



Property finance made simple.

Annual Report and Accounts 2025



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At LendInvest, our mission is to build the most advanced, scalable, and capital-efficient property investment and finance business in the UK – connecting borrowers with lenders to fuel growth in the country's housing market.

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At a glance

Who we are

LendInvest is one of the UK's leading alternative property finance platforms.

What we do

We connect a broad network of institutional, high net worth and sophisticated private investors with specialist property finance opportunities – offering access to scaled, diversified portfolios across residential, mixed-use and commercial sectors.

Our proprietary technology, developed and refined over more than a decade, powers the end-to-end origination, credit assessment and asset management of real estate loans. We support a wide range of borrower clients – including property investors, landlords, homeowners and developers – with a tailored range of term and short-term mortgage and loan solutions.

Our business model



Our model is built to scale with control, discipline and flexibility. We originate, manage and distribute loans using our own infrastructure, with a mix of on- and off-balance sheet funding.

Capital is deployed through funds, securitisations and third-party mandates, allowing us to match risk-return needs, diversify funding, and adapt to market conditions.

This approach supports a capital-light model, generating recurring income from structuring, management and servicing, delivering strong margins and low capital intensity through the cycle.

* As of 31 March 2025

Chair's statement

A recalibrated business with clear momentum.

+48%

FY25 increase in Net Fee Income YoY

Having stepped into the role of Chair in March 2025, I write this introduction with both a fresh perspective and long-standing familiarity.

As an Independent Non-Executive Director since the IPO in 2021, I have had the opportunity to closely observe LendInvest's evolution as a public company, its strategic recalibration in the face of the end of the ultra-low interest rate era, and its steadfast commitment to innovation and value creation.

While my appointment came at the end of the reporting period, I am pleased to begin my tenure at a moment of renewed confidence.

FY25 was a year of clear progress: while H1 FY25 continued to be impacted by the effects of recalibrating the business to a new external environment, the business returned to profitability in H2 with net fee income increasing by 48% YoY, and adjusted FY25 EBITDA increasing by 117% to £3.2m (FY25 EBITDA increased 113% to £2.8m). These outcomes reflect disciplined execution of the strategy outlined last year – to simplify the business, stabilise margins, and build for sustainable growth.

LendInvest today is a more resilient, more scalable business. The capital-light platform now generates the majority of its net income from fees rather than its principal investments; operating leverage has improved markedly;

+117%

FY25 adjusted EDITDA Increase YoY

and our investment in technology continues to pay dividends – both in efficiency gains and in delivering a better experience to our customers and capital providers.

Looking ahead, I believe the opportunity for LendInvest remains compelling. The UK alternative property-lending market offers substantial headroom for growth, and our dual-engine model – connecting underserved borrowers with a diverse base of investors – is well positioned to capture it.

When reflecting on our IPO and our journey on the AIM market, it's clear that the business has undergone significant transformation. We successfully deployed the capital raised at IPO to build out a highly specialised mortgage lending platform, expanding into the Buy-to-Let segment and capturing meaningful market share. We invested in technology to enhance speed, transparency, and service quality for our customers and partners.

The macroeconomic environment has, of course, evolved considerably. The sharp rise in interest rates and the resulting shift in UK mortgage market dynamics required us – like many alternative lenders – to retrench and recalibrate our model to protect the long-term health of the business.

-22%

Reduction in total operating expenses YoY

These changes have not been without difficulty, particularly for our shareholders, our team, our valued brokers and borrowers, and our platform investors.

Operating as a public company has brought both opportunities and challenges. While the capital that came with listing supported our early growth, it's also clear that the associated costs of operating as a listed company as well as the constraints – including limited shareholder liquidity which drive share price volatility, and challenges in aligning incentives for retention and reward – have created burdens of overhead cost and complexity for a business of our scale.

Nonetheless, we continue to operate the company in the best interests of all stakeholders and remain particularly mindful of our responsibilities towards our public market shareholders who placed their trust in the company on listing and subsequently. Our near-term, focus is on growing profitability, capital generation and long-term sustainability – priorities we believe serve all stakeholders.

Stephan Wilcke
Non-Executive Chairman



Having stepped into the role of Chair in March 2025, I write this introduction with both a fresh perspective and long-standing familiarity.”

Stephan Wilcke
Non-Executive
Chairman



FY25 strategic highlights

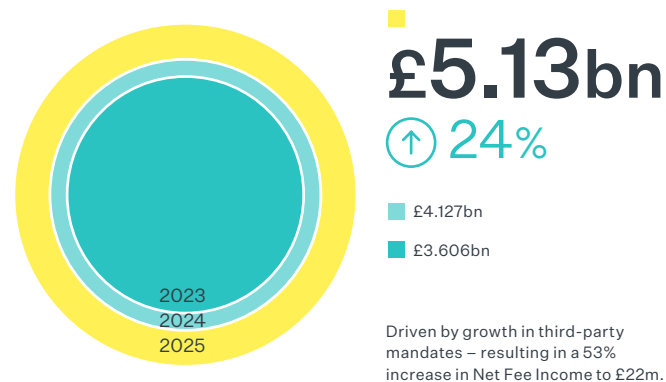
Delivering against our strategy.

1. Lend more

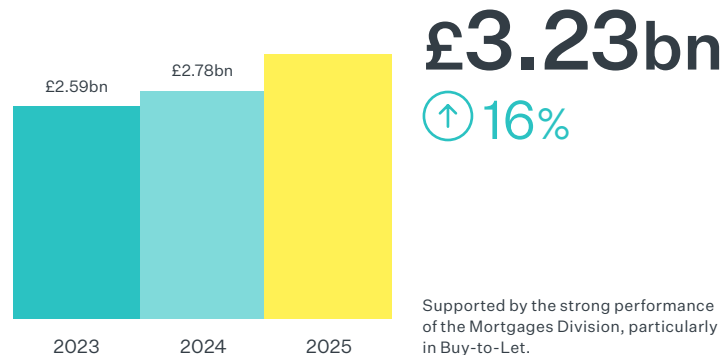
In FY25, we significantly strengthened our funding base and grew lending across all major product lines.

Highlights

Funds Under Management (FuM)



Assets Under Management (AuM)



Lending Performance

Total New Lending

£1.23bn
 ↑ 39%YoY

A record high.

Mortgages Division lending

62%
 ↑

Supported by stronger pricing and service improvements – including enhancements to the Broker Portal.

BTL originations

113%
 ↑

(YoY), while short-term mortgages (STM) grew 53% YoY in H2.

Development Finance (H2 originations)

88%
 ↑

(YoY), supported by improved market conditions.

Average 'Application-to-offer' times

11–14 days

With STM application-to-completion times improving by 30% YoY.

Key Capital Milestones

£1.5bn

JP Morgan Separate Account upsized by £500m

£1bn

UK savings bank Separate Account upsized by £500m

£300m

Facility with Lloyds renewed

£300m

Syndicate with BNP Paribas and HSBC renewed on improved terms

£250m

Societe Generale Warehouse Facility secured on competitive terms

6th securitisation

Mortimer 2024-MIX, completed – including our first securitisation of owner-occupied loans and attracting 17 investors

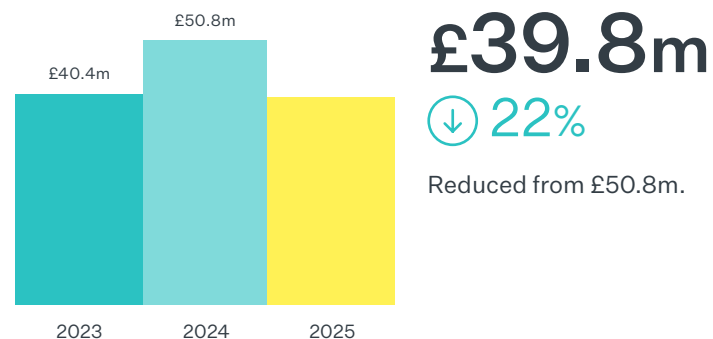
FY25 strategic highlights continued

2. Operate more efficiently

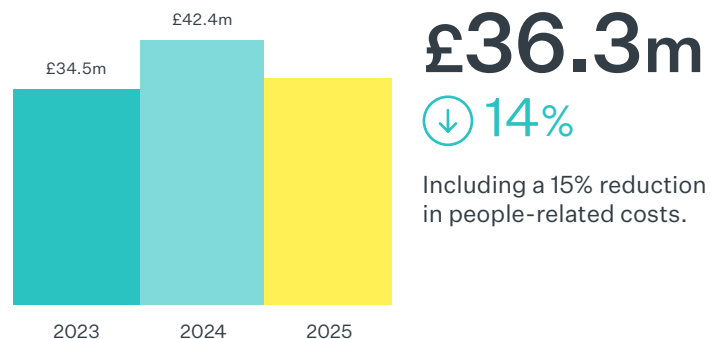
We enhanced scalability and productivity across the platform without proportionate cost increases.

Highlights

Total operating expenses



Administrative expenses



Continued migration of roles to our Glasgow Centre of Excellence, strengthening resilience and scalability.



Technology and operating model changes delivered meaningful gains in operating leverage.

Efficiency Improvements

Applications processed per month

100 Applications per month per BTL underwriter – up from 70.

Annual originations

6 underwriters Could support £900m in annual originations based on an average loan size of £300,000 and a 50% conversion rate.

Operational efficiency gains

50% Conversion rate delivered across BTL and STM teams.



Improved processes enabled delivery of FY2026 lending targets without headcount uplift.

Broker NPS

85 Reached at offer and 72 at completion.

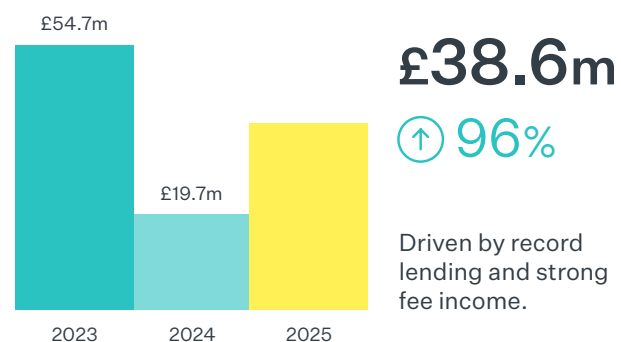
FY25 strategic highlights continued

3. Return to profitability

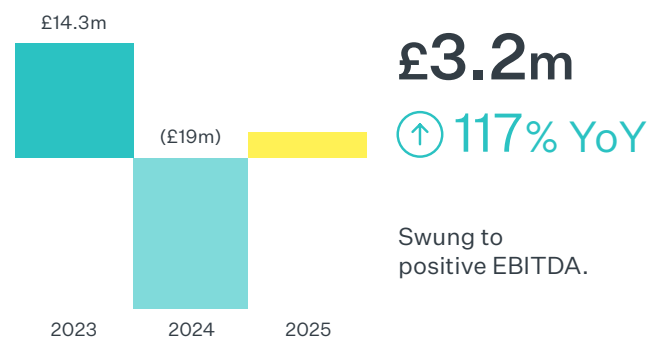
Our disciplined execution and stronger income mix restored profitability in H2.

Highlights

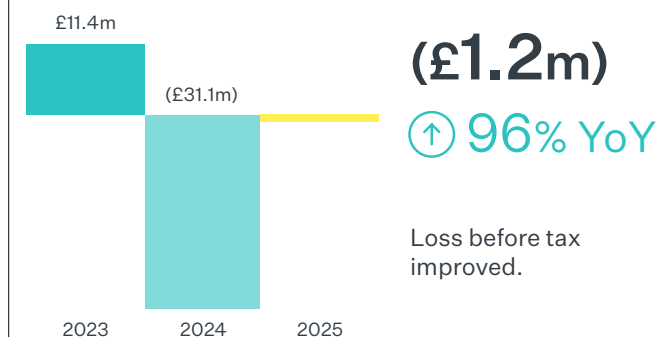
Net Operating Income



Adjusted EBITDA



Loss Before Tax

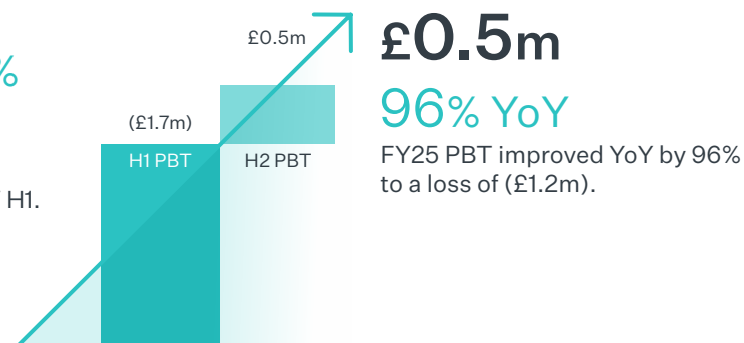


Our PBT has been positive since September 2024.

PBT H1 V H2

↑ 127%

FY2025 PBT increase H2 V H1.



Financial summary

2025 in numbers.

Financial

Audited	Year to 31 March 2025	Year to 31 March 2024 (Restated)	Change
Funds under Management (FuM) (£m)	5,128.6	4,127.3	24%
Platform Assets under Management (AuM) (£m)	3,232.8	2,783.5	16%
Proportion of AuM on third-party funds	79%	83%	(5%)
New lending (£m)	1,231.1	886.5	39%
Interest-bearing liabilities (£m)	(725.0)	(514.6)	(41%)
Net assets (£m)	64.4	55.5	16%
Net interest income (£m)	15.7	7.9	99%
Net fee income (£m)	22.0	14.9	48%
Net operating income (£m)	38.6	19.7	96%
Total operating expenses (£m)	(39.8)	(50.8)	22%
Gain/(loss) in adjusted EBITDA (£m)	3.2	(19.0)	117%
Loss before tax (£m)	(1.2)	(31.1)	96%
Loss after tax (£m)	(1.6)	(23.9)	93%
Diluted earnings per share	(1.2)p	(14.5)p	92%
Cash & cash equivalents (£m)	68.2	55.7	22%



Key Performance Indicators

How we measure performance

- **Platform Assets Under Management (AuM):** Total loan balances originated and managed across our platform, including managed for third-parties and principal investments using our balance sheet. Revenue is generated through a combination of interest and fee income. Our strategic focus is to grow third-party AuM to generate stable and recurring fee income.
- **Platform Funds Under Management (FuM):** Represents the total capital committed or available from our institutional, high-net-worth and private funding partners. This includes deployed funds, drawn but underutilised capital, and committed but undrawn capacity – indicating our ability to originate further loans without raising new capital.
- **Net Fee Income (NFI):** All platform, servicing, and transaction fees earned, net of related third-party costs. This reflects the value derived from managing and originating assets and is influenced by origination volumes and AuM.
- **Net Interest Income (NII):** Interest earned on loans and other interest-bearing assets, net of interest paid to financing partners. This reflects the margin generated from lending activity and is driven by loan pricing, financing costs, and asset mix.
- **Net Operating Income (NOI):** All revenue generated from lending and platform fees, net of associated funding and fee expenses. This reflects the earnings power of the platform before operating costs and is influenced by both loan growth and capital markets transactions.
- **Adjusted EBITDA:** A measure of underlying profitability excluding non-cash or exceptional items. Adjusted EBITDA supports analysis of cash flow, reinvestment potential and earnings quality by focusing on core business performance.
- **Profit Before Tax (PBT):** Group-wide earnings before tax. This reflects the net result of operating income and expenses, and is a key headline indicator of performance and value creation.

Chief Executive Officer's review

Building momentum and delivering results.

39%

Record Total New Lending: £1.23bn

FY25 marks a turning point for LendInvest. Having returned to profitability in September, we delivered a sustained performance throughout the second half of the year – achieving profit before tax of £0.5m for H2 and an adjusted EBITDA of £3.2m for the year. This was a critical milestone for the business, and a clear demonstration that our strategy is working.

This progress reflects a combination of strong execution, tough decisions, and a focused effort across the business to simplify, scale, and reset the platform for long-term growth. That included reshaping our cost base, strengthening our capital markets relationships, and deepening our investment in the technology that underpins how we lend, underwrite, and serve our customers.

Total new lending grew 39% year-on-year to £1.23bn, with particularly strong momentum in our Mortgages Division, where lending rose 62%. These results were supported by a more stable market together with the strength of our service-led proposition – combining deep underwriting expertise with a tech-led platform that accelerates decisioning, reduces friction, and builds trust with borrowers and brokers.

Our revenue model combines fee income from third-party capital with interest income from our principal investments. Net fee income rose 48% to £22m, reflecting strong growth in the assets that we originate and manage for others.

48%

Net Fee Income increased to £22m

Net interest income almost doubled to £15.7m (FY24: £7.9m), supported by significant new and renewed financing partnerships on improved terms. Together, these two complementary streams provide resilience, scalability, and flexibility – with each reinforcing the strength of our broader platform.

Platform Assets under Management (AuM) increased by 16% to £3.23bn, with 79% of those assets now managed on behalf of third parties – a clear signal of our strategic shift to a capital-light model and the confidence our investors place in the business.

Operationally, we've made the business leaner and more scalable. Average headcount fell 15% in FY25, the London office footprint was right-sized, and Glasgow is now a growing centre of excellence across risk, underwriting, operations, finance, marketing, product, tech, and servicing. These efficiencies haven't compromised service: turnaround times improved, application-to-offer durations dropped 20%, and platform productivity rose significantly – with the BTL team achieving over 50% throughput gains.

We improved product transfer capabilities, helping brokers retain customers and giving borrowers a smoother refinancing path. As this scales, it will cut acquisition costs and increase lifetime value. We also enhanced products across Buy-to-Let, Residential, and short-term mortgages, and completed our sixth public securitisation. Together with five new or renewed funding lines, this supports scalable growth without compromising control or margin.

16%

AuM grew to £3.23bn

We were pleased to achieve profitability in H2 across EBITDA and PBT, recording a profit before tax of £0.5m, compared to a loss before tax in H1 of -£1.7m – an improvement of 129% between H1 and H2.

While the strengthening in H2 was not sufficient to deliver full-year profitability on a statutory basis, we narrowed our annual loss before tax to -£1.2m (FY24: -£31.1m), an improvement of 96%. Adjusted EBITDA swung to a positive £3.2m from an £19m loss last year (EBITDA improved 113% from £21.7m loss to a £2.8m positive). These figures mark a significant recovery – and the strength of H2, in particular, gives us confidence that our platform is on the right trajectory.

Outlook: Our focus in FY26 is on disciplined execution: driving lending growth, improving efficiency, and growing profitability in line with current market expectations for the year.

We start from a stronger, leaner base, with automation and operating leverage enabling growth without expanding fixed overheads. Continued investment in platform automation and product upgrades, like our Product Transfer tool for intermediaries, is improving retention and boosting originations without raising acquisition costs.

We remain committed to cost discipline, margin improvement, and sustainable growth across our core products.

Rod Lockhart
Chief Executive Officer



A combination of strong execution, tough decisions, and a focused effort across the business.”



Market overview

Confidence returns:

Falling rates, rising demand, renewed optimism

The UK property finance market in FY2025 was defined by growing stability and the early signs of recovery after a prolonged period of challenges and sluggish growth.

While market volumes remained below long-term averages, the direction of travel improved meaningfully. For alternative lenders and credit investors, the year marked a turning point – with falling rates, moderating inflation, and for the best part, renewed clarity in funding markets creating more favourable conditions for growth.

We started the year with the Bank of England base rate at 5.25%, but ended it in March 2025 at 4.5%, following a series of consistent reductions. This shift, alongside less volatile swap rates, created a more stable backdrop for pricing – enabling us to manage interest rate risk effectively while remaining competitive across all products. As a result, we unlocked new opportunities for broker clients, reignited investor confidence, and delivered a record year for mortgage origination, driven by optimised execution across both short-term mortgages and buy-to-let.

For landlords, the income backdrop remained strong: private rental inflation continued to outpace general inflation, underpinned by structural supply shortages in the housing market. Demand remained strongest in value-accretive investment strategies – such as refurbishment, HMO conversions, and professionally managed lets – segments in which specialist lenders have a distinct competitive advantage.

Headline CPI inflation rose 2.6% in the 12-months to March 2025, reflecting a gradual easing of price pressures across the economy. House prices stabilised, with Nationwide reporting a 3.9% annual increase in the 12 months to March 2025. Mortgage approvals rose from a low of around 61,100 per month at the start of the financial year to approximately 64,300 by March 2025 (though the Stamp Duty changes created a spike in demand in March 2025). While overall transaction volumes remain constrained, investor and borrower sentiment improved consistently through the second half of the year, as expectations for a rate-driven recovery strengthened.

Labour market conditions softened marginally, with unemployment rising to 4.5% by March 2025.

However wage growth, while higher than where the Bank of England would like, remained robust – supporting affordability and, in turn, credit performance. Core mortgage-eligible demographics remained well supported, and employment levels continued to sustain underlying borrower affordability.

From a credit investor perspective, performance remained resilient – supporting demand for income-generating opportunities backed by real assets such as buy-to-let.

Institutional appetite for high-quality property finance exposure improved as broader volatility eased. Private credit and public securitisation spreads generally rallied over the course of the year, with AAA bonds tightening by as much as 10bps at one stage, reflecting both increased investor confidence in structured finance but importantly, the desire to allocate capital to highly rated, investment grade securities with less correlation to the whims of the global socio-political agenda.

For investors seeking yield with security, this asset class has, again, offered a compelling proposition in an unpredictable world – a world where specialist lenders, or alternative platforms such as our own, with both the origination scale and risk discipline, were best placed to create and capture value.

Looking ahead, the outlook for FY26 is increasingly constructive, with rates expected to continue falling, inflation nearing target, and borrower sentiment improving, the market environment is shifting in favour of well-capitalised, tech-enabled lenders with differentiated funding and platform advantages.

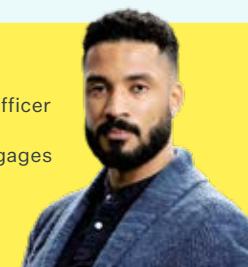
While challenges will inevitably emerge – as they have in recent years – we are well positioned to benefit from this next phase of the cycle, with the best technology platform, the right partnerships, the right investors, and a strong track record of performance in specialist segments where growth is accelerating.

Our perspective



For the first time since the mini-budget chaos, the world felt more predictable. Confidence returned. Rates fell, swaps stabilised, inflation eased, and real incomes recovered – helping mortgage activity trend back to long-term norms. Borrowers and investors could finally plan ahead.”

Hugo Davies
Chief Capital Officer
and Managing
Director, Mortgages



Delivering against our strategy

Strategic priorities.

FY25 marked the first full year of executing against the strategic priorities we set out in response to the challenges of the prior year.

Those challenges – including prolonged interest rate volatility, margin compression, and disruption in capital markets – highlighted the need for a more resilient, efficient, and scalable business model. In response, we committed to a clear, focused strategy: lend more, operate more efficiently, and return to profitability.

This was not about wholesale reinvention, but about sharpening the fundamentals that make LendInvest effective: technology-driven lending, disciplined capital deployment, and a specialist focus on underserved borrower segments.

Over the course of the year, we delivered measurable progress across each strategic pillar. Lending volumes increased – particularly in short-term mortgages and Buy-to-Let. Operational efficiency improved through real estate rationalisation, team restructuring, and automation of core workflows. And financial performance rebounded, culminating in a return to profitability from September onwards throughout H2 across PBT, EBITDA and adjusted EBITDA.

The following sections explore our performance across each of these pillars – demonstrating how the strategy is delivering results and how each part of the business is contributing to a more stable, scalable, and investable platform.

Our perspective



FY25 was about executing on the strategy we laid out this time last year: lend more, operate more efficiently, and return to profitability. And I'm delighted to report strong progress across all of these areas."

Rod Lockhart,
CEO LendInvest

£1.23bn

Record New Lending in FY25

Lending

More lending. Same discipline.

A critical part of our recovery strategy in FY25 was to lend more – with a deliberate focus on the segments and structures where the business could originate high-quality loans with strong risk-adjusted returns.

While the wider mortgage market remained subdued, our specialist platform and broker-led origination model enabled the business to grow lending volumes across several core segments, with total lending rising 39% YoY to a record £1.23bn.

Short-term mortgages

Short-term lending was a stand out performer. Transaction speeds remained at the heart of this product's value proposition, and LendInvest's ability to deliver fast, reliable funding to brokers and borrowers gave it a clear edge over traditional lenders. Demand from property professionals, developers, and auction buyers rebounded steadily in H2, and we responded by deploying capital at pace, without compromising on underwriting standards. Time-to-fund metrics improved significantly through the year, reinforcing our competitive advantage in short-term finance.

Buy-to-Let (BTL)

Even in the Buy-to-Let (BTL) sector, where landlords are pivoting strategies in response to ongoing yield challenges, there were enough 'windows of opportunity' (openings in the market where falls in swap rates increased product options and ultimately, affordability) to nudge the sector back into growth mode.

UK Finance reported that financing for purchases and remortgages were up 58.9% and 41.7% respectively. Our fully digital and smart BTL product proposition – focused on speed, transparency, and broker usability – gained traction, with our level of purchases and remortgages up 129% and 24% respectively. During the year, we expanded our intermediary panel, improved quoting tools, and optimised product features to improve conversion rates, with strong Q4 momentum carrying into FY26.

Residential lending

Residential was reshaped in response to challenging conditions. Higher interest rates led to higher affordability assessments which constrained demand for much of the year, particularly among near-prime borrowers. In response, we reoriented our proposition to better serve underserved segments including key workers, self-employed professionals, and for those borrowers with credit profiles that require a specialist touch. We continue to see market opportunity and growth potential in these cohorts – aligning closely with our appetite to alternative property finance solutions where traditional banks pull back.

As the macro backdrop improves and we roll out our revamped distribution strategy, the repositioned product is expected to gain share.



Development finance

Development finance saw a year of stabilisation, shaped by a difficult macro environment for SME house builders. High interest rates, elevated construction costs, and subdued planning activity continued to limit demand, and origination volumes remained broadly flat year-on-year. That said, momentum began to build in the second half, supported by multiple base rate cuts, improved sentiment, and growing political focus on housing delivery. Enquiry volumes in H2 FY25 rose 35% versus the prior year, and we introduced tactical funding solutions through new capital partners while continuing to develop a scalable, long-term strategy for the segment.

Throughout FY25, the business remained selective in deploying resources. Lending priorities were based on margin, scale, and operational efficiency. We concentrated our efforts where returns were strongest – such as short-term mortgages and BTL.

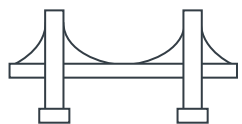
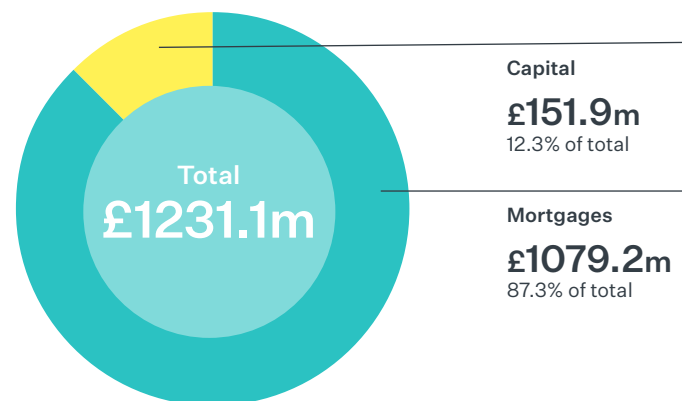
Where volumes or returns were lower – such as Residential – the focus shifted to product refinement and cost control. This ensured both top-line growth and a clear path to profitability.

Tech-enabled origination continued to underpin all product categories. Automation, data-driven underwriting, and real-time broker dashboards accelerated the end-to-end lending process and improved consistency. This not only improved the borrower and broker experience, but also helped to ensure operational scalability as volumes increased. The continued roll-out of our proprietary originations engine supported better decisioning, faster completions, and more efficient case management.

Lending in FY25 did not rely on a broad market rebound. It reflected a clear strategy: to lean into segments where our platform has competitive advantage, to maintain pricing discipline, and to prioritise origination where margins and capital efficiency align.

Lending continued

New lending



Bridging faster than ever

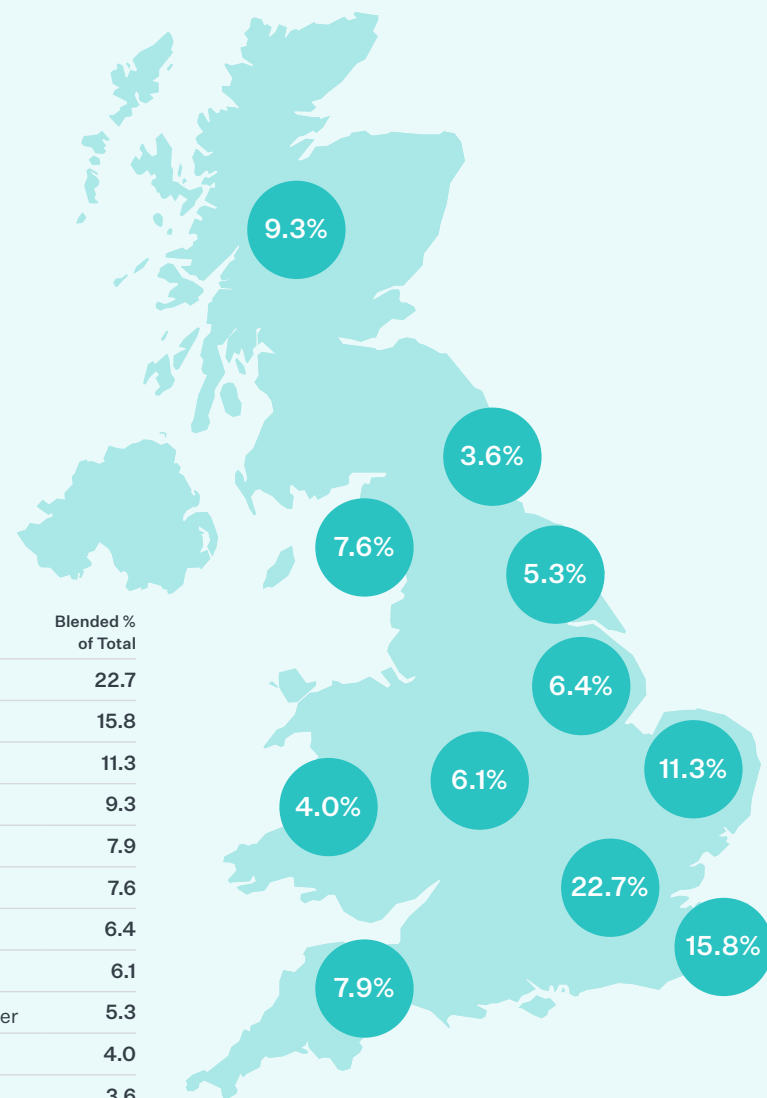
We've reduced end-to-end completion times for bridging loans from 74 days in April 2024 to just 53 days in March 2025

29% improvement
in under a year

FY25 Loan deployment by region

New lending in FY25 was well distributed across the UK, reflecting a broad risk profile as well as LendInvest's role in supporting property investment and development nationwide

Region	Blended % of Total
London	22.7
South East	15.8
East	11.3
Scotland	9.3
South West	7.9
North West	7.6
East Midlands	6.4
West Midlands	6.1
Yorkshire and The Humber	5.3
Wales	4.0
North East	3.6



Operational efficiency

Leaner, smarter, more scalable.

As part of the strategic shift initiated in FY24, we took decisive steps throughout FY25 to reshape our operating model for efficiency, scalability, and long-term margin improvement. This was not a one-off cost-cutting exercise, but a structural realignment designed to reduce overheads, simplify the business, and embed technology-led processes across every function.

A key focus was optimising our operational footprint. The London office was right-sized, relocating to a smaller, more suitable space that better reflects the hybrid and flexible nature of today's working environment. At the same time, we deepened our investment in Glasgow – not simply as a cost-effective alternative, but as a strategic growth centre.

Our Glasgow hub has rapidly evolved into a centre of excellence across key functions including risk, underwriting, operations, finance, marketing, product, tech, and servicing.

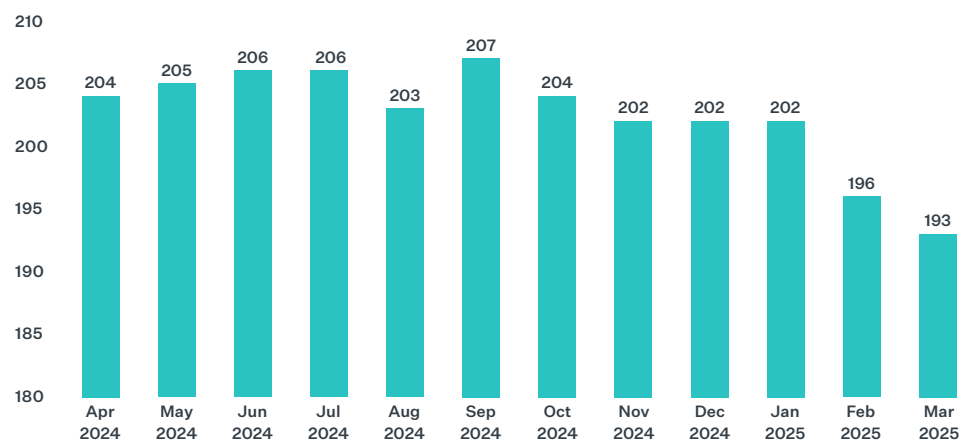
We've continued to build out high-calibre teams there, tapping into a strong local talent pool with deep financial services expertise. This move enables us to scale core operations in a way that is operationally efficient, culturally aligned, and structurally future facing.

FY25 also marked the first full year with all core mortgage products – Buy-to-Let, Residential, and Short-Term Mortgages – operating on a single, unified origination and processing platform. This consolidation delivered a range of tangible benefits. Real-time API integrations now pull key data into a single underwriting screen, significantly reducing manual handling and underwriter processing time. Brokers can submit enquiries in under 90 seconds, repeat cases auto-fill, and completions can occur in as little as five working days using Automated Valuation Models (AVMs) and dual legal representation – all without relying on third-party platforms.

Productivity improved materially across the year. Underwriters now reach final decisions with fewer manual steps, eliminating the need to navigate multiple PDFs or data systems. As lending volumes increased in H2, the business sustained throughput without corresponding headcount increases – clear evidence of scalable infrastructure. Technology efficiencies also reduced the cost per loan processed across both BTL and short-term mortgage products, strengthening our ability to grow lending volumes without margin compression.

An example of this operational leverage: each Buy-to-Let underwriter can now process up to 150 applications per month – up from 100 in FY24. Based on a 50% application-to-completion ratio and an average loan size of £300,000, a team of six underwriters could support £900m in BTL originations annually – demonstrating the power of our streamlined operating model.

