

SOLAR FUNDING II LIMITED

Annual Report and Financial Statements

For the year ended 31 October 2025

Annual Report and Financial Statements 2025

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Annual Report and Financial Statements 2025

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

John Pendergast
Jane Stammers
Elizabeth Casely

SECRETARY

Apex Financial Services (Secretaries) Limited
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JE1 1ST
Channel Islands

REGISTERED OFFICE

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ADVOCATE

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TRUSTEE

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
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ADVISER

NatWest Markets plc
250 Bishopsgate
London
EC2M 4AA
United Kingdom

AUDITOR

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY
United Kingdom

DIRECTORS' REPORT

The Directors present the annual report and the audited financial statements of Solar Funding II Limited (the "Company") for the year ended 31 October 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company was incorporated in Jersey on 13 May 2002 as a private Company and then re-registered as a public Company on 13 December 2002.

The Company was established as a special purpose vehicle and participates in a US\$10bn Secured asset-backed Medium Term Note Programme.

There has been no change in the activities of the Company during the year and no significant change is expected in the future.

The Company facilitates repackaging transactions by issuing Notes listed on LSE, acquiring underlying assets and entering into and performing the agreements to which it is or may become party. At the date of this report, the Company had issued twenty series of Notes (2024: twenty) of which eight (2024: eight) series remain in issue. One series is still collateralised by underlying debt assets (2024: two), with the remainder being backed solely by derivative financial instruments. The Company is principally funded by third party investors who purchased the Notes. Upon the maturity of the Notes or an event leading to the repurchase/redemption of the Notes, the collateral will be unwound to pay the maturity proceeds or repurchase/redemption amount. The third party investors bear all the risks and returns of the Notes and there is no recourse to the other assets of the Company. The Company acts as conduit to facilitate each transaction.

NatWest Markets plc has provided a liquidity facility under the terms of a Loan Agreement dated 13 December 2002, as subsequently amended (the "Loan Agreement"), with the maximum amount being permitted to be drawn under this facility being increased from \$814,000 to \$1,003,600 on 23 December 2025. At the balance sheet reporting date, \$814,000 (2024: \$643,000) had been drawn. On 30 December 2025, an additional advance of \$202,000 was provided to the Company by NatWest Markets plc under the Loan Agreement.

The key performance indicator for the Company is the total assets. The Company has total assets as at the reporting date of \$16,650,000 (2024: \$16,492,000).

GOING CONCERN

The Directors believe that the Company is risk neutral and, as a consequence of the terms of the various transaction documents governing the structures, will always be able to meet its obligations on the Notes as they fall due.

The Company's statement of financial position as at 31 October 2025 showed a deficit in Equity Shareholders' Funds of \$1,048,000 (2024: \$854,000). However, it should be noted that amounts drawn under the loan facility from NatWest Markets plc are repayable only from the credit balance, if any, on the Expense Reserve Account. Consequently, any shortfall in the Company's funds will be borne by NatWest Markets plc up to the amount drawn down under the Loan Agreement. In addition, NatWest Markets plc has no right under the Loan Agreement to petition for the commencement of insolvency proceedings against the Company whilst the Notes of any Series are outstanding and in any event until the date falling one year and one day after the date on which the last Notes have matured.

Considering the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period which is in excess of 12 months from when the financial statements are authorised for issue. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

RESULTS AND DIVIDENDS

The loss for the year ended 31 October 2025 is \$158,000 (2024:\$147,000) is shown on page 11 of the financial statements. The loss for the year will be transferred to reserves.

No dividends were declared or paid from the Company during the period (2024: \$NIL) and the Directors do not propose a final dividend (2024: \$NIL).

DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors acknowledge that global macro-economic indicators and the general business environment have remained challenging, both in 2024 and 2025. The outlook for the global economy has many uncertainties including high inflation, there are signs of interest rate peaking after an extended period of increase and supply chain disruption, changes to monetary and fiscal policy, and the impact of armed conflict (in particular the Russian invasion of Ukraine and Israel-Gaza Middle East conflicts). These conditions could be worsened by a number of factors including instability in the global financial system, market volatility, fluctuations in the value of Dollar and other major currencies, volatility in commodity prices and/or an escalation or commencement of one or more armed conflicts and/or trade wars.

The principal risks facing the Company are liquidity risk, interest rate risk, currency risk and credit risk. The Company has policies in place to mitigate these risks. Refer to note 14 of the Financial Statements for details.

CREDITORS PAYMENT POLICY

The Company's policy concerning payment of its creditors is to pay in accordance with its contractual and other legal obligations. Due to the nature of the business, the main creditors are the Note holders. Principal and interest are repaid in accordance with the agreements in place. The Company does not follow any other code or standard on payment practice.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

An audit committee is not appointed for the Company as the sole business of the Company is to act as the issuer of asset-backed securities. The entity is set up as a bankruptcy remote special purpose vehicle and is owned by a charitable trust with professional Directors provided by Apex Group Fiduciary Services Limited and its affiliates. Oversight of risk management is performed by NatWest Markets plc in their capacity as arranger and dealers of the transactions. Interest rate, credit and currency risk are materially hedged as the Company issues Notes that are funded fully by third party investors and uses derivatives to offset any exposure. Oversight of the financial reporting and disclosure process is managed by NatWest Markets plc. Apex Financial Services (Secretaries) Limited and its affiliates have oversight of appointment, performance and independence of the external audit function.

DIRECTORS AND THEIR INTERESTS

The present Directors, who have served throughout the period are listed on page 1.

