

26 June 2025

MANOLETE PARTNERS PLC
("Manolete" or the "Company")

Audited results for the year ended 31 March 2025

Strong momentum continues with significant macro-economic tailwinds supporting growth.

Manolete (AIM:MANO), the leading UK-listed insolvency litigation financing company, today announces its audited results for the year ended 31 March 2025 ("FY25").

Steven Cooklin, Chief Executive Officer, commented:

"We are delighted to report our highest ever revenues of £30.5m for FY25 and a strong increase in profitability, well ahead of market forecasts^[1]. Cash generation has also been particularly impressive with a 45% increase in gross cash receipts for the year. In FY25 we also recorded lifetime highs in the number of new case referrals from Manolete's nationwide proprietary referral network. FY26 has got off to a strong start with new case signings already 27% higher than the whole of Q1 FY25 and further concrete evidence of larger average case sizes feeding into our portfolio of more recent case signings. The continued strong tailwinds of challenging market conditions faced by many UK corporates provide the Board with optimism for further good progress in the new financial year."

Financial (statutory and non-statutory) highlights:

- Record total revenues £30.5m, an increase of 16% (FY24: £26.3m)^[2]
- Realised revenues on completed cases were £29.5m, an increase of 22% (FY24: £24.2m).
- 97% of total revenues represented by realised revenues on fully completed cases (FY24: 92%).
- EBIT increased by 19% to £3.0m (FY24: £2.5m).
- Realised EBIT (excluding all Unrealised Profits) increased to £2.0m in FY25 from £0.4m in FY24.
- Gross cash receipts from completed cases were £25.6m, an increase of 45% (FY24: £17.7m).
- The Company's net cash income from completed cases (after all legal costs and payments to Insolvent Estates) was £15.2m, an increase of 40% (FY24: £10.8m).
- Cash generated from operations (after all completed case costs and all overheads but before new case investments, interest and taxation) was £9.4m (FY24: £5.0m).
- As at 31 March 2025, the Company had cash balances of £0.7m and net borrowings of £11.8m resulting in a net debt of £11.1m (FY24: £12.3m resulting from £1.4m cash balances and £13.7m net borrowings).
- As reported on 4 February 2025, the Competition Appeal Tribunal has now set a trial window in September 2026 for the hearing for the next wave of Truck Cartel claims. The Company is seeking to secure a position in that next claimant group, for all of its claims that are not settled, before that next wave trial commences.

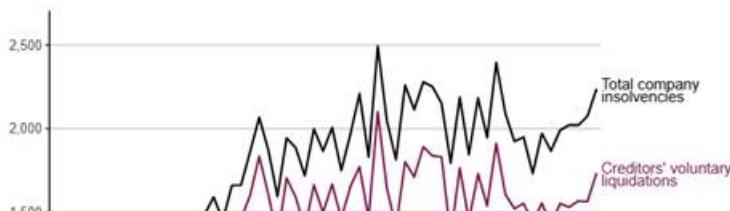
Operational highlights:

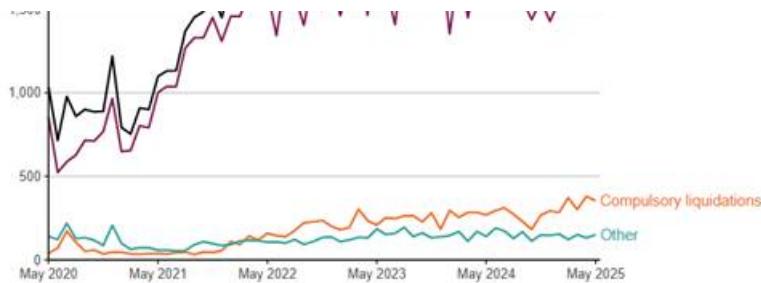
- A record number of new case investments in UK insolvency cases (excluding Bounce Back Loan Pilot 'BBLP'), an increase of 2%: 282 in FY25 (FY24: 276).
- A record number of 291 cases were completed in FY25 (FY24: 251 cases), with an average duration per case of 16.4 months (FY24: 13.2 months), generating a Money Multiple of 2.1x (FY24: 1.9x) (based on unaudited internal management information).
- Further progress has been made in the Average Realised Revenue per Completed Case ("ARRCC") with an ARRCC of £101k in FY25, 5% higher than the £96k for FY24. A large number of smaller cases completed in FY25 (including from the first phase of the Barclays Bounce Back Loan Pilot ("BBBLP")), which suppressed the FY25 ARRCC. Excluding the BBLP cases the ARRCC for FY25 was £110k (FY24: £103k), which represents a clearer picture on the Company's core business.
- ROI of 130% and Money Multiple of 2.1x from 1,217 completed cases since inception (based on unaudited internal management information).
- Average case duration across the full lifetime portfolio of 1,217 completed cases is 13.8 months.
- Live cases remained steady. 419 in process as at 31 March 2025 (418 as at 31 March 2024).