Monthly headcount Apr 2024 – Mar 2025



204

Average FTE FY25

15% fewer than FY24

No reduction in service levels



Our perspective



We've maintained consistently high broker satisfaction levels even as lending volumes increased by 39% – all without increasing headcount.

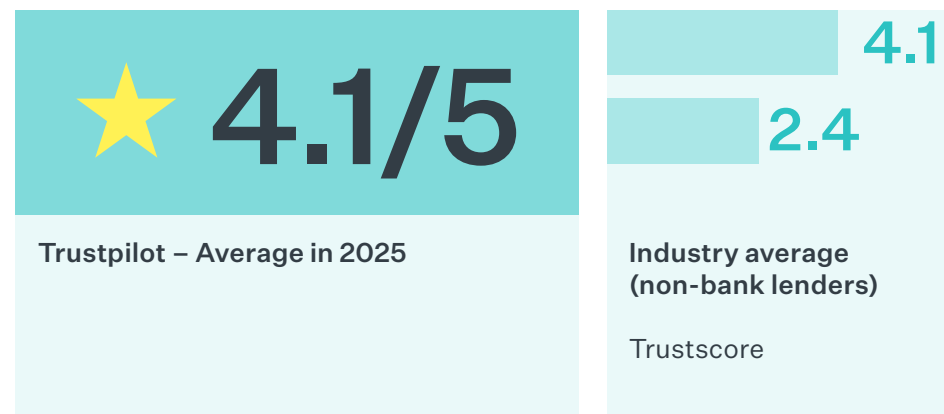
This demonstrates the strength of our operational platform and the efficiency gains delivered over the year. As we continue to scale, this discipline ensures we can grow lending and improve margins without a corresponding rise in costs, reinforcing the long-term value and resilience of our model."

Daniel O'Connor
Chief Operating
Officer

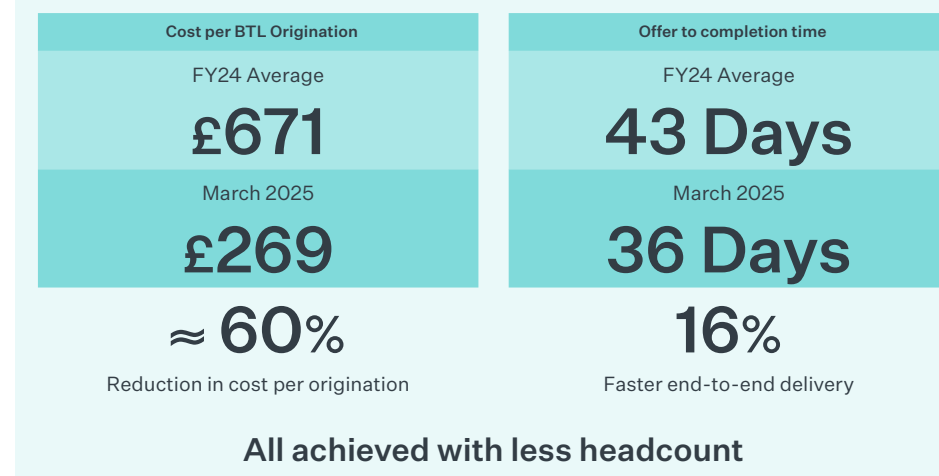


Operational efficiency continued

Customer trust that stands apart



Building Operational Efficiency at Scale



Platform-driven product transfers have also enabled early-stage retention strategies, reducing customer acquisition cost (CAC) and supported long-term income stability.

Technology adoption extended beyond origination. Internally, machine learning models are now used to monitor live portfolio performance, surfacing early warning signs based on borrower-level credit data and historical indicators. This approach is already helping to pre-empt risk and inform proactive asset management.

Operational KPIs reinforced the impact. Average short-term mortgages completion times improved notably in the second half, driven by restructuring of workflows and better process alignment. Broker satisfaction scores also rose, particularly among lean brokerages that prioritise frictionless, high-volume partnerships – a testament to our platform's ease of use and consistent SLA delivery.

Crucially, these improvements were not made at the expense of delivery. Despite reducing total staff numbers, we maintained – and in some areas improved – turnaround times, customer experience scores, and broker satisfaction levels. This speaks to the resilience of the platform and the scalability of our tech-driven model.

The internal build of our proprietary tech stack – tailored specifically to the needs of specialist property finance – remains a key competitive moat. Few new entrants possess both the domain expertise and capital required to replicate the same depth of automation, configurability, and scale.

These changes position us as a structurally leaner business – capable of absorbing volume increases without proportional cost growth, and with the discipline needed to protect margins through any future market cycle.



Return to profitability

Disciplined execution, stronger fundamentals.

LendInvest delivered a return to profitability in FY25, following a period of market-induced pressure and strategic restructuring. This outcome reflects the execution of a deliberately sequenced plan – to lend more, operate more efficiently, and scale in a way that builds resilience into the business model.

While the first half of FY25 was shaped by ongoing market uncertainty and subdued borrower activity, the second half brought a clear improvement in funding conditions and sentiment. Against this backdrop, profitability was not achieved through blunt cost-cutting or short-term fixes. Instead, it was the result of improved income mix, greater operational leverage, and sharper pricing discipline – all delivered within a leaner, more focused organisational structure.

Income diversification and capital-light growth

FY25 marked the first full year of LendInvest's more 'capital-light' strategy in action. This involved reducing reliance on warehouse funding and expanding separate account partnerships – a shift designed to limit exposure to net interest margin volatility and enhance return on equity.

Fee-based income streams, including servicing, origination, and management fees from third-party assets under management, grew materially across the year by 48% to £22m, contributing to a more balanced and predictable revenue mix.

At the same time, interest income remained an important part of the model, growing by 99% to £15.7m – supporting profitability in areas where direct lending offered strong returns and product control. This dual approach, combining scalable fee-based income with selective, efficient lending, continues to underpin the resilience of our platform.

As part of our strategy to diversify and stabilise income, management made the decision to retain a portion of the Mortimer 2024 securitisation. This increases the assets and liabilities on our balance sheet but enables us to benefit from stable, recurring income – helping to cover fixed costs and strengthen long-term earnings. Management may at some point sell the residual interest which would bring forward the earnings and the assets and liabilities would be de-recognised.

Margin discipline and product optimisation

Margin improvement was achieved through both pricing strategy and funding efficiency. After a highly competitive period in early FY25, the business took steps to preserve margin integrity – focusing on transactions with strong risk-adjusted returns.

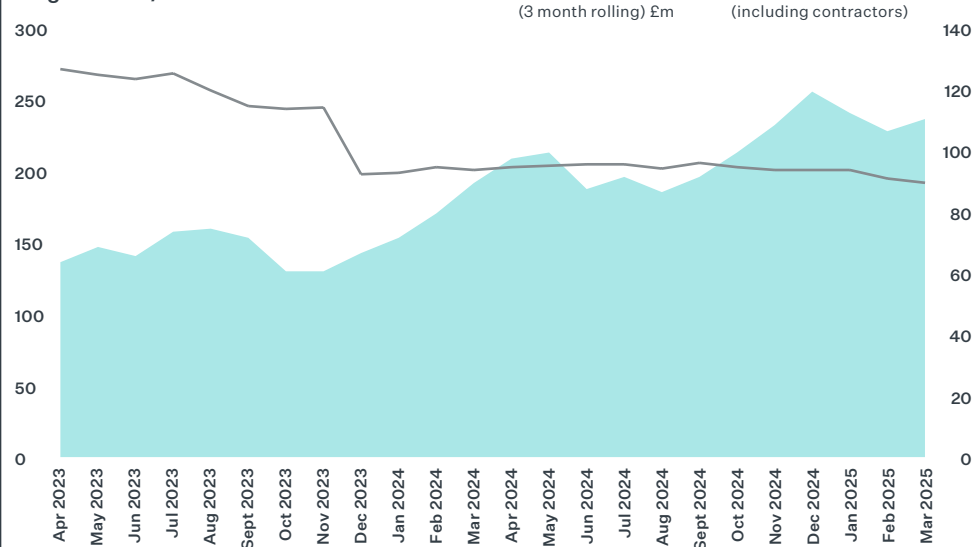
48%

Fee Based Income increase YoY

99%

Interest Income Increase YoY

Originations / headcount



Short-Term Mortgages volumes increased in H2, driven by fast turnaround times, differentiated criteria, and broker trust – but without compressing returns. In Buy-to-Let, platform enhancements improved conversion and enabled more accurate pricing at enquiry stage, ensuring tighter spread management.

As swap rates stabilised in H2, pick up became more straightforward and this allowed for more consistent margin performance – with Q4 seeing a notable uplift in net lending income contribution per loan.

Return to profitability continued

Cost leverage and operating model efficiency

Profitability was also supported by improved operational gearing. As detailed in the previous section, average FY headcount reduced from 240 in FY24 to 203 in FY25, real estate costs fell with the relocation of the London office, and technology efficiencies reduced cost per loan processed across BTL and short-term mortgages.

Notably, these gains were delivered without compromising service or throughput – a reflection of the scalability of the proprietary tech stack and the early benefits of building out our Glasgow Centre of Excellence.

A platform positioned for sustainable returns

The return to profitability in FY25 was not the end-state – but the proof-point. It demonstrates that the strategy is working: that we can grow originations without chasing volume, scale operations without bloating cost, and build a capital-light model that generates repeatable income.

The platform is now structurally leaner, more diversified, and better positioned to deliver returns through changing market conditions – with a funding model and operating structure designed not just for recovery, but for resilience in any cycle.

Strengthening our team for the next phase of growth

As we continue to build towards sustained profitability and long-term value creation, we have strengthened our senior leadership team with the appointment of John Eastgate as Chief Commercial Officer in a non-Board role. John brings extensive experience across the mortgage and specialist lending sectors and is already playing a key role in supporting our commercial execution.

John's appointment enables a smooth transition of certain day-to-day operational responsibilities previously held by Ian Thomas, allowing Ian to adjust to a part-time working pattern and focus fully on his core role as an Executive Director.

Ian will remain actively involved in shaping the strategic direction of the business, including his ongoing responsibilities across the Board, subsidiary governance, and executive leadership forums. This evolution reflects the maturity of our platform and the natural progression of our leadership structure as we scale, while ensuring continuity in both vision and execution.

Medium-Term Ambition

Our medium-term ambition is to scale both lending and asset management, building a capital-light, tech-driven platform. We aim to double lending and significantly increase AUM, while driving our fee-based income to strengthen our margins.

Capital remains central to this. Deepening institutional relationships will broaden investor access and improve capital alignment, helping fund a wider range of assets efficiently.

Technology is core to our scalability. Investment in automation, AI underwriting, and digital tools improves speed, accuracy, and cost control – enabling margin protection without expanding headcount.

By executing with discipline and maintaining a scalable platform, LendInvest is well positioned to deliver sustained growth and long-term value in UK property finance.



Recognised for digital excellence

LendInvest was named Best Digital First Lender and Best for Online Systems in the H1 FY25 Smart Money People Mortgage Lender Benchmark – the UK's leading independent mortgage broker survey.

Based on responses from over 900 mortgage brokers, LendInvest received the highest overall Net Promoter Score (NPS) of any lender in the report, reflecting strong satisfaction across key areas including speed, accessibility, and digital UX.

This recognition reinforces the strategic value of our technology investments and our commitment to delivering a platform that removes friction from the mortgage process. Smart Money People highlighted our “best-in-class digital journey” and the strength of our communication, with brokers noting how our systems enable faster decisions and more efficient case management.

Broker advocacy remains a critical driver of distribution performance and operational efficiency. As we sharpen our focus on profitability and scale, these results demonstrate the commercial and reputational benefits of our digital-first model, offering a compelling alternative to traditional lenders through a modern, automated experience built for today's mortgage market.

Consolidated financial performance

Consolidated Income Statement (audited)

Audited	Year to 31 March 2025 £'m	Year to 31 March 2024 £'m (Restated)	Change
Net interest income	15.7	7.9	99%
Net fee income	22.0	14.9	48%
Net gains on derecognition of financial assets	0.8	(3.2)	125%
Net other operating income	0.1	0.1	(20%)
Net operating income	38.6	19.7	96%
Administrative expenses	(36.3)	(42.4)	14%
Impairment losses on financial assets	(3.5)	(8.4)	58%
Total operating expenses	(39.8)	(50.8)	22%
Loss before tax	(1.2)	(31.1)	96%
(Gain) / Losses from derivative hedge accounting	(0.5)	4.0	(111%)
Exceptional operating costs	0.4	2.7	(87%)
Underlying loss before tax	(1.3)	(24.4)	95%
Loss after tax	(1.6)	(23.9)	93%
Gain/(loss) in adjusted EBITDA	3.2	(19.0)	117%

Condensed Consolidated Income Statement

The summary consolidated statement of profit and loss account for the year ended 31 March 2025 is shown below. The prior year ended 31 March 2024 has been restated as described in Note 14.

Net Interest Income

Net interest income nearly doubled to £15.7m for the year ended 31 March 2025 (FY24: £7.9m), underlining the continued importance of interest income in supporting profitability during a year of transition. This result was driven by a 44% increase in on-balance sheet Assets under Management (AuM) and a 155% improvement in Net Interest Margins (NIM) to 2.71% (FY24: 1.06%) – supported by improved funding terms.

While this growth reflects tactical deployment into strong risk-adjusted return segments, it took place alongside progress in building a more capital-efficient platform. The proportion of total Platform AuM held on-balance sheet increased marginally to 21% (FY24: 17%) as we held select assets to optimise execution and earnings. At the same time, 40% of assets held were securitised – enabling capital recycling, boosting liquidity and reducing risk concentration.

Although securitised assets remain on balance sheet under accounting treatment, they carry lower risk and capital intensity than directly funded loans. This reinforces our long-term model: balancing selective interest income generation with scalable, lower-risk, third-party capital strategies to support consistent, repeatable earnings.

Additionally, reported results reflected a stabilisation in derivative hedge accounting, with a gain of £0.5m in FY25 compared to a £4.0m loss in FY24. While not a direct contributor to income in the period, this swing supported a cleaner interest income result and marked a notable improvement in year-on-year volatility.

Net Fee Income

Net fee income rose significantly by 48% year-on-year, underscoring the successful move towards a third-party asset management model. This growth reflects the expansion of our fee-based revenue streams, particularly from separate account mandates and servicing income, enabled by increased third-party AuM.

This strategic emphasis on a capital-light, fee-driven model is delivering higher margins with a lower risk profile, reinforcing the sustainability and scalability of our earnings while supporting long-term value creation.

Impairment Losses on Financial Assets

Impairment charges decreased significantly by 58% year-on-year to £3.5m (2024: £8.4m), reflecting a return to more normalised levels of credit risk. The elevated charge in the prior year was primarily attributable to a small number of complex exposures within the Capital Division, specifically in Structured Property Finance and Development Finance, that were adversely impacted by macroeconomic volatility.

In contrast, the Mortgage Division continues to demonstrate strong credit performance, with expected credit losses remaining low. This is underpinned by the high quality of the mortgage book and the ongoing resilience of the UK property market. The improvement in impairment levels reinforces the strength of our underwriting standards and the effectiveness of our portfolio risk management strategies.

Consolidated financial performance continued

Administrative Expenses and Adjusted EBITDA

Administrative Expenses

Total administrative expenses decreased by £6.1m (145%) to £36.32m (FY24: £42.4m), reflecting continued focus on cost optimisation and improved operational efficiency.

Audited	Year to 31 March 2025 £'m	Year to 31 March 2024 £'m (Restated)	Change
Wages and salaries	16.8	20.1	(16%)
Depreciation and amortisation	3.7	3.2	15%
Depreciation of right-of-use asset	0.8	0.7	21%
Fees payable to the auditors for the audit of the financial statements	1.6	1.4	14%
Fees payable to the auditors for the audit of the prior year financial statements	0.4	0.3	33%
Share-based payment (credit)/charge	(0.4)	1.2	(130%)
Other operating expenditure	13.4	15.5	(14%)
Total administrative expenses	36.3	42.4	(14%)

Key drivers of this reduction include:

- **Wages and Salaries:** Reduced by £3.3m (16%) to £16.8m (FY24: £20.1m), primarily due to a 15% reduction in headcount and the absence of £1.1m in redundancy costs that were incurred in FY24. This aligns with our strategy to optimise resource deployment while maintaining productivity.
- **Depreciation and Amortisation:** Increased by £0.5m (15%) to £3.7m (FY24: £3.2m), reflecting continued, although significantly reduced, investment in technology infrastructure, including internally developed platforms and software capitalisation.
- **Depreciation of Right-of-Use Assets:** Increased marginally to £0.8m (FY24: £0.7m), up 21%, following right-sizing of our London footprint following the relocation of operations from London to Glasgow.
- **Audit Fees:** Fees for the audit of the current year financial statements increased to £1.6m (FY24: £1.4m), a 14% increase. Fees for the audit of the prior year financial statements also increased to £0.4m (FY24: £0.3m), a 33% increase.
- **Share-Based Payment (SBP) Charge:** Reversed to a credit of £0.4m (FY24: charge of £1.2m), representing a 130% swing driven by leavers, true-ups and expenses to the company share and share option plans.
- **Other Operating Expenditure:** Reduced by £2.1m (14%) to £13.4m (FY24: £15.5m), driven by lower professional fees, tighter discretionary spend controls, and further cost efficiencies realised through business process reengineering.

This comprehensive reduction in administrative expenses demonstrates strong execution of our efficiency strategy, enabling us to maintain a scalable cost base and reinvest savings into strategic growth initiatives.

Adjusted EBITDA

The reconciliation between Loss after taxation and Adjusted EBITDA for the year ended 31 March 2025 is shown below.

Audited	Year to 31 March 2025 £'m	Year to 31 March 2024 £'m (Restated)	Change
Loss after tax	(1.6)	(23.9)	(93%)
Corporation Tax	0.4	(7.2)	(106%)
(Gain)/Losses from derivative hedge accounting	(0.5)	4.0	(111%)
Share-based payment (credit) / expense	(0.4)	1.2	(130%)
Depreciation and amortisation	3.7	3.2	15%
Depreciation of right-of-use asset	0.8	0.7	21%
Interest expense – lease liabilities	0.3	0.3	6%
Gain / (loss) in EBITDA	2.8	(21.7)	(113%)
Exceptional operating expenses *	0.4	2.7	(85%)
Gain/(loss) in adjusted EBITDA	3.2	(19.0)	(117%)

* Exceptional operating expenses in FY25 relate to restructuring costs

Consolidated financial performance continued

Segmental Analysis

Segmental analysis

Our Mortgages Division provides mortgages to both professional BTL landlords and Residential homeowners as well as a range of Short-term Mortgages. The Capital Division provides larger, more structured finance primarily to property developers and large property companies.

An analysis of the year ending 31 March 2025 based on these segments is presented below.

	Year to 31 March 2025			
	Mortgages £'m	Capital £'m	Central £'m	Group £'m
Total AuM	2,777.7	455.1	–	3,232.8
Principal Investments	546.4	137.5	–	683.9
3rd Party Funded	2,231.3	317.6	–	2,548.9
New lending	1,079.2	151.9	–	1,231.1
Net interest income	9.0	6.7	–	15.7
Net fee income	15.4	6.6	–	22.0
Net gains on derecognition of financial assets	–	0.8	–	0.8
Net other income	0.1	–	–	0.1
Net operating income	24.5	14.1	(0.0)	38.6
Administrative expenses	(11.1)	(2.4)	(22.8)	(36.3)
Impairment (losses)/gains on financial assets	(0.4)	(3.1)	–	(3.5)
Total operating expenses	(11.5)	(5.5)	(22.8)	(39.8)
Profit / (Loss) before tax	13.0	8.6	(22.8)	(1.2)

Consolidated financial performance continued

Funds under Management (FuM) reconciliation to and Platform Assets under Management (AuM)

The reconciliation between Funds under Management (FuM) and Platform Assets under Management (AuM) at 31 March 2025 is presented below.

	As at 31 March 2025 £'m	As at 31 March 2024 £'m (Restated)	Change
Platform Assets under Management (AuM)	3,232.8	2,783.5	16%
Principal Investments	683.9	473.4	44%
3rd Party Funded	2,548.9	2,310.1	10%
Unutilised funding facilities	1,895.8	1,343.8	41%
Principal Investments	629.3	364.6	73%
3rd Party Funded	1,266.5	979.2	29%
Funds under Management (FuM)	5,128.6	4,127.3	24%
Principal Investments	1,323.5	838.0	58%
3rd Party Funded	3,805.1	3,289.3	16%

Principal Investments FuM grew significantly, increasing by 58% year-on-year, primarily driven by the successful execution of the Mortimer 2024-MIX securitisation. This transaction, coupled with the expansion of warehouse funding lines and the introduction of new debt facilities, has improved our net interest margin and materially strengthened our funding capacity.

3rd Party FuM also rose by 16% year-on-year, reflecting increased origination volumes under our separate account Forward Flow arrangements. These flows are supported by enhanced facilities provided by our strategic funding partners, aligning with our capital-light model and diversifying revenue streams.

This dual-track growth underscores the successful execution of our strategy to selectively grow our principal investments while accelerating 3rd Party capital deployment, enhancing both capital efficiency and recurring fee-based income.

Consolidated financial performance continued

Balance Sheet

Summary of assets, liabilities, and equity for the period.

	As at 31 March 2025 £'m	As at 31 March 2024 £'m (Restated)	Change
Cash and cash equivalents	68.2	55.7	22%
Other receivables	12.8	10.7	19%
Loans and advances	694.2	473.4	47%
Investment securities	34.7	41.1	(15%)
Derivative financial asset	1.9	–	–
Other assets	18.7	19.1	(2)%
Total assets	830.5	600.0	38%
Other payables	(35.2)	(25.6)	(39%)
Lease liabilities	(5.5)	(2.3)	(141%)
Derivative financial liability	–	(2.0)	100%
Interest bearing liabilities	(725.0)	(514.6)	(41%)
Deferred tax liability	(0.4)	–	–
Total liabilities	(766.1)	(544.5)	(41%)
Net assets	64.4	55.5	16%
Share capital	0.1	0.1	45%
Share premium	55.2	55.2	(0)%
Other reserves	18.6	10.1	85%
Retained Losses	(9.5)	(9.9)	4%
Total Equity	64.4	55.5	17%

Net assets: Net assets have increased by 16% to £64.4m (31 March 2024: £55.5m).

Loans and advances: Loans and advances increased by 47% to £694.2m (FY24: £473.4m), underpinned by a 39% year-on-year increase in new lending. This reflects the successful execution of our lending strategy, with continued momentum in origination activity for principal investments using the balance sheet as well as for third parties.

Investment securities: Declined in line with the shift towards on-balance sheet securitisation, positioning the Group for future residual sale opportunities. No new investments were made during the period.

Lease liabilities: Increased during the year due to new office leases in London and Glasgow. The London lease reflects a 53% reduction in footprint, while the Glasgow office supports regional expansion – together reinforcing the Group's long-term operational strategy and delivering improved cost efficiency through strategic relocation.

Interest bearing liabilities: Interest-bearing liabilities rose 41% year-on-year, broadly in line with the growth in the loan book. This was primarily due to increased drawdowns on existing revolving facilities and a new securitisation, positioning the group for future residual sale opportunities, with corporate debt facilities increasing by 10.8%, reflecting prudent leverage management in support of scalable growth.

Dividend

The Board is not recommending a final dividend for the year ended 31 March 2025. This decision reflects the Group's retained losses position at the year end which precludes the payment of dividends. The Board remains committed to commencing a progressive dividend policy as soon as it is prudent to do so.

Consolidated financial performance continued

Cash Flow Statement and Going Concern

Cash Flow Statement

As at 31 March 2025, the Group held cash and cash equivalents of £68.2m, representing a 22% increase year-on-year (31 March 2024: £55.7m). This growth reflects strong financing inflows and improved operational and funding efficiency. Of the total balance, £57.1m is restricted for designated loan funding purposes (31 March 2024: £38.5 million), supporting continued origination activity within structured funding vehicles. In contrast, unrestricted cash decreased to £11m (31 March 2024: £16.8m), reflecting strategic reinvestment into loan book growth and securitisation readiness.

	Year to 31 March 2025 £'m	Year to 31 March 2024 £'m (Restated)
Cash (used in) /generated from operating activities	(196.5)	28.6
Net cash generated from investing activities	3.8	(16.9)
Net cash generated from /(used in) financing activities	205.2	(2.7)
Net increase in cash and cash equivalents	12.5	9.0
Cash and cash equivalents at beginning of the year	55.7	46.7
Cash and cash equivalents at end of the year	68.2	55.7

Going Concern

The Group's business activities together with the factors likely to affect its future development and position are set out in the Strategic report. The Directors have assessed the Group's funding position and confirm that no committed funding lines mature within 12 months from the date of approval of these financial statements.

Directors have a reasonable expectation that the Group will have adequate resources to continue to operate for a period of at least 12 months from the signing of these accounts including severe yet plausible downside scenarios that Group will have sufficient funds to meet its liabilities as they fall due for that period. Therefore, it is on this basis that the Directors have continued to prepare the accounts on a going concern basis. More information on the Directors' assessment of going concern is set out in the Directors' report.

A future securitisation of approximately £300m is planned for 2025 when the book reaches an optimal level.

ESG

Sustainable growth, measured success.

At LendInvest, our commitment to responsible business remains central to our long-term growth strategy.

We believe that by embedding environmental, social and governance considerations across our platform, we can deliver value not just for investors and borrowers, but for colleagues, communities, and future generations.



Our Perspective



While we recognise the growing complexity of ESG disclosure, our focus remains simple: take ownership of our impact, be transparent about our progress, and prioritise the issues that matter most to our stakeholders.”

Hugo Davies
Chair, LI ESG Committee

4 Years Carbon Neutral

ESG continued

Environmental

In FY25, we made progress in both our emissions accounting and in offsetting our remaining footprint. Our emissions totalled 144.0tCO₂e, a 7.7% reduction compared to FY24.

The business completed its transition away from natural gas heating, which contributed to the overall reduction. We maintained our digital-first operating model, which helped conserve resources across paper, water and energy.

We continued to meet our climate commitments by offsetting our full emissions footprint using verified carbon credits. This marks the fourth consecutive year we have remained carbon neutral, covering Scope 1, 2 and relevant Scope 3 emissions. While we did not commission a full external impact report this year, we drew on reserves from a previous multi-year carbon credit purchase to ensure complete coverage.

Beyond offsetting, we maintained a low-operating-impact model through hybrid working practices, digital processes and cloud-based infrastructure – all of which reduce our reliance on physical resources. As regulation around energy performance in housing tightens, we remain focused on supporting customers to upgrade and future-proof their properties.

Sustainability remains a strategic consideration across both our operational footprint and product development, as we continue to explore ways to align with market expectations and environmental best practice.

Our financing approach also plays a role in addressing the carbon footprint of UK housing. Through products like our BTL and short-term mortgage range, we incentivise landlords to improve energy efficiency across their portfolios – contributing to reduced fuel bills for tenants and supporting national efforts to tackle fuel poverty.

Internally, we remain focused on reducing our own resource usage. Our core technology stack is designed to streamline paper-heavy mortgage processes, with tools like DocuSign significantly cutting waste. In FY25, our use of electronic document workflows saved more than 13,000 sheets of A4 paper and almost 2,000 gallons of water in production.

We also operate in Glasgow from an energy-efficient EPC B-rated office and continue to offset any residual emissions through verified clean energy and reforestation projects.



Climate-related risk

LendInvest plc is not currently in scope for mandatory climate-related disclosures, but we recognise the importance of climate risk within financial services. Oversight is maintained through our ESG Committee, with relevant risks considered as part of broader governance and decision making processes.

7.7%

FY25 CO₂ reduction compared to FY24

ESG continued

Social

We continue to support our people and wider community through investment in wellbeing, inclusion and early careers.

We raised £15,000 this year for Sands, the Stillbirth and Neonatal Death Charity, supporting bereaved parents and families across the UK.

Internally, we continue to invest in staff wellbeing, engagement and development, recording an improved OfficeVibe engagement score of 7.7 (7.6 FY2024).

We will also support our second Early Careers Programme in summer 2025, with five new interns joining the business for an 18-month placement.

All of last year's cohort of interns went on to secure full time roles within the business.



Our Perspective



We've worked hard to build a culture where people feel valued, supported and empowered to grow."

Hugo Davies
Chair, LendInvest ESG Committee

ESG continued

Governance



We strengthened our governance approach to align with the evolving needs of our customers, investors and colleagues.

- ESG oversight continued under the Audit & Risk Committee, with regular internal reporting.
- All staff completed compliance training, reinforced with new modules on phishing, financial crime and whistleblowing, and social engineering risks.
- Security upgrades were implemented across our self-select investment platform to further protect customer data. We remain committed to good governance practices and full transparency across environmental and social matters.



Our Perspective



Our governance practices shape our culture – they guide how we work, how we grow, and how we stay accountable.”

Hugo Davies
Chair, LendInvest ESG Committee

Principal risks and uncertainties

Risk Management Structure

1st line of defence (Business Operations):

- Day-to-day risk management;
- Design and operation of processes and controls;
- Management of risks aligned to policy requirements;
- Risk and Control Self Assessments; and
- Incident management and risk mitigation.

2nd line of defence (Risk and Compliance):

- Development and maintenance of risk management framework;
- Reporting versus our Board-approved Risk Appetite and risk framework;
- Oversight of incident management arrangements and root cause analysis;
- Delivery and coordination of Risk and Control Self Assessments;
- Deep dive reviews, determined by risk profile;
- Advice and assurance to senior management through monitoring; and
- Supporting the first line to ensure risks are proactively identified and managed.

3rd line of defence (Internal Audit):

- Undertakes independent oversight activity aligned to a plan approved by Board; and
- Aims to cover all material risk areas over a three year planning cycle.

Introduction and culture

The day-to-day operations of the Group give rise to a range of financial and non-financial risks, each of which are owned and managed by a member of senior management. The management of these risks aims to ensure that the outcome of any risk-taking activity is consistent with our strategy, the Board risk appetite, and is compliant with current and developing regulation. In this way, risk management also seeks to achieve an appropriate balance between risk and reward in order to optimise returns without exacerbating levels of risk, ensure good customer outcomes and, where issues arise, to manage the best outcome for the Group and its stakeholders in an appropriate, fair and customer-focused manner.

We have adopted a 'Three Lines of Defence' model to separate risk management activities between those responsible on the front line of the business for risks and controls, independent compliance and risk oversight, support, review and challenge, and internal audit assurance. We also have a Risk Management Framework that formally documents the structure for managing risks and the Board's Risk Appetite.

The Board is accountable for maintaining a policy of continuous identification and review of the principal risks we face which could threaten future performance or our business model. The Board delegates its risk oversight to the Audit & Risk Committee which reviews the effectiveness of LendInvest's risk management processes throughout the year. Senior management are supported in their risk management roles through the operation of a Risk Committee, a Credit Committee, an Assets and Liabilities Committee, and an Operations Committee, each reporting to the Executive Committee.

Risk appetite

Risk appetite is set and approved annually by the Board. It provides an articulation of the level of risk we are prepared to accept in order to achieve our strategic objectives. It is expressed and embedded through metrics and limits for each of our risk types. These metrics and limits are designed to provide appropriate indications of changes in the operating environment as well as to trigger action by management.

Risk policies and behaviours

A set of principal risk types to which we are exposed through our activities have been identified. Each risk type is actively managed through a policy standard that clearly articulates the approach and boundaries by which the risks are managed and ensures everyone understands their individual responsibilities.

Evidence of control

The Risk Framework sets out expectations of staff for the identification, measurement and control of our key risks. We continue to undertake a structured programme of Risk and Control Self Assessments to cover all material processes and technology. This provides a basis for assessing evidence of control adequacy and effectiveness for our most material risks.

Risk reporting

Risk reporting processes exist to ensure top and emerging risks are surfaced throughout the organisation and appropriate action is taken on a timely basis. This is in addition to reporting on risk appetite, risk events and incidents as well as the outcome of Risk and Control Self Assessments and second line oversight activity.

Key Areas of Risk

The following principal risks are those currently considered most material. They reflect the evolving external environment, the expansion of our operational footprint, and our transition towards a capital-light, third-party asset management model. The risks are monitored quarterly, and mitigations are reviewed regularly.

Principal risks and uncertainties continued

1. Strategic Risk

What is it?

The risk that achievable volumes or margins decline relative to the cost base, affecting the sustainability of our business and our ability to deliver our strategy.

How may it arise?

Changes in the macroeconomic, geopolitical, industry, regulatory or competitor environment.

How do we manage the risk?

- We monitor a suite of KPIs aligned to our corporate goals, taking timely action.
- We monitor our position versus competitors to ensure our product offerings remain competitive, accord to their target market, are appropriately priced and represent fair value.
- We benchmark our technology and processes to ensure our infrastructure meets the needs of customers, intermediaries and stakeholders.
- We undertake sensitivity and stress analysis on key assumptions in the financial forecast.

Movement in risk profile

Interest rate volatility and capital constraints have continued to affect volumes and margins across core products. However, improved market confidence, pricing stability and internal efficiencies have supported our ability to scale selectively and maintain investment in key initiatives.

Changes in 2024/25

- Delivery of technology driven Buy-to-Let product transfer process.
- Introduction of cashback incentive for both Buy-to-Let and Residential mortgage products reduced operational expenditure by lowering valuation costs.
- Delivery of the Buy-to-Let Expat mortgage product facilitated expansion within the Buy-to-Let market.
- Short-term mortgages transformation programme completed which increased the application capacity that could be serviced.

2. Credit and Concentration Risk

What is it?

The risk that a loan customer or wholesale counterparty fails to maintain their contractual obligations and repay their borrowing on time.

How may it arise?

Changes in the economic conditions in the UK may impact on the ability of customers to repay their loans, leading to an increase in bad debt and/or reduced fee levels.

How do we manage the risk?

- Prudent lending policies and responsible product selection.
- Credit decisioning using multiple data sources and expert underwriting.
- Monitoring of leading credit indicators and early arrears.
- Stress testing using IFRS 9 and internal forecasting models.

Movement in risk profile

The risk profile remains elevated in some sectors, including development finance. Affordability constraints and market uncertainty continue, though early arrears metrics have stayed resilient.

Changes in 2024/25

- Enhancement of credit risk appetite metrics with a particular focus on expected credit losses as a percentage of on balance sheet exposure per product.
- Increase in overall impairment charge due to the growth in overall AuM and existing structured bridging positions.

3. Liquidity, Funding and Market Risk

What is it?

The risk that we are unable to meet our obligations as they fall due or are adversely hit by market rate or price movements.

How may it arise?

