How we tailored the audit scope

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

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

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

Overall company materiality	£35,680,000 (2024: £36,356,000)
How we determined it	1% of Adjusted Total Assets
Rationale for benchmark applied	We use Total Assets less Derivative financial instruments ('Adjusted Total Assets') as the materiality benchmark given the extent of the company's lending activities to the wider group of companies headed by Willow Group Holdings Limited, the fact that profit before tax is not a key performance metric, and given this aligns with the approach taken by other entities in the wider Group. We used 1% of Adjusted Total assets (2024: 1%) which is at the higher end of our typical range for this measure.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £26,760,000 (2024: £27,267,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £1,784,000 (2024: £1,818,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED (continued)

Conclusions relating to going concern

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

- Performing a risk assessment to identify factors that could impact the going concern basis of accounting for both the Company and the wider Group.
- Understanding the Group's liquidity position confirming that sufficient committed facilities are available to meet debt repayments coming due in at least twelve months from the date of signing the financial statements.
- Obtaining evidence that Willow Group Holdings Limited, has received assurance from its shareholders that their shareholder loan notes will not need to be repaid for a period of at least twelve months from the date of signing of the financial statements.
- Confirming that appropriate intercompany agreements are in place which enable the Company to draw on the group facilities, as required to meet its liabilities as they fall due for at least twelve months from the date of signing the financial statements.

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

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

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

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

Reporting on other information

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED (continued)

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 the 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 Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK Corporation Tax Laws. 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 posting inappropriate journal entries and management bias in significant accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management and those charged with governance, including review of minutes of meetings in so far as they related to the financial statements and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing higher risk journal entries;
- Considering the reasonableness of key judgements and assumptions used by management in developing significant accounting estimates, including a critical assessment as to whether management bias could be present; and
- Incorporating unpredictability into the nature, timing and/or extent of our testing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED (continued)

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Jessica Miller (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 April 2026

The Great Rolling Stock Company Limited

Registered Number 03086382

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Revenue	2	204,243	203,686
Cost of sales	3	(142,202)	(150,121)
Gross profit		62,041	53,565
Administrative expenses	4	(1,192)	(581)
Other income	5	111,050	-
Operating profit		171,899	52,984
Other gains	6	6,324	13,054
Profit before income tax		178,223	66,038
Income tax charge	7	(8,556)	(13,670)
Profit attributable to owners of the parent	18	169,667	52,368

The notes on pages 21 to 48 form an integral part of these financial statements.

The Great Rolling Stock Company Limited

Registered Number 03086382

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Profit for the year	**169,667**	**52,368**
Other comprehensive (expense)/income:		
Items that may be subsequently reclassified to profit or loss		
Cash flow hedges		
Gains arising during the year	27,176	109,151
Recycling of amounts from cash flow hedge reserve to profit and loss	(22,959)	211
Losses taken to profit or loss	(14,558)	(33,358)
Tax on items taken directly to equity	2,636	(18,884)
Total other comprehensive (expense)/income for the year	**(7,705)**	**57,120**
Total comprehensive income for the year attributable to owners of the parent	**161,962**	**109,488**

The notes on pages 21 to 48 form an integral part of these financial statements.

The Great Rolling Stock Company Limited

Registered Number 03086382

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Called up share capital £'000	Hedging reserve £'000	Capital reserve £'000	Retained earnings £'000	Total Equity £'000
At 1 January 2024	18,19	140,000	152,286	200,000	45,884	538,170
Profit for the year		-	-	-	52,368	52,368
Other comprehensive income/(expense)						
Cash flow hedges						
Gains arising during the year		-	109,151	-	-	109,151
Recycling of amounts from cash flow hedge reserve to profit and loss		-	211	-	-	211
Gains taken to profit or loss		-	(33,358)	-	-	(33,358)
Tax on items taken directly to equity		-	(18,884)	-	-	(18,884)
Total comprehensive income		**-**	**57,120**	**-**	**52,368**	**109,488**
Dividends paid		-	-	-	-	-
At 31 December 2024	18,19	**140,000**	**209,406**	**200,000**	**98,252**	**647,658**
Profit for the year		-	-	-	169,667	169,667
Other comprehensive income/(expense)						
Cash flow hedges						
Gains arising during the year		-	27,176	-	-	27,176
Recycling of amounts from cash flow hedge reserve to profit and loss		-	(22,959)	-	-	(22,959)
Gains taken to profit or loss		-	(14,558)	-	-	(14,558)
Tax on items taken directly to equity		-	2,636	-	-	2,636
Total comprehensive income		**-**	**(7,705)**	**-**	**169,667**	**161,962**
Dividends paid		-	-	-	(111,050)	(111,050)
At 31 December 2025	18,19	**140,000**	**201,701**	**200,000**	**156,869**	**698,570**

The notes on pages 21 to 48 form an integral part of these financial statements.

The Great Rolling Stock Company Limited

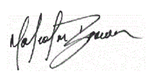
Registered Number 03086382

BALANCE SHEET AS AT 31 DECEMBER 2025

	Note	31 December 2025 £'000	31 December 2024 £'000
Assets			
Non-current assets			
Finance lease receivables	11	501,625	553,174
Derivative financial instruments	17	20,986	330,012
Other financial assets at amortised cost	10	2,265,536	2,113,807
Investments	12	363,564	363,564
		3,151,711	3,360,557
Current assets			
Derivative financial instruments	17	-	134
Finance lease receivables	11	55,495	53,728
Trade and other receivables	10	166,631	1
Cash and cash equivalents	10	1,718	21,212
Other financial assets at amortised cost	10	200,000	200,000
		423,844	275,075
Current liabilities			
Trade and other payables	13	(69,951)	(107,506)
Loans payable	15	(194,719)	(112,572)
Current tax liabilities	14	(17,746)	(9,940)
Derivative financial instruments	17	-	(134)
		(282,416)	(230,152)
Net current assets		**141,428**	**44,923**
Total assets less current liabilities		**3,293,139**	**3,405,480**
Non-current liabilities			
Loans payable	15	2,503,118	2,667,888
Derivative financial instruments	17	13,403	-
Deferred tax liabilities	8	78,048	89,934
		2,594,569	2,757,822
Equity attributable to owners of the parent			
Called up share capital	19	140,000	140,000
Capital reserve	18	200,000	200,000
Hedging reserve	18	201,701	209,406
Retained earnings	18	156,869	98,252
Total equity		**698,570**	**647,658**
Total equity and non-current liabilities		**3,293,139**	**3,405,480**

The notes on pages 21 to 48 form an integral part of these financial statements.