None of the Directors had any interests in the Company at any time during this year (2024: \$Nil).

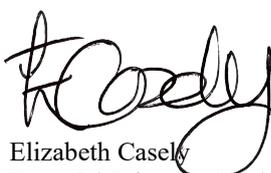
EMPLOYEES

The Company has no employees. Apex Financial Services (Secretaries) Limited performs the Company's secretarial function.

AUDITOR

NatWest Group plc intends to recommend the appointment of PricewaterhouseCoopers LLP ("PwC") as auditor for shareholder approval at its Annual General Meeting in April 2026. Subject to shareholder approval, PwC will be appointed as NatWest Group's auditor for the financial period ending 31 December 2026. This follows the completion of a competitive tender process, overseen by the Group Audit Committee. Ernst & Young LLP ("EY") has been the Group's auditor since 2016 and is currently undertaking the audit of the Company for the financial year ended 31 October 2025. This will be EY's last period of audit as they have not been reappointed as auditors. NatWest Group's management will work with EY & PwC to enable a smooth transition.

Signed on behalf of the Board of Directors:


Elizabeth Casely
Date: 26 February 2026

DIRECTORS' RESPONSIBILITIES STATEMENT

The Company's Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Companies (Jersey) Law 1991, requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union ("EU"). In preparing these financial statements the Directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

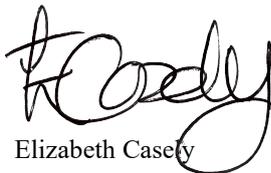
The Directors confirm that they have complied with all the above requirements throughout the year and subsequently.

STATEMENT OF PERSONS RESPONSIBLE WITHIN THE ISSUER

In accordance with Disclosure Guidance and transparency rules ("DTR") 4.1.12R, each of the Directors, whose names and functions are listed on page 1, confirms to the best of that Director's knowledge and belief:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the annual report taken as a whole includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

Signed on behalf of the Board of Directors



Elizabeth Casey

Date: 26 February 2026

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS SOLAR FUNDING II LIMITED

Opinion

We have audited the financial statements of Solar Funding II Limited (the “company”) for the year ended 31 October 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union (IFRS).

In our opinion, the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 October 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the company’s ability to continue to adopt the going concern basis of accounting included.

- Obtaining an understanding of the risks to which the company is exposed, considering the limited recourse nature of the structure whereby any risks on the assets are supported by the bond holders.
- Assessing the impact of the derivative instruments which mitigate the financial risks for the company.
- Obtaining confirmation of the subordinated loan from NatWest Markets which provides funding to the company.
- Obtaining a letter from NatWest Markets Plc confirming to provide financial and operational support for the company and evaluating NatWest Markets Plc has sufficient funds to comply with the commitment.
- Reviewing the director’s going concern assessment, including their analysis of market volatility, in order to assess whether the disclosures were appropriate and in conformity with the accounting standard.

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 to 26 February 2027 or 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company’s ability to continue as a going concern.

Overview of our audit approach

Key audit matters	<ul style="list-style-type: none">• Valuation of financial instruments where there is limited pricing information or where the valuation is determined using a complex valuation model• Improper revenue recognition
Materiality	<ul style="list-style-type: none">• Overall materiality of \$167k which represents 1% of total assets.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS SOLAR FUNDING II LIMITED

An overview of the scope of our audit

Tailoring the scope

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

Changes from the prior year

There were no changes to the scope of our audit compared to the prior year.

Climate change

The company has determined there is no material impact from climate change known about now or that could arise in the future.

In planning and performing our audit we assessed the potential impacts of climate change on the company’s business and any consequential material impact on its financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on performing our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

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

Key audit matters

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

Risk	Our response to the risk	Key observations communicated to those charged with governance
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<p>Valuation of financial instruments where there is limited pricing information or where the valuation is determined using a complex valuation model</p> <p><i>Refer to the Accounting policies (page 14-16); and Note 7, 8, 9 and 14 of the Financial Statements (page 18 to 21; 23 to 26)</i></p> <p>We consider inappropriate valuation of financial instruments held at fair value as a fraud risk due to the level of management judgement involved in the selection of valuation techniques/models and relevant inputs. Based on our assessment, we identified the</p>	<p>We performed a walkthrough to confirm our understanding of the company’s process and controls in relation to the valuation of financial instruments with higher risk characteristics and related income recognition. However, we did not rely on controls and applied a fully substantive approach to our audit due to the limited number of transactions in the company in the year ended 31 October 2025.</p> <p>We involved our valuation and modelling specialists to:</p> <ul style="list-style-type: none"> ○ Independently re-value investments in debt securities 	<p>Based on the procedures that we have performed, we conclude that the valuation of financial instruments is fairly stated in all material respects.</p>
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INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS SOLAR FUNDING II LIMITED