- Liquidity mismatches or investor withdrawal.
- Shifts in funder appetite or wholesale pricing.
- Adverse rate or swap market movements.

How do we manage the risk?

- KRI monitoring and Board limits for key funding metrics.
- Liquidity stress testing and refinancing contingency planning.
- Hedging off interest rate risk using vanilla interest rate swaps
- Continued diversification across funders and product lines.

Movement in risk profile

Pressures from interest rates persisted early in the year, but interest rates have generally been trending down and have been less volatile. Property finance as an opportunity in the broader Asset Backed Finance market continues to attract significant demand from investors. Strong appetite for securitisations and separate accounts/private exposure continues to underpin funding and competitive pricing.

Changes in 2024/25

- Manageable market risk despite geopolitical issues.
- Base rate cuts due to a weakening UK economy which will help bring swaps and consequently mortgage pricing down, stimulating activity which helps rebuild pipelines.
- Significant capital raising which supported strong origination in development, short-term mortgages, and Buy-to-Let lending.
- Continuous improvement for liquidity due to ongoing deal closures and diversification of funders.

Principal risks and uncertainties continued

4. Conduct and Compliance Risk

What is it?

The risk that our culture, behaviour or actions may lead to a failure to comply with regulations, or cause detriment to customers or the markets. This also includes where our products or entities are used to facilitate financial crime.

How may it arise?

- Failure to understand the needs of our customers or to ensure products or services represent fair value compared to the overall benefits they can expect to receive.
- Failure to recognise and/or implement legislative or regulatory requirements such that there is a breach of such requirements.

How do we manage the risk?

- Dedicated Compliance function and monitoring framework.
- Implementation of Consumer Duty and fair value assessments.
- Anti-financial crime controls and regulatory reporting.
- Governance frameworks and regulatory horizon scanning.

Movement in risk profile

The risk profile remains stable. Residential lending and Consumer Duty requirements raised inherent risks, but these were mitigated through targeted programmes.

Changes in 2024/25

Enhanced our Anti Financial Crime Framework including management information, training, policies, procedures, risk assessments.

- Continued supporting the business in embedding consumer duty including improvements to management information.
- Enhanced our overall compliance infrastructure including a policy register, attestations.

5. Capital Adequacy Risk

What is it?

Holding insufficient capital to absorb losses in normal and stressed conditions or the ineffective use of capital.

How may it arise?

- Unexpected credit losses or adverse market conditions.
- Regulatory change increasing capital requirements.

How do we manage the risk?

- Forward capital planning and stress scenarios.
- Monthly monitoring with Board-level reporting and thresholds.
- External validation of key assumptions via ICAAP and planning reviews.

Movement in risk profile

Capital headroom has improved following refinancing and a shift toward capital-light activity. However, high cost pressures and retained risk still require careful alignment.

Changes in 2024/25

- Ongoing movement from balance sheet lending to capital-light fee driven model.
- All regulatory submissions in FY2025 were compliant with the relevant capital and liquidity requirements.

6. Operational Risk

What is it?

Losses or disruption resulting from inadequate or failed processes, people and systems or from external events.

How may it arise?

- Control design failures, process complexity or people risk.
- Failures or weaknesses in technology infrastructure, including IT system failures.
- Inadequate performance from third party service providers.

How do we manage the risk?

- Structured RCSAs and incident tracking.
- Regular review of top risks and risk mitigation plans.
- Investment in automation, systems resilience and security.
- Control testing to provide assurance over control effectiveness.

Movement in risk profile

The risk profile remained stable overall, but people-related change, technology resilience and control testing remain key focus areas.

Changes in 2024/25

- The documentation of departmental level risk and controls has been improved. This provides an opportunity to develop a regime of 2nd line control testing to provide assurance over the effectiveness of key controls.
- Continued work on process and system based risk and control assessments to highlight potential areas of failure or weakness within business critical systems and processes.
- Risk incident management training is being provided to key stakeholders in the business.
- The tracking of actions from all assurance reviews (risk assessments, compliance monitoring and internal audit reviews) has now been systemised in LogicGate facilitating a greater level of oversight and accountability.

Principal risks and uncertainties continued

7. Cyber and Data Risk

What is it?

The risk of disruption, unauthorised access, or loss of data and systems due to cyber attacks, system failure, or human error, leading to financial loss, reputational damage, or regulatory penalties.

How may it arise?

- Malicious Cyber Activity such as phishing, malware, ransomware, or denial-of-service attacks by external threat actors.
- System and Technology Failures including hardware malfunctions, software bugs, or network outages.
- Human error and negligence, including accidental data deletion, misconfiguration of systems, or loss of devices.
- Third party and supply chain vulnerabilities, including compromise of a vendor, supplier, or business partner's systems that connect to our own.
- Data management deficiencies such as poor data classification, retention, or disposal practices
- Technological change and evolution, including the rapid adoption of new technologies (e.g., cloud, AI, IoT) and the emergence of new attack vectors or vulnerabilities.

7. Cyber & Data Risk continued

How do we manage the risk?

- Implementing industry-standard security frameworks (Cyber Essentials) to guide policies, procedures, and controls.
- Deploying and maintaining firewalls, intrusion detection/prevention systems (IDS/IPS), and anti-malware solutions.
- Implementing strong access controls, multi-factor authentication (MFA), and encryption for data at rest and in transit.
- Regularly patching and updating all systems, software, and applications to address known vulnerabilities.
- Conducting regular vulnerability assessments to identify weaknesses before they can be exploited.
- Subscribing to threat intelligence feeds and staying informed about emerging cyber threats and attack vectors.
- Providing mandatory and ongoing cybersecurity awareness training for all employees.
- Establishing robust data backup and recovery procedures, with offsite and immutable backups.

Movement in risk profile

The risk profile has remained stable overall, but people-related change and technology resilience remain key focus areas. Progress continues on automation.

Changes in 2024/25

- Ongoing improvements on vulnerability and patching management.
- Cloud Posture Management in place with work towards AWS baseline security standard.
- Improvements to the (now) monthly Phishing simulations.

The Group continues to review its principal risks in light of emerging threats and strategic developments. While the macroeconomic and regulatory environment remains uncertain, our risk framework is designed to adapt, ensuring long-term sustainability and the protection of stakeholder value.

Section 172(1) statement

The Directors of LendInvest plc, in accordance with Section 172 of the Companies Act 2006, continue to promote the long-term success of the Company while having regard to the interests of stakeholders and the broader impacts of our decisions. This section sets out how we have discharged those duties during the financial year ended 31 March 2025.

Our Stakeholders

We identify key stakeholder groups based on their direct influence on our ability to deliver our strategy and operate sustainably: our people, customers and brokers, investors and capital partners, regulators, suppliers, and the wider communities in which we operate.

Employees

Why they matter:

Our success depends on attracting, retaining and empowering skilled people who believe in our mission to simplify and modernise property finance.

How we considered their interests:

The Board maintained oversight of culture and engagement through feedback forums, leadership visibility, and regular updates on workforce sentiment. Strategic decisions – including our headcount realignment to support operational efficiency – were made with care and transparency, with support mechanisms in place throughout. We continued investing in employee experience, learning and development, and recognition frameworks to support long-term engagement.

Customers and brokers

Why they matter:

Our customers – including landlords, developers and brokers – rely on our speed, technology and reliability to seize opportunities and scale portfolios.

How we considered their interests:

Customer and broker feedback directly informed enhancements to our digital mortgage portal and product offering. The launch of our residential mortgage products followed identified demand for flexibility and speed, and the Board oversaw performance metrics to ensure these needs continued to be met. As market conditions evolved, we prioritised responsiveness, including rate reductions and faster decisioning to maintain customer confidence and trust.

Investors and capital partners

Why they matter:

We rely on continued confidence from institutional and retail investors to grow our lending platform and deliver shareholder value.

How we considered their interests:

The Board engaged regularly with shareholders and funding partners throughout the year, supporting a number of strategic milestones including our largest securitisation to date and the formation of new capital partnerships. These decisions were guided by our commitment to improving returns, reducing capital intensity and enhancing transparency across all aspects of reporting and investor communications.

Regulators

Why they matter:

Regulatory compliance is fundamental to our licence to operate and reputation as a responsible financial services provider.

How we considered their interests:

Our governance framework remained robust, with Board-level oversight of risk, compliance, and FCA engagement. The launch of our expanded residential offering was supported by close dialogue with regulators to ensure adherence to lending standards and consumer protections.

Suppliers and delivery partners

Why they matter:

Our third-party providers support key operational functions, from legal services to platform infrastructure.

How we considered their interests:

We engaged with our partners through structured reviews and clear commercial terms. As part of our continued digital investment, we strengthened several relationships to ensure delivery reliability and platform scalability, aligned with our capital-light strategy and customer expectations.

Communities and the environment

Why they matter:

We recognise the impact of our activities on the communities we lend into and our responsibility to support environmental sustainability in the built environment.

How we considered their interests:

We continued to promote energy-efficient property financing across our product suite and maintained our carbon neutrality status for operational emissions. Board discussions included ESG progress updates and supported initiatives that contribute to the long-term resilience and sustainability of the housing sector.

The Board remains focused on acting in good faith, fairly between members, and in a manner aligned with our purpose, culture and long-term goals.

Governance

At LendInvest, strong governance is fundamental to how we operate. It provides the foundation for sustainable growth, informed decision-making and long-term value creation.

In an evolving market and regulatory environment, good governance ensures we remain agile, transparent and resilient – while holding ourselves to account. We maintain a clear governance framework that supports effective oversight prudent risk management and strategic clarity.

Our Board is focused on ensuring the right balance of structure and flexibility, empowering our leadership to deliver against commercial priorities while protecting the integrity of our platform and the interests of our investors, borrowers, colleagues and partners.

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Board of Directors



Stephan Wilcke
Independent Non-Executive Chairman

Stephan assumed the role of independent Non-Executive Chair of the Board on 3 March 2025. He also chairs the Remuneration and Nomination Committees, and is a member of the Audit & Risk Committee.

Stephan currently chairs 3173 Group comprising Dalriada Trustees, Mantle and Spence, and chairs the Supervisory Board of SaarLB (LandesBank Saarland). He is a former Executive Chair of OneSavings Bank and has also served on the boards of Amigo, Azimut, Bimamobile, Equiom, Hamburg Commercial Bank, the Hellenic Financial Stability Fund, Independer, Farmafactoring, the Jersey Financial Services Commission, Nova Lubjanska Bank, TBC Bank Plc and Travelex. In his executive career he served as CEO of HM Treasury's Asset Protection Agency, was a partner at Apax Partners responsible for financial services in Europe and started his career at Oliver Wyman where he progressed to partner level. Stephan is an active early stage investor and has been an adviser to the business since 2016. Stephan chairs the Remuneration and Nomination Committees, and is a member of the Audit & Risk Committee.



Christian Faes
Non-Executive Director

Christian co-founded LendInvest with Ian Thomas in 2008. He served as CEO until January 2020 and transitioned from Chair to Non-Executive Director with effect from March 2025. Christian comes from a legal background having practised as a real estate lawyer in Australia at Allens Arthur Robinson, and then in the UK with Clifford Chance and Deutsche Bank.

Christian has been actively involved in the fintech sector as founder of the Fintech Founders group, a member of the Government's Fintech Delivery Panel, the City of London's Fintech Strategy group, and an advisor to the Department of International Trade's Telecoms and Technology Trade Advisory Group.

Christian is now CEO of Faes & Co, which is a firm that actively builds and invests in technology-enabled direct lending businesses, based out of the US.



Maeve Byrne
Independent Non-Executive Director

Maeve is an accomplished financial services professional who brings over 30 years of experience to her new role. She has held key leadership positions at respected institutions like RBS and KPMG and currently serves as a Non-Executive Director at M-Kopa Holdings Limited and Funding Circle plc. Maeve's expertise in governance and financial oversight has already been instrumental as she has stepped into the roles of Independent Non-Executive Director and Chair of the Audit & Risk Committee, contributing her insight to the Company's strategic goals. Maeve is also a member of the Nomination and Remuneration Committees.

Board of Directors continued



Rod Lockhart
Chief Executive Officer

Rod joined LendInvest in 2015 to lead the Group's Capital Markets and Fund Management division. In January 2020, Rod became Chief Executive Officer.

Rod is a chartered surveyor with over 20 years' experience in property and property finance. He was previously Senior Director and a board member of the Investment Advisory Committee for CBRE. As well as advising LendInvest on its Real Estate Opportunity Fund, he advised UK and global institutional clients and managed a range of property and property debt portfolios.



Ian Thomas
Co-Founder and Chief Investment Officer

A qualified chartered surveyor, Ian has many years' experience of property valuation, mixed-use development and investment acquisitions in both the UK and abroad, previously holding senior positions at Ballymore and SEGRO. Ian co-founded the business with Christian in 2008 during the global financial crisis.

Ian oversees credit and recovery decision making and investment strategy at LendInvest. He is a regular speaker at property industry events, a member of the MIPIM PropTech Advisory Committee and an active investor in several PropTech startups.

Executive team



Hugo Davies

Chief Capital Officer & Managing Director of LendInvest Mortgages

Hugo began his career at Goldman Sachs, working within Treasury. During his time at Goldman Sachs, Hugo was responsible for the funding and liquidity management of mortgage portfolio sales, accelerated book-builds, debt offerings and SPV capitalisations. Hugo also managed liquidity risk for G10 and emerging market currencies, developing strong relationships in FX and money markets.

Hugo joined LendInvest in 2016 within the Capital Markets division. Hugo leads equity and debt capital raising for the business and manages our large investor relationships. Hugo was responsible for the design and delivery of our listed bond programme, and oversaw the capital raising for both our launches into Buy-to-Let and regulated lending.



Daniel Underwood

Chief Credit Risk Officer

Daniel has over 24 years' experience in financial services across UK banking, fintech, and specialist lending.

Daniel spent 18 years with National Australia Group Europe, starting his career in mortgages and retail banking, prior to a senior role in restructuring and recoveries, focusing on residential and commercial property enforcement, insolvency, litigation, and loss mitigation. Prior to joining LendInvest, Daniel also spent two years with Funding Circle UK, holding a senior role in property development underwriting.

Daniel joined LendInvest in 2017 and is responsible for LendInvest's credit policy, large loan and development finance underwriting, portfolio risk, quality assurance, and complex recoveries.



Stephen Shipley

Chief Financial Officer

Stephen joined LendInvest in January 2024 and is a seasoned Chief Financial Officer with extensive experience in the financial services industry. He has a strong background in financial management, reporting, planning, and analysis, having held significant roles at Barclays for over 23 years. During his tenure at Barclays, Stephen served as MD, Treasury CFO, and Head of Group Business Performance.

In his most recent role, Stephen was the CFO at Foundation Home Loans, where he managed capital markets and credit risk analytics, contributing to the company's financial stability and growth. His expertise includes developing and implementing key systems and process changes.



Daniel O'Connor

Chief Operating Officer

Daniel joined LendInvest in 2023 to lead the scaling of Operations before expanding responsibilities in April 2024 becoming Chief Operating Officer.

Daniel has over 17 years of experience in financial services across banking and fintech, specialising in risk management and assurance at the beginning of his career at RBS Group, MUFG and CYBG. Daniel led the integration of Group Operations during CYBG's acquisition of Virgin Money and went on to lead the transformation of Operations at scale.

Executive team continued



John Eastgate
Chief Commercial Officer

John brings to LendInvest more than 30 years of experience in the UK finance sector, including time in the C-Suite, Boardrooms and Executive Committee roles. John has overseen the commercial strategy and direction for FTSE250 banks and private equity-backed alternative lenders. John's strength as a leader stems from a combination of commercial ambition and outstanding people management skills, and he has a proven track record of creating and sustaining efficient teams and business models.



Rod Lockhart
Chief Executive Officer

Rod joined LendInvest in 2015 to lead the business' Capital Markets and Fund Management division. In January 2020, Rod became Chief Executive Officer.

Rod is a chartered surveyor with 20 years' experience in property and property finance. He was previously Senior Director and a board member of the Investment Advisory Committee for CBRE. As well as advising LendInvest on its Real Estate Opportunity Fund, he advised UK and global institutional clients and managed a range of property and property debt portfolios.



Ian Thomas
Co-Founder and Chief Investment Officer

A qualified chartered surveyor, Ian has many years' experience of property valuation, mixed-use development and investment acquisitions in both the UK and abroad, previously holding senior positions at Ballymore and SEGRO. Ian co-founded the business with Christian in 2008 during the global financial crisis.

Ian oversees all investment strategy and decision-making at LendInvest. He is a regular speaker at property industry events, a member of the MIPIM PropTech Advisory Committee and an active investor in several PropTech startups.

Chair's introduction



I am pleased to present our Corporate Governance Report for the year ended 31 March 2025."

Stephan Wilcke
Non-Executive Chairman

The report sets out our governance framework, the Board's key actions during the year, our approach to complying with the QCA Code and our engagement with stakeholders.

My role, as Chair, is to ensure that good corporate governance is upheld by LendInvest and across the Group. At LendInvest, our approach to corporate governance is to ensure we have the appropriate structures, controls and decision-making procedures in place to ensure we conduct our business with accountability, responsibility, trust and fairness. This assists us in achieving the long-term sustainable success of the business and achievement of our ambitious objectives. This report sets out our approach to governance, with detail on the operation of the Board and its committees, along with an explanation of our compliance with the QCA Code.

The Board is committed to the highest standards of corporate governance appropriate for a company of its size and status. The Board has decided that we will comply with the principles set out in the updated QCA Code 2023, and this report sets out our approach to governance, with detail on the operation of the Board and its committees. The QCA Code sets out a standard of minimum best practice for small and mid-sized companies, particularly AIM companies.

Following the resignation of Penny Judd as Independent Non-Executive Director and Chair of the Audit & Risk Committee, Maeve Byrne was appointed as her successor after a comprehensive selection process. She assumed the role of Independent Non-Executive Director from June 2024 and took over as Chair of the Audit & Risk Committee with effect from 31 July 2024 following a smooth transition.

The Board comprises three Non-Executive Directors, two of whom are considered independent, and two Executive Directors. The Board believes this to be an appropriate size and balance of skills at this time to steer the Company on its continued path towards returning the Company to profitability. However, under the new Chairmanship, a full review of the Board's composition and committee memberships will be undertaken to ensure it aligns with the Company's needs.

Corporate governance highlights from the year

- Review of Board composition, including change of Chair.
- Carrying out a Board Effectiveness Review.

Throughout the year we have held most of our Board and Board committee meetings in person, with remote attendance also available. Our ability to operate on a hybrid model has supported good governance and decision making in this regard.

As a Board, we recognise that our employees are vital to our success and recognise the challenges that they have faced during the past year whilst we have focused on returning to profitability. As such, we receive regular reports allowing us to monitor our corporate culture and ensure our values continue to be adhered to. We are proud of the work undertaken by our Social and Corporate Responsibility team and our group of Diversity and Inclusion champions who take the lead in organising Company-wide events and initiatives that enrich our Company culture.

Stephan Wilcke
Non-Executive Chairman

Corporate governance report

Statement of compliance

The Board is committed to maintaining high standards of corporate governance. We recognise the value and importance of a governance framework that is appropriate for our size, scale and complexity, and is in the interests of all our stakeholders.

LendInvest plc has adopted the QCA Code 2023 and is compliant with all the principles of the Code. Disclosures required by the QCA Code 2023 have been made both in this Annual Report and Accounts and on our website, lendinvest.com

Here we explain in broad terms how we apply its ten principles.

Deliver growth

Principle 1

Establish a purpose, strategy and business model which promote long-term value for shareholders

We are a pioneering mortgage platform that develops cutting-edge technology to simplify the process of securing a mortgage. Our vision is to revolutionise property finance. Our strategy and business model emphasise collaborative working across our operating divisions, as we use technology to disrupt one of the few remaining verticals in the UK financial services sector:

- Growing our FuM by taking advantage of prominent, developing trends that include a shift towards private debt, a growing preference for real assets, and alternatives with an ESG focus.
- Optimising our FuM by continuously seeking the most appropriate Investors and Financial Partners and leveraging our technology.
- Expanding our Platform AuM by delivering a superior service, leveraging our technology, growing our intermediary relationships, and introducing new products at scale.
- Investing in our technology infrastructure, continuing to innovate and further improving the customer experience.

Principle 2

Promote a corporate culture that is based on ethical values and behaviours

Our Board oversees our culture and values. The Directors believe an important component of our success is our corporate culture. The Senior Management team is responsible for actively promoting them and good conduct.

At the heart of our culture are our values, being:

- Simple is best. We relentlessly remove unnecessary complexity, for customers and ourselves.
- Smart innovation. We challenge the status quo and disrupt established ways to make positive change happen.
- Get it done. We deliver quickly and efficiently, then make things even better.
- Win together. We are ambitious and foster a culture of collaboration, having fun and working as one team to succeed.

Principle 3

Seek to understand and meet shareholder needs and expectations

We regularly meet with our shareholders and potential shareholders at various events. At our full and half-year results presentations, and at our AGM, investors can directly ask questions and discuss their priorities. We regularly attend sell-side organised investor conferences, investor roadshows, and equity salesforce presentations.

Principle 4

Take into account wider stakeholder and social responsibilities and their implications for long-term success

Operating responsibly and ethically is central to our business strategy and ensuring the value we create is both sustainable and with the long term in mind. It is important for the long-term success of the Group that we continue to reduce the environmental impact of our business and to make a positive impact on the industry and the communities that we serve. Our efforts in this area are supported by our ESG Committee which is led by our Chief Capital Officer.

Principle 5

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

We implement our strategy within the Group's risk framework and review our risks regularly to confirm that the business model is consistent with our appetite for risk.

Our risk management processes, policies and procedures are embedded in our culture and working practices. They're operated through our 'three lines' model: from operational departments, reporting to our risk and compliance function, and finally overseen by our Audit and Risk Committee. The internal audit function is supported through an external outsourcing arrangement.

Corporate governance report continued

Deliver growth continued

Principle 6

Establish and maintain the Board as a well-functioning, balanced team led by the Chair

We have a balanced and complementary team on the Board, which is made up of two Executive and three Non-Executive Directors, two of which are deemed independent. Our Directors bring a desirable range of skills and experience reflecting the challenges and opportunities faced by the business in the near and longer term. A full review of the Board's composition and committee memberships will be undertaken by the new Chair to ensure it aligns with the Company's needs.

Principle 7

Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities

The Directors consider that we maintain a governance structure that's appropriate to our size, scale and complexity – as well as our capacity, appetite and tolerance for risk. Our governance structures and processes were designed with advice from our NOMAD and external legal advisers as part of the listing process and have been fully embedded since listing in 2021.

Our Directors provide a complementary set of capabilities, skills and experience. New Directors have a rigorous induction programme. All Directors receive regular training about market trends and business opportunities, and regulatory, governance and legal matters.

Each Director is responsible for maintaining their skills and managing any other external roles and training.

Principle 8

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

A Board effectiveness review was last carried out in March 2025. This was carried out internally by means of a questionnaire covering Board and committee effectiveness, the performance of the Chair, Board composition, external stakeholder engagement, risk management and culture, governance processes and organisation. An action plan was developed identifying areas of focus for FY26.

Principle 9

Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

The Remuneration Committee meets throughout the year to ensure the policy, that was approved by shareholders in 2022, is applied to ensure alignment with the Company's purpose, strategy and culture. Further details of the work of the Committee can be found under the Remuneration Committee section and the Annual Report on Remuneration.

Principle 10

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Our website is regularly updated with information about our activities and performance, including financial reports, information about our AGM, our financial calendar and dividend details, policies, governance structure, and terms of reference and constitutional documents – available to all stakeholders.

We also disclose how we comply with the QCA Code, and review this information annually in accordance with Rule 26 of the AIM Rules for Company Disclosures.

We communicate directly with our shareholders, clients, people, regulators and suppliers, too, as we've outlined in Principles 3 and 4.

Corporate governance report continued

Governance structure and Board activities

Following our admission to the AIM market, we implemented a governance framework to align with good governance principles set out in the QCA Code.

Here we provide an overview of how our governance is structured and of our key governance roles.

Board

The Board is responsible for the management, direction and success of the business.

Non-Executive Chair

Responsibilities: The Chair is responsible for the leadership of the Board and promoting a culture of openness and constructive challenge and debate. The Chair is also responsible for ensuring effective communication with the Group's stakeholders.

Chief Executive Officer

Responsibilities: The CEO is responsible for the executive management of the Group, and for proposing and executing its strategy.

Chief Investment Officer

Responsibilities: The CIO is responsible for overseeing credit and recovery decision-making and investment strategy at the Group.

Non-Executive Directors

Responsibilities: The Non-Executive Directors are expected to provide oversight and constructive challenge to management.

Board Committees

In adherence with the recommendations of the QCA Code, we have an Audit & Risk Committee, a Remuneration Committee and a Nomination Committee, each with formally delegated duties and responsibilities and with written terms of reference.

Audit & Risk Committee

Responsibilities: The Audit & Risk Committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's financial statements and accounting policies, external audits and controls, advising on the appointment of external auditors, overseeing our relationship with our external auditors and reviewing the effectiveness of the external audit process.

Remuneration Committee

Responsibilities: The Remuneration Committee will review the performance of the Executive Directors and make recommendations to the Board on matters relating to their remuneration, terms of their employment and grants to them of awards under the Share Plans.

Nomination Committee

Responsibilities: The Nomination Committee assists the Board in reviewing the structure, size and composition of the Board. It is also responsible for reviewing succession plans for our Directors, including the Chair, the Chief Executive Officer, and other senior executives.

Company Secretary

The Board is supported by David Gracie from Indigo Independent Governance, who provide company secretarial and governance services to the Company. Indigo Corporate Secretary Ltd was appointed as Company Secretary in November 2023. Our Company Secretary supports the Board of Directors to ensure that high standards of corporate governance and compliance are maintained. The Company Secretary is responsible for ensuring Board and Board committee meetings are properly conducted, that Directors receive the right information before these meetings to help them contribute effectively, and that governance requirements are considered and implemented, reporting to the Chair.

Corporate governance report continued

Matters reserved for the Board

The Board is ultimately responsible for the Group's strategy, performance and management. The Board discusses and reviews all matters and issues relevant to the performance of the Group. An annual agenda of matters to be reviewed is agreed by the Board under the guidance of the Chair.

Certain matters are reserved for the Board, these include:

- Setting the Group strategy and long-term objectives.
- Approving budgets and forecasts.
- Changes to the Group's capital structure and dividend policy.
- Extension of Group activities by geographical regions or into new business.
- Approval of significant contracts, capital or operating expenditure.
- Assessing the effectiveness of risk management and internal controls.
- Effective communication with shareholders.
- Approving announcements for interim and annual reporting and other major announcements.

The full list of matters reserved can be found on the website.

Board composition

As at 31 March 2025, the Board comprised two Executive Directors and three Non-Executive Directors, two of which are deemed independent, who are responsible for the Group's success.

Our Non-Executive Directors provide independent, objective judgement of Board decisions and scrutinise and challenge management. The Board delegates managing day-to-day operations of the Group to the Executive Directors.

Board independence

The Board periodically reviews its composition and succession planning framework to ensure that appointments create an appropriate mix of skills and experience, and a level of diversity and independence that supports the Group's objectives for business growth. The key factors considered by the Board when determining a Director's independence are their other commitments, their tenure and the personal qualities they demonstrate in the boardroom. One of the Non-Executive Directors is not considered to be independent due to his previous employment and majority shareholding in the Company.

Board appointments

Each Director appointed by the Board will stand for election by the shareholders at each AGM. Each Non-Executive Director is appointed for three years and is expected to serve two terms. The Board may invite them to serve for longer, mindful that after nine years a Director would no longer be considered independent.

Time commitment

Our Directors are expected to commit enough time to fulfil their duties and responsibilities as a director. The Board is satisfied that each of our Directors can dedicate enough time and fulfil their commitment to discharge their responsibilities effectively.

The Directors are expected to attend all meetings of the Board and the committees on which they serve. The table below details how many Board meetings each Director attended last financial year:

	Meetings
Independent Non-Executive Chair	
Stephan Wilcke (from 3 March 2025)	9/10
Executive Directors	
Rod Lockhart	10/10
Ian Thomas	9/10
Non-Executive Directors	
Christian Faes (Chair until 2 March 2025)	7/10
Maeve Byrne (joined 4 June 2024)	5/6
Penny Judd (left 31 July 2024)	5/5
Dale Murray (left 24 September 2024)	4/5
Nina Spencer (left 24 September 2024)	5/5

Corporate governance report continued

Conflicts of interest

We have policies and procedures in place to monitor and manage any conflicts of interest our Directors might have. Directors must declare their outside business interests and potential conflicts of interest each year – and again when something changes. The Board must consent if a Director wants to undertake certain outside business interests.

The Company Secretary maintains a register of the Directors' outside business interests and potential conflicts of interests. The Board has authorised the current interests disclosed in the register and has oversight of conflicts and how they are managed. The Company Secretary and the Board keep the register under review, so they could take appropriate action if they needed to.

Board effectiveness review

The purpose of a Board effectiveness review is to establish objectives which will help drive continual improvement in Board practice and outcomes. The Board carried out a review of its performance in FY25. This review sought input from all Board members and covered Board and committee effectiveness, the performance of the Chair, Board composition and processes, external stakeholder engagement, risk management and culture, governance processes and organisation. The results of the questionnaire were discussed by the Board and it was agreed that the Board and its committees are performing effectively. The actions agreed from this process included a review of succession planning for the senior leadership team, and reviewing the Company's approach to Board and committee reporting, particularly with respect to overseeing risk. A further board effectiveness review is planned in FY26.

Managing risk

The Board is responsible for managing the Group's risks and for setting the tone of its culture and conduct. During the year, the Directors continued to review how effective our systems of control and risk management are. The Board has delegated authority to the Audit & Risk Committee to oversee the identification, measurement, monitoring and management of all the risks within the Group. The Group uses a robust risk management framework which aims to ensure that the outcome of any risk-taking activity is consistent with the Group's strategy, the Board risk appetite, and is compliant with current and developing regulation. The Audit & Risk Committee receives regular reports from senior management about the main sources of risk and any specific concerns around risk.

The Group's risk management processes, policies and procedures are embedded in our culture and working practices, and are operated through the 'three lines' model. More information on this can be found in the section 'Risk Overview' on page 26.

Review of key policies

Our governance framework is underpinned by several policies which are approved on an annual basis by the Board. The key Company policies are as follows:

- Anti-bribery and Corruption.
- Fraud.
- Whistleblowing.
- ESG policies.
- Inside Information.

Approved by the Board on 18 July 2025 and signed on its behalf by:

Stephan Wilcke

Non-Executive Chairman, July 2025

Audit & Risk Committee report



Dear Shareholder,



I am pleased to present to you the report of the Audit & Risk Committee (the Committee) for the year ended 31 March 2025.”

Maeve Byrne
Chair, Audit & Risk Committee

Areas of responsibility

The Committee is responsible for:

- reviewing the Group’s financial statements and accounting policies, external audits and controls;
- advising on the appointment of external auditors; and
- overseeing our relationship with our external auditors and reviewing the effectiveness of the external audit process.

The Board has delegated a range of matters to the Committee, and the Committee operates within the parameters of the Terms of Reference, which were last agreed on 18 September 2023. These Terms of Reference are available on the Company’s website.

Members	Meetings
Maeve Byrne (joined 4 June 2024; Chair from August 2024)	3/3
Penny Judd (Chair until August 2024)	2/2
Stephan Wilcke	5/5
Dale Murray (left 24 September 2024)	2/2
Nina Spencer (left 24 September 2024)	2/2

Membership

As at 31 March 2025, the Committee comprised two independent Non-Executive Directors on the Board, including myself. I was appointed in June 2024 to succeed Penny Judd as Chair of the Audit & Risk Committee. The remaining Non-Executive Director and the Chief Investment Officer, as founders and major shareholders of the business, have been granted observer status. The CEO, the Chief Financial Officer and the Company’s external auditors, BDO LLP, are regularly invited to attend by the Committee. The Committee is satisfied that the Chair has recent and relevant financial experience. The Company Secretary acts as secretary to the Committee.

The Audit & Risk Committee meets as often as it deems necessary but in any case at least three times a year.

Key activities

During the year, the Committee considered the following matters:

- Reviewing the Company’s systems of risk management, internal control and principal risks and uncertainties and recommending them to the Board.
- Reviewing the Company’s half yearly and full year results.
- Considered the requirements for internal audit and whether it would be appropriate for a business of the Company’s size and maturity.
- The Audit Committee reviewed management’s assessment of going concern.
- Consideration of key audit matters and how they are addressed.
- Consideration of the external audit report and management representation letter.
- Review of whistleblowing and anti-bribery arrangements.
- Relationship with the external auditor to ensure independence and objectivity are maintained.
- Reviewed the Modern Slavery Statement.

Audit & Risk Committee report continued

Key accounting matters

The Committee assessed the quality and appropriateness of, and adherence to, the Group's accounting policies and principles. It reviewed whether the accounting estimates and judgements made by management were appropriate. The significant issues and accounting judgements considered by the Committee in respect of the half year ended 30 September 2024 and year ended 31 March 2025 are set out below:

- Loan loss provisioning.
- Loan and advances valuation.
- Effective Interest Rate, behavioural lives.

Internal Audit

The Committee considered the Company's current governance requirements and guidance from the Institute of Internal Auditors in relation to internal audit. With the ultimate goal being to provide assurance on the effectiveness of governance, risk management and internal controls and taking into account the need to suit the individual business objectives and circumstances of the Company, the Committee recommended the business take a risk-based approach to its internal audit strategy. This ensures that independent assurance is provided to the Board where needed, particularly on non-financial risks, while being proportionate to the Company's size and circumstances. External consultants have been appointed to provide the subject matter expertise required to provide high value and meaningful insights on specific areas identified for internal audit.

External Audit

BDO LLP has acted for the Company as auditor for nine years. The current audit partner has been working with the Company since the FY24 audit. The Committee reviewed the Non-Audit Services Policy in March 2025 and made a regular assessment of auditor independence. The Committee assessed the performance of the auditors and concluded that it is comfortable with their performance.

Risk management and internal controls

During the year, the Committee reviewed and approved the appropriateness of the Company's systems of risk management and internal controls. Over FY25, the Committee expects to see the Company continue to enhance its enterprise risk framework, along with continuing its programme of risk and control assessments.

Maeve Byrne

Chair, Audit & Risk Committee



Nomination Committee report



Dear Shareholder,



I am pleased to present to you the report of the Nomination Committee (the Committee) for the year ended 31 March 2025.”

Stephan Wilcke
Chair, Nomination Committee

Areas of responsibility

The Committee is responsible for:

- Reviewing the structure, size and composition of the Board.
- Reviewing succession plans for our Directors, including the Chair, the CEO, and other senior executives.