The financial statements on pages 16 to 48 were approved by the Board of Directors and authorised for issue on 1 April 2026. They were signed on its behalf by:



Director

16 April 2026

The Great Rolling Stock Company Limited

Registered Number 03086382

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31 December 2025	Year ended 31 December 2024 Restated*
	£'000	£'000
Cash flows from operating activities		
Cash received from customers	48,699	52,720
Cash paid to suppliers and group companies	(2,468)	(2,432)
Cash generated from operations	46,231	50,288
Income taxes paid	(10,000)	(8,978)
Interest paid *	(125,929)	(139,620)
Swap interest received *	15,539	38,354
Issue of new loans to group companies *	(125,175)	(382,626)
Repayment of amounts borrowed to group companies *	198,266	189,442
Interest received on loans to group companies	1,634	-
Net cash generated from/(used in) operating activities	566	(253,140)
Cash flows from investing activities		
Interest received on surplus cash and investments	987	252
Dividends received from subsidiaries	111,050	-
Proceeds of tangible fixed assets	-	(2,560)
Principal elements of lease payments	49,429	52,264
Net cash generated from investing activities	161,466	49,956
Cash flow from financing activities		
Proceeds of new loans	460,010	561,124
Proceeds from sale of derivative instruments	119,425	-
Payments for debt issue costs	(500)	(529)
Repayment of loans	(649,410)	(343,305)
Payments of dividends	(111,050)	-
Net cash (used in)/generated from financing activities	(181,525)	217,290
Net (decrease)/increase in cash and cash equivalents	(19,493)	14,106
Cash and cash equivalents at the beginning of the year	21,212	7,106
Effect of foreign exchange rate changes	(1)	-
Cash and cash equivalents at the end of the year		
Bank balances and cash	1,718	21,212

* 2024 was restated due to classifications and offseting errors as disclosed in note 25.

The notes on pages 21 to 48 form an integral part of these financial statements.

Non cash transactions are disclosed in note 24.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all periods presented, except where otherwise indicated, and all material accounting policies have been assessed.

General
The Great Rolling Stock Company Limited is a Private Limited Company and is incorporated and domiciled in England and Wales. The address of the registered office is on page 1.

Basis of Preparation
These financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under International Financial Reporting Standards (IFRS).

The Company's financial statements have been prepared on the going concern basis. The directors consider the Company to be a going concern based on the underlying profitability (excluding fair value movements) and the ability to access liquidity, if required, from within the Group and by drawing on committed financial facilities, to enable it to meet its liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements.

The financial statements are prepared under the historical cost convention as modified by the revaluation of derivative instruments. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below. These policies have been consistently applied to all the years presented, unless otherwise stated.

In accordance with IFRS 13, fair value measurements are categorised according to the inputs used in valuation techniques into three levels within a fair value hierarchy. The different levels have been defined as follows:

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

These valuation techniques maximise the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company’s accounting policies, which are described below, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying accounting policies
The critical judgements that the directors have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements relate to the accounting treatment of interest rate swaps designated as hedging instruments. The Company seeks to apply cash flow hedge accounting where permissible under IFRS 9.

1. Significant Accounting Policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies (continued)

Highly probable floating rate debt that is not already contained within a cash flow hedge is assessed for appropriateness to be included within a new designated hedge relationship.

Keys sources of estimation uncertainty
The fair value of financial instruments that are not traded in an active market (such as over-the-counter interest rate swaps) is determined by using valuation techniques. The Company engages with a third party provider to establish the appropriate valuation techniques and inputs into the corporate model such as observable yield curves. Forecast floating rate debt is used to estimate amounts to be recycled from the cash flow hedge reserve to the income statement, in line with the original hedged item cash flows.

The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting year. Information regarding valuation techniques and inputs used in determining the fair value of derivatives is disclosed in note 20.

Adoption of the new and revised Standards

At the date of authorisation of these financial statements, the following standards, amendments and interpretations to existing standards were effective for the accounting year beginning on or after 1 January 2025, but did not have a material impact on the Company's financial statements:

IAS 21 (amendments) - Lack of Exchangeability
Amendments to the SASB standards to enhance their international applicability

The following standards, amendments and interpretations to existing standards have been issued but are effective for accounting years beginning after 1 January 2025, and the Company has not early adopted them:

IFRS 9 and IFRS 7 (amendments) - Classification and measurement of financial instruments
Annual Improvements to IFRS Accounting Standards — Volume 11
Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements
IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Directors anticipate that the adoption of these standards, amendments and interpretations are either not applicable to the Company’s operations or will have no material impact on the financial statements of the Company. The Company has not chosen to early adopt any other standards, amendments and interpretations to existing standards during the year.

Dividend Income

Dividends are recognised when the legal entitlement to receive payment is established.

Revenue Recognition

Finance lease income is allocated to accounting years so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases held with other group companies.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

For cash flow presentation, interest income from swap interest receipts and intercompany lending is classified within operating activities as it relates to the Company's principal operations of providing finance to other group companies. Interest received representing returns on investments or surplus cash is classified within investing activities. The classification is applied consistently in accordance with IAS 7.

1. Significant Accounting Policies (continued)

Cost of sales - interest expense

Cost of sales comprises interest payable on external loans and swap interest payable. It is recognised on an effective interest rate basis.

Finance leases

Contracts to lease assets to customers continue to be classified as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer in accordance with IFRS 16.

Finance lease receivables are stated in the balance sheet at the amount of net investment in the lease, being the present value of the future minimum lease payments. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Taxation

Tax expense represents the sum of the current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax is calculated at tax rates substantively enacted at the balance sheet date that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial assets

The Company classifies financial assets in the following measurement categories: those to be subsequently measured at fair value (either through OCI or through profit or loss), and those to be measured at amortised cost. The classification is determined on initial recognition.

The Company classifies loans receivable, finance lease receivable, trade and other receivables and cash and cash equivalent as 'finance assets at amortised cost'. Derivative financial instrument assets not held within cash flow hedge relationships are classified as derivative financial instruments held for trading at FVPL.

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

1. Significant Accounting Policies (continued)

Financial assets at amortised cost

Financial assets at amortised cost are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

The Company tests for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Loans to group undertakings are assessed for expected credit losses (ECL) in accordance with IFRS 9; however, no ECL is recognised as all Group entities are co-obligors on the Group's senior and junior subordinate debt, and recoveries are determined collectively at the Group level under the intercreditor agreement. Given the co-obligor structure, no individual entity is able to fail independently of the others, and therefore credit risk is considered to be shared and not attributable to any single entity.

Financial liabilities

Financial liabilities issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. The accounting policies adopted for specific financial liabilities are set out below.

Loan payables

Interest-bearing loans are initially measured at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption value of borrowings is recognised in the income statement over the term of the borrowings using the effective interest method.

Where there is any substantial change in the terms of the loans payable, it is considered whether this is a modification or extinguishment of a financial liability in accordance with IFRS 9. If a non-substantial modification is deemed to have taken place, the carrying value of the loan is amended to include any modification gain or loss, new transaction costs and subsequently re-measured at amortised cost. The modification gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. Where it is considered an extinguishment has taken place, the carrying value is derecognised from the balance sheet, with any difference to the consideration paid recognised in the income statement within cost of sales.

