

Registered number: 12791106

Barchester Propco (Maidstone Two) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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Barchester Propco (Maidstone Two) Limited

COMPANY INFORMATION

Directors	Jorge Manrique Charro Khalid Hayat Misha Pierpoint
Registered Number	12791106
Secretary	CSC Corporate Services (UK) Limited
Registered Office	5 Churchill Place 10th Floor London E14 5HU United Kingdom
Independent auditor	Grant Thornton 13-18 City Quay Dublin 2 D02 ED70 Ireland

Barchester Propco (Maidstone Two) Limited

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Barchester Propco (Maidstone Two) Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their report together with the audited financial statements of Barchester Propco (Maidstone Two) Limited (the "Company") for the year ended 31 December 2025.

Principal activity

The Company was incorporated on 4 August 2020 and is registered in England and Wales. The principal activity of the Company is the ownership of care home properties in the UK. There has been no significant change in the principal activity of the Company during the year.

Review of business

The Company's ultimate parent undertaking is Welltower Inc. On 24 October 2025, an affiliate within the Welltower Inc. group acquired the Company, following which the Company became a subsidiary of Aspen Tower Investments Ltd, an intermediate holding company within the Welltower Inc. group.

For the year ended 31 December 2025, the Company generated a profit of £10,282,263 (£1,934,133 profit for the year ended 31 December 2024). The profit for the year is primarily due to the increase in fair values of the investment properties.

The Directors are satisfied with the Company's performance and do not anticipate any significant changes in the foreseeable future.

Results and dividends

The statement of comprehensive income is set out on page 10 and shows the result for the year.

The Directors do not propose payment of a dividend for the current or previous year.

Future developments

The Company intends to continue operating in the areas of leasing care home properties.

Going concern

The Company reported a profit for the year ended 31 December 2025 of £10,282,263 and had net current liabilities of £210,334 at that date. After reviewing the Company's forecast, the Directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. The ultimate parent undertaking has confirmed that it will continue to provide financial support to the Company to enable it to continue in operation and meet its liabilities as they fall due for not less than twelve months from when these financial statements are authorised for issue. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

Barchester Propco (Maidstone Two) Limited

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Principal risks and uncertainties

The Directors consider that the principal risks and uncertainties faced by the Company are in the following categories:

Letting risk

Letting risk is the risk of a property owned by the Company not being successfully let or the risk of tenant default. Management regularly monitors the financial health of the Company's tenants and lease agreements include rights to exercise certain remedies in the event of default on the obligations owed to the Company.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's policies are aimed at minimising credit losses and typically require tenants to pay rental amounts monthly in advance.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities and the risk of exposure to variability in cash flows. The Directors aim to mitigate this risk by managing cash generation from operations and collecting rental income on a timely basis. The Company also has access to ongoing financial support of its ultimate parent through intercompany funding.

Competitive risk

The Directors recognise that competition is increasing and will continue to do so in the private pay senior living sector. Such competition has the potential to impact the revenue that the Company's tenants will generate. The Directors are confident that the quality of the buildings, market leading care provision plus the demographics of the ageing population will protect future income streams for the tenants and therefore the Company.

Legislative risk

The healthcare industry is highly regulated; the tenants are subject to licensing and inspection by the Care Quality Commission (CQC). The Directors recognise that inspection outcomes have the potential to negatively impact the revenue income of the Company's tenants, and therefore the rent receivable by the Company, but the Directors are confident that the impact on the tenant population as a whole will not be material.

Barchester Propco (Maidstone Two) Limited

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Disclosure of information to auditors

The Directors at the time when this Directors' report is approved have confirmed that:

- So far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that should be taken as Directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Subsequent events

There are no events subsequent to the reporting date that require adjustments or disclosures in the financial statements.

Directors

The Directors of the Company during the year and to the date of this report were:

M O'Reilly (resigned 23 October 2025)
P Calvey (resigned 23 October 2025)
M Hazlewood (resigned 23 October 2025)
R Godinez (appointed 16 October 2025, resigned 23 October 2025)
Y Lehrfield (appointed 16 October 2025, resigned 23 October 2025)
J Charro (appointed 23 October 2025)
K Hayat (appointed 23 October 2025)
M Pierpoint (appointed 23 October 2025)

Auditors

Grant Thornton was appointed as the Company's auditor subsequent to the end of the financial year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 5 August 2026 and signed on its behalf.