The Board has delegated several matters to the Committee, and the Committee operates within the parameters of the Terms of Reference last agreed on 18 September 2023. These Terms of Reference are available on the Company’s website.

Members	Meetings
Stephan Wilcke (Chair)	2/2
Maeve Byrne (joined 4 June 2024)	2/2
Christian Faes	2/2
Penny Judd (left 31 July 2024)	1/1
Dale Murray (left 24 September 2024)	1/1
Nina Spencer (left 24 September 2024)	1/1

Membership

As at 31 March 2025, the Committee comprised the two independent Non-Executive Directors on the Board, including myself, and the third Non-Executive Director. The Chief Investment Officer, as a founder and major shareholder of the business, has been granted observer status. The CEO is invited to attend where appropriate. The Company Secretary acts as secretary to the Committee.

The Committee meets as often as it deems necessary but in any case, at least twice a year.

Key activities

During the year, the Committee considered the following matters:

- The balance between independent and non-independent Directors, along with the balance of skills on the Board.
- Reviewed the Board and committee structure, size and composition.
- Detailed succession planning for the Board (covering contingency, medium and long-term planning and including a focus on skills and diversity to maximise Board effectiveness) and a review of the succession plans in place for the Executive Team.
- Considered the introduction of a Board Diversity policy and targets.

Stephan Wilcke
Chair, Nomination Committee

Remuneration Committee report



Dear Shareholder,



I am pleased to present to you the report of the Remuneration Committee (the Committee) for the year ended 31 March 2025.”

Stephan Wilcke
Chair, Remuneration Committee

Although provided on a voluntary basis, this report will be subject to an advisory vote at the 2025 AGM. The advisory vote supports a great degree of accountability and provides shareholders with a say on executive pay.

Our Directors' Remuneration Policy was approved as part of an advisory vote on the FY22 Directors' Remuneration Report at the 2022 AGM. There have been minimal changes to the policy since then, and we remain confident that the policy remains appropriate for our business.

Areas of responsibility

The Committee is responsible for:

- determining and agreeing with the Board the framework for the remuneration of the Company's Chair, Executive Directors and the Executive Committee;
- approving the design of, and determining targets for, any performance-related pay schemes operated by the Company;
- reviewing the design of all share incentive plans for approval by the Board;
- reviewing the performance of the Executive Directors and making recommendations to the Board on matters relating to their remuneration, including the grant and vesting outcomes of performance-related pay; and
- reviewing the recommendations from the Executive Directors on matters relating to the remuneration of the Executive Committee, including the grant and vesting outcomes of performance-related pay.

The Board has delegated a range of matters to the Committee, and the Committee operates within the parameters of the Terms of Reference which were last reviewed on 24 September 2024. These Terms of Reference are available on the Company's website.

Members	Meetings
Stephan Wilcke (Chair)	2/2
Penny Judd (until 31 July 2024)	1/1
Dale Murray (until 24 September 2024)	1/1
Nina Spencer (until 24 September 2024)	1/1
Maeve Byrne (from 4 June 2024)	2/2

Membership

As at 31 March 2025, the Committee comprised the two independent Non-Executive Directors on the Board, including myself. Christian Faes and Ian Thomas, as Founders and major shareholders of the business, have been granted observer status. The Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Director of People are invited as regular attendees, where appropriate. The Company Secretary acts as secretary to the Committee. None of the aforementioned attend when their own remuneration is under discussion.

FY25 performance and variable pay outcome

Taking into account Group performance and performance against personal objectives in respect of FY25, the Committee awarded a cash bonus of £50,000 to Rod Lockhart. Ian Thomas does not participate in the Group's bonus arrangements.

Performance shares granted during FY25

On 4 September 2024, performance shares were granted to Rod Lockhart with a face value at grant equal to 116% of salary (below the maximum opportunity of 200% of salary per the Directors' Remuneration Policy). The performance shares are subject to a mixture of operational and financial performance metrics assessed over the three year period ending 31 March 2027.

Remuneration Committee report continued

Reward for FY26

Salaries and fees

There are no increases to the salaries of Executive Directors or fees of Non-Executive Directors.

The average salary increase for the wider workforce is 2.3%.

Annual bonus

The Company operates a discretionary bonus arrangement which the Executive Directors participate in. For FY26, the maximum opportunity for Rod Lockhart is equal to 50% of salary. Awards will be determined by the Committee following the end of FY26 taking into account Group PBT performance, non-financial performance, the performance of the individual, and the experience of shareholders and other stakeholders over the performance period.

Ian Thomas is deemed to be sufficiently incentivised through his substantial shareholding in the Company and therefore does not participate in the Company's annual bonus or long-term incentive.

Long-term incentive

The Committee is reviewing the approach to the long-term incentive for Executive Directors. Details of awards granted during FY26, including award opportunity and vesting conditions, will be disclosed in the FY26 Directors' Remuneration Report.

Key activities

During the year, the Committee considered the following matters:

- Executive Committee salary increases;
- Annual bonus outcomes;
- Grant of performance shares; and
- Workforce engagement and broader workforce policies.

I look forward to receiving your support at our AGM, where I will be available to respond to any questions shareholders may have on this Directors' Remuneration Report or in relation to any of the Committee's activities.

Stephan Wilcke

Chair, Remuneration Committee



Annual report on remuneration

Single figure table

The following table sets out the elements of remuneration received by each Director in respect of FY25, and the total remuneration received by each Director in respect of FY24 and FY25.

£000	Salary and fees	Benefits ¹	Pension	Annual bonus	LTIP	Total remuneration	
						FY25	FY24
Executive Directors							
Rod Lockhart	400	3	16	50	–	469	418
Ian Thomas	275	3	8	–	–	286	289
Non-Executive Directors							
Christian Faes ²	110	5	4	–	–	119	145
Stephan Wilcke ³	63	0.3	3	–	–	66	59
Penny Judd ⁴	18	0.1	1	–	–	19	60
Dale Murray ⁵	29	0.2	0	–	–	29	58
Nina Spencer ⁵	29	0.2	1	–	–	30	60
Maeve Byrne ⁶	48	0	2	–	–	50	0

1 Benefits include private medical insurance, critical illness and life assurance. The benefits figure for Christian Faes (in his role as Chair) also includes a travel allowance of £20,000 per annum.

2 Christian Faes stepped down from his role as Non-Executive Chair to become a Non-Executive Director on 3 March 2025. His annual fee on appointment as a Non-Executive Director was £57,500, in line with the fees for other Non-Executive Directors on the Board.

3 Stephan Wilcke took on the role of Independent Non-Executive Chair on 3 March 2025. His annual fee on appointment as Chair was 125,000.

4 Penny Judd stepped down from the Board on 31 July 2024.

5 Dale Murray and Nina Spencer stepped down from the Board on 24 September 2024.

6 Maeve Byrne joined the Board on 4 June 2024.

Additional disclosures in respect of the single figure table

Base salary

Details of annual base salaries for the Executive Directors for FY24 and FY25 are set out below.

£000	FY24	FY25
	Annual base salary from 1 April 2023 to 31 March 2024	Annual base salary from 1 April 2024 to 31 March 2025
Rod Lockhart	400	400
Ian Thomas	275	275

Directors' remuneration policy

Independent Non-Executive Chair and Non-Executive Director fees

Details of Non-Executive Director annual fees are set out below.

£000	Annual fees from 1 April 2023 to 31 March 2024	Annual fees from 1 April 2024 to 31 March 2025
Non-Executive Director fee (inclusive of additional responsibilities)	57.5	57.5

FY25 annual bonus

Taking into account Group performance and performance against personal objectives in respect of FY25, the Committee awarded a cash bonus of £50,000 to Rod Lockhart. Ian Thomas does not participate in the Group's bonus arrangements.

Performance shares granted during FY25

On 4 September 2024, performance shares in the form of nil-cost share options were granted to Rod Lockhart with a face value at grant equal to 116% of salary (below the maximum opportunity of 200% of salary per the Directors' Remuneration Policy).

£000	Number of shares granted	Face value of award at the grant date (£000) ¹
Rod Lockhart	1,600,000	464

¹ Calculated based on the mid-market closing share price on the dealing day immediately prior to the grant date (3 September 2024 – £0.29).

Directors' share interests

The Executive Directors are expected to build up and maintain a shareholding in the Company equivalent in value to at least 200% of annual base salary. As at 31 March 2025, Rod Lockhart and Ian Thomas both exceeded the guideline.

The interests of the Directors and their connected persons in the Company's ordinary shares as at 31 March 2025 (or the date of stepping down from the Board if earlier) were as follows:

Type	Shares beneficially held	Unvested and subject to performance	Unvested and not subject to performance	Vested but unexercised	Exercised during the year	Lapsed during the year
Rod Lockhart						
Shares	2,960,259	–	–	–	–	–
FY22 Performance shares	–	–	–	–	–	312,356
FY23 Performance shares	–	512,821	–	–	–	–
FY24 Performance shares	–	–	–	–	–	800,000 ¹
FY25 performance shares	–	1,600,000	–	–	–	–
FY23 Deferred bonus	–	–	–	10,095	–	–
Ian Thomas						
Shares	40,123,312	–	–	–	–	–
Christian Faes						
Shares	37,630,912	–	–	–	–	–
Stephan Wilcke						
Shares	210,753	–	–	–	–	–
Penny Judd						
Shares	10,753	–	–	–	–	–
Dale Murray						
Shares	64,516	–	–	–	–	–
Nina Spencer						
Shares	0	–	–	–	–	–
Maeve Byrne						
Shares	38,595	–	–	–	–	–

¹ As disclosed in the FY24 Directors' Remuneration Report, the Remuneration Committee and CEO agreed to cancel the FY24 performance shares to help prudently manage expenditure and dilution headroom.

Directors' remuneration policy continued

As at 18 July 2025, the Company has not been advised of any changes to the interests of the Directors and their connected persons as set out in the table on the previous page.

Advisers to the Remuneration Committee

The Committee received independent advice from Deloitte LLP during FY25. Deloitte is a founder member of the Remuneration Consultants Group and, as such, voluntarily operates under its Code of Conduct in relation to executive remuneration in the UK.

Directors' Remuneration Report voting at the 2024 AGM

The table below sets out the voting outcome at the Company's AGM held on 24 September 2024 in respect of the resolution to approve the Directors' Remuneration Report contained in the FY24 Annual Report and Accounts.

Votes for	% for	Votes against	% against	Total votes cast	Votes withheld
100,000,203	99.95%	10,083	0.05%	21,840,299	0

Approval

This Report was approved by the Board on 18 July 2025 and signed on its behalf by:

Stephan Wilcke

Chair, Remuneration Committee

18 July 2025

Directors' report

The Directors who served during the financial year ended 31 March 2025 – and up to the date of signing the financial statements – present their report on the affairs of the Group. They also present the Company's financial statements and the audited consolidated financial statements of the Group, and the associated independent auditor's report, for the year ended 31 March 2025.

LendInvest is listed on the London Stock Exchange, AIM segment and is incorporated and domiciled in the UK. The registered address is 4–8 Maple Street, London, W1T 5HD.

The Board has agreed to apply the QCA Code. Further information on how we are governed can be found from page 37.

The principal activities of the Company and the other members of the Group can be found in the Strategic Report. Other disclosure requirements as required by law and in line with governance best practice are stated throughout the Directors' Report; where this has already been covered in another part of the Strategic or Governance Reports or Financial Statements the appropriate reference to this information is given.

Our Directors

Name	Role	Appointment date
Stephan Wilcke	Chair of the Board	15 June 2021
Rod Lockhart	CEO	13 January 2020
Ian Thomas	CIO	17 July 2012
Christian Faes	Non-Executive Director	17 July 2012
Dale Murray	Independent Non-Executive Director	15 June 2021 (Resigned 24 September 2024)
Nina Spencer	Independent Non-Executive Director	25 January 2022 (Resigned 24 September 2024)
Penny Judd	Independent Non-Executive Director	15 June 2021 (Resigned 31 July 2024)
Maeve Byrne	Independent Non-Executive Director	3 June 2024

Annual General Meeting

Details of the matters to be conducted at the AGM will be contained in the Notice of Annual General Meeting which will be communicated separately to shareholders.

Charitable and political donations

During the year, the Group made no political donations (2024: nil).

Donations to charitable organisations amounted to £15,000 (2024: £14,000).

Directors' conflicts of interest

We have procedures in place for managing conflicts of interest. Should a Director become aware that they, or a party connected to them, has an interest in an existing or proposed transaction with the Company, they should notify the Board and Company Secretary in writing.

Internal controls are in place to make sure that any related-party transaction involving Directors, or a party connected to them, is conducted at arm's length. Directors have a continuing duty to keep their conflicts of interest up to date.

Directors' interests

The interests of the Directors and their connected persons in the Company's ordinary shares as at 31 March 2025 are set out in the table at page 48.

There have been no changes in the serving Directors' interests in ordinary shares, or options over ordinary shares, from 31 March 2025 to the date of this Report.

Dividends

No dividend is proposed for FY25.

Employee Benefit Trust

The Company established an EBT for the benefit of employees and former employees of the Group. Its purpose is to acquire Shares for the purposes of satisfying Share Plans established by the Group from time to time. As at 31 March 2025 the EBT held 1,161,645 Ordinary Shares.

Employment policy

Our employment policies are based on a commitment to provide equal opportunity, from the selection and recruitment process through to training, development, appraisal and promotion.

You can find more information about how the Directors engage with our people in the Strategic Report from page 30.

Directors' report continued

Energy and carbon emissions

You can find information about disclosures from page 23 in the Strategic Report.

Engaging with shareholders

You can find information about how our Directors have engaged with our shareholders from page 30 in the Strategic Report.

Our website provides electronic versions of the latest Annual Report and Accounts and our half-year reports, along with share price and other relevant information. You can find this information at lendinvest.com

Engaging with suppliers and customers

You can find information about how our Directors have fostered relationships with our stakeholders from page 30 in the Strategic Report.

Financial instruments

You can find details of our financial risk management objectives and policies, and risk exposures, from page 97 in the Financial Statements.

Future developments

The Board intends to continue to pursue the business strategy as outlined in the Strategic Report on page 9.

Going concern

The financial statements are prepared on a going concern basis. To assess the appropriateness of this basis, the Directors considered a wide range of information relating to present and future conditions, including the Group's current financial position and future projections of profitability, cash flows and capital resources.

The Directors also considered the Group's risk assessment framework and potential impacts that the top risks identified (see page 26–29 of the Strategic Report) may have on the Group's financial position and longer-term strategy. The Group continues to have a proven business model and remains well positioned in each of its core markets.

The Directors have assessed the Group's funding position and confirm that no committed funding lines mature within 12 months from the date of approval of these financial statement. The Directors believe the Group is well capitalised and efficiently funded, with sufficient levels of liquidity. The Directors have reviewed the Group's capital and liquidity plans, which have been stress tested under a range of severe but plausible scenarios as part of the annual planning process.

The stressed forecasts indicate that under stressed scenarios the Group continues to operate with sufficient levels of liquidity and capital for the next 12 months.

Based on the above, the Directors have a reasonable expectation that the Group has sufficient resources to continue its activities for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing these financial statements.

Indemnities and insurance

We maintain Directors' and Officers' liability insurance for all Directors and Officers of the Group.

As far as the law allows, and according to the Company's Articles of Association, we indemnify our Directors for any loss, liability or expense they incur in relation to the Company or one of its associated companies. The indemnity was in force during the year and up to the date we approved the Financial Statements.

Independent auditors

A resolution to reappoint BDO as our auditors, and to authorise the Directors to determine their remuneration, will be put before the AGM on 9 September 2025.

Modern Slavery Act

Our statement on modern slavery in our supply chain is available on our website at lendinvest.com

Post-balance sheet events

No material events have occurred between the balance sheet date (31 March 2025) and the date of authorisation of these financial statements that would require adjustment to, or disclosure in, these financial statements.

Principal risks and uncertainties

You can find information about our principal risks and uncertainties from page 26 in the Strategic Report.

Purchase of shares

The Company was authorised, at the 2024 AGM, to make market purchases of Ordinary Shares subject to a limit of 10 per cent. of its issued share capital. A request for this authority to be renewed will be made at the 2025 AGM.

Directors' report continued

Share capital and share premium

The Company has one class of shares in issue: ordinary shares of no-par value. At 31 March 2025, the total number of shares in issue was 142,782,025, with each ordinary share carrying the right to one vote. Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (FCA's DTR), shareholders can use this figure as the denominator for calculations they make to determine if they need to notify their interest in, or a change in their interest in, the Company's share capital.

You can find more information about the Company's share capital on page 94 of the Consolidated Financial Statements.

Substantial shareholders

In line with the FCA's DTR, any information major shareholders give us is published through a regulatory information service provider and made available at lendinvest.com

We have received the information shown here in the table below from holders of notifiable interests in the Company's issued share capital. This is in line with DTR5 and up to date as at 31 March 2025. The lowest threshold is 3% of the Company's voting rights. Holders are not required to let us know of any change until this, or the next applicable threshold, is reached or crossed.

Substantial shareholders as at 31 March 2025

Name	Registered holding of ordinary shares	% of total issued share capital
Ian Thomas (individually and via a wholly owned corporate entity)	40,123,312	28.1
Christian Faes (individually and via a wholly owned corporate entity)	37,630,912	26.3
Atomico (via Atomico IV LP and Atomico IV (Guernsey)) LP	16,111,040	11.3
Liontrust Asset Management	8,081,350	5.6
Chelverton Asset Management	6,625,000	4.6

Approved by the Board on 18 July 2025 and signed on its behalf by:

Stephan Wilcke
Non-Executive Chairman

18 July 2025

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with UK-adopted International Accounting Standards.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Directors' confirmations

The Directors consider that the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on page 39 confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

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

Independent auditor's report to the members of LendInvest plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of LendInvest Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2025 which comprise the Consolidated statement of profit and loss, the Consolidated statement of other comprehensive income, the Consolidated and Company statements of financial position, the Consolidated and Company statements of cash flows, the Consolidated and Company statements of changes in equity and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

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

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- reviewing minutes of meetings of those charged with governance and correspondence with regulators, such as the Financial Conduct Authority, for any factors which could be of higher risk in relation to going concern;
- challenging the appropriateness of the Directors' assumptions and judgements made in their base forecast and stress-tested scenarios around economic uncertainty. In doing so we agreed key assumptions such as forecast growth to historic actuals and relevant data and considered the historical accuracy of the Directors' forecasts by comparing them to actual results;
- enquiring with the Directors to determine whether there were any breaches of borrowing covenants within the year or subsequent to year end and the ability for the Group to manage any potential breaches;
- performing a review of compliance with borrowing covenants which comprised obtaining and reviewing covenant compliance statements to verify that no covenant breaches have occurred which may trigger penalties or repayment of borrowings ahead of the maturity dates;
- obtaining and assessing the Directors plans in respect of funding lines which are approaching maturity within the next 12 months by considering the Group's past experience of extending the maturity of facilities, their discussions with new providers of funding and experience of portfolio sales;
- inspecting the latest post year end management accounts and reviewing minutes of Board meetings to determine if there were any significant matters which could affect the going concern of the Group and Parent Company; and
- reviewing the going concern disclosure in note 1 to the financial statements to assess that it gives a complete and accurate description of the Directors' assessment of going concern.

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

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

Independent auditor's report to the members of LendInvest plc continued

Overview

		2025	2024
Key audit matters	Revenue recognition – Behavioural life within the Effective Interest Rate Model	✓	✓
	Loss/gain on derecognition of financial assets*	✗	✓
	Determination of expected credit loss (ECL)	✓	✓
	Valuation techniques of loans and advances	✓	✓
	* Loss/gain on derecognition of financial assets is no longer considered a key audit matter because the current year transactions are not significant to the financial statements.		
Materiality	<i>Group financial statements as a whole</i>		
	£930,000 (2024: £836,000) based on 1% (2024: 1%) of Revenue		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. Based on this, we identified and assessed the risks of material misstatement of the Group financial statements including the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

LendInvest Plc is a UK-based company that specialises in property finance.

For the purpose of our group audit, the group consisted of 17 components in total. These were comprised of 26 legal entities. There were 2 group components which were made up of more than one legal entity.

Procedures were performed on the entire financial information of 15 components. Procedures were performed on one or more classes of transactions, account balances or disclosures of 2 components.

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

Procedures performed centrally

All entities within the Group operate under a centralised structure, hence the control environment is consistent across all the entities. The finance function is shared across the Group and is responsible for maintaining financial controls and preparing financial information. All IT and other operational infrastructure for the entities is the same. As a result, the design and implementation of direct controls is uniform across the Group, with no variations in control environments between components.

We considered there to be a high degree of centralisation of financial reporting and commonality of controls, and similarity of the group's activities and business lines, in relation to all financial statement areas. We therefore designed and performed procedures centrally in these areas.

The group operates a centralised IT function that supports IT processes for all components. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

Changes from the prior year

The scope of our audit in the current year was based on the Group risk and the source(s) of the risk in contrast to the designation of components as either significant or non-significant in the previous year. The components and rationale for grouping the components has been disclosed under the 'Components in scope' section of this report.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the strategic report may affect the financial statements and our audit.

We also assessed the consistency of management's disclosures included as Other Information on pages 22 to 25 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks and related commitments.

Independent auditor's report

to the members of LendInvest plc continued

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, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter (KAM)		How the scope of our audit addressed the key audit matter
Revenue recognition – Behavioural lives within the Effective Interest Rate Model <i>The Group's accounting policies are disclosed in Note 1.6, and critical accounting estimates and judgements are disclosed in Note 1.18.</i> <i>The interest income calculated using the effective interest rate method is included in Total interest and similar income as disclosed in note 6.</i>	Revenue represents information of significant interest to many users of the financial statements. This puts revenue at a greater risk of manipulation, bias and misstatement. The determination of behavioural life of loan customers is necessary to accurately recognise interest income but highly subjective and involves the use of management's judgement and estimation. For these reasons, we determined Revenue recognition – Behavioural lives within the Effective Interest Rate (EIR) Model to be a Key Audit Matter to be communicated in our report.	We considered whether the revenue recognition policies adopted by the Group are in accordance with requirements of the applicable accounting framework. This included an assessment of the types of fees and costs being spread within the effective interest rate models versus the requirements of the adopted financial reporting standard. We assessed and challenged the appropriateness of key assumptions around the behavioural lives within the EIR model used by management by considering the historical experience of loan behavioural lives based on customer behaviour and performed sensitivity analysis by flexing the reversion period of the behavioural life. We assessed whether management has appropriately segmented the loan book. On a sample basis, we reviewed the product types included within each loan segment and checked if these are within the respective behavioural life group based on our knowledge of the business, and we challenged any exception noted by assessing the vintage and fixed rate term of the loan. Using data analytics, we have recalculated the behavioural life curve based on the historic performance of the loan book and approved assumption by management. We tested the completeness and accuracy of data and key model inputs feeding into the EIR models by agreeing samples back to the source documents. This included the data used in the historical behavioural life redemption profiles. We independently validated the accuracy and logic in the models used to calculate the effective interest rate adjustment. We performed a full recalculation of the effective interest rate adjustment. We reviewed the relevant effective interest rate disclosures made by management for compliance with accounting standards and agreed the disclosures to supporting evidence. Key Observations: We determine the judgement applied by management to be reasonable.

Independent auditor's report

to the members of LendInvest plc continued

Key audit matter (KAM)		How the scope of our audit addressed the key audit matter
Determination of expected credit loss (ECL) <i>The Group's accounting policies are disclosed in note 1.6 with detail about judgements in applying accounting policies and critical accounting estimates in note 1.18.</i> <i>The ECL Provision at year-end is disclosed in Note 18.</i>	Commensurate with the activities of the Group, the total expected credit loss provision is a material balance subject to management judgement and estimation. We have assessed the elements of the ECL calculation which will significantly impact the determination of the ECL as follows: Accuracy of forward-looking information – IFRS 9 requires the Group to measure the ECL on a forward-looking basis, incorporating future macro- economic variables reflecting a range of future conditions. The incorporation of such forward-looking macroeconomic inputs and weighting of scenarios is considered a significant risk across Bridging and Development loans, especially in the continued downturn of the current economic environment. Loss Given Default of individually assessed Stage 3 (credit impaired) loans – The carrying value of loans and advances to customers may be materially misstated if individual impairments are not appropriately identified and estimated. Estimating the impairment involve complex recoverability scenarios which involve multiple recovery options where the timing and quantum of recovery are subject to significant management judgements and estimates. The probability of scenario weightings can differ materially between individual scenarios and hence is considered an area of significant risk.	As part of our audit procedures in relation to the expected credit loss (ECL) assessment on loans and advances to customers, we performed the following procedures: Assessed the implementation of the Group's significant increase in credit risk (SICR) criteria by conducting staging assessment for a sample of customers across the credit risk spectrum to test for correct allocation of loans between stages 1 or 2. For Stage 3 loans, gained an understanding of the cause of default, and assessed that the recovery amounts calculated by management are consistent with the value of collaterals held. On a sample basis, performed our own assessment of the value of collateral, with the assistance of our internal valuations' experts. Reviewed the completeness and accuracy of credit risk disclosures. Accuracy of forward-looking information Our internal credit and econometric experts assisted in assessing the appropriateness of the regression models and the source and type of macro-economic variables used such as GDP and unemployment data. We have challenged management on the rationalisation of any changes made to information obtained from external sources and have assessed its appropriateness to the current lending portfolio. We have also assessed the reasonableness of multiple economic scenarios used and weightings applied by considering the number of scenarios selected based on management's support. We have performed sensitivity analysis on the macro-economic variables and assessed the severity of changes in the macro-economic variables to the overall ECL. We also benchmarked the macro-economic variables applied in the models to independent third-party industry data. Loss Given Default of individually assessed Stage 3 (credit impaired) loans We have performed detailed assessment on a sample of individual assessment cases at the 31 March 2025. The assessment included: - challenge of management on the key inputs into the scenarios by obtaining supporting evidence for recovery strategies, collateral values, exit strategies, scenario weighting, expected timing of cash flows and engaging internal experts as required in support of our assessment; - challenged management on the key judgements management have applied in determining the appropriate provision. We have assessed the accuracy and validity of data that feeds into the individual assessment cases as well as the progress on the preferred recovery scenario being pursued to supporting documentation. Based on supporting evidence assessed and discussions with the credit team, we evaluated and challenged the judgements applied in the individually assessed Stage 3 loan assessments. This included assessment of the recovery strategies, recovery timelines, and the scenario weighting applied in the individual assessments. Key observations: Based on our audit work performed, we consider the estimates and judgements made by management in the calculation of the impairment provision for loans and advances to be reasonable, and in line with the requirements of IFRS 9.

Independent auditor's report

to the members of LendInvest plc continued

Key audit matter (KAM)		How the scope of our audit addressed the key audit matter
Valuation techniques of loans and advances <i>The Group's accounting policies are disclosed in note 1 with detail about judgements in applying accounting policies and critical accounting estimates on note 1.18.</i> <i>The Fair Value Adjustment at year-end is disclosed in Note 18.</i>	The measurement of the loan book at fair value (FV) requires modelling which is subject to management judgements and assumptions in the determination of the discount rate used to discount future cashflows. The fair value adjustment to the loan book is materially sensitive to small changes in the discount rate assumption, particularly in the 'Buy-to-let' and 'Specialist residential' portfolios therefore, discount rates assumptions used for the FV of loans and their sensitivities is considered a significant risk. We have rebutted the significant risk in respect of the other portfolios (development & bridging loans), as they are not materially sensitive to the discount rates used.	We have undertaken sensitivity analysis on the discount rates and ascertain how susceptible the fair valuation of the model is to manipulation and material misstatement. With the support of our quantitative solutions expert team, we have assessed management's discount rate and benchmarked it to external data sources where appropriate. With the support of our quantitative solutions expert team, we have assessed the models and ensured the discount rates and fair values determined by management were within our assessed acceptable range. With the support of the data team, we have assessed the accuracy and validity of the data inputs used in the FV model calculation. We assessed the adequacy of the related Fair value disclosures in the financial statements for compliance with the relevant accounting standards, and agreed the disclosures to underlying supporting documentation. Key observations Based on our audit work performed, we consider the valuation of loans and advances is a reasonable estimate in consideration of the key assumptions and judgements made.

Independent auditor's report

to the members of LendInvest plc continued

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

	Group financial statements		Parent company financial statements	
	2025 £m	2024 £m	2025 £m	2024 £m
Materiality	930,000	836,000	501,000	545,000
Basis for determining materiality	1% of Revenue (2024: 1% of Revenue)		1.5% of Revenue (2024: 1.5% of Revenue)	
Rationale for the benchmark applied	Revenue was determined to be the most appropriate benchmark, in the period of fluctuating profitability, as it is a relevant measure of performance for the key stakeholders.		Revenue was determined to be the most appropriate benchmark, in the period of fluctuating profitability, as it is a relevant measure of performance for the key stakeholders.	
Performance materiality	697,000	627,000	375,000	408,000
Basis for determining performance materiality	75% of Materiality (2024: 75% of materiality)			
Rationale for the percentage applied for performance materiality	Determined based on our risk assessment together with our assessment of the overall control environment.			

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 20% and 30% (2024: 75% of the component materiality) of Group performance materiality dependent on a number of factors including overall control environment and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £22,000 to £209,000 (2024: £1 to £450,750).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £46,000 (2024: £41,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled 'annual report' other than the financial statements and our auditor's report thereon. 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. 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report

to the members of LendInvest plc continued

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: - the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and - the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
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 Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or - the Parent Company financial statements are not in agreement with the accounting records and returns; or - certain disclosures of Directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, 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 Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be the applicable UK-adopted International Accounting Standards, UK tax legislation, AIM Listing Rules and Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Financial Conduct Authority rules and The General Data Protection Regulation (GDPR).

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Independent auditor's report

to the members of LendInvest plc continued

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition, management override of controls and in relation to accounting estimates within the loss given default of individually assessed Stage 3 loans, accuracy of forward-looking information and fair value of Buy-to-let and residential loans.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation;
- Involvement of forensic specialists in the audit to review our risk assessment on fraud risks identified;
- Involvement of internal credit, econometric experts and internal valuation experts in the areas of high estimation by management such as ECL and loans and advances valuation which is covered in the KAM under 'Determination of ECL' and 'Valuation techniques of loans and advances';
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- Assessing significant estimates made by management for bias which is covered in the KAM under 'Revenue recognition – Behavioural life within the Effective Interest Rate Model' and 'Determination of ECL' and 'Valuation techniques of loans and advances'.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stefan Beyers (Senior Statutory Auditor)

For and on behalf of BDO LLP,
London, UK
18 July 2025

BDO LLP is a limited liability partnership registered in England and Wales
(with registered number OC305127).

Consolidated statement of profit and loss

For the year ended 31 March 2025

	Note ref	Year ended 31 March 2025 £'m	Year ended 31 March 2024 (restated) £'m
Interest income calculated using the effective interest rate method	6	61.2	65.9
Other interest and similar income	6	0.5	(4.0)
Interest expense and similar charges	7	(46.0)	(54.0)
Net interest income		15.7	7.9
Fee income	8	31.1	18.5
Fee expenses	8	(9.1)	(3.6)
Net fee income		22.0	14.9
Net gains/(losses) on derecognition of financial assets	9	0.8	(3.2)
Net other operating income		0.1	0.1
Net operating income		38.6	19.7
Administrative expenses	10	(36.3)	(42.4)
Impairment losses on financial assets	18	(3.5)	(8.4)
Total operating expenses		(39.8)	(50.8)
Loss before taxation		(1.2)	(31.1)
Income tax (charge)/credit	13	(0.4)	7.2
Loss after taxation		(1.6)	(23.9)

Earnings per share for profit attributable to the ordinary equity holders of the Group:

	Note ref	Year ended 31 March 2025 Pence/share	Year ended 31 March 2024 Pence/share (restated)
Basic earnings per share	31	(1.2)	(14.5)
Diluted earnings per share	31	(1.2)	(14.5)

All amounts relate to continuing activities and owners of the Group.