Trade and other payables

Trade and other payables are measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

1. Significant Accounting Policies (continued)

Fair value
Fair values of financial instruments that are traded in active markets are determined by quoted market bid prices at the close of business on the balance sheet date. For financial instruments not traded in active markets, fair values are determined using valuation techniques. Such techniques may include using recent arm's length market transactions, current fair values of similar financial instruments, discounted cash flow analysis, option pricing models, or other commonly used valuation models.

Derivative financial instruments and hedging activities
The Company's activities expose it primarily to the financial risk of changes in interest rates. The Company uses derivative financial instruments (primarily interest rate swaps) to hedge its risks associated with significant interest rate risk arising from loans payable. The Company does not use derivative financial instruments for speculative purposes.

The significant interest rate risk arises from the variability of cash flows on floating rate loans. The Company's policy is to convert a proportion of its floating rate debt to fixed rates using interest rate swaps. The Company designates these as cash flow hedges of interest rate risk. For an interest rate swap to be treated as a hedge, the instrument must be related to actual assets or liabilities or a highly probable commitment and must change the nature of the interest rate by converting a variable rate to a fixed rate or vice versa. Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts.

Derivative financial instruments are recognised at fair value on inception and are subsequently remeasured to their fair value at the end of each reporting period. Derivative fair values are determined from quoted prices in active markets where available. Credit and debit valuation adjustments are made where the impact is considered material.

The Company enters into one type of hedge relationship; hedges of the variability in cash flows from a recognised asset or liability or a forecast transaction (cash flow hedges). Hedge relationships are formally documented at inception. The documentation includes the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. This includes details of the risk that is being hedged and the way in which effectiveness will be assessed at inception and during the period of the hedge. The Company documents its risk management objective and strategy for undertaking hedge transactions. If a hedge relationship no longer meets the documented risk management objective or other qualifying criteria such as existence of economic relationship, credit risk not dominating value changes or the hedge ratio no longer being consistent with the risk management strategy, hedge accounting must be discontinued.

Cash flow hedges that qualify for hedge accounting
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective portion of the gain or loss on the hedging instrument is recognised directly in the cash flow hedge reserve within equity. The gain or loss relating to ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Hedge accounting is discontinued entirely when the hedge relationship no longer meets the risk management objective or no longer complies with the qualifying criteria, when the hedging instrument is sold or terminated. Hedge accounting is discontinued for only part of the hedge relationship for the volume of the hedged item, where it is no longer part of the hedge relationship, or where part of the volume of a forecast transaction is no longer highly probable.

On the discontinuance of hedge accounting (except where a forecast transaction is no longer expected to occur), the cumulative unrealised gain or loss recognised in equity is reclassified to profit or loss when the hedged cash flow occurs or, if the forecast transaction results in the recognition of a financial asset of financial liability, in the same periods during which the asset or liability affects profit or loss. Where the forecast transaction is no longer expected to occur; the cumulative unrealised gain or loss that were reported in equity are immediately reclassified to profit or loss.

1. Significant Accounting Policies (continued)

Derivative financial instruments and hedging activities (continued)

Derivatives that do not qualify for hedge accounting
Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit and loss and are included in other gains/(losses). These, and other related items are included within other gains/(losses) are presented below operating profit.

Investment in subsidiaries

Investments in subsidiaries are initially measured at fair value and subsequently measured at cost. An impairment loss is recognised in the income statement when there is objective evidence that the investment is impaired.

Consolidation exemption

The Company is exempt from the requirement to prepare consolidated financial statements, under Section 401 of Companies Act 2006 as the Company is a wholly-owned subsidiary of Willow Group Holdings Limited (a Jersey incorporated entity) and the Company’s results are consolidated within the financial statements of the parent entity, Willow Group Holdings Limited. The Willow Group Holdings Limited consolidated financial statements are available from the registered office, 2nd Floor Gaspe House, 66 - 72 Esplanade, St Helier, JE1 1GH, Jersey. The Company’s financial statements therefore present information about the Company as an individual entity and not about the Group.

Share capital

Ordinary shares are classified as equity and have rights to receive all dividends and other distributions, made or paid on the ordinary share capital of the Company.

Foreign currencies

The financial statements of the Company are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the Company’s functional currency (foreign currencies) are recorded using the exchange rates prevailing at dates of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary asset and liabilities, and on the retranslation of monetary items, are presented in the income statement within 'other (losses)/gains'.

2. Revenue

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Finance lease income from group undertakings	48,346	52,715
Interest received - group	155,270	150,719
Other interest receivable	628	252
	204,244	203,686

Finance lease income relates to amounts due from lessees for the provision of rolling stock.

All revenue relates to United Kingdom operations.

3. Cost of sales

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Swap interest payable	344	51
Other interest payable	141,858	150,070
	142,202	150,121

Other interest payable includes interest due on external loans held by the Company, including an amount of £2,823,000 relating to the amortisation of loan fees during the year (2024: £2,971,000).

4. Administrative expenses

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Directors' emoluments	160	-
Management fees	865	472
Other expenses	167	109
Total administration expenses	1,192	581

Profit before income tax for the year is stated after charging auditors' remuneration for audit services during the year excluding VAT of £112,807 (2024: £102,240). In addition to the auditors' remuneration stated above, fees charged by the auditors for other non-audit services during the year were £nil (2024: £nil).

5. Other income

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Dividend income from group undertakings	111,050	-
	111,050	-

6. Other gains

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Currency translation losses	(2)	-
Recycling of amounts from cash flow hedge reserve	11,774	(2,748)
Ineffectiveness on cash flow hedges ("CFH")	1,454	2,730
Recycling of amount from CFH from terminated hedges	9,731	-
Termination loss on derivative instruments	(19,409)	-
Fair value gains on derivative instruments	2,776	(13,072)
	6,324	13,054

During the year ended 31 December 2025, the Company recognised a termination loss of £19,409,000 (2024: £nil) arising from the early settlement of interest rate swaps. These instruments had previously been entered into to hedge the Company's exposure to variability in cash flows associated with floating rate borrowings.

The termination loss represents the difference between the carrying fair value of the derivative instruments at the date of termination and the settlement amounts agreed with the counterparties. The decision to terminate these positions was driven by the Company's refinancing activities and the restructuring of its interest rate risk management portfolio.

Upon termination, the cumulative fair value movements previously recognised in equity within the cash flow hedge reserve were assessed in accordance with the requirements of IFRS 9. Amounts relating to hedged items that remained highly probable continued to be deferred in equity and will be reclassified to profit or loss over the period of the originally hedged cash flows. To the extent that the hedged cash flows were no longer expected to occur, the relevant portion of the reserve was reclassified immediately to profit or loss being £9,731,000 (2024: £nil).