Misha Pierpoint
Director

Barchester Propco (Maidstone Two) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2025

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

Company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101, "Reduced Disclosure Framework". 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 these financial statements, the Directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reason for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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



Misha Pierpoint
Director

Independent auditor's report to the members of Barchester Propco (Maidstone Two) Limited

Opinion

We have audited the financial statements of Barchester Propco (Maidstone Two) Limited (the "Company"), which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity for the year ended 31 December 2025, and the related notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Barchester Propco (Maidstone Two) Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 going concern basis of accounting in the preparation of the financial statements is appropriate.

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 the date 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.

Other matter

The financial statements of Barchester Propco (Maidstone Two) Limited for the year ended 31 December 2024 were audited by KPMG LLP who expressed an unmodified opinion on those statements on 26 June 2025.

Independent auditor's report to the members of Barchester Propco (Maidstone Two) Limited (continued)

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report.

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

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 such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Independent auditor's report to the members of Barchester Propco (Maidstone Two) Limited (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101, and for such internal control as Directors determine 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent auditor's report to the members of Barchester Propco (Maidstone Two) Limited (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Data Privacy law, Finance Act 2006 in relation to REIT status, 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 preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. The Audit engagement partner considered the experience and expertise of the engagement team (including valuation experts) to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulations. 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 to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management and board members on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company's regulatory and legal correspondence and review of minutes of Board of Directors' meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including valuation of investment properties; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.



Independent auditor's report to the members of Barchester Propco (Maidstone Two) Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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

Blaithín O'Neill

Blaithín O'Neill (Aug 7, 2026 10:36:30 GMT+1)

Blaithín O'Neill (Senior Statutory Auditor)

For and on behalf of
GRANT THORNTON
Chartered Accountants & Statutory Auditors
13-18 City Quay
Dublin 2, D02 ED70
Ireland

Date: 5 August 2026

Barchester Propco (Maidstone Two) Limited

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Note	£	£
Revenue			
Gross rental income	4	1,230,425	632,445
Gross profit		<u>1,230,425</u>	<u>632,445</u>
Administrative expenses		(15,885)	(5,342)
Other income		188	76
Change in fair value of investment properties	8	9,150,713	1,493,291
Operating profit		<u>10,365,441</u>	<u>2,120,470</u>
Finance income		9,379	11,700
Finance costs	5	(179,336)	–
Profit before tax		<u>10,195,484</u>	<u>2,132,170</u>
Taxation	7	<u>86,779</u>	<u>(198,037)</u>
Profit after tax and comprehensive income for the financial year		<u><u>10,282,263</u></u>	<u><u>1,934,133</u></u>

The notes on pages 13 to 26 form part of these financial statements.

All amounts relate to continuing operations.

There was no other comprehensive income or loss for the current and prior year.

These are the first financial statements that comply with FRS 101 (Reduced Disclosure Framework). The Company transitioned to FRS 101 effective 1 January 2024.

Barchester Propco (Maidstone Two) Limited

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

Company number: 12791106		31 December 2025 £	31 December 2024 £
	Note		
Fixed assets			
Investment properties	8	26,438,390	17,000,000
Tangible assets	10	–	1,540
		<u>26,438,390</u>	<u>17,001,540</u>
Current assets			
Debtors: amounts falling due within one year	11	251,386	320,205
Cash and cash equivalents		–	320,291
		<u>251,386</u>	<u>640,496</u>
Creditors: amounts falling due within one year	12	(461,720)	(15,205,884)
Net current liabilities		<u>(210,334)</u>	<u>(14,565,388)</u>
Total assets less current liabilities		<u>26,228,056</u>	<u>2,436,152</u>
Creditors: amounts falling due after more than one year	13	(13,707,294)	–
Provisions for liabilities			
Deferred tax liability	14	–	(197,653)
Net assets		<u>12,520,762</u>	<u>2,238,499</u>
Called up share capital	15	1	1
Profit and loss account	15	12,520,761	2,238,498
Total shareholders' funds		<u>12,520,762</u>	<u>2,238,499</u>

The notes on pages 13 to 26 form part of these financial statements.

These are the first financial statements that comply with FRS 101. The Company transitioned to FRS 101 effective 1 January 2024.

The financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The financial statements were approved and authorised for issue by the Board on 5 August 2026 and were signed on its behalf by:



Misha Pierpoint
Director

Barchester Propco (Maidstone Two) Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

Year ended 31 December 2025	Called up share capital £	Profit and loss account £	Total £
Balance at 1 January 2025	1	2,238,498	2,238,499
Total comprehensive income for the financial year	–	10,282,263	10,282,263
Balance at 31 December 2025	<u>1</u>	<u>12,520,761</u>	<u>12,520,762</u>

Year ended 31 December 2024	Called up share capital £	Profit and loss account £	Total £
Balance at 1 January 2024	1	304,365	304,366
Total comprehensive income for the financial year	–	1,934,133	1,934,133
Balance at 31 December 2024	<u>1</u>	<u>2,238,498</u>	<u>2,238,499</u>

The notes on pages 13 to 26 form part of these financial statements.

These are the first financial statements that comply with FRS 101. The Company transitioned to FRS 101 effective 1 January 2024.

Barchester Propco (Maidstone Two) Limited

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

1. General Information

Barchester Propco (Maidstone Two) Limited (the "Company"), is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006 with registration number 12791106. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' report.

2. Material accounting policy information

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a historical cost basis unless otherwise specified within the accounting policies and in accordance with Financial Reporting Standard 101 - Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006. The presentation currency used is Sterling (£) which is also the Company's functional currency.

FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2.15).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

In preparing these financial statements, the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- a Statement of Cash Flows and related disclosures for cash flows
- disclosures in relation to the objectives, policies and process for managing capital
- related party transactions with two or more wholly owned members of the group
- certain disclosures required under IFRS 15 *Revenue from Contracts with Customers*, including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations
- certain requirements of IFRS 16 *Leases*, provided disclosures of details of indebtedness are presented separately for lease liabilities and other liabilities
- certain requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of Welltower Inc., which can be obtained from its website: www.welltower.com. These financial statements of the Company do not therefore include certain disclosures in respect of:

- Financial Instrument disclosures as required by IFRS 7 *Financial Instruments: Disclosures*
- Fair value measurements - details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*.

Barchester Propco (Maidstone Two) Limited

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

2. Material accounting policy information (continued)

2.3 Going concern

The Company reported a profit for the year ended 31 December 2025 of £10,282,263 and had net current liabilities of £210,334 at that date. After reviewing the Company's forecast, the Directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. The ultimate parent undertaking has confirmed that it will continue to provide financial support to the Company to enable it to continue in operation and meet its liabilities as they fall due for not less than twelve months from when these financial statements are authorised for issue. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

2.4 Revenue

Rental income represents income from operating leases and is recognised on a straight-line basis over the lease term. When the Company provides incentives to its customers, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income. Fees and rental payments invoiced in advance are included as deferred income until the service is completed.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the end of the reporting period in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the end of the reporting period, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Barchester Propco (Maidstone Two) Limited

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

2. Material accounting policy information (continued)

2.6 Current and deferred taxation (continued)

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

2.7 Investment properties and investment properties under construction

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value determined annually, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period in which they arise. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the Royal Institution of Chartered Surveyors (RICS). Fair value is the estimated price that should be received for selling an investment property in an orderly transaction between market participants at the measurement date and is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

Investment properties are derecognised either when they have been disposed or when they are permanently withdrawn from use and no future economic benefit is expected from disposal. Similarly, if the Company begins to redevelop or refurbish an existing investment property for continued future use as an investment property, it remains as an investment property.

Depreciation is not provided for in respect of investment properties.

Acquisitions and disposals of investment properties are recognised on the unconditional exchange of contracts where it is reasonable to assume at the end of the reporting period that completion of the acquisition or disposal will occur. Gains or losses on disposal are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous published statement of financial position adjusted for any subsequent capital expenditure or capital receipts. Such gains and losses are recognised within operating profit in the statement of comprehensive income.

Investment properties under construction

Investment properties under construction are initially recognised at cost, including directly attributable transaction costs. Following completion, they are measured at fair value at each reporting date, based on market conditions existing at that date. Fair value is determined by the Company's external valuers and represents the estimated price that would be received to sell the property in an orderly transaction between market participants at the measurement date. Where appropriate, valuations are adjusted for differences in the nature, location or condition of the specific asset.

Movements in the fair value of investment properties under construction are recognised in the statement of comprehensive income in the period in which they arise.

Investment properties under construction are derecognised either when they have been disposed or when they are permanently withdrawn from use and no future economic benefit is expected from disposal.

Barchester Propco (Maidstone Two) Limited

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

2. Material accounting policy information (continued)

2.7 Investment properties and investment properties under construction (continued)

Depreciation is not provided for in respect of investment properties under construction.