Consolidated statement of other comprehensive income

For the year ended 31 March 2025

	Note ref	Year ended 31 March 2025 £'m	Year ended 31 March 2024 (restated) £'m
Loss after taxation		(1.6)	(23.9)
Other comprehensive income/(loss):			
Items reclassified to profit or loss at residual sale due to derecognition			
Cash flow hedge adjustment through other comprehensive income		–	(21.4)
Items that will or may be reclassified to profit or loss			
Fair value gain on loans and advances measured at fair value through other comprehensive income	23	14.2	30.5
Deferred tax (charge) on fair value movement	13	(3.5)	(7.6)
Deferred tax credit on cash flow hedge movement	13	–	5.4
Other comprehensive income for the year		10.7	6.9
Total comprehensive income/(loss) for the year		9.1	(17.0)

Consolidated statement of financial position

As at 31 March 2025

	Note ref	As at 31 March 2025 £'m	As at 31 March 2024 (Restated) £'m
Assets			
Cash and cash equivalents	17	68.2	55.7
Other receivables	16	12.8	10.7
Corporation tax receivable		3.2	3.2
Loans and advances	18	694.2	473.4
Investment securities	19	34.7	41.1
Derivative financial asset	26	1.9	–
Property, plant and equipment	14	5.8	1.3
Net investment in sublease	2	–	0.6
Intangible assets	15	9.2	10.7
Investment in third parties	27	0.5	–
Deferred taxation asset	13	–	3.3
Total assets		830.5	600.0
Liabilities			
Other payables	20	(35.2)	(25.6)
Interest-bearing liabilities	21	(725.0)	(514.6)
Lease liabilities	2	(5.5)	(2.3)
Derivative financial liability	26	–	(2.0)
Deferred taxation liability	13	(0.4)	–
Total liabilities		(766.1)	(544.5)

	Note ref	As at 31 March 2025 £'m	As at 31 March 2024 (Restated) £'m
Net assets		64.4	55.5
Equity			
Share capital	22	0.1	0.1
Share premium	22	55.2	55.2
Employee share reserve		2.0	3.8
Own share reserve		(0.4)	(0.1)
Fair value reserve	23	17.0	6.4
Retained losses		(9.5)	(9.9)
Total equity		64.4	55.5

The financial statements of LendInvest plc (registration number 08146929) on pages 62 to 113 were approved and authorised for issue by the Board of Directors on 18 July 2025 and were signed on its behalf by:

Rod Lockhart
Director

Consolidated statement of cash flows

For the year ended 31 March 2025

	Note	As at 31 March 2025 £'m	As at 31 March 2024 £'m (restated)
Cash flow from operating activities			
Loss after taxation		(1.6)	(23.9)
Adjusted for:			
Depreciation of property, plant and equipment	14	0.1	0.2
Amortisation of intangible assets	15	3.5	3.0
Movement in accrued interest on interest-bearing liabilities		0.6	(0.4)
Income tax charge/(credit)	13	0.4	(7.2)
Derivative, hedge accounting and committed facility fair value (profits)	3.3	(0.4)	(19.2)
Amortisation of funding line costs	7	2.9	3.7
Impairment provision		3.7	8.4
Dilapidations provision	2	–	0.1
Depreciation of right-of-use asset	2	0.8	0.7
Interest expense of lease liability	2	0.3	0.3
Share-based payment (credit)/expense	24	(0.3)	1.3
Net fee and interest income and cost deferrals		1.7	6.0
Net gains/(losses) on derecognition of loans	9	0.8	(1.6)
Loss on sale of loan portfolios	9	–	10.6
Gain on disposal of subsidiaries	9	–	(8.2)
Income from sublease		(0.1)	(0.1)
Change in working capital			
Proceeds from sale of loan portfolios		–	220.4
Movement in loans and advances (new originations net of redemptions)		(213.0)	(185.9)
Derivative settlements		2.5	36.2
Swap initial exchange		(5.9)	(11.5)
Increase in trade and other receivables	16	(2.1)	(10.9)
Increase in trade and other payables	20	9.7	7.7
Income taxes paid		(0.1)	(1.1)
Cash (used in)/generated from operating activities		(196.5)	28.6

	Note	As at 31 March 2025 £'m	As at 31 March 2024 £'m (restated)
Cash flow (used in)/generated from investing activities			
Proceeds received from disposal of subsidiaries (sale of residuals notes) less cash and cash equivalents disposed off	9	–	(8.8)
Purchase of property, plant and equipment	14	(0.2)	–
Additions to intangibles (capitalised development costs)	15	(2.0)	(3.2)
Investment in securitisation vehicle			(20.5)
Proceeds from disposal of investment securities		6.4	15.4
Increase in investment in third parties		(0.5)	–
Income from sublease		0.1	0.1
Net cash generated from/(used in) financing activities		3.8	(16.9)
Cash flow from financing activities			
Repayments of funding obtained for risk retention roles		(6.4)	(15.0)
Funding received for risk retention notes		13.8	19.9
Repayment of funder liabilities (excl. risk retention funding)		(388.3)	(743.1)
Funding received from institutional lenders (excl. risk retention funding)		309.8	362.4
Proceeds from external investors for securitisation of portfolio of loans		274.8	394.5
Proceeds from issuance of retail bonds		7.7	9.7
Repayment of retail bonds		–	(23.3)
Cost of bond issuance		–	(0.8)
Lease surrender payment		(0.5)	–
Payment of principal elements of finance leases	2	(1.0)	(0.7)
Payment of interest expense of finance leases	2	(0.3)	(0.3)
Payment of funding line costs		(4.4)	(1.6)
Dividends paid		–	(4.4)
Net cash generated from/(used in) financing activities		205.2	(2.7)
Net increase/(decrease) in cash and cash equivalents		12.5	9.0
Cash and cash equivalents at beginning of the period	17	55.7	46.7
Cash and cash equivalents at end of the period	17	68.2	55.7

Interest received was £50.1m (2024: £60.8m) and interest paid was £43.1m (2024: £53.4m).

Consolidated statement of changes in equity

For the year ended 31 March 2025

	Share capital	Share premium	Own share reserve	Employee share reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total
Balance at 31 March 2023	0.1	55.2	(0.6)	3.3	(16.5)	16.1	18.9	76.5
Loss after taxation	–	–	–	–	–	–	(20.1)	(20.1)
Fair value adjustments on loans and advances through OCI	–	–	–	–	22.9	–	–	22.9
Employee share scheme tax	–	–	–	–	–	–	(0.8)	(0.8)
Cash flow hedge recycled to the P&L	–	–	–	–	–	(16.1)	–	(16.1)
Shares issued from own share reserve	–	–	0.5	–	–	–	(0.5)	–
Transfer of share option costs	–	–	–	(0.8)	–	–	0.8	–
Dividends paid	–	–	–	–	–	–	(4.4)	(4.4)
Employee share option schemes	–	–	–	1.3	–	–	–	1.3
Balance at 31 March 2024	0.1	55.2	(0.1)	3.8	6.4	–	(6.1)	59.3
Prior period adjustments (note 1.21)	–	–	–	–	–	–	(3.8)	(3.8)
Balance at 1 April 2024	0.1	55.2	(0.1)	3.8	6.4	–	(9.9)	55.5
Loss after taxation	–	–	–	–	–	–	(1.6)	(1.6)
Fair value adjustments on loans and advances through OCI	–	–	–	–	10.6	–	–	10.6
Employee share scheme tax	–	–	–	–	–	–	0.2	0.2
Shares issued from own share reserve	–	–	(0.3)	–	–	–	0.3	–
Transfer of share option costs	–	–	–	(1.5)	–	–	1.5	–
Employee share option schemes	–	–	–	(0.3)	–	–	–	(0.3)
Balance at 31 March 2025	0.1	55.2	(0.4)	2.0	17.0	–	(9.5)	64.4

Notes to the financial statements

1. Basis of preparation and material accounting policies

1.1 Going concern

The Group's business activities together with the factors likely to affect its future development and position are set out in the Strategic Report. The Directors have assessed the Group's funding position and confirm that no committed funding lines mature within 12 months from the date of approval of these financial statements.

The Directors have a reasonable expectation that the Group will have adequate resources to continue to operate for a period of at least 12 months from the signing of these accounts including severe yet plausible downside scenarios that Group will have sufficient funds to meet its liabilities as they fall due for that period. Therefore, it is on this basis that the Directors have continued to prepare the accounts on a going concern basis. More information on the Directors' assessment of going concern is set out in the Directors' Report.

A future securitisation of approximately £300m is planned for 2025 when the book reaches an optimal level.

1.2 General information

LendInvest plc is a public company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Group listed on the Alternative Investment Market (AIM), a market operated by the London Stock Exchange, on 14 July 2021. The address of its registered office is given on page 50. The Company's registered number is 08146929. The principal place of business of the Group is the United Kingdom.

1.3 Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and the UK-adopted International Accounting Standards.

The financial statements have been prepared on a historical cost basis, except as required in the valuation of certain financial instruments which are carried at fair value. The preparation of financial statements, in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.18. The financial statements have been prepared on a going concern basis, see note 1.1 for further details.

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates (functional currency). The Group maintains its books and records in pounds sterling (£) and its financial statements are presented in pounds sterling, which is the Company's functional currency. All amounts have been rounded to the nearest million (£'m), unless otherwise indicated.

Changes in accounting standards and policies since the last published Annual Report

New standards, interpretations and amendments adopted from 1 April 2024

The following amendments are effective for the period beginning 1 April 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Accounting Policies); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

The following amendments are effective for the period beginning 1 April 2025:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates).

The Group has carefully assessed each of the new pronouncements above. These amendments had no effect on the Consolidated financial statements of the Group.

New standards and amendments not yet effective

The IASB has issued a number of amendments to reporting standards which the Group has determined as being applicable to its financial reporting. These amendments are effective in future accounting years and the Group has not opted for any early adoption. The following amendments are effective for the year beginning on or after 1 April 2025 and are not expected to have a material impact on the Group:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7);
- Contracts referencing nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- IFRS 18 Presentation and Disclosure in Financial Statements; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

1.4 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and short-term balances that are highly liquid and are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.5 Basis of consolidation

Subsidiary companies and other controlled entities

The Consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company as if they were a single entity (the Group). The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Intra-Group transactions, balances and unrealised gains or losses are eliminated on consolidation.

The Group operates a share incentive plan (SIP) trust and an employee benefit trust (EBT). These trusts are accounted for under IFRS 10 and the assets and liabilities are consolidated into the Group's balance sheet and shares held by the trusts in the Group are presented as a deduction from equity.

Notes to the financial statements continued

1. Basis of preparation and material accounting policies continued

1.6 Revenue recognition

Revenue represents interest and other income from borrowers and for the provision of finance. Revenue recognised on loans held by related and third parties is recognised as follows:

Recognised under IFRS 9:

Interest income is recognised in the Consolidated statement of profit and loss using the effective interest rate method. Under the effective interest rate method fees earned from borrowers and transaction costs incurred which are integral to the creation of a loan such as arrangement, valuation and broker fees are amortised over the expected life of the loan. Bank interest income earned on cash deposits is also recognised under interest income.

Net gains on derecognition of financial assets are recognised immediately upon a transfer resulting in derecognition of the loan and fees earned from borrowers and transaction costs incurred which were previously deferred under the effective interest rate method are crystallised.

Other interest and similar income represents income related to derivative gains and losses on hedging instruments.

Recognised under IFRS 15:

Fee income recognised in the Consolidated statement of profit and loss represents the fees and performance obligations shown in the table below.

Revenue description within scope of IFRS 15	Performance obligation	Timing and satisfaction of performance obligation	Allocation of transaction price
Separate account partnership fees	Originate and transfer loans to third party	Transfer of loans to customer	Allocated to each loan transferred (and of loan principal)
Servicing fees	Provide administrative loan servicing to customers	Series of distinct services with a similar pattern of transfer over time	Allocated to distinct services transferred forming one performance obligation (accrued monthly in arrears)
Management fees	To provide management and administration of loans held by customers	Series of distinct services with a similar pattern of transfer over time	Variable consideration on % of NAV (under management) and accrued in arrears monthly
Performance fees	To provide investment advisory services in the interest of achieving investment objectives	Performance obligations satisfied when increase in NAV (under management) exceeds hurdle rate	Variable consideration accrued when hurdle rate is exceeded
Arrangement & valuation fees	Originate and transfer loans to third party	Transfer of loans to third party	Allocated to each loan transferred (and of loan principal)

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the Group's activities.

All revenue recorded in the financial statements is sourced from transactions relating to property loans. Fees on these transactions are calculated based on the above revenue recognition policy.

Notes to the financial statements continued

1. Basis of preparation and material accounting policies continued

1.7 Interest expense and similar charges

Interest expense and similar charges are comprising and recognised under IFRS 9 using the effective interest rate method as follows:

- Interest expenses incurred on Interest-bearing-liabilities.
- Non-utilisation fees are incurred on any interest-bearing liabilities that are unutilised.
- Funding line amortisation of initial funding line set-up costs. These are recognised evenly over the life of the facility.

1.8 Fee expenses

Fee expenses are recognised as follows:

- Origination costs incurred on loans originated and immediately transferred to third parties under the Separate account partnership are recognised in full at the point of origination and transfer in the Consolidated statement of profit and loss.
- Asset management, fund and servicing fees, representing introducer fees, and trail commission derived from off-balance sheet funds, these costs are recognised as they occur.

1.9 Intangible assets

Where it meets the criteria of IAS 38, internally developed software expenditure is capitalised as an intangible fixed asset and is amortised on a straight-line basis over its useful economic life once the asset is available for use. The useful economic life of the assets is identified as part of the project planning stage in line with wider business objectives. The assets are amortised straight line over five years in the Consolidated statement of profit and loss.

Software licences that meet the definition of an intangible asset, i.e. identifiable, controlled by the Group and from which future economic benefits will flow, are initially recognised at cost. Amortisation is provided, so as to write off their carrying value over their expected useful economic life at the following rates:

- Computer and telephony software 20–50% per annum straight line.

1.10 Deposit interest receivable

Interest receivable on bank deposits is recognised on an accruals basis within interest income in the Consolidated statement of profit and loss.

1.11 Administrative expenses

Expenses are recognised in the Consolidated statement of profit and loss on the accruals basis.

1.12 Financial instruments

Recognition

Financial instruments are recognised in the Consolidated statement of financial position when the Group attains the right/obligation to receive/deliver cash flows from the instrument and when the risks and rights associated with ownership are transferred to the Group.

Classification and measurement

As per IFRS 9, the Group classifies its financial instruments with reference to both the Group's business model for managing the assets and the contractual cash flow characteristics of the instrument.

Financial assets

The Group's financial assets have been classified into the following categories:

(i) At amortised cost

These are assets for which the business model is to hold the asset and collect the contractual cash flows. The cash flows are solely payments of principal and interest and are on specified dates.

The Group measures drawn loans and advances held under this business model, cash and cash equivalents and other receivables at amortised cost.

On initial recognition the asset is held at its fair value minus any transaction costs. Subsequent measurement is calculated on the effective interest rate method and is subject to impairment where the recoverable value falls below the carrying value. This assessment is performed quarterly.

(ii) At fair value through other comprehensive income

These are assets for which the business model is to collect the contractual cash flows and to sell the assets. The contractual cash flows are solely payments of principal and interest and are on specified dates.

The Group measures drawn loans and advances held under this business model at fair value through other comprehensive income.

These assets are initially recognised at fair value, plus any attributable costs. Subsequent changes in fair value are recognised in equity, except for impairment losses which are recognised in the Consolidated statement of profit and loss.

For further information on the measurement of impairment losses, please see note 18.

Upon derecognition, any accumulated movements in fair value previously recognised in equity (fair value reserve) are reclassified to profit or loss in the Consolidated statement of profit and loss.

(iii) At fair value through profit or loss

These are assets for which the business model is neither to hold nor to hold or sell, or where contractual cash flows are not solely payments of principal and interest.

The assets that result on origination of the loans are initially recognised at fair value, adjusting for the recorded fair value to date.

Notes to the financial statements continued

1. Basis of preparation and material accounting policies continued

1.12 Financial instruments continued

Financial liabilities

(i) At amortised cost

All financial liabilities are measured at amortised cost, unless IFRS 9 specifically determines they should be valued at fair value through profit or loss.

The Group holds other payables and interest-bearing liabilities at amortised cost.

On initial recognition the liability is held at its fair value plus any transaction costs. Subsequent measurement is based on the effective interest rate method.

(ii) At fair value through profit or loss

Financial liabilities are measured at fair value through profit or loss when they meet the definition of held for trading, or when they are designated as such to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

The carrying value of each of the categories described is disclosed in note 25.

Derivatives

The Group holds a portfolio of derivatives for risk management purposes. The Group's accounting treatment for derivatives that qualify for hedge accounting is discussed in note 3.

Derivatives that do not qualify for hedge accounting are held at fair value through profit or loss.

Forbearance

The Group maintains a forbearance policy for the servicing and management of customers who are in financial difficulty and require some form of concession to be granted, even if this concession entails a loss for the Group. A concession may be either of the following:

- a modification of the previous terms and conditions of an agreement, which the borrower is considered unable to comply with due to its financial difficulties, to allow for sufficient debt service ability, that would not have been granted had the borrower not been in financial difficulties; or
- a total or partial refinancing of an agreement that would not have been granted had the borrower not been in financial difficulties.

Forbearance in relation to an exposure can be temporary or permanent depending on the circumstances, progress on financial rehabilitation and the detail of the concession(s) agreed. The Group excludes short-term repayment plans that are up to three months in duration from its definition of forbore loans.

Modification of financial assets and financial liabilities

When a financial asset or financial liability is modified, a quantitative and qualitative evaluation is performed to assess whether or not the new terms are substantially different to the original terms. For financial assets, the Group considers the specific circumstances including:

- if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- whether any substantial new terms are introduced that substantially affects the risk profile of the loan;
- significant extension of the loan term when the borrower is not in financial difficulty;
- significant change in the interest rate; and
- insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

The Group specifically, but not exclusively, considers the outcome of the '10% test'. This involves a comparison of the cash flows before and after the modification, discounted at the original EIR, whereby a difference of more than 10% indicates the modification is substantial.

If the terms and cash flows of the modified financial instrument are deemed to be substantially different, the derecognition criteria are met and the original financial instrument is derecognised and a 'new' financial instrument is recognised at fair value. The difference between the carrying amount of the derecognised financial instrument and the new financial instrument with modified terms is recognised in the statement of profit and loss.

If the terms and cash flows of the modified financial instrument are not deemed to be substantially different, the financial instrument is not derecognised and the Group recalculates the 'new' gross carrying amount of the financial instrument based on the revised cash flows of the modified financial instrument discounted at the original EIR and recognises any associated gain or loss in the statement of profit and loss. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the financial instrument and are amortised over the remaining term of the modified financial instrument by recalculating the EIR on the financial instrument.

Derecognition

Financial instruments are only derecognised when the contractual rights/obligations to receive/deliver cash flows from them have expired or when the Group has transferred substantially all risks and rewards of ownership.

1.13 Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The costs of equity transactions are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transactions that otherwise would have been avoided. Transaction costs that relate jointly to an equity transaction and other transactions are allocated using a basis of allocation that is rational and consistent with similar transactions, with the costs allocated to other transactions reported through the Consolidated statement of profit and loss.

Notes to the financial statements continued

1. Basis of preparation and material accounting policies continued

1.14 Share-based payments

Where the issuance of shares or rights to shares are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated statement of profit and loss over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. If all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated statement of profit and loss over the remaining vesting period.

1.15 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit and loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted at the year-end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax balances are not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.16 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to ordinary and preferred share shareholders, this is when paid by the Group. In the case of final dividends to ordinary and preferred share shareholders, this is when declared by Directors and approved by the shareholders at the relevant Board meeting.

1.17 Write-offs

Loans and advances are written off (either partially or in full) when there is no reasonable prospect of recovery. This is generally the case when the primary security has been realised and the Group is unable to reach an agreement with the borrower for immediate or short-term repayment of the amounts subject to the write-off. Financial assets that are written off can still be subject to enforcement activities in order to recover amounts due. Amounts subsequently recovered on assets previously written off are recognised in impairment losses on financial assets in the statement of profit and loss.

1.18 Critical accounting estimates and judgements

The preparation of these financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies.

Judgements

Consolidated Financial Statements

Subsidiary undertakings are all entities (including special purpose entities) over which the Group has control, exposure or rights to variable returns, and the ability to affect those returns through its control over the undertaking.

The Group has a number of associated entities that it considers for consolidation under IFRS 10. Control is reassessed and whenever facts and circumstances indicate that there may be a change in these elements of control. When control is not determined by the ownership of ordinary shares, significant judgement is required to assess control. For SPVs, including Mortimer2024-Mix, control has been established through the combination of the 5% risk retention holding, and its ability to influence decisions in the entity.

Significant increase in credit risk

The determination of how significant an increase in lifetime PD should be to trigger a move between credit risk stages for impairment requires significant judgement. Management have adopted a test-based approach to derive objective thresholds such that credit deterioration is recognised at the appropriate point. See note 18 for further details.

Similarly significant judgement is also applied when assessing the risk of a default occurring following the modification of a financial asset that does not result in derecognition.

Fair value measurement

Judgements were applied to determine the unobservable inputs to the fair value models used to calculate the fair values of loans and advances. These include the discount rate, prepayment rates, PDs, LGDs, recovery costs and cure probabilities driven from the ECL models.

Estimates and assumptions

Fair value measurement

Estimating the fair value for share-based payment transactions requires determination of the most appropriate valuation method, which depends on the terms and conditions of the award. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and the dividend yield and making assumptions about them. The Group uses a Black-Scholes option pricing model for the employee share schemes. The Group estimates the forfeiture rate of schemes based on the historic evidence of schemes that have been awarded in previous years. The assumptions for estimating the fair value for share-based payment transactions are disclosed in note 24.

Level 1: Quoted prices in active markets for identical items.

Level 2: Observable direct or indirect inputs other than Level 1 inputs.

Level 3: Unobservable inputs (i.e. not derived from market data and requiring a level of estimates and judgements within the model). See note 25 for more detailed information related to fair value measurement.

Notes to the financial statements continued

1. Basis of preparation and material accounting policies continued

1.18 Critical accounting estimates and judgements continued

Expected credit loss calculation

The accounting estimates with the most significant impact on the calculation of impairment loss provisions under IFRS 9 are macroeconomic variables, in particular UK house price inflation and unemployment, and the probability weightings of the macroeconomic scenarios used. The Group has used three macroeconomic scenarios, which are considered to represent a range of possible outcomes over a normal economic cycle, in determining impairment loss provisions:

- The baseline scenario reflects the most profitable economic outlook, the downside scenario accounts for plausible stress conditions and an upside scenario represents the impact of modest improvements to assumptions used in the baseline scenario.
- For the year ended 31 March 2025 management considered the third-party weightings to adequately represent the macroeconomic environment across all products and have therefore applied 40%/40%/20% to the central, downside and upside scenarios respectively.
- Changes to macroeconomic assumptions, as expectations change over time, are expected to lead to volatility in impairment loss provisions and may lead to pro-cyclicality in the recognition of impairment provisions.

Sensitivity analysis on ECL models

Sensitivity analysis has been completed on a number of different scenarios to better assess the impact of changing variables on the ECL calculation in the current environment:

- A 100% downside was applied to the models. This would increase the ECL by £7.4m.
- A 100% upside was applied to all the models. This would decrease the ECL by £3.1m.
- A 10% increase in the forced sale discount. This would increase the ECL by £2.3m.

Valuation of share-based payments

Estimating the fair value for share-based payment transactions requires determination of the most appropriate valuation method, which depends on the terms and conditions of the award. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and the dividend yield and making assumptions about them. The Group uses a Black-Scholes option pricing model for the valuation of the options granted under the employee share schemes. The assumptions for estimating the fair value for share-based payment transactions are disclosed in note 24.

Effective interest rate revenue recognition

Interest income calculated using the effective interest rate is shown in the Consolidated statement of profit and loss. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

The expected life of the financial asset is a significant area of judgement which is estimated using the observed behavioural performance of the assets over time and the business model under which they are managed by the Group. Using these metrics a repayment profile is derived and applied in determining the performing capital balance used to calculate expected future interest receipts.

1.19 Impairment of financial assets

Impairment of financial assets is calculated using a forward-looking expected credit loss (ECL) model. ECLs are an unbiased probability weighted estimate of credit losses determined by evaluating a range of scenarios and possible outcomes. Further detail regarding the impairment of financial assets can be found in note 18.

1.20 Fair value of financial assets

Fair value is defined as the price expected to be received on sale of an asset in an orderly transaction between market participants at the measurement date. Where possible, fair value is determined with reference to quoted prices in an active market. A market is regarded as active if transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Where quoted prices are not available, generally accepted valuation techniques such as discounted cash flow models are used. Where possible these valuation techniques use independently sourced market parameters such as asset backed security spreads. Further detail regarding the fair value of financial assets can be found in note 25.

1.21 Prior period adjustments

The Group has restated its Consolidated Statement of Profit and Loss, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows due to the following prior period adjustments:

PPA 1

To reflect a misstatement of other payables and net gains on derecognition of financial assets.

As part of the securitisation and disposal of Mortimer BTL 2023 Plc in the year ended 31 March 2024, some specific proceeds of the Group were assigned to Mortimer 2023 to augment its net assets. These proceeds were however not accrued promptly so at the time of disposal and deconsolidation of Mortimer 2023 Plc in January 2024, the liabilities of the Group had been understated. This omission remained uncorrected in the March 2024 year-end financial statements.

Consequently, the recorded net loss on derecognition of financial assets was understated by the value of the assigned proceeds of £2.2m.

To correct this, a prior period adjustment of £2.2m has been made to the financial results presented for 31 March 2024 in the Consolidated Financial Statements.

PPA 2

To reflect a correction of an over accrual of interest income during the period.

The reset and sale of a development loan in September 2023 created an erroneous entry which incorrectly credited the profit and loss rather than the balance sheet. This entry resulted in the overstatement of interest income calculated using the effective interest rate and other receivables and remained uncorrected in the September 2023 half-year results and the March 2024 year-end financial statements.

To correct the error, a prior period adjustment of £0.6m has been made to the financial results presented for 31 March 2024 in these Consolidated Financial Statements.

Notes to the financial statements continued

1. Basis of preparation and material accounting policies continued

1.21 Prior period adjustments continued

PPA 3

To reflect the reversal of fee income in relation to platform loans (£1.0m) that didn't meet the recognition criteria of IFRS 15. In addition, reclassification of accrued fee on platform loans to other receivables from Loans and Advances (£3.6m) to reflect the nature of the accruals as fee income. The reclassification has an impact of £1.3m relating to 31 March 2023, however this reclassification has no impact on net assets, therefore this is adjusted in comparative figures accordingly.

PPA1, PPA2 and PPA3 are reflected in the table which follows:

	31 March 2024 (Reported) £'m	Impact of PPA 1 £'m	Impact of PPA 2 £'m	Impact of PPA 3 £'m	31 March 2024 (Restated) £'m
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT AND LOSS					
Interest income calculated using the effective interest rate	66.5		(0.6)		65.9
Net interest income	8.5		(0.6)		7.9
Fee income	19.5			(1.0)	18.5
Net fee income	15.9			(1.0)	14.9
Net losses on derecognition of financial assets	(1.0)	(2.2)			(3.2)
Net operating income	23.5	(2.2)	(0.6)	(1.0)	19.7
Loss before tax	(27.3)	(2.2)	(0.6)	(1.0)	(31.1)
Loss after taxation	(20.1)	(2.2)	(0.6)	(1.0)	(23.9)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME					
Loss for the period	(20.1)	(2.2)	(0.6)	(1.0)	(23.9)
Total comprehensive income/(loss) for the period	(13.2)	(2.2)	(0.6)	(1.0)	(17.0)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION					
Assets					
Loans and advances				(3.6)	(3.6)
Other receivables	8.7		(0.6)	2.7	10.7
Total assets	601.6		(0.6)	(1.0)	600.0
Liabilities					
Other payables	(23.4)	(2.2)			(25.6)
Total liabilities	(542.3)	(2.2)			(544.5)
Net assets	59.3	(2.2)	(0.6)	(1.0)	55.5
Equity					
Retained losses	(6.1)	(2.2)	(0.6)	(1.0)	(9.9)
Total equity	59.3	(2.2)	(0.6)	(1.0)	55.5
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS					
Cash flows from operating activities					
Loss after taxation:	(20.1)	(2.2)	(0.6)	(1.0)	(23.9)
(Increase)/decrease in other receivables	(8.9)		0.6	(2.7)	(11.0)
Increase in other payables	5.5	2.2			7.7
Movement in loans and advances (new originations net of redemptions)	(189.5)			3.6	(185.9)

The impact of the restatement has been reflected in the Consolidated Statement of Changes in Equity.

Notes to the financial statements continued

2. Leases

During the year, the Group entered into new lease arrangements for office premises in Glasgow (commencing June 2024) and London (commencing December 2024). Concurrently, the Group terminated its lease of the previous London office, along with the related sub-lease arrangement.

The Group reports its leases as prescribed by IFRS 16. The Group is a lessee in a property lease arrangement in which treatment of the lease components are as follows:

Right-of-use assets

The Group recognises a right-of-use asset at the lease commencement date. The right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and is adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of the lease liability recognised, initial direct costs incurred, costs of removal and restoration, and lease payments made at or before the commencement date less any lease incentives received.

The Group presents right-of-use assets under property, plant and equipment in the statement of financial position.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment. Depreciation and impairment losses are charged to administrative expenses in the Consolidated statement of profit and loss.

Lease liabilities

At the lease commencement date, the Group recognises a lease liability measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an administrative expense in the Consolidated statement of profit and loss in the year in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date, unless the interest rate implicit in the lease is readily determinable. After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed-lease payments, or a change in the assessment to purchase the underlying asset.

Lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

A new lease was entered into for the Group's Glasgow office in June 2024, with a total contractual term of eight years.

A new lease was also entered into for the Group's London office in December 2024, with a total contractual term of ten years, including tenant-only termination options after three and five years. The lease includes a 12-month rent-free period, taken as three months from lease commencement (December 2024 to February 2025), followed by an additional three and six month rent-free period conditional upon not exercising the termination options after three and five years respectively.

Based on operational requirements, the strategic importance of maintaining a central London presence, and the financial incentives embedded in the lease structure (i.e. receipt of the additional rent-free periods), the Group has concluded that it is reasonably certain not to exercise the termination options. Accordingly, the lease term has been assessed as ten years, and the entire rent-free period was included in the initial measurement of the lease liability and right-of-use asset.

Sublease

As part of the termination of the previous London office lease in December 2024, the sublease was also terminated, and the net investment in the sublease was derecognised accordingly.

	Net investment in sublease £'m	Right-of-use leasehold property £'m	Lease liabilities £'m
As at 1 April 2023	1.0	1.8	3.3
Depreciation expense	–	(0.7)	–
Interest expense	–	–	0.3
Payments – interest	–	–	(0.3)
Payments – principal	(0.4)	–	(1.1)
Dilapidations provision	–	–	0.1
As at 31 March 2024	0.6	1.1	2.3
Depreciation expense	–	(0.8)	–
ROU asset – disposal	–	(0.6)	(1.2)
Sublease disposal	(0.3)	–	–
Interest expense	–	–	0.3
Payments – interest	–	–	(0.3)
Payments – principal	(0.3)	–	(1.1)
Dilapidations provision	–	–	(0.1)
ROU asset – addition	–	5.8	5.6
As at 31 March 2025	–	5.5	5.5

Notes to the financial statements continued

2. Leases continued

The below table sets out the amounts recognised in the Consolidated statement of profit and loss:

Year ended 31 March 2025	Admin expenses £'m	Interest expense £'m	Total £'m
Depreciation expense of right-of-use asset	0.8	–	0.8
Interest expense on lease liabilities	–	0.3	0.3
Release of dilapidations provision	(0.1)	–	(0.1)
Total recognised in the Consolidated statement of profit and loss	0.7	0.3	1.0

Year ended 31 March 2024	Admin expenses £'m	Interest expense £'m	Total £'m
Depreciation expense of right-of-use asset	0.7	–	0.7
Interest expense on lease liabilities	–	0.3	0.3
Release of dilapidations provision	0.1	–	0.1
Total recognised in the Consolidated statement of profit and loss	0.8	0.3	1.1

3. Derivatives and hedge accounting

3.1 Hedge accounting

The Group uses interest rate swaps to manage its exposure to fluctuations in interest rates and not for speculative purposes.

When transactions meet the criteria of the applicable standard:

The Group applies the requirements of IAS 39 for its fair value hedge of interest rate risk of a portfolio of financial assets or liabilities (macro fair value hedge accounting).

The financial statement note for derivative financial instruments details the derivative portfolio of the hedge in place at the balance sheet date.

At the inception of each hedge relationship, a formal hedge documentation is prepared, describing:

- the hedged item, a financial asset or liability which is being economically hedged;
- the hedging instrument, a derivative financial instrument with economic characteristics that appropriately mitigate the risk being hedged; and
- the methods that will be used to determine the effectiveness of the designated hedge relationship.

IAS 39 requires that an effectiveness criterion be met for an entity to qualify for hedge accounting. IAS 39 also requires that hedge effectiveness be assessed prospectively at inception and retrospectively at each reporting date. Hedge effectiveness is the degree to which changes in the fair value of the hedged item and hedging instrument offset.

IAS 39 specifies that the offset ratio be within the range 80%–125% for its highly effective requirement to be met. The Group discontinued use of cash flow hedging under IFRS 9 in March 2024.

Fair value hedges may have residual ineffectiveness. Ineffectiveness is the extent to which changes in the fair value of the hedging instrument fail to offset changes in the fair value of the hedged item. Ineffectiveness is recognised in the Consolidated statement of profit and loss as it occurs. Sources of ineffectiveness include:

- differences in the size and timing of future expected cash flow of the hedged instruments and hedged item due to unexpected changes in hedged item;
- differences in the curves used to value the hedging instrument and hedged item; and
- the designation of off-market derivatives.

The Group discontinues hedge accounting when:

- the hedge relationship matures;
- effectiveness testing indicates that a designated hedge relationship ceases to meet the effectiveness requirements;
- the hedging instrument is derecognised upon a sale, transfer or termination; or
- the hedged item is derecognised upon sale or transfer.

3.1.1 Fair value hedge accounting

Fair value hedge accounting results in the carrying value of the hedged item being adjusted to reflect changes in fair value attributable to the risk being hedged, creating an offset to the change in the fair value of the hedging instrument. The fair value movement of both the hedged item and hedging instruments are reported in the Consolidated statement of profit and loss through the other interest and similar income line item.

The Group designates a portfolio of financial assets with similar interest rate risk exposure in a portfolio (macro) hedge. The risk item is sorted into repricing time buckets based on expected repricing periods and hedged accordingly using interest rate swaps with matching tenors. The fair value movements are measured using a SONIA benchmark. For portfolio hedges that are highly effective, the Group records fair value adjustment movements through other comprehensive income if the hedged item is measured at fair value through other comprehensive income and then recycles immediately the amount of fair value movements due to the hedge risk into the statement of profit or loss. If the hedged item is measured at amortised cost the carrying amount will be adjusted for fair value movements due to the hedged risks and recorded through the statement of profit or loss. The portfolio hedges are rebalanced regularly to include newly originated financial assets.

If portfolio hedge accounting no longer meets the criteria for hedge accounting, the cumulative fair value hedge adjustment is amortised over the period to maturity of the previously designated hedge relationship. If the hedged item is sold or repaid, the unamortised fair value adjustment is immediately recognised in the income statement.

Notes to the financial statements continued

3. Derivatives and hedge accounting continued

3.2 Gains or losses from derivatives and hedge accounting

As part of its risk management strategy, the Group uses derivatives to economically hedge the interest rate exposure of financial assets and liabilities. The Group applies hedge accounting to minimise the income statement volatility resulting from changes in the fair value of derivative financial instruments that will ordinarily be measured at fair value through profit or loss. Such volatility does not reflect the economic reality of the Group's hedging activities; however, volatility can arise from hedge accounting ineffectiveness, hedge accounting not being applied or not being achievable at the present time.

Note 3.1 discusses the effect of fair value hedge accounting on the Group's financial statements, including accounting treatment of hedge accounting ineffectiveness.

	As at 31 March 2025 £'m	Year ended 31 March 2024 £'m
Gains/(losses) from derivatives hedge accounting		
Losses from fair value hedge accounting ¹	(0.1)	(2.4)
Fair value gains from other derivatives	0.6	(1.6)
Total gains/(losses) included in other interest and similar income	0.5	(4.0)

3.3 Fair value hedge accounting

The Group manages interest rate risk using interest rate swaps that exchange fixed cash flows for floating cash flows indexed to market SONIA rates. These derivative instruments are designated in a fair value hedge of the interest rate exposure of a portfolio of financial assets. The table below provides information on the Group's fair value hedges.

Year ended 31 March 2025

Hedged item balance sheet	Hedging instrument	Risk category	Hedged item ¹ £'m	Instrument ¹ £'m	Ineffectiveness £'m
Loans to customers	Interest rate swaps	Interest rate: SONIA	3.8	(3.9)	(0.1)

The fair value hedge ineffectiveness is reported through the interest and similar income line item of the Consolidated statement of profit and loss.

Year ended 31 March 2024 (restated)

Hedged item balance sheet	Hedging instrument	Risk category	Hedged item ¹ £'m	Instrument ¹ £'m	Ineffectiveness £'m
Loans to customers	Interest rate swaps	Interest rate: SONIA	8.9	(11.3)	(2.4)

¹ Change in fair value used in determining hedge ineffectiveness.