Recycling of amounts from cash flow hedge reserve includes cumulative gains reclassified in line with the hedged item from previously terminated hedge relationships of £(11,774,000) (2024: £2,748,000 losses).

7. Income tax charge

The charge for taxation based on the profit for the year is based on United Kingdom corporation tax at 25.0% (2024: 25.0%) and comprises:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Current tax charge		
Current tax charge on profits for the year	17,569	9,532
Adjustments in respect of prior years	60	(66)
Current tax charge	**17,629**	**9,466**
Deferred tax charge		
Origination and reversal of temporary differences	(4,725)	4,204
Adjustments in respect of prior years	(4,348)	-
Deferred tax charge	**(9,073)**	**4,204**
Total tax charge	**8,556**	**13,670**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Company as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Profit before income tax	178,223	66,038
Expected tax charge at 25.0% (2024: 25.0%)	44,556	16,509
Transfer pricing adjustments	(4,000)	(3,952)
Non taxable dividends received	(27,763)	-
Other timing differences	51	1,179
Adjustments in respect of prior years	(4,288)	(66)
Taxation charge for the year	**8,556**	**13,670**

In addition to the above, a decrease in deferred tax liabilities of £2,813,000 (2024: £18,477,000 increase in deferred tax liabilities) was debited through equity relating to hedging interest rate swaps.

The Company’s profits for this accounting year are taxed at the enacted corporation tax rate of 25.0% (31 December 2024: 25.0%).

8. Deferred tax assets/(liabilities)

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon, during the current and prior year.

	Other	Deferred tax on derivative instruments	Total
	£'000	£'000	£'000
At 1 January 2024	66	(67,319)	(67,253)
Charge to equity	-	(18,477)	(18,477)
Charge to the income statement for the year	(17)	(4,187)	(4,204)
At 31 December 2024	**49**	**(89,983)**	**(89,934)**
Credit to equity	-	2,813	2,813
Credit to the income statement for the year	(16)	4,741	4,725
Adjustment in respect of prior years	-	4,348	4,348
At 31 December 2025	**33**	**(78,081)**	**(78,048)**

The opening deferred tax balances are reflected at a rate of 25.0%, to reflect the projected average rate that deferred tax was expected to unwind at the 31 December 2025 balance sheet date.

In the Finance (No. 2) Act 2024, which received Royal Assent on 24 May 2024, the main rate of corporation tax remained at 25.0% for the financial year 2024. For the year ended 31 December 2025, closing deferred tax assets and liabilities are provided for at 25.0%.

A £nil effect of change in tax rate has been reflected in the charge to the income statement for the year because the unwind of deferred tax has occurred during the year at the main rate of corporation tax.

9. Financial assets and liabilities by category

31 December 2025	**Note**	Derivatives held for trading at FVPL	Derivatives used for hedging	Financial assets at amortised cost	Total
Financial Assets as per balance sheet		£'000	£'000	£'000	£'000
Derivative financial instruments	17	1,991	18,995	-	20,986
Loans receivable	10	-	-	2,465,536	2,465,536
Finance lease receivable	11	-	-	557,120	557,120
Trade and other receivables (excluding prepayments)	10	-	-	166,631	166,631
Cash and cash equivalents	10	-	-	1,718	1,718
Total		**1,991**	**18,995**	**3,191,005**	**3,211,991**

9. Financial assets and liabilities by category (continued)

31 December 2025

	Note	Derivatives held for trading at FVPL	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
		£'000	£'000	£'000	£'000
Financial Liabilities as per balance sheet					
Derivative financial instruments	17	-	13,403	-	13,403
Loans payable	15	-	-	2,697,837	2,697,837
Trade and other payables (excluding non-financial liabilities)	13	-	-	69,951	69,951
Total		**-**	**13,403**	**2,767,788**	**2,781,191**

31 December 2024

	Note	Derivatives held for trading at FVPL	Derivatives used for hedging	Financial assets at amortised cost	Total
		£'000	£'000	£'000	£'000
Financial Assets as per balance sheet					
Derivative financial instruments	17	45,549	284,597	-	330,146
Loans receivable	10	-	-	2,313,807	2,313,807
Finance lease receivable	11	-	-	606,902	606,902
Trade and other receivables (excluding prepayments)	10	-	-	1	1
Cash and cash equivalents	10	-	-	21,212	21,212
Total		**45,549**	**284,597**	**2,941,922**	**3,272,068**

	Note	Derivatives held for trading at FVPL	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
		£'000	£'000	£'000	£'000
Financial Liabilities as per balance sheet					
Derivative financial instruments	17	134	-	-	134
Loans payable	15	-	-	2,780,460	2,780,460
Trade and other payables (excluding non-financial liabilities)	13	-	-	107,507	107,507
Total		**134**	**-**	**2,887,967**	**2,888,101**

10. Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise of cash held by the Company and as at 31 December 2025 was £1,718,000 (2024: £21,212,000). The carrying amount of these assets approximates to their fair value.

10. Financial assets (continued)

Other financial assets at amortised cost

	31 December 2025	31 December 2024
	£'000	£'000
Amounts falling due within one year		
Loans to intermediate parent company	200,000	200,000
Amounts falling due after more than one year		
Loans to intermediate parent and other group undertakings	2,265,536	2,113,807

As at 31 December 2025, the Company had loans issued to Angel Trains Group Limited of £1,106,117,000 (2024: £1,060,516,000). The loan is unsecured, bearing interest at the weighted average cost of debt of the senior facilities for the Group plus a margin. There is no fixed maturity date. As the Company has confirmed to other Group companies that they will not be calling any loans for repayment within the next 12 months all amounts due are shown as being due after more than one year. The directors consider that the carrying amount of the Company's floating rate loans receivable approximates to their fair value.

As at 31 December 2025, the Company had loans issued to Angel Trains Rolling Stock Limited of £835,133,000 (2024: £841,843,000). The loan is unsecured, bearing interest at the weighted average cost of debt of the senior facilities for the Group plus a margin. There is no fixed maturity date. As the Company has confirmed to other Group companies that they will not be calling any loans for repayment within the next 12 months all amounts due are shown as being due after more than one year. The directors consider that the carrying amount of the Company's floating rate loans receivable approximates to their fair value.

As at 31 December 2025, the Company had loans issued to Readypower Rail Services Limited of £106,890,000 (2024: £84,541,000). The loan is unsecured, bearing interest at the weighted average cost of debt of the senior facilities for the Group plus a margin. There is no fixed maturity date. As the Company has confirmed to other Group companies that they will not be calling any loans for repayment within the next 12 months all amounts due are shown as being due after more than one year. The directors consider that the carrying amount of the Company's floating rate loans receivable approximates to their fair value.