<p>following instruments with higher risk characteristics:</p> <ul style="list-style-type: none"> ○ Investments in debt securities (\$3.8m as at 31 October 2025 and \$3.7m as at 31 October 2024) where there is limited observable pricing information in active market available ○ Debt securities issued (\$16m as at 31 October 2025 and \$15.6m as at 31 October 2024) where there is limited observable pricing information in active market available ○ Complex interest rate derivative financial instruments where the interest rate is reset periodically with reference to a market swap rate (net value of \$12m as at 31 October 2025 and \$9m as at 31 October 2024) <p>Our assessment of the risk associated with the issue did not change compared to previous year as there were no significant changes in the company’s activities.</p>	<ul style="list-style-type: none"> using prices of comparable positions and other data points ○ and assess the appropriateness of the valuation methodology used; ○ Assess the appropriateness of the methodology used to determine the fair value of debt securities issued; ○ Independently re-value the complex interest rate derivatives using independent data and quantitative models and assess the appropriateness of the valuation methodology used. <p>We tested the reasonableness of the valuation of debt securities issued with reference to valuation of investments in debt securities and derivative financial instruments and recalculated change in fair value of the financial instruments.</p> <p>We evaluated the adequacy of the related disclosures in the financial statements.</p>	
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<p>Improper revenue recognition</p> <p>As per the Statement of Comprehensive income on page 11 and note 1 on page 14 of the financial statements, the company reported interest income \$1,321k and nil unrealised profit for the year ended 31 October 2025 (2024: \$1,468k and nil).</p> <p>Interest income is calculated manually based on projected cash flows of financial assets and therefore could be manipulated by management. If the methodology of interest calculation is not appropriate or applied incorrectly, this would lead to a risk of incorrect revenue recognition.</p>	<p>We performed a walkthrough to confirm our understanding of the company’s process and controls in respect of payment assumptions in the models used to calculate interest income and net unrealised profit. However, we apply a fully substantive audit approach due to the limited number of transactions in the company in the year ended 31 October 2025.</p> <p>We independently recalculated interest income for the year and inspected bank statements to confirm interest payments received during the year.</p> <p>We independently recalculated change in fair value for each financial instrument based on the</p>	<p>Based on the procedures we have performed, we conclude that revenue is fairly stated in the financial statements for the year ended 31 October 2025.</p>
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS SOLAR FUNDING II LIMITED

Management could also manipulate calculation of change in fair value on financial instruments due to the level of judgement involved in valuation of financial instruments. We consider the risk of improper revenue recognition to be a fraud risk.	independently revalued financial instruments balances.	
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Our application of materiality

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

Materiality

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

We determined materiality for the company to be \$167 k (2024: \$165k), which is 1% (2024: 1%) of total assets. We believe that use of total assets represents the key focus for the users of the financial statements, being the investors who hold the notes issued by the company, are focused on the valuation of the underlying assets that form main source for debt issued repayment. We therefore considered total assets to be the most appropriate basis for determination of our materiality.

During the course of our audit, we reassessed initial materiality and did not apply significant changes to the materiality calculation.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 50% (2024: 50%) of our planning materiality, namely \$84k (2024: \$83k). We have set performance materiality at this percentage due to various considerations including the risk factors identified.

Reporting threshold

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

We agreed with the those charged with governance that we would report to them all uncorrected audit differences in excess of \$8k (2024: \$8k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS SOLAR FUNDING II LIMITED

Other information

The other information comprises the information included in the annual report set out on pages 2-4, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud.. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS SOLAR FUNDING II LIMITED

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are
 - Companies (Jersey) Law 1991
 - Taxation (Companies – Economic Substance) (Jersey) Law 2019
 - Listing rules of the exchanges where the debt securities issued are listed (London Stock Exchange, The International Stock Exchange)
 - International Financial Reporting Standards as adopted by the European Union
- We understood how Solar Funding II Limited is complying with those frameworks by inquiring with directors as to any known instances of non-compliance or suspected non-compliance with laws and regulations. We reviewed the minutes of the Board Committee meetings;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiring of key management as well as reviewing correspondence with the relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the valuation of financial instruments held at fair value, its reasonableness and related income recognition to be a fraud risk. We also performed substantive testing in response to the risk of fraud identified, as detailed in the key audit matters section above. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud and error.;

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

Other matters we are required to address

- Following the recommendation from those charged with governance, we were appointed by the company on 16 December 2021 to audit the financial statements for the year ending 31 October 2021 and subsequent financial periods. We were appointed as auditors by directors of the entity and signed an engagement letter on 16 December 2021 and subsequently signed revised agreement letter on 14th January 2025

The period of total uninterrupted engagement including previous renewals and reappointments is 10 years, covering the years ending 31 October 2016 to 31 October 2025.

- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.
- The audit opinion is consistent with the additional report to those charged with governance.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

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Hitesh Patel
for and on behalf of Ernst & Young LLP
London
27 February 2026

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 October 2025

	Notes	2025 \$'000	2024 \$'000
Interest income	3	1,321	1,468
Interest expense	4	(1,366)	(1,515)
Net interest expense		(45)	(47)
Change in fair value on debt securities owned	7	(189)	(13)
Change in fair value on debt securities issued	9	80	(1,281)
Change in fair value on derivatives	8	109	1,294
Net unrealised profit/loss		-	-
Net loss		(45)	(47)
Fees received		28	27
Administrative expenses	5	(141)	(127)
Loss for the year		(158)	(147)
Other comprehensive loss			
Exchange differences effect of translation to the presentation currency		(36)	(36)
Total comprehensive loss for the year		(194)	(183)

The accompanying notes on pages 14 to 27 are an integral part of these financial statements.