3.4 Cash flow hedge accounting

In the year to 31 March 2025 the Group only applied fair value hedge accounting and had no application of cash flow hedge accounting.

For the year to 31 March 2024, there was a recycling of a loss of £21.5m from the cash flow hedge reserve to the line item 'Net gain on derecognition of financial assets' in the profit and loss. This was due to the sale of the Group's non-risk retention residual economic interest in the Mortimer BTL 2021-1 PLC securitisation for a cash consideration of £8.7m.

3.5 Derivatives by instrument

All the Group's derivative financial instruments are used to manage economic risk, although not all the derivatives are subject to hedge accounting. The table below provides an analysis of the notional amount and fair value of derivatives by instrument type. Notional amount is the amount on which payment flows are derived and does not represent amounts at risk.

	As at 31 March 2025			As at 31 March 2024		
	Notional amount £'m	Fair value – assets £'m	Fair value – liabilities £'m	Notional amount £'m	Fair value – assets £'m	Fair value – liabilities £'m
Macro fair value hedge:						
SONIA indexed interest rate swaps	381.3	2.0	–	39.9	–	(0.9)
Not subject to hedge accounting:						
SONIA indexed interest rate swaps ¹	9.0	–	(0.1)	108.4	–	(1.1)
Total	390.3	2.0	(0.1)	148.3	–	(2.0)

¹ Includes FV gains on forward starting swaps now designated in FVH.

3.6 Contractual maturity of hedging instruments notional amounts

	Less than one year £'m	Between one and five years £'m	Over five years £'m	Total £'m
As at 31 March 2025 Macro fair value hedge:				
SONIA indexed interest rate swaps	–	65.7	315.6	381.3
Other:				
SONIA indexed interest rate swaps	–	–	9.0	9.0
Total	–	65.7	324.6	390.3

Notes to the financial statements continued

3. Derivatives and hedge accounting continued

3.6 Contractual maturity of hedging instruments notional amounts continued

	Less than one year £'m	Between one and five years £'m	Over five years £'m	Total £'m
As at 31 March 2024 Macro fair value hedge:				
SONIA indexed interest rate swaps	8.7	31.0	0.2	39.9
Other:				
SONIA indexed interest rate swaps	47.2	58.9	2.4	108.5
Total	55.9	89.9	2.6	148.4

3.7 Carrying amount of hedged items

	As at 31 March 2025		As at 31 March 2024	
	Hedged item £'m	Fair value change of hedged risk £'m	Hedged item £'m	Fair value change of hedged risk £'m
Macro fair value hedge:				
Mortgage loans	379.8	3.8	39.9	0.3
Total	379.8	3.8	39.9	0.3

All hedges are for loans to customers carried at fair value through OCI.

4. Financial risk and capital management

General objectives, policies and processes

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and ensure any limits are adhered to. The Group's activities are reviewed regularly, and potential risks are considered. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the business's competitiveness and flexibility.

Risk factors

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, interest rate risk. Further details regarding these policies are set out below:

(i) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's loans and advances and cash and cash equivalents held at banks. The Group's maximum exposure to credit risk by class of financial asset is as follows:

Assets	31 March 2025 £'m	31 March 2024 (restated) £'m
Loans and advances	694.2	473.4
Investments securities	34.7	41.1
Derivative financial asset	1.9	–
Other receivables	9.7	8.4
Cash and cash equivalents	68.2	55.7
	808.7	578.6

The Group manages its exposure to credit losses on loans and advances by assessing borrowers' affordability of loan repayments, risk profile, and stability during the underwriting process. Impairments are monitored and provided for under IFRS 9. The credit policy is designed to ensure that the credit process is efficient for the applicant while providing the Group with the necessary details to make an informed credit decision.

Investment securities held by the Group relate to a 5% retained position in structured securitisation entities that are no longer consolidated. Recoverability of these amounts is linked to the underlying loan portfolios within the structured securitisation entities. Additionally, credit enhancement measures within the securitisation structure reduce the Group's exposure to credit losses.

Trade and other receivables principally comprise of amounts due from third parties. The recoverability of these amounts is reviewed on an ongoing basis, at least annually.

The fair value of cash and cash equivalents at 31 March 2025 and 31 March 2024 approximates the carrying value. Further details regarding cash and cash equivalents can be found in note 17. Credit risk relating to cash and cash equivalents is mitigated as cash and cash equivalents are held with reputable institutions and these are callable. These institutions have a Moody's credit rating of Prime-1 (superior ability to repay short-term debt obligations).

The risk of movements in the price of the underlying collateral secured by the Group against loans to borrowers is actively managed by the Group. Security over loan collateral is registered with the Land Registry, and only properties within England, Wales and Scotland are suitable for security. Depending on product, loans are capped at 75% to 90% of the open market value of the property against which security is held, and minimum loan period interest is retained on completion for some short-term loans.

(ii) Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's position. The Group's liquidity position is monitored and reviewed on an ongoing basis by the Board and the Assets and Liabilities Committee. A key component of liquidity risk is the Group's funding for the purpose of its long-term Buy-to-Let lending. Once the facility is utilised or the term is reached, the Buy-to-Let portfolio will be refinanced via securitisation or sale to third-party purchasers.

Notes to the financial statements continued

4. Financial risk and capital management continued

(ii) Liquidity risk management continued

The tables below analyse the Group's contractual undiscounted cash flows of its financial assets and liabilities:

As at 31 March 2025	Carrying amount £'m	Gross nominal inflow/ (outflow) £'m	Amount due within six months £'m	Amount due within one year £'m	Amount due post one year, less than five years £'m	Greater than five years £'m
Financial assets						
Cash and cash equivalents	68.2	68.2	68.2	–	–	–
Trade and other receivables	9.7	9.7	9.7	–	–	–
Derivative financial asset	1.9	1.9	0.3	0.2	1.4	–
Loans and advances	694.2	1,246.8	172.4	129.4	100.9	844.1
Investment securities	34.7	48.9	12.2	1.0	35.7	–
	808.7	1,375.5	262.8	130.6	138.0	844.1
Financial liabilities						
Trade and other payables	(26.2)	(26.2)	(26.2)	–	–	–
Interest-bearing liabilities	(725.0)	(867.2)	(26.8)	(22.2)	(499.4)	(318.8)
Lease liabilities	(5.5)	(6.8)	(0.4)	(0.4)	(3.1)	(2.9)
	(756.7)	(900.2)	(53.4)	(22.6)	(502.5)	(321.7)

As at 31 March 2024 (restated)	Carrying amount £'m	Gross nominal inflow/ (outflow) £'m	Amount due within six months £'m	Amount due within one year £'m	Amount due post one year, less than five years £'m	Greater than five years £'m
Financial assets						
Cash and cash equivalents	55.7	55.7	55.7	–	–	–
Other receivables	8.4	8.4	8.4	–	–	–
Loans and advances	473.4	735.7	215.7	97.0	48.7	374.3
Investment securities	41.1	46.8	1.3	1.3	44.2	–
	578.6	846.6	281.1	98.3	92.9	374.3
Financial liabilities						
Other payables	(17.7)	(17.7)	(17.7)	–	–	–
Interest-bearing liabilities	(514.6)	(586.6)	(63.4)	(357.5)	(96.6)	(69.1)
Derivative financial liability	(2.0)	(2.0)	(0.3)	(0.3)	(1.4)	–
Lease liabilities	(2.3)	(2.6)	(0.7)	(0.7)	(1.2)	–
	(536.6)	(608.9)	(82.1)	(358.5)	(99.2)	(69.1)

In the previous financial year the Group sold its residual interest in both Mortimer 2021-1 BTL PLC (April 2023) and Mortimer 2023-1 BTL PLC (January 2024).

(iii) Interest rate risk management

The risk is managed on a continuous basis through the use of interest rate swaps.

The Group monitors exposure to repricing risk through an interest rate gap report and matches the repricing characteristics of its assets with its liabilities naturally where it can. The Group uses derivatives to manage any risk above tolerable levels. Derivatives are only used for economic hedging purposes and not as speculative investments.

See note 3 and 26 for further details on the derivatives held by the Group.

(iv) Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates as at the reporting date. This analysis assumes a 100 basis point change which represents the Board's assessment of a reasonable change in interest rates. All other variables are held constant.

Notes to the financial statements continued

4. Financial risk and capital management continued

(iv) Interest rate sensitivity continued

	Profit and Loss		Equity (net of tax)	
	100 bp increase £'m	100 bp decrease £'m	100 bp increase £'m	100 bp decrease £'m
As at 31 March 2025				
Interest rate swaps	3.9	(3.9)	–	–
Cash and cash equivalents	0.3	(0.3)	–	–
Loans and advances	0.2	(0.2)	(12.3)	12.8
Investment securities	0.3	(0.3)	–	–
Interest-bearing liabilities	(6.2)	6.2	–	–
As at 31 March 2024				
Interest rate swaps	1.5	(1.5)	–	–
Cash and cash equivalents	0.2	(0.2)	–	–
Loans and advances	0.3	(0.3)	(5.5)	5.8
Investment securities	0.4	(0.4)	–	–
Interest-bearing liabilities	(4.3)	4.3	–	–

The profit and loss figures for cash and cash equivalents, loan and advances, investment securities and interest-bearing liabilities represent the effect on interest receipts and payments recorded through profit and loss resulting from changes in interest rates.

The figures shown under the equity columns for loans and advances reflect the expected change to fair value measured through other comprehensive income.

The Group designates its portfolio of interest rate swaps in a fair value hedge. The indicative figures in the above profit and loss columns represent a fair value change in interest rate swaps designated in a fair value hedge; these changes are mostly offset in the Consolidated statement of profit or loss by an equivalent change in fair value of the hedged items. Figures in the equity columns represent fair value changes in interest rate swaps designated in a cash flow hedge relationship; in the event of such a change the Group will benefit from offsetting lower interest payments on the indexed liabilities hedged by the swaps.

The sensitivity analysis of the Group's loan assets with interest rate exposure is disclosed in note 25.

(v) Capital management

The Group considers its capital to comprise of its share capital, share premium, retained earnings and the employee share reserve. The Group's objectives when maintaining capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group uses external debt to fund its principal activity and sets the amount of debt that it requires in proportion to risk and lending requirements. It should also be noted the Group does not have to comply with any specific regulatory capital requirements.

5. Segmental analysis

The Group's lending operations are carried out solely in the UK (United Kingdom), and are carried out solely from the Group's LendInvest Mortgages and Capital Divisions, reflective of the product offerings. The results and net assets of the Group are derived from the provision of property-related loans only. The following describes the operations of the two reportable segments for the year ended 31 March 2025:

LendInvest Mortgages

LendInvest Mortgages provides mortgages to both professional BTL landlords and homeowners as well as a range of short-term mortgages.

LendInvest Capital

The LendInvest Capital division provides larger, more structured finance primarily to property developers and larger bridging loans and houses the Fund and Self-Select platform.

Please see below for a segmental analysis of the Consolidated statement of profit and loss and statement of financial position balances:

Year ended 31 March 2025 Consolidated statement of profit and loss information	Mortgages £'m	Capital £'m	Central £'m	Total £'m
Interest income calculated using the effective interest rate method	42.5	18.7	–	61.2
Other interest and similar income	0.5	–	–	0.5
Interest expense and similar charges	(34.0)	(12.0)	–	(46.0)
Net interest income	9.0	6.7	–	15.7
Fee income	23.0	8.1	–	31.1
Fee expenses	(7.6)	(1.5)	–	(9.1)
Net fee income	15.4	6.6	–	22.0
Net gains on derecognition of financial assets	–	0.8	–	0.8
Net other operating income	0.1	–	–	0.1
Net operating income	24.5	14.1	–	38.6
Administrative expenses	(11.1)	(2.4)	(22.8)	(36.3)
Impairment losses on financial assets	(0.4)	(3.1)	–	(3.5)
Total operating expenses	(11.5)	(5.5)	(22.8)	(39.8)
Profit/(loss) before taxation	13.0	8.6	(22.8)	(1.2)

Notes to the financial statements continued

5. Segmental analysis continued

Year ended 31 March 2024 (restated) Consolidated statement of profit and loss information	Mortgages £'m	Capital £'m	Central £'m	Total £'m
Interest income calculated using the effective interest rate method	45.9	20.0	–	65.9
Other interest and similar income	(4.0)	–	–	(4.0)
Interest expense and similar charges	(43.6)	(10.4)	–	(54.0)
Net interest income	(1.7)	9.6	–	7.9
Fee income	10.5	8.0	–	18.5
Fee expenses	(2.6)	(1.0)	–	(3.6)
Net fee income	7.9	7.0	–	14.9
Net gains on derecognition of financial assets	(3.8)	0.6	–	(3.2)
Net other operating income	0.1	–	–	0.1
Net operating income	2.5	17.2	–	19.7
Administrative expenses	(11.6)	(5.1)	(25.7)	(42.4)
Impairment losses on financial assets	(0.8)	(7.6)	–	(8.4)
Total operating expenses	(12.4)	(12.7)	(25.7)	(50.8)
Profit/(loss) before taxation	(9.9)	4.5	(25.7)	(31.1)

As at 31 March 2025 Consolidated statement of financial position information	Mortgages £'m	Capital £'m	Central £'m	Total £'m
Assets				
Loans and advances	566.8	127.4	–	694.2
Total segment assets	566.8	127.4	–	694.2
Cash and cash equivalents	–	–	68.2	68.2
Trade and other receivables	–	–	12.8	12.8
Corporate tax receivable	–	–	3.2	3.2
Property, plant and equipment	–	–	5.8	5.8
Investment securities	–	–	34.7	34.7
Derivative financial asset	–	–	1.9	1.9
Investment in third parties	–	–	0.5	0.5
Intangible fixed assets	–	–	9.2	9.2
Total assets			136.3	830.5
Liabilities				
Interest-bearing liabilities	(445.1)	(279.9)	–	(725.0)
Total segment liabilities	(445.1)	(279.9)	–	(725.0)
Trade and other payables	–	–	(35.2)	(35.2)
Lease liabilities	–	–	(5.5)	(5.5)
Deferred taxation liability	–	–	(0.4)	(0.4)
Total liabilities	–	–	(41.1)	(766.1)

Notes to the financial statements continued

5. Segmental analysis continued

As at 31 March 2024 (restated) Consolidated statement of financial position information	Mortgages £'m	Capital £'m	Central £'m	Total £'m
Assets				
Loans and advances	346.3	127.1	–	473.4
Total segment assets	346.3	127.1	–	473.4
Cash and cash equivalents	–	–	55.7	55.7
Trade and other receivables	–	–	10.7	10.7
Corporate tax receivable	–	–	3.2	3.2
Property, plant and equipment	–	–	1.3	1.3
Investment securities	–	–	41.1	41.1
Net investment in sublease	–	–	0.6	0.6
Intangible fixed assets	–	–	10.7	10.7
Deferred taxation	–	–	3.3	3.3
Total assets	–	–	126.6	600.0
Liabilities				
Interest-bearing liabilities	(201.8)	(312.8)	–	(514.6)
Total segment liabilities	(201.8)	(312.8)	–	(514.6)
Derivative financial liabilities	–	–	(2.0)	(2.0)
Trade and other payables	–	–	(25.6)	(25.6)
Lease liabilities	–	–	(2.3)	(2.3)
Total liabilities	–	–	(29.9)	(544.5)

6. Interest and similar income

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 (Restated) £'m
Interest income calculated using the effective interest rate method		
On loans and advances to customers	57.5	62.2
On investment securities	2.3	2.1
On cash deposits	1.4	1.6
Total interest income calculated using the effective interest rate method	61.2	65.9
Other interest and similar income		
Gain/(loss) on derivative financial instruments and hedge accounting	0.5	(4.0)
Total other interest and similar income	0.5	(4.0)
Total interest and similar income	61.7	61.9

Revenue is recognised with reference to the accounting policy detailed in note 1.6.

7. Interest expense and similar expense

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
On amounts due to funding partners	(26.8)	(40.1)
On debt securities in issue	(16.3)	(10.2)
Funding line cost amortisation	(2.9)	(3.7)
Total interest expense and similar charges	(46.0)	(54.0)

Interest expense is recognised with reference to the accounting policy detailed in note 1.7.

Notes to the financial statements continued

8. Net fee income

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Fee income on loans and advances	2.2	3.6
Fee income on asset management	11.0	11.2
Fee income on origination of loans to third parties	17.9	3.7
Fee income	31.1	18.5
Fee expense on origination of loans to third parties	(8.4)	(2.5)
Fee expense on asset management	(0.7)	(1.1)
Fee expense	(9.1)	(3.6)
Net fee and commission income	22.0	14.9

Net fee income is recognised with reference to the accounting policy detailed in note 1.6 and note 1.8.

9. Derecognition of financial assets

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 (Restated) £'m
Net gains/(losses) on sale of loans and loan portfolios	0.8	(9.2)
Net gains on derecognition of securitised loan portfolios	–	6.0
Net gains/(losses) on derecognition of financial assets	0.8	(3.2)

During the prior year, Mortimer 2021-1 Limited and Mortimer 2023-1 Limited were deconsolidated when the residual notes were sold and the impact of the deconsolidation is as follows:

- total consideration received – £13.5m
- the portion of the cash consideration consisting of cash and cash equivalents – £13.5m
- the amount of cash and cash equivalents in the subsidiaries in which control is lost – £22.4m
- the amount of the assets and liabilities other than the cash or cash equivalents in the subsidiaries in which control is lost:
 - Loans and advances – (£639.6m)
 - Interest-bearing liabilities – £662.5m
 - Derivative financial assets – (£25.9m)
 - Other assets and liabilities (restated) – £3.1m

10. Profit from operations

Profit from operations has been stated after charging:

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Wages and salaries	16.8	20.1
Depreciation and amortisation	3.7	3.2
Depreciation of right-of-use asset	0.8	0.7
Interest expense – lease liabilities	0.3	0.3
Fees payable to the auditors for the audit of the financial statements	1.6	1.4
Fees payable to the auditors for the audit of the prior year financial statements	0.4	0.3
Share-based payment charge	(0.4)	1.3
Rent	0.1	0.2

Other administrative expenses are incurred in the ordinary course of the business and do not require further disclosure under IAS 1.

11. Employee benefit expense

Employee benefit expense (including Directors) comprises:

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Wages and salaries	16.8	20.1
Defined contribution pension cost	0.6	0.7
Share-based payment (credit)/charge	(0.3)	1.3
Social security contributions and similar taxes	2.0	2.4
	19.1	24.5

During the year, share options and ordinary shares were issued to employees of the Company, see note 24 for further details.

Notes to the financial statements continued

12. Number of employees and key management compensation

The average monthly number of employees during the year was:

	Year ended 31 March 2025 Number	Year ended 31 March 2024 Number
Technology and product	41	67
Operations and administration	130	138
Sales and marketing	32	35
	203	240

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management is defined as the Directors of the Company listed on page 50.

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Salary, short-term benefits and pension	1.0	1.2
Equity-based compensation	–	–
	1.0	1.2

The highest paid Director in the year was paid £468,721 (2024: £418,395). Further details on Directors' remuneration are disclosed in the Remuneration Report in the Corporate Governance section of the Annual Report and Accounts on pages 45 to 49.

13. Taxation on loss on ordinary activities

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m (restated)
Tax credit per accounts		
Current tax on loss for the year	–	–
Adjustments in respect of prior years	–	(2.1)
Total current tax charge/(credit)	–	(2.1)
Origination and reversal of temporary differences	(0.2)	(4.9)
Adjustments in respect of prior years	0.6	(0.2)
Total deferred tax charge/(credit)	0.4	(5.1)
Total tax charge/(credit)	0.4	(7.2)
Tax reconciliation		
Loss before tax	(1.2)	(31.1)
Loss before tax multiplied by the standard rate of corporation tax of 25%	(0.3)	(7.8)
Tax effects of:		
Profits not subject to taxation under securitisation regime	(0.1)	(1.7)
Consolidation adjustments not brought into tax	–	1.0
Tax losses not recognised	–	1.8
Tax losses carried back	–	1.1
Difference in tax rate on carried back losses	–	0.4
Other costs not deductible	0.1	–
Tax difference on employee share schemes exercised	0.1	0.3
Over provision of current tax	–	(2.1)
Under/(over) provision of deferred tax	0.6	(0.2)
Total tax charge/(credit)	0.4	(7.2)

Notes to the financial statements continued

13. Taxation on loss on ordinary activities continued

Deferred taxation

Deferred tax is presented in the statement of financial position as follows:

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Deferred tax		
Net deferred tax assets at the beginning of the year	3.3	1.2
Credit to the statement of profit and loss for the year	0.2	4.9
Charge to other comprehensive income	(3.5)	(2.3)
Charge to equity	0.2	(0.8)
Over provision of deferred tax	(0.6)	0.3
Net deferred tax (liabilities)/assets at the end of the year	(0.4)	3.3

Category of deferred tax

	Opening balance £'m	(Charge) / Credit to equity £'m	(Charge) / Credit to the statement of profit and loss – CY £'m	(Charge) / Credit through OCI – CY £'m	(Charge) / Credit to the statement of profit and loss – PY £'m	Closing balance £'m
2025						
Share and share option schemes	0.3	0.2	(0.3)	–	–	0.2
IFRS16 transitional adjustment	0.1	–	(0.1)	–	–	–
Fair value reserve	(2.1)	–	–	(3.5)	–	(5.6)
IFRS 9 ECL provision	0.1	–	(0.1)	–	–	–
Research and development	(0.2)	–	0.1	–	–	(0.1)
Losses	5.1	–	0.6	–	(0.6)	5.1
Total	3.3	0.2	0.2	(3.5)	(0.6)	(0.4)

	Opening balance £'m	(Charge) / Credit to equity £'m	(Charge) / Credit to the statement of profit and loss – CY £'m	(Charge) / Credit through OCI – CY £'m	(Charge) / Credit to the statement of profit and loss – PY £'m	Closing balance £'m
2024						
Share and share option schemes	1.4	(0.9)	(0.2)	–	–	0.3
IFRS 16 transitional adjustment	0.1	–	–	–	–	0.1
Fair value reserve	5.5	–	–	(7.6)	–	(2.1)
Cash flow hedge adjustment	(5.4)	–	–	5.4	–	–
IFRS 9 ECL provision	0.1	–	–	–	–	0.1
Research and development	(0.6)	–	0.1	–	0.3	(0.2)
Losses	–	0.1	5.0	–	–	5.1
Total	1.1	(0.8)	4.9	(2.2)	0.3	3.3

Notes to the financial statements continued

14. Property, plant and equipment

The Group and Company

Cost	Computer equipment £'m	Furniture and fittings £'m	Leasehold improvements £'m	Right-of-use asset £'m	Total £'m
Balance as at 31 March 2023	0.4	0.1	0.4	5.2	6.1
Additions	–	–	–	–	–
Disposals	–	–	–	–	–
Balance as at 31 March 2024	0.4	0.1	0.4	5.2	6.1
Additions	–	–	0.2	5.8	6.0
Disposals	–	–	–	(5.1)	(5.1)
Balance as at 31 March 2025	0.4	0.1	0.6	5.9	7.0

Accumulated depreciation	Computer equipment £'m	Furniture and fittings £'m	Leasehold improvements £'m	Right-of-use asset £'m	Total £'m
Balance as at 31 March 2023	0.2	0.1	0.2	3.4	3.9
Charge for the year	0.1	–	0.1	0.7	0.9
Disposals	–	–	–	–	–
Balance as at 31 March 2024	0.3	0.1	0.3	4.1	4.8
Charge for the year	0.0	–	0.1	0.8	1.0
Disposals	–	–	–	(4.6)	(4.6)
Balance as at 31 March 2025	0.3	0.1	0.4	0.3	1.2
Net carrying value as at 31 March 2025	0.1	–	0.2	5.5	5.8
Net carrying value as at 31 March 2024	0.1	–	0.1	1.1	1.3

Lease commitment

Future minimum payments under non-cancellable leases:

Lease commitment	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Due within a year	0.5	1.4
Due between one and five years	2.3	0.7
Due later than five years	2.7	–
	5.5	2.1

The Group had a dilapidation requirement to return the previously leased office to the specification as per the lease agreement. The total dilapidation at lease termination was £204k (2024: £204k), and the Group has accrued £5.75k of dilapidations since commencement of the new head office lease. The Group and the Company have no significant contingent liabilities at year end.

15. Intangibles

Cost	Software licences £'m	Internally developed software £'m	Total £'m
Balance as at 31 March 2023	0.7	18.3	19.0
Additions	–	3.2	3.2
Balance as at 31 March 2024	0.7	21.5	22.2
Additions	–	2.0	2.0
Disposals	(0.7)	–	(0.7)
Balance as at 31 March 2025	–	23.5	23.5

Accumulated amortisation	Software licences £'m	Internally developed software £'m	Total £'m
Balance as at 31 March 2023	0.7	7.8	8.5
Charge for the year	–	3.0	3.0
Balance as at 31 March 2024	0.7	10.8	11.5
Charge for the year	–	3.5	3.5
Disposals	(0.7)	–	(0.7)
Balance as at 31 March 2025	–	14.3	14.3
Net carrying value as at 31 March 2025	–	9.2	9.2
Net carrying value as at 31 March 2024	–	10.7	10.7

Internally developed software development has been capitalised as an intangible asset and is being amortised over five years.

Notes to the financial statements continued

16. Other receivables

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 (Restated) £'m
Due within one year		
Trade receivables	9.1	7.2
Other receivables:		
Prepayments and accrued income	3.0	2.3
Other receivables	0.7	1.2
Due after one year	–	–
Total	12.8	10.7

The carrying value of other receivables approximates fair value and represents the maximum exposure to credit losses. Expected credit losses on trade receivables are immaterial.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. During the current year (and prior year) the Group had no trade receivables that are past due, but not impaired.

17. Cash and cash equivalents

	As at 31 March 2025 £'m	As at 31 March 2024 £'m
Cash at bank and in hand	64.4	53.2
Trustees' account	3.8	2.5
As at 31 March 2025	68.2	55.7

The Trustees' account relates to monies held on account for the benefit of our investors in the Self-Select platform, prior to them either investing in loans or withdrawing their capital. Operationally, the Company does not treat the Trustees' balances as available funds. An equal and opposite payable amount is included within the trade payables balance (see note 20).

18. Loans and advances

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Gross loans and advances	683.9	473.4
ECL provision	(12.3)	(8.5)
Fair value adjustment ¹	22.6	8.5
Loans and advances²	694.2	473.4

1 Fair value adjustment to gross loans and advances due to classification as FVOCI, based on the Group's business model for managing these financial assets. Key inputs into the market discount rates used in the Group's long-term fair value calculations are forward-looking SONIA rates and market Buy-to-Let/residential asset backed security spreads which both decreased in the latter part of the financial year causing the reduced discount rates and a higher fair value adjustment. This has been offset by mark-to-market movement in the Group's interest rate swaps.

2 Loans and advances are held at FVOCI as per IFRS 9.

ECL provision

Movement in the year	£'m
Under IFRS 9 at 1 April 2024	(8.5)
Additional provisions made during the year	(5.4)
Utilised in the year	1.6
Under IFRS 9 at 31 March 2025	(12.3)

1 The ECL provision of £12.3m is stated including the expected credit losses incurred on the interest income recognised on stage 3 loans and advances. The net ECL impact on the income statement for the year is £3.5m (2024: £8.4m). This includes the £3.7m (2024: £7.0m) of impairment provisions shown in the income statement and the total impact of expected credit losses on income recognised on stage 3 loans and advances using the effective interest rate of £1.7m (2024: £1.4m).

2 Loans that are written off can still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. The contractual amount outstanding on loans and advances that have previously been written off and are still subject to enforcement activity is £8.4m (2024: £7.4m).

Notes to the financial statements continued

18. Loans and advances continued

ECL provision continued

Movement in the year	£'m
Under IFRS 9 at 1 April 2023	(9.1)
Additional provisions made during the year ¹	(8.7)
Utilised in the year ²	9.3
Under IFRS 9 at 31 March 2024	(8.5)

- 1 The ECL provision of £8.5m is stated including the expected credit losses incurred on the interest income recognised on stage 3 loans and advances. The net ECL impact on the income statement for the year is £8.4m (2023: £7.7m). This includes the £7.0m (2023: £6.0m) of impairment provisions shown in the income statement and the total impact of expected credit losses on income recognised on stage 3 loans and advances using the effective interest rate of £1.4m (2023: £1.7m).
- 2 Loans that are written off can still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. The contractual amount outstanding on loans and advances that have previously been written off and are still subject to enforcement activity is £7.4m (2023: £4.4m).

Analysis of loans and advances by stage

Year ended 31 March 2025	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
Gross loans and advances	464.7	129.4	89.8	683.9
ECL provision	(0.2)	(0.7)	(11.4)	(12.3)
Fair value adjustment	19.8	2.8	–	22.6
Loans and advances	484.3	131.5	78.4	694.2

The maximum LTV on stage 1 loans is 91%. The maximum LTV on stage 2 loans is 229%. The maximum LTV on stage 3 loans is 91%. The average LTV on stage 1 loans is 71%. The average LTV on stage 2 loans is 72%. The average LTV on stage 3 loans is 65% and the total value of collateral (capped at the gross loan value) held on stage 3 loans is £88.7m.

Year ended 31 March 2024	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
Gross loans and advances	304.3	89.0	80.1	473.4
ECL provision	(0.1)	(0.5)	(7.9)	(8.5)
Fair value adjustment	6.9	1.5	0.1	8.5
Loans and advances	311.1	90.0	72.3	473.4

The maximum LTV on stage 1 loans is 86%. The maximum LTV on stage 2 loans is 242%. The maximum LTV on stage 3 loans is 195%. The average LTV on stage 1 loans is 67%. The average LTV on stage 2 loans is 70%. The average LTV on stage 3 loans is 67% and the total value of collateral (capped at the gross loan value) held on stage 3 loans is £76.8m.

Impairment provisions are calculated on an expected credit loss (ECL) basis. Financial assets are classified individually into one of the categories below:

- Stage 1 – assets are allocated to this stage on initial recognition and remain in this stage if there is no significant increase in credit risk since initial recognition. Impairment provisions are recognised to cover 12-month ECL, being the proportion of lifetime ECL arising from default events expected within 12 months of the reporting date.
- Stage 2 – assets where it is determined that there has been a significant increase in credit risk since initial recognition, but where there is no objective evidence of impairment. Impairment provisions are recognised to cover lifetime. An asset is deemed to have a significant increase in credit risk where:
 - The creditworthiness of the borrower deteriorates such that their risk grade increases by at least one grade compared with that at origination.
 - The borrower is currently more than one month in arrears.
 - The borrower has sought some form of forbearance.
 - LTV exceeds 85% for Buy-to-Let, Bridging and Residential.
 - LTGDV exceeds 75% for development loans.
 - The loan is a short-term bridging loan and has less than one month before maturity.
 - The development will not meet practical completion by the date anticipated at origination.
 - There is less than one month to maturity for bridging loans.
- Stage 3 – assets where there is objective evidence of impairment, i.e. they are considered to be in default. Impairment provisions are recognised against lifetime ECL. For assets allocated to stage 3, interest income is recognised on the balance net of impairment provision.
- Purchased or originated credit impaired (POCI) – POCI assets are financial assets that are credit impaired on initial recognition. On initial recognition they are recorded at fair value. ECLs are only recognised or released to the extent that there is a subsequent change in the ECLs. Their ECL is always measured on a lifetime basis.

Where there is objective evidence that asset quality has improved, assets will be allocated to a lower risk category; for example loans no longer in default (stage 3) will be allocated to either stage 2 or stage 1.

Evidence that asset quality has improved will include:

- Repayment of arrears.
- Improved creditworthiness.
- Term extensions and the ability to service outstanding debt.

If a loss is ultimately realised, it is written off against the provision previously provided for with any excess charged to the impairment provision in the statement of profit and loss.

Notes to the financial statements continued

18. Loans and advances continued

Analysis of loans and advances by stage continued

Critical accounting estimates relating to the impairment of financial assets:

The calculation of ECLs requires the Group to make a number of assumptions and estimates. The accuracy of the ECL calculation would be impacted by movements in the forward-looking economic scenarios used, or the probability weightings applied to these scenarios and by unanticipated changes to model assumptions that differ from actual outcomes.

The key assumptions and estimates that, depending on a range of factors, could result in a material adjustment in the next financial year relate to the use of forward-looking information in the calculation of ECLs and the inputs and assumptions used in the ECL models.

Additional information about both of these areas is set out below.

Forward-looking information

The Group incorporates forward-looking information into the calculation of ECLs and the assessment of whether there has been a SICR. The use of forward-looking information represents a key source of estimation uncertainty.

The Group uses three forward-looking economic scenarios:

- The baseline scenario reflects the most profitable economic outlook;
- while a downside scenario accounts for plausible stress conditions; and
- an upside scenario represents the impact of modest improvements to assumptions used in the baseline scenario.

The macroeconomic data inputs applied in determining the Group's expected credit losses are sourced from Oxford Economics (a third-party provider of global economic forecasting and analysis).

Oxford Economics combines two decades of forecast errors with its quantitative assessment of the current risks facing the global and domestic economy to produce robust forward-looking distributions for the economy.

Using specific percentile points in the distribution of several key metrics such as GDP, unemployment, house prices and commercial real estate prices, we receive three alternative scenarios relating to a base case (most likely), downside (broadly equivalent to a 1-in-10-year event) and a moderate upside scenario. Our assumptions on the likely out-turn represents a weighted average of these three scenarios provided by Oxford Economics, and are detailed below:

Real GDP growth (% growth YoY)

Macro assumptions	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Base	0.97%	1.46%	1.66%	1.83%	1.68%	1.60%	1.59%	1.58%	1.59%	1.53%
Upside	3.76%	4.68%	2.86%	2.51%	1.53%	1.45%	1.44%	1.43%	1.44%	1.38%
Downside	-1.60%	-0.78%	1.18%	1.67%	1.79%	1.71%	1.70%	1.69%	1.70%	1.64%

Unemployment (%)

Macro assumptions	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Base	4.50%	4.46%	4.32%	4.14%	4.05%	4.01%	4.00%	4.00%	4.00%	4.00%
Upside	3.93%	2.74%	2.14%	2.05%	2.11%	2.22%	2.35%	2.50%	2.64%	2.79%
Downside	4.97%	5.88%	6.59%	6.71%	6.47%	6.25%	6.07%	5.90%	5.73%	5.56%

House price inflation (Residential, % growth YoY)

Macro assumptions	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Base	1.93%	2.60%	3.92%	5.05%	5.06%	3.89%	3.02%	2.81%	2.93%	3.18%
Upside	5.68%	6.09%	7.88%	6.30%	4.82%	3.66%	2.79%	2.58%	2.70%	3.08%
Downside	-4.29%	-3.39%	-1.13%	4.31%	5.47%	4.29%	3.42%	3.21%	3.33%	3.57%

Commercial real estate (% growth YoY)

Macro assumptions	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Base	2.85%	3.43%	3.40%	2.36%	1.60%	1.35%	1.09%	1.08%	0.96%	0.83%
Upside	13.29%	5.83%	3.64%	0.48%	0.19%	0.09%	0.04%	0.05%	0.05%	0.04%
Downside	-5.97%	2.95%	3.97%	4.23%	3.09%	2.41%	1.85%	1.64%	1.37%	1.13%

GDP, unemployment rates and HPI are key metrics that indicate the appetite for credit within the economy, the ability of borrowers to service debt and value of underlying securities that underpin credit risk management; all of which directly impact the Group's operational activities and success.