As at 31 December 2025, the Company had loans issued to Angel Trains Limited of £96,754,000 (2024: £nil). The loan is unsecured, bearing interest at the weighted average cost of debt of the senior facilities for the Group plus a margin. There is no fixed maturity date. As the Company has confirmed to other Group companies that they will not be calling any loans for repayment within the next 12 months all amounts due are shown as being due after more than one year. The directors consider that the carrying amount of the Company's floating rate loans receivable approximates to their fair value.

As at 31 December 2025, the Company had loans issued to Angel Trains Group Limited of £200,000,000 (2024: £200,000,000). Included in the loan at 31 December 2025 is interest of £nil (2024: £nil). The loan is unsecured, interest free and is repayable on demand. The Company has given assurances that the receivable will not be called within a period of one year from the date of signing the financial statements, if doing so would result in the recipient Company no longer being a going concern. The directors consider the carrying value of the Company's interest free loan receivable to approximate its fair value.

As at 31 December 2025, the Company had loans issued to Angel Infrastructure Limited of £120,642,000 (2024: £126,907,000). The loan is unsecured, interest free and is repayable on demand. The Company has given assurances that the receivable will not be called within a period of one year from the date of signing the financial statements, if doing so would result in the recipient Company no longer being a going concern. The directors consider the carrying value of the Company's interest free loan receivable to approximate its fair value.

10. Financial assets (continued)

Trade and other receivables

	31 December 2025 £'000	31 December 2024 £'000
Amounts falling due within one year		
Trade and other receivables	166,631	1

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

11. Finance lease receivables

	Minimum lease payments 2025 £'000	Minimum lease payments 2024 £'000	Present value of minimum lease payments 2025 £'000	Present value of minimum lease payments 2024 £'000
Amounts receivable under finance leases				
Within one year	96,051	98,128	55,495	53,728
In the second to fifth years inclusive	374,933	378,777	244,704	228,728
After five years	299,411	391,618	256,921	324,446
	770,395	**868,523**	**557,120**	**606,902**
Less: unearned finance income	(213,275)	(261,621)	0	0
Present value of minimum lease receivables	**557,120**	**606,902**	**557,120**	**606,902**

The finance leases are held with other Group companies for rolling stock. The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 8.40% (2024: 8.40%) per annum.

The fair value of lease receivables is based on cash flows discounted using a weighted average cost of borrowings rate of 4.90% (2024: 3.90%) as at 31 December 2025 was £636,746,000 (2024: £732,327,000).

12. Investments

	Shares in group undertakings
	£'000
Cost and net book value	
At 1 January 2024	363,564
At **31 December 2024**	**363,564**
At **31 December 2025**	**363,564**

During the year ended 31 December 2025, the directors did not deem it necessary to impair investments.

Details of the Company's investment in subsidiaries at 31 December 2025 are as follows:

Entity	**Year end**	**Business**	**Country of registration/ place of business**	**Holding of investment**	**Percentage interest %**
Angel Leasing Company Limited	31 December	Leasing	England and Wales	Ordinary Shares	100%

The registered office for the Company's subsidiary is 123 Victoria Street, London, SW1E 6DE.

13. Trade and other payables

	31 December 2025	31 December 2024
	£'000	**£'000**
Accruals	15,529	17,165
Other payables	54,422	90,341
	69,951	**107,506**

Accruals principally comprise amounts outstanding for accrued interest on the bonds issued.

At 31 December 2025, the Company owed £54,422,000 (2024: £90,341,000) to another Group company in respect of an outstanding settlement for interest rate swap terminations during the last four years and is repayable on demand. The directors consider that the carrying amount of other payables approximates their fair values, due to their short term nature.

14. Current tax liabilities

	31 December 2025	31 December 2024
	£'000	£'000
Current tax liabilities	17,746	9,940

At 31 December 2025, the Company had current tax liabilities of £17,746,000 (2024: £9,940,000) payable to other Group companies. The amounts payable to other Group companies are unsecured and will be settled within the next 12 months.

15. Loans payable

	31 December 2025	31 December 2024
	£'000	£'000
Amounts falling due within one year		
External loans	194,719	112,572

	31 December 2025	31 December 2024
	£'000	£'000
Amounts falling due after one year		
External loans	2,192,094	2,386,813
Less unamortised fees	(11,249)	(13,572)
Loans from group undertakings	322,273	294,647
	2,503,118	2,667,888

The external loans included above are repayable as follows:

	31 December 2025	31 December 2024
	£'000	£'000
Within one year	194,719	112,572
Between one and two years	585,249	194,719
Between two and five years	936,541	1,209,610
Over five years	670,304	982,484
	2,386,813	2,499,385

15. Loans payable (continued)

The effective interest rates paid were as follows:

	31 December 2025	31 December 2024
External loans - fixed	5.10%	5.49%
Loans from group undertakings	5.42%	4.92%

In accordance with the fair value hierarchy within IFRS 13, the following items have been categorised as:

- Level 1 - secured bonds, based on quoted prices in active markets,
- Level 2 - secured notes based on referenced UK pound sterling gilt rates, and variable rate borrowings as directors consider that the carrying amount of the Company's variable rate borrowings approximates to their fair value.

Further details of the various levels can be found within note 1.

Borrowings arranged at fixed interest rates expose the Company to fair value interest rate risk. As at 31 December 2025 and 31 December 2024, the directors estimate the fair value of the Company's external fixed rate loans to be as follows:

	31 December 2025	31 December 2024
	£'000	£'000
Carrying amount of external loans - fixed	1,305,231	1,462,099
Fair value of external loans - fixed	1,273,133	1,294,553

As at 31 December 2025, the Company had a loan with Angel Leasing Company Limited of £192,510,000 (2024: £219,987,000). This loan is unsecured, and bears interest at the weighted average cost of debt of the Group's senior facilities plus a margin. It has no fixed maturity date. The directors have received confirmation from its lenders that they will not be calling any loans for repayment within the next 12 months.

As at 31 December 2025, the Company had a loan with Angel Trains Limited of £129,762,000 (2024: £74,659,000). This loan is unsecured, and bears interest at the weighted average cost of debt of the Group's senior facilities plus a margin. It has no fixed maturity date. The directors have received confirmation from its lenders that they will not be calling any loans for repayment within the next 12 months.