The results above for the current and prior year arose wholly from continuing operations.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 October 2025

	Share capital \$'000	Foreign currency reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 November 2023	-	119	(790)	(671)
Loss for the year	-	-	(147)	(147)
Other comprehensive loss	-	(36)	-	(36)
Balance at 31 October 2024	-	83	(937)	(854)
Loss for the year	-	-	(158)	(158)
Other comprehensive loss	-	(36)	-	(36)
Balance at 31 October 2025	-	47	(1,095)	(1,048)

STATEMENT OF FINANCIAL POSITION
As at 31 October 2025

	Notes	2025 \$'000	2024 \$'000
NON-CURRENT ASSETS			
Derivative financial instruments	8	12,615	9,648
Investments in debt securities	7	3,835	3,757
		16,450	13,405
CURRENT ASSETS			
Prepayments		29	28
Accrued interest receivable		129	165
Investments in debt securities	7	-	2,829
Cash and cash equivalents		42	65
		200	3,087
TOTAL ASSETS		16,650	16,492
CURRENT LIABILITIES			
Accrued fees payable		85	75
Deferred fee income		23	23
Accrued interest payable		129	165
Debt securities issued	9	428	407
Amounts due to group company		814	643
		1,479	1,313
NON-CURRENT LIABILITIES			
Debt securities issued	9	15,597	15,232
Derivative financial instruments	8	425	595
Deferred fee income		197	206
		16,219	16,033
TOTAL LIABILITIES		17,698	17,346
EQUITY			
Called up share capital	10	-	-
Foreign currency reserves	11	47	83
Retained earnings	12	(1,095)	(937)
EQUITY SHAREHOLDERS' FUNDS		(1,048)	(854)

The accompanying notes on page 14 to 27 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue (Registered in Jersey No. 83117) on 26 February 2026.

Signed on behalf of the Board of Directors:



John Pendergast

CASH FLOW STATEMENT
For the year ended 31 October 2025

	Notes	2025 \$'000	2024 \$'000
Operating Activities			
Net cash outflow from operations			
Loss from operations		(158)	(147)
Adjusted for:			
Non-cash items and other items	13	-	-
Changes in other assets and liabilities	13	(36)	(44)
Net cash used in operating activities		<u>(194)</u>	<u>(191)</u>
Investing activities			
Proceeds on redemption of debt securities	7	2,941	-
Net Cash from investing activities		<u>2,941</u>	<u>-</u>
Financing activities			
Payments on redemption of debt securities issued	9	(486)	(517)
Swap principal receipts/(payments)	8	(2,455)	517
Proceeds from liquidity facility		158	-
Net cash from financing activities		<u>(2,783)</u>	<u>-</u>
Net cash (outflow)/ inflow for the year		<u>(36)</u>	<u>(191)</u>
Cash and cash equivalents at the beginning of the year		65	219
Exchange differences effect of translation to the presentation currency		13	37
Cash and cash equivalents at the end of the year		<u><u>42</u></u>	<u><u>65</u></u>

Supplemental information on operational cash flows

Interest received	1,357	1,450
Interest paid	(1,403)	(1,499)

The accompanying notes on page 14 to 27 are an integral part of these financial statements.

ANALYSIS OF CHANGE IN NET DEBT	Liquidity Facility	Derivative Instruments	Debt Securities issued
	\$'000	\$'000	\$'000
	Opening balance as at 1 November 2024	643	9,053
Cash movement	158	2,455	(486)
Non cash movement (Note 8 and Note 9)	13	682	872
Closing balance as at 31 October 2025	<u>814</u>	<u>12,190</u>	<u>16,025</u>
ANALYSIS OF CHANGE IN NET DEBT	Liquidity Facility	Derivative Instruments	Debt Securities issued
	\$'000	\$'000	\$'000
	Opening balance as at 1 November 2023	606	8,057
Cash movement	-	(517)	(517)
Non-cash movement (Note 8 and Note 9)	37	1,519	1,686
Closing balance as at 31 October 2024	<u>643</u>	<u>9,053</u>	<u>15,639</u>

NOTES TO THE ACCOUNTS

For the year ended 31 October 2025

1. ACCOUNTING POLICIES

General information

Solar Funding II Limited is a company incorporated in Jersey under the Companies (Jersey) Law 1991. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and interpretations issued by the IFRS Interpretations Committee of the IASB as adopted by the EU (together IFRS) and on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value through profit or loss
- Financial liabilities are measured at fair value through profit or loss
- Financial assets measured at fair value through profit or loss

The Directors have assessed the impact, or potential impact, of the issued accounting requirements. The issued but not yet effective IFRS have not been applied and that they are not expected to have a material impact on the Company when they are applied.

Any changes to IFRS that were effective from 1 November 2024 have had no material effect on the Company's financial statements for the year ended 31 October 2025.

The financial instruments namely Debt securities, derivative instruments and debt securities in issue were measured at fair value and continued to be measured at fair value.

Due to the fact that the nature of the business is to participate in the issuance of secured asset-backed medium-term notes, the directors are of the opinion that it is more appropriate to use interest income and expense than turnover and cost of sales in preparing the statement of comprehensive income.

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

Basis of accounting – going concern

The Company's business activities, performance and position, as well as principal risks and uncertainties are set out in the Directors' Report on page 2. In addition, note 14 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The Directors believe that the Company is risk neutral and, as a consequence of the terms of the various transaction documents governing the structures, will always be able to meet its obligations on the Notes as they fall due. The Notes are collateralised by various underlying fixed and variable rate assets for related series. The Company is funded by third party investors who purchase the Notes. Upon the maturity of the Notes or an event leading to the repurchase of the Notes, the assets will be unwound to repay the investors' funding. The third-party investors bear all the risks and returns of the Notes and there is limited recourse to the Company. As at the reporting date, NatWest Markets plc had provided a liquidity facility of up to \$814,000. At the reporting date, \$814,000 (2024: \$643,000) had been drawn, the majority of the proceeds of which are held as cash at year-end in order to meet future expenses if required.