The probability weightings applied to the above scenarios are another area of estimation uncertainty. They are generally set to ensure that there is an asymmetry in the ECL. The probability weightings applied to the three economic scenarios used are as follows:

	2025	2024
Base	40%	40%
Upside	20%	20%
Downside	40%	40%

Notes to the financial statements continued

18. Loans and advances continued

Analysis of loans and advances by stage continued

The Group undertakes a review of its economic scenarios and the probability weightings applied at least quarterly and more frequently if required. The results of this review are recommended to the Audit Committee and the Board prior to any changes being implemented.

Single factor sensitivities	ECL impact (£'m)
10% increase in forced sale discount	2.3

Model estimations

ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The Group considers the key assumptions impacting the ECL calculation to be within the PD and LGD. Sensitivity analysis is performed by the Group to assess the impact of changes in these key assumptions on the loss allowance recognised on loans and advances.

A summary of the key assumptions and sensitivity analysis as at 31 March 2025 is provided in the following table:

Assumption	Sensitivity analysis
Forced sale discount	A 10% absolute increase in the forced sale discount would increase the loss allowance cost on loans and advances to the customer by £2.3m

Movement analysis of net loans by stage

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2024	311.1	90.0	72.3	473.4
Transfer to stage 1	15.1	(15.1)	–	–
Transfer to stage 2	(36.2)	36.2	–	–
Transfer to stage 3	(25.5)	(13.5)	39.0	–
New financial assets originated	431.3	–	–	431.3
New financial assets originated and transferred to stage 2 or stage 3	(84.0)	83.4	0.6	–
Financial assets which have repaid	(128.1)	(43.8)	(23.3)	(195.2)
Balance movements in loans	0.6	(5.7)	(10.2)	(15.3)
Total movement in loans and advances	173.2	41.5	6.1	220.8
As at 31 March 2025	484.3	131.5	78.4	694.2

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2023	902.2	191.8	28.9	1,122.9
Transfer to stage 1	35.5	(35.5)	–	–
Transfer to stage 2	(64.5)	64.5	–	–
Transfer to stage 3	(36.8)	(33.9)	70.7	–
New financial assets originated	349.0	–	–	349.0
New financial assets originated and transferred to stage 2 or stage 3	(67.9)	63.5	4.4	–
Financial assets which have repaid	(223.2)	(71.4)	(12.0)	(306.6)
Balance movements in loans	(583.2)	(89.0)	(19.7)	(691.9)
Total movement in loans and advances	(591.1)	(101.8)	43.4	(649.5)
As at 31 March 2024	311.1	90.0	72.3	473.4

Notes to the financial statements continued

18. Loans and advances continued

Movement analysis of gross loans by stage

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2024	304.3	89.0	80.1	473.4
Transfer to stage 1	14.5	(14.5)	–	–
Transfer to stage 2	(35.1)	35.1	–	–
Transfer to stage 3	(25.4)	(13.5)	38.9	–
New financial assets originated	416.7	–	–	416.7
New financial assets originated and transferred to stage 2 or stage 3	(83.2)	82.5	0.7	–
Financial assets which have repaid	(127.1)	(44.0)	(26.0)	(197.1)
Balance movements in loans	–	(5.2)	(2.5)	(7.7)
Write-offs	–	–	(1.4)	(1.4)
Total movement in loans and advances	160.4	40.4	9.7	210.5
As at 31 March 2025	464.7	129.4	89.8	683.9

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2023	935.7	196.7	36.1	1,168.5
Transfer to stage 1	37.7	(37.7)	–	–
Transfer to stage 2	(66.1)	66.1	–	–
Transfer to stage 3	(36.6)	(34.0)	70.6	–
New financial assets originated	341.0	–	–	341.0
New financial assets originated and transferred to stage 2 or stage 3	(66.7)	62.2	4.5	–
Financial assets which have repaid	(223.5)	(71.7)	(14.5)	(309.7)
Balance movements in loans	(617.2)	(92.6)	(7.5)	(717.3)
Write-offs	–	–	(9.1)	(9.1)
Total movement in loans and advances	(631.4)	(107.7)	44.0	(695.1)
As at 31 March 2024	304.3	89.0	80.1	473.4

Movement analysis of ECL by stage

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2024	0.1	0.4	8.0	8.5
Transfer to stage 1	0.1	(0.1)	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
New financial assets originated	0.6	–	–	0.6
New financial assets originated and transferred to stage 2 or stage 3	(0.4)	0.4	–	–
Financial assets which have repaid	(0.1)	(0.1)	(2.7)	(2.9)
Changes in models/risk parameters	(0.1)	0.1	6.0	6.0
Adjustments for interest on impaired loans	–	–	1.7	1.7
Write-offs	–	–	(1.6)	(1.6)
Total movement in impairment provision	0.1	0.3	3.4	3.8
As at 31 March 2025	0.2	0.7	11.4	12.3

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2023	0.5	1.2	7.4	9.1
Transfer to stage 1	0.4	(0.4)	–	–
Transfer to stage 2	(0.1)	0.1	–	–
Transfer to stage 3	–	–	–	–
New financial assets originated	0.5	–	–	0.5
New financial assets originated and transferred to stage 2 or stage 3	(0.4)	0.4	–	–
Financial assets which have repaid	(0.2)	(0.4)	(2.4)	(3.0)
Changes in models/risk parameters	(0.6)	(0.5)	10.9	9.8
Adjustments for interest on impaired loans	–	–	1.4	1.4
Write-offs	–	–	(9.3)	(9.3)
Total movement in impairment provision	(0.4)	(0.8)	0.6	(0.6)
As at 31 March 2024	0.1	0.4	8.0	8.5

The Group held no PCI loans during the year to 31 March 2025 (2024: nil).

Notes to the financial statements continued

18. Loans and advances continued

Credit risk on gross loans and advances

The table below provides information on the Group's loans and advances by stage and risk grade.

Risk grades detailed in the table range from 1 to 10 with a risk grade of 1 being assigned to cases with the lowest credit risk and 10 representing cases in default. Equifax Risk Navigator (RN) scores as well as internal data is used to assign the initial risk grade score with additional SICR rules used to generate the final risk grade.

Year ended 31 March 2025	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
Risk grades 1–5	453.1	74.5	–	527.6
Risk grades 6–9	11.6	54.9	–	66.5
Default	–	–	89.8	89.8
Total	464.7	129.4	89.8	683.9

Year ended 31 March 2024	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
Risk grades 1–5	304.3	80.9	–	385.2
Risk grades 6–9	–	8.1	–	8.1
Default	–	–	80.1	80.1
Total	304.3	89.0	80.1	473.4

Critical judgements relating to the impairment of financial assets

The Group reviews and updates the key judgements relating to impairment of financial assets bi-annually, in advance of the Interim Financial Report and the Annual Report and Accounts. All key judgements are reviewed and recommended to the Audit & Risk Committee for approval prior to implementation.

Assessing whether there has been a significant increase in credit risk (SICR)

If a financial asset shows a SICR, it is transferred to stage 2 and the ECL recognised changes from a 12-month ECL to a lifetime ECL. The assessment of whether there has been a SICR requires a high level of judgement as detailed below. The assessment of whether there has been a SICR also incorporates forward-looking information.

The Group considers that a SICR has occurred when any of the following have occurred:

- 1 The overall creditworthiness of the borrower has materially worsened to a level that the probability of default has at least doubled. This is indicated by a migration to a higher risk grade (see below for risk grades and probability of default (PD) by product).
- 2 Where a borrower is currently more than one month in arrears.
- 3 Where a borrower has sought some form of forbearance.

- 4 Where the overall leverage of the account has surpassed a predetermined level – 75% Loan to Gross Development Value for Development loans and 85% for all other products.
- 5 Where a short-term bridging loan has less than one month before maturity.
- 6 Where there is a material risk that a development loan will not reach practical completion on time.

These factors reflect the credit lifecycle for each product and are based on prior experience as well as insight gained from the development of risk ratings models (probability of default).

Stage 2 criteria are designed to be effective indicators of a SICR. As part of the bi-annual review of key impairment judgements, the Group undertakes detailed analysis to confirm that the stage 2 criteria remain effective. This includes (but is not limited to):

- Criteria effectiveness: this includes the emergence to default for each stage 2 criterion when compared to stage 1, stage 2 outflow as a percentage of stage 2, percentage of new defaults that were in stage 2 in the months prior to default, time in stage 2 prior to default and percentage of the book in stage 2 that are not progressing to default or curing.
- Stage 2 stability: this includes stability of inflows and outflows from stages 2 and 3.
- Portfolio analysis: this includes the percentage of the portfolio that is in stage 2 and not defaulted, the percentage of the stage 2 transfer driven by stage 2 criterion other than the backstops and back-testing of the defaulted accounts.

For low credit risk exposures, the Group is permitted to assume, without further analysis, that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. The Group has opted not to apply this low credit risk exemption.

A summary of the risk grade distribution is provided in the table below. As the Group utilises three different risk rating models, three separate PDs have been provided for each portfolio.

Risk grades 1 to 9 are for non-defaulted accounts with 10 indicating default. Therefore, all stage 3 loans are assigned to this grade.

As stated previously, degradation in a borrower's creditworthiness is an indication of a SICR. Therefore, as shown in the table below, stage 2 loan distributions are in the main assigned to risk grades higher than risk grade 1.

Notes to the financial statements continued

18. Loans and advances continued

Assessing whether there has been a significant increase in credit risk (SICR) continued

Risk Grade	Gross loans and advances (£'m)			ECL (£'m)			Probability of default (%)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Bridging	Buy-to-Let	Development
RG1	319.7	–	–	(0.1)	–	–	2.0%	0.4%	0.1%
RG2	39.2	18.8	–	–	(0.1)	–	4.0%	1.5%	0.4%
RG3	42.8	19.5	–	–	(0.1)	–	7.7%	2.1%	0.6%
RG4	31.6	23.0	–	(0.1)	(0.1)	–	14.0%	3.4%	1.2%
RG5	19.8	13.2	–	–	–	–	25.0%	4.2%	2.3%
RG6	3.8	17.0	–	–	(0.1)	–	40.0%	6.2%	4.1%
RG7	7.1	13.1	–	–	–	–	57.0%	8.1%	7.2%
RG8	0.7	11.6	–	–	(0.1)	–	73.0%	10.6%	11.6%
RG9	–	13.2	–	–	(0.2)	–	84.0%	15.0%	18.9%
RG10	–	–	89.8	–	–	(11.4)	100%	100%	100%
Total	464.7	129.4	89.8	(0.2)	(0.7)	(11.4)			

Determining whether a financial asset is in default or credit impaired

When there is objective evidence of impairment and the financial asset is considered to be in default, or otherwise credit-impaired, it is transferred to stage 3. The Group's definition of default follows product-specific characteristics allowing for the provision to reflect operational management of the portfolio. Below we set out a short description of each product type and the Group's definition of default as specific to each product.

Bridging Loans – Bridging loans are short-term loans designed for customers requiring timely access to funds to facilitate property purchases. Typically, loans involve residential securities, however commercial, semi-commercial and land is also taken as security.

A bridging loan is considered to be in default if:

- a borrower fails to repay their loan after 30 days and does not seek an authorised extension; and
- the loan is two months in arrears either in term or after expiry.

Buy-to-Let and Residential Loans – Buy-to-Let and Residential loans constitute LendInvest's long-term lending proposition. Loans are extended to borrowers looking to purchase or refinance a rental property, or purchasing or refinancing a property intended to be occupied as a main residence. All loans carry structured repayments of interest and capital, or interest only with the principal paid at the end of the term.

The default definition for Buy-To-Let and Residential loans is:

- an account that reaches an arrears balance equivalent to, or greater than, three Contractual Monthly Subscription payments; and
- the property is taken into receivership, or the borrower has been declared bankrupt.

Development Loans – Development loans support borrowers looking to undertake a significant property or site development. The resulting site should be for residential purposes only. Loan terms are typically short-term (less than three years) with no structured repayments. A development loan is defined as being in default if it has not been redeemed 60 days after the maturity of the loan.

The Group does not apply the rebuttable presumption that default does not occur later when a financial asset is 90 days past due.

Improvement in credit risk or cure – There is no cure period assumed for loans showing improvement in credit risk. This means that any loan that does not meet the SICR criteria is assigned to stage 1.

19. Investment securities

As at year end the Group investment securities were £34.7m (2024: £41.1m). The investment securities relate to a 5% retained position in structured securitisation entities that are no longer consolidated.

	As at 31 March 2025 £'m	As at 31 March 2024 £'m
Retained interest in:		
Mortimer BTL 2021–1 PLC	9.4	10.1
Mortimer BTL 2022–1 PLC	11.1	12.0
Mortimer BTL 2023–1 PLC	14.2	19.0
Total	34.7	41.1

The Group sold its holding of the certificate for Mortimer BTL 2021–1 PLC on 19 April 2023. The sale of the certificate represents the excess spreads in the securitisation vehicle as well as an option to repurchase the asset from the vehicle on 25 June 2026. The sale of the certificate and call options resulted in a derecognition event as substantially all the risks, rewards, and control of the vehicle passed to the purchaser. As the variable returns, and control of the vehicle had been transferred, the Mortimer BTL 2021-1 PLC entity has also been deconsolidated from the Group's results, resulting in a gain on sale in the prior year of £10.7m pre-tax. The investment securities of £9.4m represents the retained risk retention in the form of debt securities issued by unconsolidated structured entities as part of the securitisation transactions that are retained by the Group.

Notes to the financial statements continued

19. Investment securities continued

The Group securitised a portfolio of mortgage loans into a securitisation vehicle, Mortimer BTL 2022-1 PLC, on 22 May 2022. The call option was exercised on 23 June 2025, at which point the Group's holding of the Risk Retention notes was redeemed at par. The investment securities of £11.1m represents the retained risk retention in the form of debt securities issued by unconsolidated structured entities as part of the securitisation transactions that are retained by the Group.

The Group securitised a portfolio of mortgage loans into a securitisation vehicle, Mortimer BTL 2023-1 PLC, on 29 November 2023. On 4 January 2024, the Group sold its holdings of residual notes in the securitisation vehicle, Mortimer BTL 2023-1 PLC. The sale of the residual notes represented the excess spreads in the securitisation vehicle as well as an option to repurchase the assets from the vehicle on 26 December 2026. The sale of the residual notes and call options resulted in a derecognition event as substantially all the risks, rewards, and control of the vehicle passed to the purchaser. As the variable returns, and control of the vehicle had been transferred, the Mortimer BTL 2023-1 PLC entity has also been deconsolidated from the Group's results, resulting in a loss on sale in the prior year of £2.5m pre-tax. The investment securities of £14.2m represent the retained risk retention in the form of debt securities issued by unconsolidated structured entities as part of the securitisation transactions that are retained by the Group.

The investment securities are carried at amortised cost.

20. Other payables

	As at 31 March 2025 £'m	As at 31 March 2024 £'m
Trade payables	25.0	16.3
Other payables:		
Taxes and social security costs	1.2	1.2
Accruals and deferred income	9.0	7.9
Sublease deposit rent payable	–	0.2
	35.2	25.6

The trade payables balance includes Trustees' balances of £3.8m (2024: £2.5m) in respect of uninvested cash held on the Self-Select platform, which may be withdrawn by investors at any time.

The Company has no non-current other payables.

The carrying value of other payables approximates fair value.

21. Interest-bearing liabilities

	As at 31 March 2025 £'m	As at 31 March 2024 £'m
Funds from investors and partners	725.3	514.0
Accrued interest	4.5	3.9
Unamortised funding line costs	(4.8)	(3.3)
Total	725.0	514.6

For an analysis of contractual maturity and liquidity risk, refer to note 4. The Group is not in breach or default of any provisions of the terms or conditions of the agreements governing borrowings. Interest-bearing liabilities of the Group are a combination of both fixed and floating rate liabilities and the Group's annualised fixed interest cost on funding has ranged between 1% to 15% in the current financial year. Interest-bearing liabilities have increased in line with the increase in loans and advances at the financial year end.

Interest-bearing liabilities are secured by charges over the assets and operations of the Group.

During the year, the Group pledged as collateral by way of first fixed charge (i) the net assets of certain subsidiaries (through a share charge) and (ii) designated loans and advances, to a third party as part of a funding arrangement – both of which are enforceable in the event of default. These assets are considered encumbered. The carrying amounts of the Group's assets that are subject to these encumbrances are as follows:

Carrying Amounts of Encumbered Assets

Asset Category:	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Net liabilities of subsidiaries	(2.2)	–
Designated loans and advances	2.4	–
Total Encumbered Net Assets	0.2	–

Net debt represents interest-bearing liabilities (as above), less cash at bank and in hand (excluding cash held for clients) and excluding unamortised funding line costs but including accrued interest relating to the Group's third-party indebtedness.

Notes to the financial statements continued

21. Interest-bearing liabilities continued

A reconciliation of net debt is:

	As at 31 March 2025 £'m	As at 31 March 2024 (restated) £'m
Interest-bearing liabilities	725.0	514.6
Deduct: cash as reported in financial statements	(68.2)	(55.7)
Net debt: borrowings less cash as reported in the financial statements	656.8	458.9
Add back: unamortised funding line costs	4.8	3.3
Add back: Trustees' account balances	3.8	2.5
Deduct: retained interest	(3.2)	(4.1)
Net debt	662.2	460.6

	Interest-bearing liabilities £'m	Leases £'m
31 March 2024	(514.6)	(2.3)
Cash flows	(211.3)	1.4
Movement in accrued interest on Interest-bearing-liabilities	(0.6)	–
Amortisation of funding line costs	1.5	–
Lease liability interest	–	(0.3)
Release of dilapidations provision	–	0.1
ROU asset addition	–	(5.6)
ROU asset disposal	–	1.2
31 March 2025	(725.0)	(5.5)

	Interest-bearing liabilities £'m	Leases £'m
31 March 2023	(1,159.3)	(3.3)
Cash flows	(2.5)	1.4
Deconsolidation of subsidiaries	662.5	–
Movement in accrued interest on interest-bearing liabilities	0.4	–
Amortisation of funding line costs	(3.7)	–
Investment securities	(12.0)	–
Lease liability interest	–	(0.3)
Dilapidations provision	–	(0.1)
31 March 2024	(514.6)	(2.3)

22. Share capital

	Year ended 31 March 2025		Year ended 31 March 2024	
	Number	£	Number	£
Issued and fully paid up				
Ordinary shares	142,782,025	71,391	141,032,025	70,516
Total number of shares issued	142,782,025	71,391	141,032,025	70,516
Ordinary shares held in EBT Trust	(889,319)	(445)	(1,641,645)	(821)
Forfeited ordinary shares held in SIP Trust	(151,415)	(76)	(154,966)	(77)
Total number of shares in circulation	141,741,291	70,870	139,235,414	69,618

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Share premium		
As at 1 April 2024	55.2	55.2
Issue of new equity	–	–
Costs incurred in issuing new equity	–	–
As at 31 March 2025	55.2	55.2

Reconciliation of movements during the period

	Ordinary shares
As at 1 April 2024	141,032,025
Issue of shares into the Employee Benefit Trust	1,750,000
As at 31 March 2025	142,782,025

On 21 August 2024, the Company issued a further 1,750,000 ordinary shares into the EBT to satisfy the expected exercise of vested share awards held by employees under the Company's share plans.

Notes to the financial statements continued

23. Reserves

Reserves comprise retained earnings, own share reserve, the employee share reserve, fair value reserves, and cash flow hedge reserves. Retained earnings represent all net gains and losses of the Group less directly attributable costs associated with the issue of new equity and the employee share reserve represents the fair value of share options issued to employees but not exercised. Own share reserve represents the weighted average cost of shares of LendInvest plc that are held by the Employee Benefit Trust and the Share Incentive Plan Trust for the purpose of fulfilling obligations in respect of various employee share plans.

Fair value reserve movement	Gross £'m	Deferred tax £'m	Net £'m
Fair value reserve balance as at 1 April 2024	8.5	(2.1)	6.4
Fair value movement on loans during the period	14.0	(3.5)	10.5
Less: Release of fair value on hedged items to profit and loss	0.2	(0.1)	0.1
Fair value reserve as at 31 March 2025	22.7	(5.7)	17.0

Fair value reserve movement	Gross £'m	Deferred tax £'m	Net £'m
Fair value reserve balance as at 1 April 2023	(22.0)	5.5	(16.5)
Fair value movement on loans during the period	56.2	(14.0)	42.2
Less: Recycled to profit and loss as part of sale and maturity of portfolio	(36.0)	9.0	(27.0)
Less: Release of fair value on hedged items to profit and loss	10.3	(2.6)	7.7
Fair value reserve as at 31 March 2024	8.5	(2.1)	6.4

24. Share-based payments

Company Share Option Plan	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2021
Option pricing model used	Black-Scholes model	Black-Scholes model	Black-Scholes model
Valuation of share options at grant date	£0.6 per share	£0.6 per share	£0.9 per share
Amortisation period	4 years	4 years	4 years
Strike price	£0.0005	£0.0005	£0.0005
Expiry date	September 2028	August 2029	January 2031
Grant date	September 2018	August 2019	January 2021

During the prior financial years the Company issued share options to employees under a Company Share Option Plan (CSOP). The following information is relevant in the determination of the fair value of options granted during each year under the equity-settled share-based remuneration schemes operated by the Group. These CSOP options vest annually on a straight-line basis according to the amortisation period of each award.

The movement in options is as follows:

	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2021
Balance at 1 April 2023	64,650	156,750	1,663,831
Granted during the year	–	–	–
Options exercised during the year	(17,000)	(43,000)	(284,500)
Cancelled during the year	–	(8,000)	(171,250)
Balance at 31 March 2024	47,650	105,750	1,208,081
Granted during the year	–	–	–
Options exercised during the year	–	(18,500)	(458,500)
Cancelled during the year	(8,500)	(36,000)	(95,081)
Balance at 31 March 2025	39,150	51,250	654,500

The weighted average share price at the time of exercise for all of the options exercised in the year was £0.26.

Notes to the financial statements continued

24. Share-based payments continued

Awards granted in the year to 31 March 2025

During the period ended 31 March 2025, the Company operated the following share-based payment plans, all of which are equity settled.

a) Executive share option plans

Under the LendInvest plc Long-Term Incentive Plan (LTIP)

During the year ending 31 March 2025, conditional nil-cost option awards were granted, consisting of LTIP share awards made to the Directors and a limited number of the Senior Management team. These awards vest over a three-year period and are subject to performance conditions.

For the LTIPs awarded in 2021, the performance conditions are based solely on total shareholder return over the three-year period. The LTIPs awarded in 2022 are based solely on a measure of cumulative earnings per share over the three-year period.

The LTIPs awarded in 2023 are based solely on a service condition over the three-year period. The LTIPs awarded in 2024 are based on EPS and other operational business performance conditions over the three-year period.

b) Deferred Bonus Plan (DBP)

The DBP is awarded as part of the Company bonus scheme which is eligible to all employees not part of a separate commission scheme. The DBP vests 12 months after the award date and is forfeited by employees if they leave the business during this period.

Movements in the number of LTIP and DBP shares outstanding and their exercise prices are set out below:

Year of introduction		Share price per award	Exercise price per award	Date of vesting	Number of shares for which awards outstanding at March 2024	Awards granted during period	Awards exercised during period	Awards lapsed during period	Number of shares for which awards outstanding at March 2025
2021.1	LTIP	2.185	Nil	Aug-24	1,536,978	–	–	(1,536,978)	–
2021.2	LTIP	2.01	Nil	Dec-24	138,888	–	–	(138,888)	–
2022	LTIP	1.535	Nil	Jul-25	1,920,718	–	–	(512,821)	1,407,897
2022	DBP	1.535	Nil	Jul-23	162,219	–	(36,364)	(76,236)	49,619
2023	LTIP	0.45	Nil	Jul-26	2,141,833	–	–	(1,394,000)	747,833
2023	DBP	0.47	Nil	Jul-24	1,126,843	92,611	(285,111)	(184,364)	749,979
2024	LTIP	0.29	Nil	Sep-27	–	5,100,000	–	(200,000)	4,900,000

The weighted average fair value of these awards granted during the period was £0.29 per award.

c) Other Share Plans

Under the Share Incentive Plan (SIP)

An award of shares was made to employees in September 2024. The shares awarded are held in trust for three years on the employee's behalf, during which period the employee is entitled to any dividends paid on such shares. The award is subject to a non-market-based condition. If an employee leaves the Group within this three-year period for other than a 'good' reason, all of the shares awarded will be forfeited.

On 3 September 2024, an award of free shares was made to all eligible employees. The number of shares awarded was 1,452,854, with a fair value of 0.30p based on the market price at the date of award.

Movements in the number of SIP shares outstanding are set out below:

	Year ended 31 March 2025 Number of shares
Outstanding at March 2024	1,021,424
Granted	1,452,854
Forfeited	(221,466)
Sold/transferred out	(54,587)
Outstanding at March 2025	2,198,225

Share-based payment charge recognised

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Executive Share Option Plans:		
Long-Term Incentive Plan		
Options granted in the year	0.2	0.2
Options granted in prior years	–	(0.1)
Other Share Plans:		
Deferred Bonus Plan		
Options granted in the year	–	–
Options to be granted as part of Company bonus scheme	(0.6)	0.5
Share Incentive Plan		
Shares granted in the year	–	0.1
Options granted in prior years	0.1	0.2
Company Share Option Plan	–	0.2
Total all plans	(0.3)	1.1
Social security expense	(0.1)	0.1
Total charge to the income statement (note 10)	(0.4)	1.2

Notes to the financial statements continued

24. Share-based payments continued

Weighted average exercise price

	£
As at 1 April 2024	0.01
As at 31 March 2025	0.00

Weighted average remaining contractual life

	Years	Number of Options
2018 CSOP	4.3	39,150
2019 CSOP	5.0	51,250
2020 CSOP	6.0	654,500
2021.1 LTIPs	6.4	0
2021.2 LTIPs	6.4	0
2022 DBP	7.3	49,619
2022 LTIPs	7.3	1,407,897
2023 DBP	7.3	749,979
2023 LTIPs	7.3	747,833
2024 LTIPs	9.4	4,900,000
All schemes	8.30	8,600,228

25. Financial instruments

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are: loans and advances, interest-bearing liabilities, other receivables, cash and cash equivalents, loans and borrowings, derivatives, and other payables.

Categorisation of financial assets and financial liabilities

The financial assets of the Group are carried at amortised cost, fair value through other comprehensive income or fair value through profit and loss as at 31 March 2025 and 31 March 2024 according to the nature of the asset. All financial liabilities of the Group are carried at amortised cost as at 31 March 2025 and 31 March 2024 due to the nature of the liability, with the exception of derivatives which are measured at fair value.

Financial instruments measured at amortised cost

Financial instruments measured at amortised cost, rather than fair value, include cash and cash equivalents, other receivables, other payables and interest-bearing liabilities. Due to their short-term nature, the carrying value of cash and cash equivalents, other receivables, and other payables approximates their fair value.

a) Carrying amount of financial instruments

A summary of the financial instruments held by category is provided below:

	As at 31 March 2025 £'m	As at 31 March 2024 (restated) £'m
Financial assets at amortised cost		
Cash and cash equivalents	68.2	55.7
Other receivables	9.7	8.4
Loans and advances	–	10.2
Investment securities	34.7	41.1
Financial assets at fair value through other comprehensive income		
Loans and advances	694.2	463.2
Financial assets at fair value through profit and loss		
Derivative financial asset	1.9	–
Total financial assets	808.7	578.6

	As at 31 March 2025 £'m	As at 31 March 2024 (restated) £'m
Financial liabilities at amortised cost		
Other payables	(35.2)	(25.6)
Interest-bearing liabilities	(725.0)	(514.6)
Lease liability	(5.5)	(2.3)
Financial liabilities at fair value through profit and loss		
Derivative financial liability	–	(2.0)
Total financial liabilities	(765.7)	(544.5)

Notes to the financial statements continued

25. Financial instruments continued

b) Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Group's financial assets and financial liabilities as at 31 March 2025 and the comparative figures:

	As at 31 March 2025		As at 31 March 2024	
	Carrying amount £'m	Fair value £'m	Carrying amount £'m	Fair value £'m
Cash and cash equivalents	68.2	68.2	55.7	55.7
Other receivables	9.7	9.7	5.8	5.8
Loans and advances	694.2	694.2	473.4	473.4
Investment securities	34.7	34.8	41.1	41.1
Derivative financial asset	1.9	1.9	–	–
Investment in third parties	0.5	0.5	–	–
Total financial assets	809.2	809.3	576.0	576.0
Other payables	(35.2)	(35.2)	(25.6)	(25.6)
Interest-bearing liabilities	(725.0)	(727.8)	(514.6)	(508.1)
Derivative financial liability	–	–	(2.0)	(2.0)
Lease liabilities	(5.5)	(5.5)	(2.3)	(2.3)
Total financial liabilities	(765.7)	(768.5)	(544.5)	(538.0)

The fair value of Retail Bond 3 interest-bearing liabilities is calculated based on the mid-market price of 97.56 on 31 March 2025 (price of 86.3 on 31 March 2024).

The fair value of Retail Bond 4 interest-bearing liabilities is calculated based on the mid-market price of 105.60 on 31 March 2025 (price of 100.1 on 31 March 2024).

As per IFRS 9, loans and advances are classified as fair value through other comprehensive income and any changes to fair value are calculated based on the fair value model and are recognised through the statement of other comprehensive income.

Interest-bearing liabilities continue to be classified at amortised cost and the fair value in the table above is for disclosure purposes only.

c) Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is relevant to the fair value measurement.

Financial assets and liabilities are classified in their entirety into only one of the three levels. The fair value hierarchy has the following levels:

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

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

	As at 31 March 2025 £'m	Level 1 £'m	Level 2 £'m	Level 3 £'m
Financial instruments measured or disclosed at fair value				
Interest rate swap	1.9	–	1.9	–
Loans and advances	694.2	–	–	694.2
Financial instruments measured or disclosed at amortised cost				
Interest-bearing liabilities ¹	(727.8)	(363.3)	–	(364.5)

For all other financial instruments, the fair value is equal to the carrying value and has not been included in the table above.

	As at 31 March 2024 £'m	Level 1 £'m	Level 2 £'m	Level 3 £'m
Financial instruments measured or disclosed at fair value				
Interest rate swap	(2.0)	–	(2.0)	–
Loans and advances	463.2	–	–	463.2
Financial instruments measured or disclosed at amortised cost				
Loans and advances	10.2	–	–	10.2
Interest-bearing liabilities ¹	(508.1)	(74.9)	–	(433.2)

¹ Interest-bearing liabilities are held at amortised cost on the statement of financial position. Level 1 financial instruments include the Group's listed retail bond notes. Level 3 Interest-bearing liabilities are short-term in nature and their carrying value approximates their fair value.

Notes to the financial statements continued

25. Financial instruments continued

Level 2 instruments include interest rate swaps which are either two, three or five years in length. These lengths are aligned with the fixed interest periods of the underlying loan book.

Level 3 instruments include loans and advances. The valuation of the asset is not based on observable market data (unobservable inputs). Valuation techniques include net present value and discounted cash flow methods. The assumptions used in such models include benchmark interest rates and borrower risk profile. The objective of the valuation technique is to determine a fair value that reflects the price of the financial instrument that would have been used by two counterparties in an arm's length transaction.

For the year ended 31 March 2025 the Group opted to engage a third-party expert to perform the valuation of Buy-to-Let and Residential assets held at fair value. The discount rate used in this valuation consists of three components:

- A risk-free rate implied from the one month SONIA forward curve.
- Credit spread based on a comparable market deal which is adjusted for movements in UK BTL indices.
- Illiquidity premium (non-securitised portfolio).

	Year ended 31 March 2025 £'m
Level 3 Financial Instruments	
Level 3 assets at beginning of the year	463.2
Additional impairment provisions made during the year ¹	(5.4)
Impairment provision utilised in the year	1.6
Fair value adjustments on loans and advances through OCI	14.1
New level 3 assets originated	431.3
Level 3 assets that have repaid	(195.3)
Balance movements in level 3 assets	(15.3)
Level 3 assets at the end of the year	694.2

¹ The ECL provision of £5.4m is stated including the expected credit losses incurred on the interest income recognised on stage 3 loans and advances. The net ECL impact on the income statement for the year is £3.4m (2024: £8.4m). This includes the £3.7m (2024: £7.1m) of impairment provisions shown in the income statement and the total impact of expected credit losses on income recognised on stage 3 loans and advances using the effective interest rate of £1.7m (2024: £1.4m).

Financial instrument	Valuation technique used	Significant unobservable inputs	Range
Loans and advances	Discounted cash flow valuation	Prepayment rate	0%–10%
		Probability of default	0%–100%
		Discount rate	4%–12%

Information about sensitivity to change in significant unobservable inputs

The significant unobservable inputs used in the fair value measurement of the reporting entity's loans and advances are prepayment rates and discount rates. Significant increase/(decrease) in any of those inputs in isolation would result in a lower/(higher) fair value measurement. A change in the assumption of these inputs will not correlate to a change in the other inputs. The impact of changes in observable inputs shown in sensitivity analysis below will be reported through other comprehensive income.

Sensitivity analysis

Impact of changes in unobservable inputs at 31 March 2025	+100bps £'m	-100bps £'m
Prepayment rates	(0.5)	0.5
Discount rate	(16.4)	17.1
Probability of default	(0.1)	0.1

Impact of changes in unobservable inputs at 31 March 2024 (restated)	+100bps £'m	-100bps £'m
Prepayment rates	(0.2)	0.2
Discount rate	(7.4)	7.7
Probability of default	–	–

The fair value of the Buy-to-Let portfolio significantly decreased during the financial year under review and is largely driven by a rise in market SONIA rates and inflated securitisation rates compared to prior year end.