External Loans	Maturity	Repayment*	Nominal interest rate	31 December 2025	31 December 2024
				£'000	£'000
Secured Bonds - Level 1					
£500m Notes	2035	Amortising	6.875%	222,600	247,000
£400m Notes	2031	Amortising	6.500%	260,000	276,000
£60m Notes	2031	Amortising	6.500%	39,000	41,400
				521,600	**564,400**

15. Loans payable (continued)

External Loans	Maturity	Repayment*	Nominal interest rate	31 December 2025 £'000	31 December 2024 £'000
Bank Loans and Notes - Level 2					
Senior RCF £500m	2028	Bullet	SONIA + margin	-	30,000
Senior Notes £30m	2031	Bullet	Fixed coupon	30,000	30,000
Senior Notes £200m	2034	Amortising	Fixed coupon	200,000	200,000
Senior Notes £100m	2037	Amortising	Fixed coupon	100,000	100,000
Senior Notes £85m	2032	Amortising	Fixed coupon	85,000	85,000
Senior Notes £300m	2033	Amortising	SONIA + margin	228,571	257,143
Senior Notes £430.4m	2027	Amortising	Fixed coupon	371,642	382,842
Senior £450m	2031	Amortising	SONIA + margin	450,000	450,000
Senior £150m	2031	Amortising	SONIA + margin	150,000	150,000
Senior £250m	2033	Amortising	SONIA + margin	250,000	250,000
				1,865,213	**1,934,985**

*Where amortising borrowings have not changed from prior years, amortisation is due to start in future years.

The above debt facilities and bonds are secured on the fixed assets, which mainly comprise rolling stock, of companies under 100% direct, or indirect ownership, of the ultimate parent undertaking Willow Group Holdings Limited.

16. Contingent liabilities

The Company is guarantor in respect of the following Group undertakings:

Willow Holdco 1 Limited:
£175,000,000 (of which £175,000,000 (2024: £208,000,000) has been drawn down) Junior loan agreements.

Angel Trains Group Limited and Angel Trains Limited:
£2,365,213,000 (of which £1,865,213,000 (2024: £1,934,985,000) remains outstanding) Senior loan and revolving facilities agreements.

17. Derivative financial instruments

	31 December 2025 Assets £'000	31 December 2025 Liabilities £'000	31 December 2024 Assets £'000	31 December 2024 Liabilities £'000
Current portion				
Interest rate swaps - used for hedging	-	-	-	-
Interest rate swaps - held for trading	-	-	134	134
Total current derivative financial instruments	-	-	134	134
Non-current portion				
Interest rate swaps - used for hedging	18,995	13,403	284,597	-
Interest rate swaps - held for trading	1,991	-	45,415	-
Total non-current derivative financial instruments	20,986	13,403	330,012	-

As at 31 December 2025, the Company had no interest rate swap liabilities that are subject to master netting arrangements that can be offset against interest rate swap assets on default (2024: £134,000).

Interest rate swap instruments contained within formerly designated relationships are measured as fair value through profit or loss. Any remaining cumulative gains or losses previously recognised directly in other comprehensive income are reclassified to profit or loss over periods when profit or loss is impacted by the hedged item within other gains/(losses). Amounts taken to profit or loss during the year are detailed in note 6.

The fair value of interest rate swaps held by the Company is calculated as the present value of the estimated future cash flows based on observable yield curves. As such, these instruments are measured using Level 2 valuations within the IFRS 13 fair value hierarchy, details of which can be found in note 1. Further details of derivative financial instruments are provided in note 20.

18. Reserves

	Capital reserve £'000	Hedging reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2024	200,000	152,286	45,884	398,170
Gain recognised on cash flow hedges:				
Interest swaps (net of tax)	-	57,120	-	57,120
Profit for the year	-	-	52,368	52,368
Dividends paid	-	-	-	-
At 31 December 2024	200,000	209,406	98,252	507,658
Loss recognised on cash flow hedges:				
Interest swaps (net of tax)	-	(7,705)	-	(7,705)
Profit for the year	-	-	169,667	169,667
Dividends paid	-	-	(111,050)	(111,050)
At 31 December 2025	200,000	201,701	156,869	558,570

18. Reserves (continued)

As at 31 December 2025, the Company had included within 'Hedging reserves', £40,681,000 (2024: £221,739,000) relating to continuing cash flow hedges. Hedging reserves are considered to be non-distributable, therefore, the total reserves distributable to the Company's shareholders are £356,869,000 (2024: £298,252,000).

19. Called up share capital

	31 December 2025 £	31 December 2024 £
Authorised:		
140,000,100 (2024: 140,000,100) Ordinary shares of £1	140,000,100	140,000,100
Issued, called up and fully paid:		
140,000,001 (2024: 140,000,001) Ordinary shares of £1	140,000,001	140,000,001

The Company has one class of £1 ordinary shares which carry no right to fixed income.

20. Financial risk management

The major financial risks associated with the Company's business are market risk, liquidity risk, capital risk and credit risk. The management of these risks is carried out on a group level by the ultimate parent company, Willow Group Holdings Limited (the Group). The Group has established a comprehensive framework for managing these risks which are continually evolving as business activities change in response to market, credit, product and other developments.

Market risk

Market risk is defined as the risk of loss as a result of adverse changes in risk factors including interest rates and foreign exchange.

The Company is not materially exposed to currency risk as nearly all its assets and liabilities are UK based and denominated in pound sterling; there was an insignificant amount of foreign currency transactions during the current and prior years.

Cash flow interest rate risk management

The Company's activities expose it primarily to the financial risks of changes in interest rates. The Company enters into interest rate swaps to mitigate the risk of rising interest rates. The Group's policy is to maintain a minimum fixed rate profile of 75% of its committed senior debt. This is achieved by either issuing fixed rate debt or converting a proportion of its floating rate debt to fixed rate debt. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. Where permissible under IFRS 9, the Group designates these as cash flow hedges of interest rate risk. Swaps previously held within hedging relationships that have been discontinued are assessed on an ongoing basis to be included within new hedge relationships. The Company does not use derivative financial instruments for speculative purpose.

20. Financial risk management (continued)

Market risk (continued)

Cash flow interest rate risk management (continued)

Interest rate swaps issued in pounds sterling with a notional of 802.6m (2024: 998.4m) currently reference SONIA, and are designated as cash flow hedges. An assessment of changes required to these instruments continued during the year. As noted in the accounting policies section, the Company early adopted 'Interest Rate Benchmark Reform – Amendments to IFRS 7, IAS 39 and IFRS 9' in 2019, concluding that a change in the LIBOR interest rate benchmark arrangements would not be considered a modification to the hedging instrument and would not impact the hedge relationship.

Effects of hedge accounting on the financial position and performance

The cumulative effect of the interest rate swaps held in designated relationships on the Company's financial position and performance are as follows:

	2025	2024
	£'000	£'000
Derivative financial instruments - interest rate swaps		
Carrying amount (asset)	18,995	284,597
Carrying amount (liability)	13,403	-
Notional amounts	802,595	998,405
Maturity date	2027 - 2056	2027 - 2056
Hedge ratio *	1:1	1:1
Change in fair value of outstanding hedge instruments since 1 January	23.301	81,166
Change in value of hedge item used to determine hedge effectiveness	24,727	83,703
Weighted average hedged rate for the year	3.7%	1.8%

* the notional profile of the designated interest rate swaps and loans matched on inception, therefore the hedge ratio is 1:1.