With this in consideration, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

NOTES TO THE ACCOUNTS

For the year ended 31 October 2025

1. ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense, in particular the fair values of financial instruments designated at fair value through profit and loss. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements on carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates used in the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. No sensitivity analysis has been prepared as the Company does not have a material exposure to interest and/or currency risk.

The Company makes use of reasonable and supportable information to make accounting judgments and estimates. This may include information about the observable effects of the physical and transition risks of climate change, if such risks were to be relevant to the Company; however, in the Directors' opinion, no such risks are currently relevant to the Company. Many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty, and have limited effect on accounting judgments and estimates for the current period. Some physical and transition risks can manifest in the shorter term.

Currency translation

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the reporting currency at the rates of exchange ruling at the reporting date. Profits and losses arising from foreign currency

Presentation and functional currencies

The financial statements have been presented in United States dollars (\$) as the Company participates in a US dollar secured asset-backed medium-term Note programme. The functional currency is Euros since the majority of transactions are denominated in Euros.

Interest income and interest expense

Interest income on financial instruments held at fair value is recognised in the statement of comprehensive income on an accruals basis. Interest expense on interest bearing debt securities issued and held at fair value is recognised on an accruals basis using contractual interest rate and the interest on liquidity facility is recognised in the statement of comprehensive income using the effective interest rate method, as the liability is measured at the amortised cost.

Interest income and interest expense on financial instruments held at fair value are presented separately from the fair value movements on those financial instruments in the statement of comprehensive income. In addition accrued interest income and expense on these instruments are presented on separate lines in the statement of financial position to the carrying value of those financial instruments.

Fee expenses

Fee expenses include legal, administration, advisory and audit fees. Fee expenses are accounted for on an accruals basis.

Deferred Fee income

Deferred income represents issuance fees received from bondholders at the inception of the Notes. These fees are recognised in profit or loss in accrual basis over the contractual term of the Notes. The balance unwinds to nil at maturity.

NOTES TO THE ACCOUNTS

For the year ended 31 October 2025

1. ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks together with short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Financial instruments

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

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Net realised gains and losses on the sale, transfer, discharge, cancellation or expiry of positions are determined on a realisation basis and are included in the Statement of Comprehensive Income for the period in which they arise. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Investments in debt securities

Investments in debt securities are held by the Company with the intention to use them on a continuing basis in the Company's activities. The investments in debt securities were designated and are accounted for at fair value through profit or loss to reduce the accounting mismatch that arises due to measuring derivative instruments at fair value. Fair values have been calculated based on available market prices, or where these are not available, by discounting cash flows at prevailing interest rates.

Debt securities issued

Debt securities issued were designated and are accounted for at fair value through profit or loss to reduce the accounting mismatch that arises due to measuring derivative instruments at fair value. Fair values have been calculated based on available market prices, or where these are not available, by discounting cash flows at prevailing interest rates.

Derivative instruments

The Company does not enter into speculative derivative contracts. Derivative instruments are used for hedging purposes to alter the risk profile of an underlying exposure of the Company in line with the Company's risk management policy (refer to note 14). Derivative financial instruments are recorded at fair value, with any gain or loss on re-measurement being recognised in the statement of comprehensive income. The fair value of interest rate swaps is the estimated amount that the Company would receive or pay to transfer the swap at the reporting date, and is based upon discounted cash flows. The derivatives are structured in a way that results in the operating profit being nil at each reporting date.

Liquidity facility

The loan from NatWest Markets plc (the "Loan Facility") is repayable only from the credit balance, if any, on the Expense Reserve Account. Consequently, any shortfall in the Company's funds will be borne by NatWest Markets plc up to the amount drawn down under this facility. In addition, NatWest Markets plc has no right under the Loan Facility to petition for the commencement of insolvency proceedings against the Company whilst the Notes of any Series are outstanding and in any event until the date falling one year and one day after the date on which the last Notes have matured. The liquidity facility is measured at amortised cost in the statement of financial position.

Segmental reporting

The Directors have determined that the Company has only one reportable operating segment: acquiring of fixed and variable rate assets which are funded by Notes issued. The Directors do not consider it necessary to provide a further analysis of the results of the Company from those already disclosed in these financial statements, in particular note 14 contains additional information about the geographical concentrations and assets held.

NOTES TO THE ACCOUNTS
For the year ended 31 October 2025

2. DIRECTORS AND EMPLOYEES

None of the Directors received any emoluments for their services to the Company during the period (2024: \$nil). The Directors had no interest in any contracts in relation to the business of the Company at any time during the period (2024: \$nil). The Company does not have any employees (2024: none).

3. INTEREST INCOME

	2025	2024
	\$'000	\$'000
Debt Securities	361	388
Derivatives	960	1,080
Total Interest Income	<u>1,321</u>	<u>1,468</u>

4. INTEREST EXPENSE

	2025	2024
	\$'000	\$'000
Debt Securities in issue	713	746
Derivatives	608	722
Liquidity facility	45	47
Total Interest Expense	<u>1,366</u>	<u>1,515</u>

5. ADMINISTRATIVE EXPENSES

	2025	2024
	\$'000	\$'000
Auditor's remuneration for the audit of the Company's accounts	95	88
Other expenses	46	39
Total expenses	<u>141</u>	<u>127</u>

6. TAX

The Company is registered in Jersey, Channel Islands as an income tax paying company. The general standard rate of income tax for companies resident in Jersey (such as the Company) is 0% for the current period of assessment (2024:0%).