Acquisitions and disposals of investment properties under construction are recognised on the unconditional exchange of contracts where it is reasonable to assume at the end of the reporting period that completion of the acquisition or disposal will occur. Gains or losses on disposal are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous published statement of financial position adjusted for any subsequent capital expenditure or capital receipts. Such gains and losses are recognised within operating profit in the statement of comprehensive income.

Properties that are being constructed or developed for future use as investment property are classified as investment properties under construction. Capital expenditure relating to these assets is capitalised as well as directly attributable borrowing costs.

Properties under construction are reclassified to investment properties upon completion.

2.8 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and necessary for it to be capable of operating in the manner intended by management.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Depreciation is charged on a straight-line basis at 10% per annum so as to allocate the cost of assets, less their residual value, over their estimated useful lives.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date and adjusted prospectively where appropriate, or when there is evidence of a significant change since the previous reporting date.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 Cash and cash equivalents

Cash and cash equivalents include balances with banks.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Barchester Propco (Maidstone Two) Limited

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

2. Material accounting policy information (continued)

2.12 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like debtors, cash and cash equivalents and creditors. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

Amortised cost

These assets arise principally from the provision of services to customers (e.g. amounts owed by related undertakings), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Impairment of financial assets

The Company always recognises lifetime expected credit losses (ECL) for trade receivables and amounts owed by related undertakings. The ECL on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

Barchester Propco (Maidstone Two) Limited

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

2. Material accounting policy information (continued)

2.13 Leases

All leases to which the Company is party as lessor are classified as operating leases. Operating lease rentals are recognised as income in profit or loss on a straight-line basis over the lease term. Leases with fixed annual rental escalators are recognised on a straight-line basis over the initial lease period, subject to a collectability assessment.

2.14 Share capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Investment Properties and Investment Properties under construction (see notes 8 and 9)

Investment properties and investment properties under construction are valued annually by third party valuers and these are used to inform the Directors' assessment of fair value at each reporting date. The valuations use projected rental values capitalised at a market discount rate determined by reference to comparable market transactions (where available) and other available market data. The key assumption in the valuation of the investment properties at 31 December 2025 was the market capitalisation rates, which gave appropriate consideration to the rent cover of the properties. However, there is an inevitable degree of judgement involved in each valuation given that each property is unique, and value can only ultimately be reliably tested in the market itself.

3. First-time adoption of FRS 101 (Reduced Disclosure Framework)

These financial statements, for the year ended 31 December 2025, are the first the Company has prepared in accordance with FRS 101. For the periods up to and including the year ended 31 December 2024, the Company prepared its financial statements in accordance with FRS 102.

Accordingly, the Company has prepared financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2024 and the material accounting policies meeting these requirements are described in the relevant notes. In preparing these financial statements, the Company has started from an opening statement of financial position as at 1 January 2024, the Company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101.

The transition has been undertaken to align the company's financial reporting framework with that of the wider group. The transition from FRS 102 to FRS 101 has had no impact on the company's reported financial position or financial performance. Accordingly, no transition adjustments were required on adoption.

Barchester Propco (Maidstone Two) Limited

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

3. First-time adoption of FRS 101 (Reduced Disclosure Framework) (continued)

Estimates

The estimates at 31 December 2023 and at 31 December 2024 are consistent with those made for the same dates in accordance with FRS 102. The estimates used by the Company to present these amounts in accordance with FRS 101 reflect conditions at 1 January 2024, the date of the transition to FRS 101 and at 31 December 2024.

The transition to FRS 101 has not resulted in any changes to the recognition or measurement of assets and liabilities previously reported under FRS 102. Accordingly, there have been no adjustments to equity at the date of transition or to profit or loss for the comparative period.

4. Revenue

	2025 £	2024 £
Rental income	1,107,035	632,445
Rent smoothing adjustment	123,390	–
	<u>1,230,425</u>	<u>632,445</u>

The rent smoothing adjustments arise through the Company's accounting policy which requires recognition of rental income on a straight-line basis over the lease term. Revenue is derived entirely in the UK from the principal activities of the Company.

5. Finance costs

	2025 £	2024 £
Interest on loans from group undertakings	<u>179,336</u>	<u>–</u>

6. Employees and Directors' remuneration

The Company has no direct employees. Staff assistance is provided by Welltower Inc. The Directors did not receive any remuneration from the Company during the current or previous year.