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Company enters into interest rate swaps that have similar critical terms as the hedged item, such as reference date, reset dates, payment dates, maturities and notional amounts. Prospective testing is carried out using the cumulative dollar offset method with the hypothetical derivative approach whereby the change in fair value of the hedging instrument is compared to the change in fair value of the hedge item attributable to the hedged risk. Hedge ineffectiveness may occur due to mismatches in critical terms between the hedging instrument and the hedged item such as notional amounts and interest reset frequencies. The lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item is recognised through other comprehensive income, if the effectiveness requirements of IFRS 9 are continued to be met.

The Company does not hedge 100% of its loans, therefore the hedged item is identified as a portion of the outstanding loans up to the notional amount of the swaps that have not been previously included in another hedge designation. As most of the critical terms matched during the year, the Company's economic relationships were highly effective.

20. Financial risk management (continued)

Market risk (continued)

Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating interest rate amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the issued variable rate debt cash flow exposures. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The following tables detail the notional principal amounts and the remaining terms of interest rate swap contracts outstanding as at the reporting date.

Interest rate swap contracts

Derivative Financial instruments - Liabilities

Outstanding receive floating pay fixed rate	Average contracted fixed interest rate 2025	Average contracted fixed interest rate 2024	Notional principal amount 2025 £'000	Notional principal amount 2024 £'000	Fair value liabilities 2025 £'000	Fair value liabilities 2024 £'000
Within 1 year	-	5.09%	-	120,480	-	(134)
Between 1 and 2 years	-	-	-	-	-	-
Between 2 and 5 years	-	-	-	-	-	-
Over 5 years	4.32%	-	954,903	-	(13,403)	-
			954,903	120,480	(13,403)	(134)

Derivative Financial instruments - Assets

Outstanding receive floating pay fixed rate	Average contracted fixed interest rate 2025	Average contracted fixed interest rate 2024	Notional principal amount 2025 £'000	Notional principal amount 2024 £,000	Fair value assets 2025 £'000	Fair value assets 2024 £'000
Within 1 year	-	5.09	-	120,480	-	134
Between 2 and 5 years	2.35	1.45	55,000	324,573	1,991	22,995
Over 5 years	3.80	2.05	189,381	1,176,622	18,995	307,017
			244,381	1,621,675	20,986	330,146

The interest rate swaps were settled on a 3 and 6 monthly basis using 1, 3 and 6 month GBP SONIA respectively. The Company settles the difference between the fixed and floating interest on a net basis.

20. Financial risk management (continued)

Derivative Financial instruments - Assets (continued)

Interest rate swaps that exchange fixed rate interest amounts for floating rate interest amounts reduce the Company's cash flow exposure resulting from variable interest rates on borrowings. During the year, the interest rate swap payments were settled every 3 and 6 months with loan interest payments settled monthly and quarterly as eligible under the Senior Facilities Agreement 2018 (restated).

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivatives instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 1% increase or decrease is used as it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's:

- Profit/(loss) for the year ended 31 December 2025 would increase by £29,494,000 (2024: £27,305,000) and decrease by £29,494,000 (2024: £27,305,000) mainly as a result of the changes in fair value of fixed rate instruments no longer in hedge relationships.
- Cash flow hedge reserves current surplus would decrease by £147,384,000 (2024: £87,793,000) and increase by £147,384,000 (2024: £87,793,000) respectively mainly as a result of the changes in fair value of fixed rate instruments.

The increase/decrease in sensitivity for Company profit mostly relates to interest rate swap contracts that are no longer meeting the requirement for cash flow hedge accounting. This is expected to be short term in nature as they form part of the Company's medium to long term funding strategy.

Capital risk management

The Company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings as disclosed in notes 18 and 19.

Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers or counterparties to meet their obligations.
The Company's principal financial assets are finance lease receivables, derivative instruments, cash and cash equivalents, trade and other receivables and loans receivable, owed by other members of the Group. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk and its guarantees as disclosed in note 16.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are other Group companies and banks with high credit ratings assigned by international credit-rating agencies. For derivative financial instruments refer to note 17.

The credit risk on group undertakings is limited because the undertakings are solvent, under common control and the directors are confident of them continuing as going concerns. The credit on group undertakings is not past due.

Loan Ratio

The key performance indicator that the directors consider is the ratio of loan and lease receivables to loans payable. The loan ratio in 2025 was 1.12 (2024: 1.05). A target ratio of below 1.20 is considered by the directors to be an efficient utilisation of group funding by the Company.

20. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due.

Liquidity management within the Company focuses on both overall balance sheet structure and control, within prudent limits, of risk arising from the mismatching of maturities across the balance sheet. For loans payable refer to note 15. For trade and other payables refer to note 13.

(a) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the financial year:

	2025	2024
	£'000	£'000
Floating rate		
Expiring beyond one year (senior facilities and notes)	500,000	470,000

The Company has an upper drawdown limit on the senior revolving credit facility of £500,000,000 (2024: £500,000,000) of which £500,000,000 was undrawn as at 31 December 2025 (31 December 2024: £470,000,000).

(b) Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts included in the table are the contractual undiscounted cash flows, except for net settled derivative financial instruments, which are included at their fair value. As a result, these amounts do not reconcile to the amounts disclosed on the balance sheet except for trade and other payables where discounting is not applied.

	Within one year	Between one and two years	Between two and five years	Over five years	Total
2025	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Trade and other payables (excluding non-financial liabilities)	69,951	-	-	-	69,951
Loans payable external	194,719	585,249	936,541	670,304	2,386,813
Interest payable on external loans	106,538	94,246	178,967	69,171	448,922
Loans from group undertakings	-	322,273	-	-	322,273
Derivative financial instruments	-	-	-	13,403	13,403
Interest payable on loans from group undertakings	19,010	-	-	-	19,010
Total	**390,218**	**1,001,768**	**1,115,508**	**752,878**	**3,260,372**

20. Financial risk management (continued)

Liquidity risk (continued)

	Within one year	Between one and two years	Between two and five years	Over five years	Total
2025	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
2024					
Trade and other payables (excluding non-financial liabilities)	107,507	-	-	-	107,507
Loans payables external	112,572	194,719	1,209,610	982,484	2,499,385
Interest Payable on external loans	121,528	111,904	236,872	117,598	587,902
Loans from group undertaking	-	294,647	-	-	294,647
Derivative financial instruments	134	-	-	-	134
Interest payable on loans from group undertakings	14,442	-	-	-	14,442
Total	**356,183**	**601,270**	**1,446,482**	**1,100,082**	**3,504,017**

At year end, the Company had access to undrawn borrowing facilities of £500,000,000 (2024: £470,000,000) .

21. Parent companies

The Company's immediate parent company and parent undertaking of the smallest group of undertakings to consolidate these financial statements is Angel Trains Group Limited. The registered office and address where consolidated financial statements can be obtained from is 2nd Floor Gaspe House, 66 - 72 Esplanade, St Helier, JE1 1GH, Jersey.