NOTES TO THE ACCOUNTS
For the year ended 31 October 2025

7. INVESTMENTS IN FINANCIAL ASSETS

Debt securities held at fair value

	2025	2024
	\$'000	\$'000
Fair value at beginning of year	6,586	6,419
Principal-Repayments	(2,941)	-
Change in value	(189)	(13)
Foreign exchange movement	379	180
	<u>3,835</u>	<u>6,586</u>
Fair value at end of year	<u>3,835</u>	<u>6,586</u>
Expected to be realised in less than one year	-	2,829
Expected to be realised in greater than one year	3,835	3,757
Fair value at end of year	<u>3,835</u>	<u>6,586</u>
Government related	-	2,829
Bank and building society bonds	3,835	3,757
	<u>3,835</u>	<u>6,586</u>
Listed on Madrid Stock Exchange	-	2,829
Unlisted	3,835	3,757
	<u>3,835</u>	<u>6,586</u>

NOTES TO THE ACCOUNTS
For the year ended 31 October 2025

8. SWAP CONTRACTS HELD AT FAIR VALUE

	2025	2024
	\$'000	\$'000
Fair value at beginning of year (net)	9,053	8,051
Principal receipt/(payment) on swaps	2,455	(517)
Change in value	109	1,294
Foreign exchange movement	573	225
	<hr/>	<hr/>
Fair value at end of year (net)	12,190	9,053
	<hr/>	<hr/>
Derivative assets:		
Amounts due after one year	12,615	9,648
	<hr/>	<hr/>
	12,615	9,648
Derivative liabilities:		
Amounts due after one year	(425)	(595)
	<hr/>	<hr/>
	(425)	(595)
	<hr/>	<hr/>
	12,190	9,053
	<hr/>	<hr/>

The fair value of the swap contracts above is linked to the fair value of the asset-backed Notes issued. Refer to note 14 of the Financial Statements for more details of the principal risks facing the Company and the policies in place for managing the risks.

9. DEBT SECURITIES ISSUED

Debt securities issued by the Company have been classified as asset-backed. The debt securities issued are classified based on their risk characteristics and debt securities issued within each class are considered to have similar risk exposures.

The Company uses proceeds from the secured asset-backed debt securities issued to acquire charged assets agreed with the Note holders at deal inception. The Company then enters into a derivative agreement with NatWest Markets plc whereby any interest received on the charged assets, along with any principal repayments, are payable to NatWest Markets plc. In return, NatWest Markets plc undertakes to pay to the Company amounts equal to the amounts due on the debt securities issued.

NOTES TO THE ACCOUNTS
For the year ended 31 October 2025

9. DEBT SECURITIES ISSUED (CONTINUED)

The below tables refers to asset-backed securities for all Series of Notes which have underlying assets:

Series	Currency	Notional outstanding	Issue Price	Maturity Date	Coupon
Series 19	EUR	3,000,000	100.00%	27-Oct-27	CMS10 + 1.45% (capped at 8% and floored at 4%)

The below table refers to asset-backed securities for all series of Notes which don't have underlying assets:

Series	Currency	Notional outstanding	Issue Price	Maturity Date	Coupon
Series 2	EUR	975,000	76.20%	30-Dec-33	0.00%
Series 3	EUR	324,000	52.20%	29-Dec-34	0.00%
Series 4	EUR	2,120,000	76.74%	29-Dec-34	0.00%
Series 6	EUR	411,000	82.57%	31-Dec-35	0.00%
Series 7	EUR	2,600,000	79.41%	31-Dec-35	0.00%
Series 8	EUR	5,549,100	68.87%	31-Dec-35	0.00%
Series 10	EUR	2,505,000	74.93%	31-Dec-35	0.00%

The following table shows the movement in the period of the debt securities issued:

	2025	2024
	\$'000	\$'000
Fair value at beginning of year	15,639	14,470
Principal Repayments	(486)	(517)
Change in value	(80)	1,281
Foreign exchange movement	952	405
Fair value at end of year	<u>16,025</u>	<u>15,639</u>
Due in less than one year	428	407
Due in greater than one year	15,597	15,232
Fair value at end of year	<u>16,025</u>	<u>15,639</u>

Each series of Notes issued is independent and is backed by a particular pool of assets. Holders of one series of Notes have no recourse to the assets and cash flows of other series' Notes.

The Company's obligations to pay interest and principal in respect of its Notes are exactly matched by the terms of the Company's investments in debt securities and derivatives. The recourse of the Note holders is limited to the principal value of, and return generated by, the Company's investments in debt securities and derivatives.

NOTES TO THE ACCOUNTS
For the year ended 31 October 2025

9. DEBT SECURITIES ISSUED (CONTINUED)

The following analysis shows the grouping of balance sheet amounts of associated financial assets, derivatives and Notes issued by each category of debt securities:

Notes issued by category:
31 October 2025

	Fair value of Financial assets	Fair value of Derivatives	Fair value of Notes issued
	\$'000	\$'000	\$'000
Asset-backed securities	3,835	12,190	(16,025)
	<u>3,835</u>	<u>12,190</u>	<u>(16,025)</u>

Notes issued by category:
31 October 2024

	Fair value of Financial assets	Fair value of Derivatives	Fair value of Notes issued
	\$'000	\$'000	\$'000
Asset-backed securities	6,586	9,053	(15,639)
	<u>6,586</u>	<u>9,053</u>	<u>(15,639)</u>

10. SHARE CAPITAL

	2025	2024
	\$	\$
Authorised share capital:		
10,000 (2024: 10,000) ordinary shares of £1 each	15,000	15,000
	<u>\$</u>	<u>\$</u>
Issued, allotted and paid		
10 (2024: 10) ordinary shares of £1 each	15	15
	<u>15</u>	<u>15</u>

The share capital is held by a trust for charitable purposes and there is no obligation to the Note holders with limited recourse conditions attached while issuing Notes. Further the trust has no beneficial interest in and derives no benefits other than fees for acting as trustee.