The fair value movement of loans and advances primarily consist of movements in the fair value of the Buy-to-Let portfolio. The Buy-to-Let fair value is most sensitive to discount rate movements. The movements in the Buy-to-Let discount rate are directly linked to changes in interest rates which the Group hedges through interest rate swaps. Any increase or decrease in the fair value of Buy-to-Let loans and advances will be offset by a corresponding decrease or increase in the fair value of the derivative on the Group's balance sheet.

Notes to the financial statements continued

26. Derivatives held for risk management

Instrument type	Year ended 31 March 2025		Year ended 31 March 2024	
	Asset £'m	Liability £'m	Asset £'m	Liability £'m
SONIA indexed interest rate swaps	1.9	–	–	2.0
Total	1.9	–	–	2.0

All derivatives are held at fair value for the purpose of managing risk exposures arising on the Group's business activities, assets and liabilities, although not all the derivatives are subject to hedge accounting.

There was a net increase of £3.9m on the derivative asset position from a £2m liability in 2025 during the year (2024: decrease of £48m).

The Group purchased £80.8m notional principal of off market derivatives in our warehouses during the year with £5.9m of premiums payable.

The net notional principal amount of the outstanding interest rate swap contracts at 31 March 2025 was £390.3m (2024: £148.3m).

27. Investment in third parties

In October 2024, LendInvest Capital GP II S.a.r.l. invested £0.5m into LendInvest SCA SIVAV-RAIF (the Fund) – LendInvest Secured Credit Fund III (the sub-fund). The investment was made into Share Class II which is an accumulating GBP share class. The share class provides a targeted net return of between 8–10% per year based on the profits generated from the property loans which the fund has invested. It provides no control over the fund and represents less than 20% of the total invested by all investors into the fund.

28. Related-party transactions

See note 12 for analysis of Director compensation. There were no other related party transactions during the year to 31 March 2025 that would materially affect the position or performance of the Group.

29. Controlling party

In the opinion of the Directors, the Group does not have a single controlling party.

30. Events after the reporting date

There were no significant events after the reporting period that would impact the users' understanding and decision-making based on the financial statements.

31. Earnings per share

	Note ref	Year ended 31 March 2025 Pence/share	Year ended 31 March 2024 Pence/share (restated)
Basic earnings per share	31	(1.2)	(14.5)
Diluted earnings per share	31	(1.2)	(14.5)

	Year ended 31 March 2025 share	Year ended 31 March 2024 share
Number of shares used as denominator		
Number of ordinary shares used as the denominator in calculating basic earnings per share	139,720,422	138,439,688
Adjustment for calculations of diluted earnings per share: Options	–	–
Number of ordinary shares and potential ordinary shares used as denominator in calculating diluted earnings per share	139,720,422	138,439,688

Company statement of financial position

	Note ref	As at 31 March 2025 £'m	As at 31 March 2024 £'m
Assets			
Cash and cash equivalents	9	17.0	19.8
Other receivables	8	40.3	32.9
Corporation tax receivable		1.8	1.7
Loans and advances	10	63.0	62.0
Property, plant and equipment	5	5.8	1.3
Net investment in sublease	2	–	0.6
Intangible fixed assets	6	9.2	10.7
Investment in subsidiaries	7	0.6	–
Deferred taxation asset	4	2.9	0.8
Total assets		140.6	129.8
Liabilities			
Other payables	11	(70.9)	(59.0)
Interest-bearing liabilities	12	(12.4)	(12.5)
Lease liabilities	2	(5.5)	(2.3)
Fail sale liability	19	(2.8)	–
Financial guarantee liability	19	(0.6)	–
Total liabilities		(92.2)	73.8
Net assets		48.4	56.0

	Note ref	As at 31 March 2025 £'m	As at 31 March 2024 £'m
Equity			
Share capital		0.1	0.1
Share premium		55.2	55.2
Employee share reserve		2.0	3.8
Own share reserve		(0.4)	(0.1)
Fair value reserve		(0.2)	–
Retained earnings		(8.3)	(3.0)
Total equity		48.4	56.0

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present its statement of profit and loss and other comprehensive income.

The loss after tax of the parent company for the year was £(7.2)m (2024: £(8.3)m).

The financial statements on pages 101 to 113 were approved and authorised for issue by the Board of Directors on 18 July 2025 and were signed on its behalf by:

Rod Lockhart
Director

Company statement of cash flows

		Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Cash flow from operating activities	Note		
Loss/profit after taxation		(7.2)	(8.3)
Adjusted for:			
Depreciation of property, plant and equipment		0.2	0.2
Amortisation of intangible assets	6	3.5	3.0
Company share and share option schemes		(0.2)	1.3
Income tax credit		(2.1)	(1.3)
Impairment provision	10	0.5	6.6
Depreciation of right-of-use asset	2	0.8	0.7
Dilapidations provision	2	–	0.1
Interest expense of lease liability	2	0.3	0.3
Income from sublease	2	(0.1)	(0.1)
Change in working capital			
Increase in gross loans and advances	10	(1.7)	(4.8)
Increase in other receivables	8	(7.4)	(1.6)
Increase in other payables	11	11.9	36.2
Income taxes paid		–	(1.1)
Cash generated from/(used in) operations		(1.5)	31.2
Cash flow from investing activities			
Purchase of property, plant and equipment		(0.2)	–
Capitalised development costs		(2.0)	(3.2)
Income from sublease		0.1	0.1

		Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Cash flow from operating activities	Note		
Net cash used in investing activities		(2.1)	(3.1)
Cash flow from financing activities			
Repayment of funder liabilities		(25.6)	(22.3)
Funding received from institutional lenders		28.2	(0.2)
Lease surrender payment		(0.5)	–
Principal elements of finance lease payments		(1.0)	(0.7)
Interest expense of right of use asset		(0.3)	(0.3)
Dividends paid		–	(4.4)
Net cash generated from/(used in) financing activities		0.8	(27.9)
Net increase/(decrease) in cash and cash equivalents		(2.8)	0.2
Cash and cash equivalents at beginning of the year	9	19.8	19.6
Cash and cash equivalents at end of the year	9	17.0	19.8

Interest received was £0.5m (2024: £0.3m) and interest paid was nil (2024: nil).

Company statement of changes in equity

	Share capital £'m	Share premium £'m	Own share reserve £'m	Employee share reserve £'m	Fair value reserve £'m	Retained earnings £'m	Total £'m
Balance at 31 March 2023	0.1	55.2	(0.6)	3.3	–	10.3	68.3
Loss after taxation	–	–	–	–	–	(8.3)	(8.3)
Employee share scheme tax	–	–	–	–	–	(0.8)	(0.8)
Shares issued from own share reserve	–	–	0.5	–	–	(0.5)	–
Transfer of share option costs	–	–	–	(0.8)	–	0.8	–
Dividends paid	–	–	–	–	–	(4.5)	(4.5)
Employee share option schemes	–	–	–	1.3	–	–	1.3
Balance at 1 April 2024	0.1	55.2	(0.1)	3.8	–	(3.0)	56.0
Loss after taxation	–	–	–	–	–	(7.2)	(7.2)
Fair value adjustments on loans and advances through OCI	–	–	–	–	(0.2)	–	(0.2)
Employee share scheme tax	–	–	–	–	–	0.2	0.2
Shares issued from own share reserve	–	–	(0.3)	–	–	0.3	–
Transfer of share option costs	–	–	–	(1.5)	–	1.5	–
Employee share option schemes	–	–	–	(0.3)	–	–	(0.3)
Balance at 31 March 2025	0.1	55.2	(0.4)	2.0	(0.2)	(8.3)	48.4

Notes forming part of the Company financial statements

1. Basis of preparation and material accounting policies

1.1 Basis of preparation and going concern

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. LendInvest plc (previously LendInvest Limited) is a public company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Group listed on AIM, a market operated by the London Stock Exchange, on 14 July 2021. The address of its registered office is given on page 50. The Company's registered number is 08146929. The principal place of business of the subsidiaries is the UK.

The financial statements have been prepared on the historical cost basis except as required in the valuation of certain financial instruments which are carried at fair value. The principal accounting policies adopted are the same as those set out in note 1 to the Consolidated financial statements except as noted below. These policies have been consistently applied to all the years presented, unless otherwise stated. The principal activities of the Company and the nature of the Company's operations are as a holding company for a global SME loan platform.

The financial statements are prepared on a going concern basis as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future (which has been taken as 12 months from the date of approval of the financial statements). The Group's business activities, including those of the Company, together with the factors likely to affect its future development and position, are set out in the Strategic Report.

Investments in subsidiaries are stated at cost less impairment. Investments in subsidiaries, the majority of which are engaged in providing secured lending to third-party borrowers, are recorded on the balance sheet at historical cost less any impairment. At the end of each reporting period investment balances are assessed for objective evidence of impairment. Impairment is indicated where the investment exceeds the recoverable amount. The recoverable amount is the higher of value in use or net realisable value of the Company. If objective evidence of impairment is found, an impairment is recognised in the statement of profit or loss.

Estimates and assumptions

Fair value measurement

A number of assets and liabilities included in the Group's financial statements require disclosure of fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the fair value hierarchy).

Level 1: Quoted prices in active markets for identical items.

Level 2: Observable direct or indirect inputs other than Level 1 inputs.

Level 3: Unobservable inputs (i.e. not derived from market data and requiring a level of estimates and judgements within the model).

See the Group financial statements, note 25 for more detailed information related to fair value measurement.

Expected credit loss calculation

The accounting estimates with the most significant impact on the calculation of impairment loss provisions under IFRS 9 are macroeconomic variables, in particular UK house price inflation and unemployment, and the probability weightings of the macroeconomic scenarios used. The Company has used three macroeconomic scenarios, which are considered to represent a range of possible outcomes over a normal economic cycle, in determining impairment loss provisions:

- a central scenario aligned to the Group's business plan;
- a downside scenario as modelled in the Group's risk management process; and
- an upside scenario representing the impact of modest improvements to assumptions used in the central scenario.

For the year ended 31 March 2025 management considered the third-party weightings to adequately represent the macroeconomic environment across all products and have therefore applied 40%/40%/20% to the central, downside and upside scenarios respectively.

Changes to macroeconomic assumptions, as expectations change over time, are expected to lead to volatility in impairment loss provisions and may lead to pro-cyclicality in the recognition of impairment provisions.

Sensitivity analysis on ECL models

Sensitivity analysis has been completed on a number of different scenarios to better assess the impact of changing variables on the ECL calculation in the current environment:

- A 100% downside was applied to the models. This would increase the ECL by £0.4m.
- A 100% upside was applied to all the models. This would decrease the ECL by £0.1m.

Intermediary fees

The intermediary fee is charged by the Company, to its subsidiaries. This charge relates to the service provided by the Group, in terms of management oversight, use of intellectual property and an allocation of costs incurred by the Group, among various subsidiaries. This fee is based on a discretionary basis after due consideration on tax and regulatory requirements. This includes consideration made to pre-tax positions on the profit and loss of the individual entities and minimum cash balances to be maintained as a result of regulatory requirements.

2. Leases

Please refer to the Group financial statements, note 2.

Notes forming part of the Company financial statements continued

3. Financial risk management

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's position. The Company's liquidity position is monitored and reviewed on an ongoing basis by the Board and the Assets and Liabilities Committee.

The table below analyses the Company's contractual undiscounted cash flows of its financial assets and liabilities:

As at March 2025	Carrying amount £'m	Gross nominal inflow/ (outflow) £'m	Amount due within six months £'m	Amount due within one year £'m	Amount due post one year, less than five years £'m	Greater than five years £'m
Financial assets						
Cash and cash equivalents	17.0	17.0	17.0	–	–	–
Other receivables	37.6	37.6	37.6	–	–	–
Loans and advances	63.0	78.7	78.6	–	–	0.1
	117.6	133.3	133.2	–	–	0.1
Financial liabilities						
Other payables	(63.4)	(63.4)	(63.4)	–	–	–
Interest-bearing liabilities	(12.4)	(12.9)	(12.9)	–	–	–
Lease liabilities	(5.5)	(6.8)	(0.4)	(0.4)	(3.1)	(2.9)
	(81.3)	(83.1)	(76.7)	(0.4)	(3.1)	(2.9)

As at 31 March 2024	Carrying amount £'m	Gross nominal inflow/ (outflow) £'m	Amount due in less than six months £'m	Amount due in 6–12 months £'m	Amount due between one and five years £'m	Amount due after five years £'m
Financial assets						
Cash and cash equivalents	19.8	19.8	19.8	–	–	–
Other receivables	30.7	30.7	30.7	–	–	–
Loans and advances	62.0	62.4	2.8	23.9	35.1	0.6
	112.5	112.9	53.3	23.9	35.1	0.6
Financial liabilities						
Other payables	(57.8)	(57.8)	(57.8)	–	–	–
Interest-bearing liabilities	(12.5)	(12.9)	(12.9)	–	–	–
Lease liability	(2.3)	(2.6)	(0.7)	(0.7)	(1.2)	–
	(72.6)	(73.3)	(71.4)	(0.7)	(1.2)	–

4. Taxation on (loss)/profit on ordinary activities

Deferred taxation

Deferred tax is presented in the statement of financial position as follows:

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Deferred tax assets	3.0	0.9
Deferred tax liabilities	(0.1)	(0.1)
Net deferred tax assets	2.9	0.8

The movements during the year are analysed as follows:

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Net deferred tax assets at the beginning of the year	0.8	0.9
Credit to the statement of profit and loss for the year	2.1	0.4
Charge) to equity	0.2	(0.8)
(Under)/over provision of deferred tax	(0.2)	0.3
Net deferred tax assets at the end of the year	2.9	0.8

Notes forming part of the Company financial statements continued

4. Taxation on (loss)/profit on ordinary activities continued

Category of deferred tax

	Opening Balance £'m	Charge/ (Credit) to the statement of profit and loss – CY £'m	Charge/ (Credit) through equity – CY £'m	Charge/ (Credit) to the statement of profit and loss – PY £'m	Closing Balance £'m
2025					
Share and share option schemes	0.3	(0.3)	0.2	–	0.2
IFRS 16 transitional adjustment	0.1	–	–	–	0.1
Research and development	(0.2)	0.1	–	–	(0.1)
Losses	0.5	2.4	–	(0.2)	2.7
	0.8	2.2	0.2	(0.2)	2.9
2024					
Share and share option schemes	1.3	(0.1)	(0.9)	–	0.3
IFRS 16 transitional adjustment	0.1	–	–	–	0.1
Research and development	(0.6)	0.1	–	0.3	(0.2)
Losses	–	0.4	0.1	–	0.5
	0.8	0.4	(0.8)	0.3	0.8

5. Property, plant and equipment

Refer to the Consolidated financial statements, note 14.

6. Intangibles

Cost	Software licences £'m	Internally developed software £'m	Total £'m
Balance as at 31 March 2023	0.4	18.3	18.7
Additions	–	3.2	3.2
Balance as at 31 March 2024	0.4	21.5	21.9
Additions	–	2.0	2.0
Disposals	(0.4)	–	(0.4)
Balance as at 31 March 2025	–	23.5	23.5
Accumulated depreciation	Software licences £'m	Internally developed software £'m	Total £'m
Balance as at 31 March 2023	0.4	7.8	8.2
Charge for the year	–	3.0	3.0
Balance as at 31 March 2024	0.4	10.8	11.2
Charge for the year	–	3.5	3.5
Disposals	(0.4)	–	(0.4)
Balance as at 31 March 2025	–	14.3	14.3
Net carrying value as at 31 March 2025	–	9.2	9.2
Net carrying value as at 31 March 2024	–	10.7	10.7

Internally developed software has been capitalised as an intangible asset and is being amortised over five years.

Notes forming part of the Company financial statements continued

7. Investment in subsidiaries

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
As at 1 April	–	–
As at 31 March	0.6	–

The Company owned either directly or indirectly, 100% of the share capital of the following subsidiaries during the year. All entities, other than those marked with an asterisk (*), were also in place during the prior year:

Entity name	Principal activities	Direct holding
LendInvest Loan Holdings Limited	Intermediary holding company	Company
LendInvest Capital Management Limited	Intermediary holding company	Company
LendInvest Capital Advisors Limited	Intermediary holding company	LendInvest Capital Management Limited
LendInvest Finance No. 2 Limited	Provides secured lending to third-party borrowers	LendInvest Capital Management Limited
LendInvest Finance No. 4 Limited	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited
LendInvest Funds Management Limited	Fund management company	Company
LendInvest Private Finance General Partners Limited	Dormant	Company
LendInvest Development Limited	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited
LendInvest Warehouse Limited	Intermediate holding company and secured lending to third-party borrowers	Company
LendInvest Finance No. 3 Limited	Dormant	LendInvest Loan Holding Limited
LendInvest Security Trustees Limited	Holds securities	Company
LendInvest Finance No. 5 Limited	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited
LendInvest Finance No. 6 Limited	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited
LendInvest Finance No. 7 Limited	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited
LendInvest Secured Income Plc	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited

Entity name	Principal activities	Direct holding
LendInvest Limited	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited
LendInvest Platform Limited	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited
LendInvest Bridge Limited	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited
LendInvest Loans Limited	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited
LendInvest Capital GP Sarl	Managing partner of an alternative investment fund	LendInvest Funds Management Limited
LendInvest Capital GP II Sarl	Provides secured lending to third-party borrowers	LendInvest Loan Holdings Limited

Management has also assessed the Company as being in control of the investees listed below, based on judgements with regard to the control criteria prescribed in paragraph 7 of IFRS 10.

Entity name	Principal activities	Direct holding
BTL No. 1 Limited	Warehousing vehicle for Buy-to-Let mortgages	NA
BTL No. 2 Limited	Warehousing vehicle for Buy-to-Let mortgages	NA
BTL No. 3 Limited	Warehousing vehicle for Buy-to-Let mortgages	NA
Titan No.1 Limited	Warehousing vehicle for Buy-to-Let and Bridging loans	NA
Puma BTL Limited	Securitisation loan note repurchasing vehicle	NA
Mortimer 2024-Mix PLC*	Securitisation vehicle for Buy-to-Let and Specialist Residential mortgages	NA
LendInvest Employee Benefit Trust	Issues shares to staff under the Group's CSOP and LTIPs schemes	NA
LendInvest Share Incentive Plan	Issues shares to staff under the Group's SIP scheme	NA
Tradelend Limited	Provides development finance, bridging loans, and any other finance loans	LendInvest Loan Holdings Limited

The registered address of all subsidiaries is 4–8 Maple Street, London, W1T 5HD, with the exception of those noted below:

The registered address of BTL No. 1 Limited, BTL No. 2 Limited, BTL No. 3 Limited, Titan No.1 Limited, Puma BTL Limited, Mortimer 2024-Mix PLC is 8th Floor, 100 Bishopsgate, London, EC2N 4AG.

The registered address of Tradelend Limited is 13 David Mews, London, W1U 6EQ.

Notes forming part of the Company financial statements continued

8. Other receivables

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Due within one year		
Trade receivables	37.0	30.5
Other receivables:		
Prepayments and accrued income	2.6	2.2
Other receivables	0.7	0.2
Due after one year		
Total	40.3	32.9

The carrying value of trade and other receivables approximates fair value and represents the maximum exposure to credit losses. Expected credit losses on trade receivables are immaterial.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. During the current year (and prior year) the Company had no trade receivables that are past due, but not impaired.

9. Cash and cash equivalents

	As at 31 March 2025 £'m	As at 31 March 2024 £'m
Cash at bank and in hand	13.2	17.3
Trustees' account	3.8	2.5
As at 31 March 2025	17.0	19.8

The Trustees' account relates to monies held on account for the benefit of our investors in the Self-Select platform, prior to them either investing in loans or withdrawing their capital. Operationally, the Company does not treat the Trustees' balances as available funds. An equal and opposite payable amount is included within the trade payables balance (see note 11).

10. Loans and advances

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
Gross loans and advances ¹	79.2	77.6
ECL provision	(16.0)	(15.6)
Fair value adjustment ²	(0.2)	–
Loans and advances	63.0	62.0

1 Included in gross loans and advances is £74.2m (2024: £73.8m) of loans made to Group entities. The ECL provision has been calculated on these loans.

2 Fair value adjustment to gross loans and advances due to classification as FVOCI.

ECL provision

Movement in the year	£'m
Under IFRS 9 at 1 April 2024	(15.6)
Additional provisions made during the year	(0.5)
Utilised in the year	0.1
Under IFRS 9 at 31 March 2025	(16.0)

Movement in the year	£'m
Under IFRS 9 at 1 April 2023	(9.0)
Additional provisions made during the year	(6.8)
Utilised in the year	0.2
Under IFRS 9 at 31 March 2024	(15.6)

Notes forming part of the Company financial statements continued

10. Loans and advances continued

Analysis of loans and advances by stage

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
Year ended 31 March 2025				
Gross loans and advances	74.2	0.5	4.5	79.2
ECL provision	(15.6)	–	(0.4)	(16.0)
Fair value adjustment	–	–	(0.2)	(0.2)
Loans and advances	58.6	0.5	3.9	63.0
Year ended 31 March 2024				
Gross loans and advances	74.5	0.5	2.6	77.6
ECL provision	(15.3)	–	(0.3)	(15.6)
Fair value adjustment	–	–	–	–
Loans and advances	59.2	0.5	2.3	62.0

The maximum LTV on stage 1 loans is 66%. The maximum LTV on stage 2 loans is 85%. The maximum LTV on stage 3 loans is 103%. The average LTV of stage 1 loans is 65%. The average LTV of stage 2 loans is 60%. The average LTV of stage 3 loans is 67% and the total value of collateral held on stage 3 loans is £3.6m.

Movement analysis of net loans by stage

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2024	59.2	0.5	2.3	62.0
Transfer to stage 3	(0.1)	–	0.1	–
Financial assets which have repaid	(0.2)	(0.2)	(0.3)	(0.7)
Balance movements in loans	(0.3)	0.2	1.8	1.7
Total movement in loans and advances	(0.6)	–	1.6	1.0
As at 31 March 2025	58.6	0.5	3.9	63.0

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2023	62.3	0.6	0.9	63.8
Transfer to stage 3	(0.3)	(0.1)	0.4	–
Financial assets which have repaid	(0.1)	(0.4)	(0.2)	(0.7)
Balance movements in loans	(2.7)	0.4	1.2	(1.1)
Total movement in loans and advances	(3.1)	(0.1)	1.4	(1.8)
As at 31 March 2024	59.2	0.5	2.3	62.0

Movement analysis of gross loans by stage

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2024	74.5	0.5	2.6	77.6
Transfer to stage 3	(0.1)	–	0.1	–
Financial assets which have repaid	(0.1)	(0.2)	(0.4)	(0.7)
Balance movements in loans	(0.1)	0.2	2.2	2.3
Total movement in loans and advances	(0.3)	–	1.9	1.6
As at 31 March 2025	74.2	0.5	4.5	79.2

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2023	70.9	0.6	1.3	72.8
Transfer to stage 3	(0.3)	(0.1)	0.4	–
Financial assets which have repaid	(0.1)	(0.4)	(0.4)	(0.9)
Balance movements in loans	4.0	0.4	1.3	5.7
Total movement in loans and advances	3.6	(0.1)	1.3	4.8
As at 31 March 2024	74.5	0.5	2.6	77.6

Notes forming part of the Company financial statements continued

10. Loans and advances continued

Movement analysis of ECL by stage

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2024	15.3	–	0.3	15.6
Financial assets which have repaid	–	–	–	–
Changes in models/risk parameters	0.3	–	0.1	0.4
Adjustments for interest on impaired loans	–	–	–	–
Write-offs	–	–	–	–
Total movement in impairment provision	0.3	–	–	–
As at 31 March 2025	15.6	–	0.4	16.0

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
As at 1 April 2023	8.6	–	0.4	9.0
Financial assets which have repaid	–	–	(0.2)	(0.2)
Changes in models/risk parameters	6.7	–	0.2	6.9
Adjustments for interest on impaired loans	–	–	0.1	0.1
Write-offs	–	–	(0.2)	(0.2)
Total movement in impairment provision	6.7	–	(0.1)	6.6
As at 31 March 2024	15.3	–	0.3	15.6

The Company held no POCI loans during the year to 31 March 2025 (2024: nil).

Credit risk on gross loans and advances

The table below provides information on the Company's loans and advances by stage and risk grade. See note 18 of the Group's accounts for details of the change of the calculation of risk grades during the current year.

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
Year ended 31 March 2025				
Risk grades 1–5	74.2	–	–	74.2
Risk grades 6–9	–	0.5	–	0.5
Default	–	–	4.5	4.5
Total	74.2	0.5	4.5	79.2

	Stage 1 £'m	Stage 2 £'m	Stage 3 £'m	Total £'m
Year ended 31 March 2024				
Risk grades 1–5	74.5	0.4	–	74.9
Risk grades 6–9	–	0.1	–	0.1
Default	–	–	2.6	2.6
Total	74.5	0.5	2.6	77.6

11. Other payables

	As at 31 March 2025 £'m	As at 31 March 2024 £'m
Trade payables	62.2	53.1
Other payables:		
Taxes and social security costs	1.2	1.2
Accruals and deferred income	7.5	4.5
Sublease deposit rent payable	–	0.2
	70.9	59.0

The trade payables balance includes the Trustees' balances of £3.8m (2024: £2.5m) in respect of uninvested cash held on the Self-Select platform, which may be withdrawn by investors at any time.

The Company has no non-current other payables.

The carrying value of other payables approximates fair value.

Notes forming part of the Company financial statements continued

12. Interest-bearing liabilities

	As at 31 March 2025 £'m	As at 31 March 2024 £'m
Funds from investors and partners	12.4	12.5
Total	12.4	12.5

The Company is not in breach or default of any provisions of the terms or conditions of the agreements governing borrowings. The Company's annualised interest cost on funding was 8% in the current financial year.

13. Share capital

Refer to the Group financial statements, note 22.

14. Reserves

Reserves are comprised of retained earnings and the employee share reserve, and fair value reserves. Retained earnings represent all net gains and losses of the Group less directly attributable costs associated with the issue of new equity and the employee share reserve represents the fair value of share options issued to employees but not exercised.

The fair value reserve represents movements in the fair value of the financial assets classified as FVOCI.

15. Share-based payments

Refer to the Group financial statements, note 24.

16. Financial instruments

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are loans and advances, other receivables, cash and cash equivalents, interest-bearing liabilities, and other payables.

Categorisation of financial assets and financial liabilities

The financial assets of the Company are carried at amortised cost or fair value through other comprehensive income as at 31 March 2025 and 31 March 2024 according to the nature of the asset. All financial liabilities of the Company are carried at amortised cost as at 31 March 2025 and 31 March 2024 due to the nature of the liability.

Financial instruments measured at amortised costs

Financial instruments measured at amortised cost, rather than fair value, include cash and cash equivalents, other receivables, other payables and interest-bearing liabilities. Due to their short-term nature, the carrying value of cash and cash equivalents, other receivables, lease liabilities and other payables approximates their fair value.

Carrying amount of financial instruments

A summary of the financial instruments held by category is provided below:

	As at 31 March 2025 £'m	As at 31 March 2024 £'m
Financial assets at amortised cost		
Cash and cash equivalents	17.0	19.8
Trade and other receivables	40.3	30.7
Loans and advances	63.0	62.0
Total financial assets	120.3	112.5
Financial liabilities at amortised cost		
Trade and other payables	(70.9)	(57.8)
Interest-bearing liabilities	(12.4)	(12.5)
Lease liabilities	(5.5)	(2.3)
Total financial liabilities	(88.8)	(72.6)

Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is relevant to the fair value measurement. Financial assets and liabilities are classified in their entirety into only one of the three levels. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes forming part of the Company financial statements continued

16. Financial instruments continued

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

	As at 31 March 2025 £'m	Level 1 £'m	Level 2 £'m	Level 3 £'m
Financial instruments measured or disclosed at fair value				
Loans and advances	63.0	–	–	63.0
Financial instruments measured or disclosed at amortised cost				
Interest-bearing liabilities	(12.9)	(12.9)		

For all other financial instruments, the fair value is equal to the carrying value and has not been included in the table above.

	As at 31 March 2024 £'m	Level 1 £'m	Level 2 £'m	Level 3 £'m
Financial instruments measured or disclosed at fair value				
Loans and advances	62.0			62.0
Financial instruments measured or disclosed at amortised cost				
Interest-bearing liabilities	(12.5)	(12.5)		

For all other financial instruments, the fair value is equal to the carrying value and has not been included in the table above.

Level 3 instruments include loans and advances. The valuation of the asset is not based on observable market data (unobservable inputs). Valuation techniques include net present value and discounted cash flow methods. The assumptions used in such models include benchmark interest rates and borrower risk profile. The objective of the valuation technique is to determine a fair value that reflects the price of the financial instrument that would have been used by two counterparties in an arm's length transaction.

	Year ended 31 March 2025 £'m
Level 3 Financial Instruments	
Level 3 assets at beginning of the year	62.0
Additional impairment provisions made during the year	(0.5)
Impairment provision utilised in the year	0.1
Fair value adjustment on loans & advances through OCI	(0.2)
Level 3 assets that have repaid	(0.8)
Balance movements in Level 3 assets	2.4
Level 3 assets at the end of the year	63.0

17. Reconciliation of liabilities arising from financing activities

	Interest-bearing liabilities £'m	Leases £'m
31 March 2024	(12.5)	(2.3)
Cash flows	0.1	1.4
Lease liability interest	–	(0.3)
Release of dilapidation provision	–	0.1
ROU asset addition	–	(5.6)
ROU asset disposal	–	1.2
31 March 2025	(12.4)	(5.5)
31 March 2023	(34.9)	(3.3)
Cash flows	22.4	1.3
Lease liability interest	–	(0.3)
31 March 2024	(12.5)	(2.3)

Notes forming part of the Company financial statements continued

18. Related party transactions

The Company has made loans to LendInvest Warehouse Limited to fund a portfolio of loans. During the year to 31 March 2025, the Company made loans of £1.5m (2024: £12.9m) and received repayments in respect of loans of £2.0m (2024: £0.2m). The balance as at 31 March 2025 was £23.5m (2024: £23.5m). These loans are interest-bearing at 8% per annum.

£28.0m (2024: £14.1m) of the Company's trade receivables (see note 8) are unsecured intercompany receivables owed by the Company's subsidiaries.

The Company also received the following fees from related party subsidiaries:

	Year ended 31 March 2025 £'m	Year ended 31 March 2024 £'m
LendInvest Funds Management Limited	0.7	2.4

19. Fail sale liability / Financial guarantee liability

On 1 June 2024, the Group entered a three-year repurchase agreement ('Repo') with a third-party funder to provide term loans to subsidiaries, secured via Bare Trusts and guarantees.

Lendinvest PLC, as Trustee, declared a Bare Trust over its interest in the junior loan in Titan No.1 Limited ('Titan'), in favour of LendInvest Finance No.6 Limited ('LF6'). As Lendinvest PLC retains substantially all risks and rewards, derecognition under IFRS 9 does not apply and the assets remain on Lendinvest PLC's balance sheet. The Bare Trust is treated as a financial liability (Failed Sale), initially measured at the portion of Repo proceeds received, with interest recognised at amortised cost using the EIR method.

Lendinvest PLC also guaranteed LendInvest Finance No.4 Limited's specific Repo performance obligations relating to LF6's allocation of Repo proceeds. This guarantee qualifies as a Financial Guarantee under IFRS 9, initially measured at its fair value and subsequently measured at the higher of the amount of the loss allowance on the Repo or the initial fair value less cumulative amortisation.

20. Controlling party

In the opinion of the Directors, the Company does not have a single controlling party.

21. Events after the reporting date

There were no significant events after the reporting period that would impact the users' understanding and decision-making based on the financial statements.

Glossary

Alternative Performance Measures

In the reporting of financial information, the Directors have adopted various alternative performance measures (APMs). APMs should be considered in addition to IFRS measurements. The Directors believe that these APMs assist in providing useful information on the underlying performance of the Group, enhance the comparability of information between reporting periods, and are used internally by the Directors to measure the Group's performance, not necessarily comparable to other entities' APMs.

Platform AuM

The Group defines Platform AuM as the sum of (i) the total amount of outstanding loans and advances (including accrued interest, and gross of impairment provisions and fair value adjustments), as reported on an IFRS basis in the notes to the accounts in the Group's Financial Statements, and (ii) off-balance sheet assets, which represents the total amount of outstanding loans and advances (including accrued interest) that the Group originates but does not hold on its balance sheet, comprising those loans that are held by its off-balance sheet entities. Off-Balance Sheet Assets are not presented net of any impairment provisions relating thereto.

The Directors view Platform AuM as a useful measure because it is used to analyse and evaluate the volume of revenue-generating assets of the platform on an aggregate basis and is therefore helpful for understanding the performance of the business.

The following table provides a reconciliation from the Group's reported gross loans and advances.

Unaudited	Year ended 31 March 2025 £'m	Year ended 31 March 2024 restated £'m
Gross loans and advances	683.9	473.4
Off-Balance Sheet Assets	2,548.9	2,310.1
Platform AuM	3,232.8	2,783.5

FuM

The Group defines FuM as the aggregate sum available to the Group under each of its funding lines. The Group's FuM are used to originate revenue-generating Platform AuM. The Directors view the difference between the Group's FuM and Platform AuM as the headroom for future growth. A reconciliation from Platform AuM, which has been reconciled to IFRS measures above, to FuM is shown below.

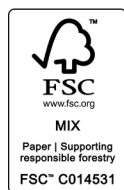
Unaudited	Year ended 31 March 2025 £'m	Year ended 31 March 2024 restated £'m
Platform AuM	3,232.8	2,783.5
Committed funding available for lending	1,895.8	1,343.8
FuM	5,128.6	4,127.3

Adjusted EBITDA

The Group defines Adjusted EBITDA as Group profit or loss before finance income, finance expenses, income tax, depreciation and amortisation, and exceptional items. The Directors view Adjusted EBITDA as a useful measure because it is used to analyse the Group's operating profitability, and shows the results of normal core operations exclusive of non-cash changes that the Group considers to be non-recurring and not part of the Group's core day-to-day business. The following table provides a reconciliation from the Group's reported profit for the year to Adjusted EBITDA.

Unaudited	Year ended 31 March 2025 £'m	Year ended 31 March 2024 restated £'m
(Loss)/profit after taxation	(1.6)	(23.9)
Derivative financial instruments and hedge accounting	(0.5)	4.0
Corporation tax	0.4	(7.2)
Depreciation and amortisation	3.7	3.2
Depreciation of right-of-use asset	0.8	0.7
Interest expense – lease liabilities	0.3	0.3
Share-based payment charge	(0.4)	1.3
Gain/(loss) in EBITDA	2.8	(21.7)
Exceptional operating expenses	0.4	2.7
Adjusted EBITDA	3.2	(19.0)

Exceptional operating expenses in FY25 relate to restructuring costs.



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