The Company's ultimate parent of the largest group into which the Company is consolidated is Willow Group Holdings Limited (acquired Willow Topco Limited and its subsidiaries on 14 November 2024), which is incorporated and registered in Jersey. The registered office is 2nd Floor Gaspe House, 66 - 72 Esplanade, St Helier, JE1 1GH, Jersey.

22.Dividends

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2025	Year ended 31 December 2024
	Pence per share	Pence per share	£'000	£'000
Dividends	79.32	0	111,050	-

Interim dividends of £111,050,000 (2024: £nil) were paid by the Company during the year to 31 December 2025.

23. Related party transactions

In addition to the subsidiary listed in note 12 and parent companies listed in note 21, the Company has related party relationships with the directors and the following Group entities:

Willow Group Midco Limited *
Willow Group Limited *
Willow Topco Limited *
Willow International Limited *
Willow Europe Holdco 1 DAC ******
Willow Europe Holdco 2 DAC ******
Angel Trains Europe DAC ******
Angel Trains Holdings Limited *
Angel Trains Rolling Stock Limited *
Angel Trains Group Limited **
Willow Holdco 1 Limited *
Willow Holdco 2 Limited *
Angel Infrastructure Limited **
Angel Trains Limited **
Angel Trains Consulting Limited **
Angel Locomotive Leasing Limited **
Readypower Group Limited ***
Readypower Rail Services Limited ***
Readypower Terrawise Limited ***
Readypower Complete Drain Clearance Limited ***
Force One Limited ***
Jamie-Lee Cooper Limited (Dissolved 4 June 2025) ***
Readypower Canada Limited ****
Total Rail Solutions Limited (Entered liquidation 17 November 2025)***
Mithras Rail Holdings Limited **
Cambrian Rail Leasing No. 1 Limited **
Cambrian Rail Leasing No. 2 Limited **
Valley Rail Leasing No 1 Limited **
Valley Rail Leasing No 2 Limited **
Cambrian Rail Partnership No.1 LLP ****
Cambrian Rail Partnership No.2 LLP ****
Valley Rail Partnership No.1 LLP ****
Valley Rail Partnership No.2 LLP ****
Caledonian Rail Leasing Limited **
345 Rail Leasing Limited ****
London Rail Leasing Limited **

* The registered office is 2nd Floor Gaspe House, 66 - 72 Esplanade, St Helier, JE1 1GH, Jersey.
** The registered office is 123 Victoria Street, London, SW1E 6DE.
*** The registered office is Unit 620, Wharfedale Road, Winnersh, Wokingham, England, RG41 5TP.
**** The registered office is 3rd Floor (South), 200 Aldersgate Street, London, EC1A 4HD.
***** The registered office is 22 Adelaide St. W., Ste. 3600, Toronto, Ontario, Canada, M5H 4E3.
****** The registered office is The Greenway-suite 307, The Greenway, Ardilaun Court (Block C), St Stephens Green, Dublin 2, Ireland.

23. Related party transactions (continued)

Director's emoluments

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Aggregate emoluments	160	-

The directors are directors of the Company as well as other subsidiaries within the Group. In prior years, it was not possible to make an accurate apportionment of the director's remuneration in respect of each of the subsidiaries and no recharge was made to the Company.

During the year, the Group has implemented a measure to apportion director's remuneration hence Directors received remuneration for their services to the Company. The remuneration of the directors is paid by another entity within the Group, Angel Trains Limited, which made a recharge to the Company during the year.

The Company itself has no employees (2024: nil).

Highest paid director

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Total emoluments and amounts (excluding shares) receivable under deferred payment incentive plan.	268	-

The Company's highest paid director's total remuneration includes an element of the deferred payment incentive plan of £148,000 (2024: £nil). The deferred payment incentive plan is borne by another entity within the Group, Angel Trains Limited .

Trading transactions

During the year, the Company had the following transactions with related parties:

	Income /Interest received	Purchases /Interest paid	Amounts owed from related parties	Amounts owed to related parties
Accounts with	**£'000**	**£'000**	**£'000**	**£'000**
2025				
Parent	88,211	18,417	1,487,138	65,377
Fellow Subsidiaries	224,193	14,631	1,716,540	322,456
Total	312,404	33,048	3,203,678	387,833
2024				
Parent	76,057	3,762	1,483,374	90,341
Fellow Subsidiaries	107,326	11,901	1,660,194	294,646
Total	183,383	15,663	3,143,568	384,987

24. Non-cash transactions

During the year, the Company entered into the following non-cash investing and financing activities which are not reflected in the Statement of Cash Flows.

- The Company received interest of £133,655,000 by way of increasing loans receivable by £133,655,000. (2024: £112,528,000).
- The Company paid interest of £1,159,000 by way of increasing loans payable by £1,159,000. (2024: £2,155,000).

25. Correction of classifications and offsetting in Cash Flow Statement

During the year, management performed a detailed review of the classification and presentation of certain cash flow statement line items to ensure compliance with IFRS and to enhance the clarity of disclosures. This review identified prior year offsetting errors and presentational matters. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, these matters have been corrected retrospectively, and comparative figures have been restated as set out below.

	Year ended 31 December 2024 (Restated)	Year ended 31 December 2024 As previously Stated
	£'000	£'000
Cash flows from operating activities		
Interest Paid	(139,620)	(101,266)
Swap Interest Received	38,354	-
Issue of new loans to group companies	(382,626)	-
Repayment of amounts borrowed to group companies	189,442	-
Cash flows from investing activities		
Issue of new loans to group companies	-	(382,626)
Repayment of amounts borrowed to group companies	-	189,442

Interest received relating to the Company's interest rate swaps of £38,354,000, which was previously netted against interest paid, is now presented on a separate line. This representation had no impact on net operating cash flows.

New loans advanced to group companies and repayments of amounts borrowed from group companies, which were previously classified within investing activities, have been reclassified to operating activities. The net impact of this reclassification is (£382,626,000) and £189,442,000 respectively from investing activities to operating activities.

26. Reconciliation of liabilities arising from financing activities

	Loans Payable (Note 15)	Derivative financial instruments (Note 17)	Total
	£'000	£'000	£'000
At 1 January 2024	2,552,626	2,727	2,555,353
Financing cashflows	217,290	-	217,290
Non-cash changes	10,544	(2,593)	7,951
At 31 December 2024	2,780,460	134	2,780,594
Financing cashflows	(189,900)	-	(189,900)
Non-cash changes	107,277	13,269	120,546
At 31 December 2025	2,697,837	13,403	2,711,240

'Non- cash changes' include amortisation of financing costs to profit and loss during the year.

27. Events after the balance sheet date

There have been no significant events between the year end and the date of approval of the financial statements which would require a change or an additional disclosure in the financial statements.