Barchester Propco (Maidstone Two) Limited

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

7. Taxation

	2025	2024
	£	£
Total current tax	110,874	384
Deferred tax		
Origination and reversal of timing differences	(197,653)	197,653
Total deferred tax (credit) / charge for the year	(197,653)	197,653
Tax (credit) / charge on income on ordinary activities	(86,779)	198,037

Factors affecting tax charge for the year

As of 24 October 2025, the Company is a subsidiary of a UK Real Estate Investment Trust (REIT). Accordingly, the Company does not pay tax on its property income or gains directly, instead, the UK REIT distributes at least 90% of its profits from its property income, calculated under UK corporation tax principles after the deduction of interest and capital allowances and excluding chargeable gains, to its shareholders. Tax is therefore assessed in respect of the Company's income at the REIT shareholder level. The Company continues to monitor any actual or proposed changes to the UK REIT and corporation tax legislation in order to assess the impact these changes may have on the Company's stand-alone tax position.

Prior to 24 October 2025, the corporation tax charge was calculated on the basis of tax rates and laws that were enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Following the acquisition of the Company by the REIT, the Directors reassessed the requirement for the deferred tax provision recognised in the prior year financial statements. The deferred tax liability recorded in prior periods principally arose from temporary differences relating to accelerated capital allowances and revaluation of the investment properties and was recognised based on the Company's taxable status at that time and the expected future tax consequences of those differences.

As a result of the Company's acquisition by the REIT and the associated change in its tax profile, the basis for recognising this deferred tax liability no longer exists. Accordingly, the deferred tax liability has been reversed in the current year. The tax credit recognised in the statement of comprehensive income includes the effect of releasing the deferred tax liability recognised in prior years.

Barchester Propco (Maidstone Two) Limited

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

7. Taxation (continued)

Factors affecting tax charge for the year (continued)

	2025	2024
	£	£
Profit on ordinary activities before tax	<u>10,195,484</u>	<u>2,132,170</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	2,548,871	533,043
Effects of:		
REIT exemption	(19,781)	–
Movement in deferred tax balance	(197,653)	–
Income not taxable for tax purposes	(2,325,333)	–
Capital allowances in excess of depreciation	(92,883)	–
Group relief	–	1,170,000
Tax decrease from transfer pricing adjustments	–	(476,000)
Tax decrease from other tax effects	–	(1,029,006)
Total tax (credit) / charge for the financial year	<u>(86,779)</u>	<u>198,037</u>

8. Investment properties

	Freehold investment properties £
<i>Cost or valuation</i>	
At 1 January 2025	17,000,000
Additions	164,287
Rent smoothing adjustment	123,390
Change in fair value	9,150,713
Carrying value at 31 December 2025	<u>26,438,390</u>
At 1 January 2024	–
Transfer from investment properties under construction	15,506,709
Change in fair value	1,493,291
Carrying value at 31 December 2024	<u>17,000,000</u>

The historical cost of the investment properties at 31 December 2025 is £15,670,996 (2024: £15,506,709).

Barchester Propco (Maidstone Two) Limited

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

8. Investment properties (continued)

Investment properties held at 31 December 2025 have been valued at fair value by an independent third-party appraiser. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. At 31 December 2025, the total fair value of the properties was estimated to amount to £26,438,390 (2024: £17,000,000).

The properties were valued using unobservable inputs and are therefore categorised within Level 3 of the fair value hierarchy.

In determining fair value, the valuer adopted an income approach, reflecting the market practice for trade-related properties. The valuation was based on the sustainable earnings expected to be generated by the properties, having regard to Fair Maintainable Trade ("FMT") and Fair Maintainable Operating Profit ("FMOP"), measured using Earnings before Interest, Tax, Depreciation, Amortisation, Rent and Management Fees ("EBITDARM"). These earnings were capitalised using valuation multiples derived from market transactions and the valuer's knowledge of the care home sector.

Significant unobservable inputs used in determining fair value include expected occupancy levels, average weekly fees, operating profit margins, FMT assumptions and the capitalisation multiples applied to EBITDARM. Changes in these assumptions could have a material impact on the fair value of the investment properties. An increase in maintainable earnings would generally result in a higher valuation, whereas a reduction in anticipated trading performance or an increase in the rate of return required by market participants would generally result in a lower valuation.

In estimating fair value, the valuer also considered factors including the location and condition of the properties, local market conditions, demographic trends, tenure, future trading prospects and recent comparable transactions within the care home sector.

The following are recognised in profit or loss in respect of investment property:

	2025	2024
	£	£
Rental income	<u>1,230,425</u>	<u>632,445</u>

There are no direct operating costs that have been incurred by the Company as these are borne by the Company's tenants.