NOTES TO THE ACCOUNTS
For the year ended 31 October 2025

11. FOREIGN CURRENCY RESERVES

	2025	2024
	\$'000	\$'000
At start of year	83	119
Exchange differences effect of translation to the presentation currency	(36)	(36)
At end of year	<u>47</u>	<u>83</u>

12. RETAINED EARNINGS

	2025	2024
	\$'000	\$'000
At start of year	(937)	(790)
Loss for the year	(158)	(147)
Retained loss at end of year	<u>(1,095)</u>	<u>(937)</u>

13. MOVEMENTS IN OPERATING ASSETS AND LIABILITIES AND NON- CASH ITEMS ADJUSTED FOR IN THE CASHFLOW STATEMENT

	2025	2024
	\$'000	\$'000
Decrease/(Increase) in debtors	35	(20)
(Decrease)/Increase in creditors	(35)	12
Foreign exchange movements	(36)	(36)
Change in operating assets and liabilities	<u>(36)</u>	<u>(44)</u>
Change in fair value on debt securities owned	189	13
Change in fair value on debt securities issued	(80)	1,281
Change in fair value on derivatives	(109)	(1,294)
Non- cash items	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS
For the year ended 31 October 2025

14. FINANCIAL INSTRUMENTS

The Company's financial instruments principally comprise amounts due on loans payable, investments in debt securities and other financial assets, derivatives and debt securities issued.

It is, and has been throughout the period, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The Board reviews and agrees policies for managing each of these risks and these are summarised below.

Capital risk management

The Company manages its capital to ensure it will be able to continue as a going concern. The Company has no externally imposed capital requirements.

The capital structure of the Company primarily comprises issued Notes purchased by third party investors under the entity's secured asset-backed medium-term Note programme. As at the reporting date, other sources of funding consisted of an unsecured liquidity facility of up to \$814,000 from NatWest Markets plc and retained earnings.

At the reporting date, \$814,000 has been drawn down on the liquidity facility (2024: \$643,000).

The Notes are collateralised by the various assets held under each relevant series of Notes.

Liquidity risk

The Company's obligations to pay interest and principal in respect of its Notes are exactly matched by the terms of the Company's investments in debt securities and derivatives. The recourse of the Note holders is limited to the principal value of, and return generated by, the Company's investments in debt securities and derivatives.

Furthermore, the loan payable to NatWest Markets plc of \$814,000 (2024: \$643,000) is limited recourse in nature.

The Company's management believes that the Company is risk neutral and, as a consequence of the terms of the various transaction documents governing the structure, will always be able to meet its obligations as they fall due.

NOTES TO THE ACCOUNTS
For the year ended 31 October 2025

14. FINANCIAL INSTRUMENTS (CONTINUED)

Carrying amounts and undiscounted future contractual cash flows of liabilities are set out below:

As at 31 October 2025	Carrying amount/ Fair value \$'000	Contractual cash flows \$'000	<3 mths \$'000	3-12mths \$'000	1-5 yrs \$'000	>5 yrs \$'000
Non-derivatives financial liabilities						
Notes issued	(16,025)	(20,722)	(354)	(989)	(7,434)	(11,945)
Other creditors	(1,248)	(1,248)	(950)	(101)	(91)	(106)
	<u>(17,273)</u>	<u>(21,970)</u>	<u>(1,304)</u>	<u>(1,090)</u>	<u>(7,525)</u>	<u>(12,051)</u>
Derivatives financial liabilities						
Interest rate swaps	(425)	(753)	(102)	(277)	(374)	-
As at 31 October 2024	Carrying amount/ Fair value \$'000	Contractual cash flows \$'000	<3 mths \$'000	3-12mths \$'000	1-5 yrs \$'000	>5 yrs \$'000
Non-derivatives financial liabilities						
Notes issued	(15,639)	(20,723)	(242)	(992)	(7,411)	(12,078)
Other creditors	(1,112)	(1,112)	(783)	(123)	(85)	(121)
	<u>(16,751)</u>	<u>(21,835)</u>	<u>(1,025)</u>	<u>(1,115)</u>	<u>(7,496)</u>	<u>(12,199)</u>
Derivatives financial liabilities						
Interest rate swaps	(595)	(1,201)	(100)	(393)	(708)	-

NOTES TO THE ACCOUNTS
For the year ended 31 October 2025

14. FINANCIAL INSTRUMENTS (CONTINUED)

Currency risk

The Company publishes its financial statements in United States dollars, is capitalised in Pounds Sterling and conducts most of its business in Euros. As a result, it is subject to foreign currency exchange risk due to exchange rate movements which will affect the Company's transaction costs. Foreign currency investments are hedged by foreign currency loans and it is the Company's policy to match liabilities with assets of the same currency. As a result, the Company does not have a material exposure to currency risk and therefore no sensitivity analysis has been presented.