Barchester Propco (Maidstone Two) Limited

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

9. Investment properties under construction

	Investment properties under construction £
<i>Cost or valuation</i>	
At 1 January 2025	–
Carrying value at 31 December 2025	<u>–</u>
At 1 January 2024	13,554,000
Additions	1,954,249
Transfer to investment properties and tangible assets	(15,508,249)
Carrying value at 31 December 2024	<u>–</u>

The historical cost of the investment properties under construction at 31 December 2025 is £Nil (2024: £Nil).

Investment properties under construction comprise care home buildings in the course of construction.

10. Tangible assets

	Furniture, fittings and equipment £
Cost	
At 31 December 2024	1,650
Write-off	(1,650)
At 31 December 2025	<u>–</u>
Depreciation	
At 31 December 2024	110
Write-off	(110)
At 31 December 2025	<u>–</u>
Net book value	
At 31 December 2024	<u>1,540</u>
At 31 December 2025	<u>–</u>

Barchester Propco (Maidstone Two) Limited

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

11. Debtors: amounts falling due within one year

	2025	2024
	£	£
Amounts owed by related undertakings	221,045	313,706
Taxation and social security	30,341	–
Other debtors	–	6,499
	<u>251,386</u>	<u>320,205</u>

Amounts owed by related undertakings represent amounts due from fellow members of the wider group headed by Welltower Inc. All amounts are unsecured, non interest bearing and repayable on demand.

12. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	3,955	154,648
Amounts owed to related undertakings	179,336	14,816,465
Accruals and deferred income	167,555	234,771
Taxation and social security	110,874	–
	<u>461,720</u>	<u>15,205,884</u>

Amounts owed to related undertakings at 31 December 2025 represent amounts due to fellow members of the wider group headed by Welltower Inc. All amounts are unsecured, non interest bearing and repayable on demand.

13. Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Loans owed to related undertakings	<u>13,707,294</u>	<u>–</u>

The loan owed to related undertakings carries an interest rate of 7.58% and maturity date of 30 October 2028.

Barchester Propco (Maidstone Two) Limited

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

14. Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon:

	(Assets) / Liabilities	(Assets) / Liabilities
	2025	2024
	£	£
Balances:		
Fixed asset timing differences	–	(452,000)
Revaluation of investment properties	–	649,653
	<u>–</u>	<u>197,653</u>
Movements in the year:	2025	2024
	£	£
At beginning of the year	197,653	–
(Credit) / charge to profit or loss	<u>(197,653)</u>	<u>197,653</u>
At end of the year	<u>–</u>	<u>197,653</u>

15. Share capital

	2025	2024
	£	£
<i>Allotted, called up and fully paid</i>		
1 (31 December 2024: 1) ordinary share of £1	<u>1</u>	<u>1</u>

All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

Description and purpose

Profit and loss account	Cumulative net gains and losses recognised in the statement of comprehensive income
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Barchester Propco (Maidstone Two) Limited

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

16. Leases

The Company as a lessor

The principal activity of the Company is the ownership of care home properties in the UK. These properties are leased to entities who are party to long-term management agreements with seniors housing operating managers pursuant to which they provide comprehensive property management, accounting, and other services. The Company has the ability to terminate the management agreements upon the occurrence of certain events of default. Management regularly monitors and review the Company's rights and remedies under the Company's management agreements.

At 31 December 2025, the Company had future minimum rents receivable for the following periods:

	2025	2024
Minimum rents receivable:	£	£
Within one year	1,885,527	972,220
From one to five years	10,155,508	3,891,545
After five years	9,878,201	18,810,466
	<u>21,919,236</u>	<u>23,674,231</u>

17. Related party transactions

In accordance with the exemptions available under FRS 101, the Company has not disclosed related party transactions with wholly owned members of the Group.

18. Controlling party

The Company is a wholly owned subsidiary of Aspen Tower Propco 11 Limited, a company registered in Jersey. The ultimate controlling party is Welltower Inc, a company incorporated in the United States of America and listed on the New York Stock Exchange.

The smallest group for which consolidated financial statements are prepared is Aspen Tower Investments Ltd, a company registered at 44 Esplanade, St. Helier, JE4 9WG, Jersey. The largest group for which consolidated financial statements are prepared is Welltower Inc. These consolidated financial statements can be found at www.welltower.com.

19. Subsequent events

There are no events subsequent to the reporting date that require adjustments or disclosures in the financial statements.