The company has limited foreign currency exposure due to matched underlying assets with notes in issue. The currency exposure is limited to transaction cost and the liquidity facility issued by NatWest Markets plc of \$814,000.

Interest rate risk

The interest profile of debt securities issued is detailed in note 9. The liquidity facility payable to NatWest Markets plc is at a floating rate. The Company is not exposed to interest rate risk as the interest receipts and payments are matched by entering into interest rate swap agreements. As a result, the Company does not have a material net exposure to interest rate risk and therefore no sensitivity analysis has been presented.

Credit risk

The Company faces a credit risk that the underlying assets may not pay as and when they fall due. The Company's credit risk is reduced by ensuring that its obligations to pay interest and principal on the associated debt securities issued and derivatives held are limited to the receipts on the underlying assets. The largest exposure to any one debt security held amounted to \$3.8m represented 100% of the portfolio. The maximum exposure to credit risk on assets held at the annual report date is the balance sheet amount.

The following table details the aggregate investment grade of the financial assets in the portfolio, as rated by well-known rating agencies approved by management:

Ratings (Standard and Poor's)	2025	2024
	\$'000	\$'000
A and above	-	-
AA- and above	-	-
BBB+ and above	-	-
Not rated	3,835	6,586
Total	3,835	6,586

NOTES TO THE ACCOUNTS
For the year ended 31 October 2025

14. FINANCIAL INSTRUMENTS (CONTINUED)

The Company's investment securities analysed by geographic location were concentrated as follows:

Geographic location	2025	2024
	\$'000	\$'000
France	100%	57%
Spain	-	43%
Total	100%	100%

Fair values of financial assets and financial liabilities

The Directors consider the carrying amounts of assets and liabilities not held at fair value to approximate their fair values, as at 31 October 2025.

As at 31 October 2025, the carrying amounts of financial assets and financial liabilities issued by the Company for which fair values were determined directly, in full or in part, by reference to published price quotations or determined using valuation techniques.

The above assets and liabilities are considered Level 2 based on the below fair value hierarchy:

Level 1 - fair values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2 - fair values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs such as interest rates, foreign exchange rates etc. have a significant effect on the instrument's valuation. The prices are based on discounted cash flow model and traders' best estimates of the valuation. There are no alternative model valuations.

Valuation techniques

The Company derives fair value of its instruments differently depending on whether the instrument is a non-modelled or a modelled product.

Non-modelled product

Non-modelled products are valued directly from a price observable on the market typically on a position by position basis and include debt with prices observable on the active market.

Modelled products and observable parameters

Interest rate swaps, debt issued and unquoted debt securities are valued using pricing models. The valuation of modelled products requires an appropriate model and inputs into the model. The main inputs for valuation of those instruments are: interest rates (such as Sterling overnight index average (SONIA), Overnight Index Swaps (OIS) rate and other quoted interest rates in the swap markets); credit spreads; and other market inputs.

NOTES TO THE ACCOUNTS**For the year ended 31 October 2025****15. RELATED PARTY TRANSACTIONS**

Apex Group Fiduciary Services Limited (“AGFSL”) and Apex Financial Services (Secretaries) Limited (“AFSSL”) provided administration and/or secretarial services respectively to the Company. Each of AGFSL and AFSSL is a member of the “Apex Group” (where the “Apex Group” means Apex Group Limited and all its subsidiaries and affiliates of the same). Each of John Pendergast, Jane Stammers and Elizabeth Casely is an employee of the Apex Group and should be regarded as interested in any transaction with any member of the Apex Group. During the year, fees incurred for these services were \$34,195 (2024: \$31,563) and no amount was payable as at 31 October 2025 (2024: nil).

As described in note 9, the shares of the Company are beneficially owned by the Solar Funding II Charitable Trust, which is a Jersey trust established for charitable purposes whose trustee is Apex Financial Services (Trust Company) Limited.

The Company holds derivative instruments (Note 8), generating derivative interest income (Note 3) and derivative interest expense (Note 4), and a liquidity facility of up to \$814,000, generating interest expense on liquidity facility (Note 4) provided by NatWest Markets Plc.

16. CONTROLLING PARTY

The Company is consolidated in NatWest Markets Plc’s consolidated accounts (the smallest group that presents consolidated financial statements). The ultimate parent company and largest group that presents group accounts is NatWest Group plc. Both companies are incorporated in the United Kingdom and registered in England and Wales. Their statutory financial statements are available from: Legal, Governance and Regulatory Affairs, NatWest Group plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

17. POST BALANCE SHEET EVENT

On 23 December 2025, the Loan Agreement was amended to increase the maximum aggregate amount of the facility to \$1,003,600 from \$814,000 and on 30 December 2025, a further drawdown of \$202,000 was made under the Loan Agreement. This event is considered as a non-adjusting event and has no impact on the recognition and measurement of assets and liabilities in the financial statements as at 31 October 2025.

On 12 December 2025, Apex undertook restructuring involving several mergers within the Group. As part of this exercise, the following entities were merged:

- Apex Group Trustee Services Limited (“AGTSL”) merged with Apex Financial Services (Trust Company) Limited (“AFSTCL”);
- Apex Group Secretaries Limited (“AGSL”) merged with Apex Financial Services (Secretaries) Limited (“AFSSL”);
- Apex Group Nominees Limited (“AGNL”) merged with Apex Financial Services (Nominees 1) Limited (“AFSN1L”);
- Apex Group Nominees 2 Limited (“AGN2L”) merged with Apex Financial Services (Nominees 2) Limited (“AFSN2L”);