Current Trading and Outlook

The Company has made a good start to the new financial year FY26. Based on internal unaudited management information, as at 20 June 2025 the Company had already signed 56 new case investments, 27% more than the 44 signed for the whole of the first quarter of the last financial year (quarter ended 30 June 2024). During the same period the Company has completed 46 cases. Therefore, the number of live cases in progress as at 20 June 2025 was 429.

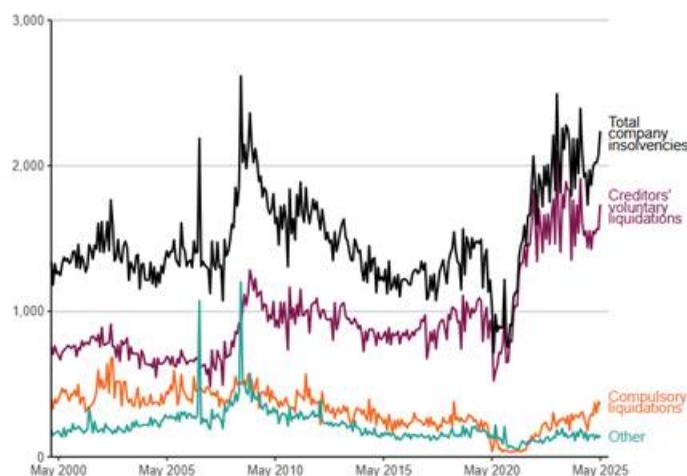
The most recently available UK Insolvency Service report for May 2025 (published on 20 June 2025) shows that the number of UK corporate insolvencies remains at elevated levels compared to the levels experienced prior to the Covid-19 pandemic.





Sources: Insolvency Service (compulsory liquidations only); Companies House (all other insolvency procedures)

In the same May 2025 Insolvency Service report, the Insolvency Service states "While the insolvency rate has increased since the lows seen in 2020 and 2021, it remains much lower than the peak of 113.1 per 10,000 companies seen during the 2008-09 recession. This is because the number of companies on the effective register has more than doubled over this period." This is potentially an indication for further increases in the number of UK company insolvencies in the foreseeable future and this graph puts that statement in some context.



A copy of the annual report and accounts will be available on the Company's website shortly and will be posted to shareholders in due course.

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Chairman's Statement

I am delighted to present my fourth report as your Chairman.

Overview

The UK litigation finance sector has continued to mature with increasing recognition of its role in widening access to justice for creditors.

On reflecting on the Company's performance in the last twelve months, I am pleased to report on a year where we as a team have demonstrated our resilience and in addition taken advantage of new emerging opportunities.

In March 2025, we signed a new 3.25-year Revolving Credit Facility ("RCF") with our existing long-term provider, HSBC UK Bank Plc. The RCF provides the same level of facility as the previous arrangement, at £17.5m but on improved terms with the option to extend by an additional year.

Corporate insolvencies remain high, as we show an increase in operating profitability. The trends for the business give me and the Board considerable optimism that the Company can take full advantage of attractive market conditions. Overall, the business is very well-positioned in the insolvency litigation financing market for long-term profitable growth.

Financial results

Revenues for the year to 31 March 2025 increased by 16% to £30.5m (FY24: £26.3m). The Company has reported an operating profit of £3.0m for FY25 compared to the operating profit of £2.5m reported for FY24.

Cash generation was particularly strong in FY25 with gross cash recoveries from completed cases of £25.6m, (FY24: £17.7m), representing an increase of 45%.

Strategy

Since I became Chairman in September 2021, there has not been a significant change in strategic focus for the Company, the Board has taken a consistent approach based on the strengths of Manolete's business model. I am proud to say our Company has continued to demonstrate strength and adaptability.

The Board has navigated a challenging landscape post Covid, with careful decision-making and a firm commitment to our long-term goals. The Board remains committed to supporting the legal team to achieve higher case volumes and higher average case sizes within our insolvency litigation investment portfolio.

I am pleased to see net debt has fallen to £11.1m, as at the year-end of 31 March 2025, down from £12.3m.

The Company has maintained its position as the only litigation finance company to enjoy long-term strategic partnership agreements with: R3 (the insolvency industry trade body); the Institute of Chartered Accountants in England and Wales and the Insolvency Practitioners Association. Consequently, Manolete has been able to effectively promote and consolidate more business development opportunities in the insolvency sector.

Dividend

The Board has reviewed the dividend policy and is recommending no dividend is awarded in respect of this financial year (FY24: nil). The priority of the Company is to retain cash reserves for investment in current and future cases and further reduce net debt.

Corporate Governance

The Board of Directors is committed to good corporate governance. We engender a culture of mutual respect at all levels of the company and have established Manolete as a highly trusted brand in the insolvency sector. The Company has adopted the ten principles of the 2023 Version of the Corporate Governance Code as set out by the Quoted Companies Alliance.

People

On behalf of the Board and our shareholders, I would like to pay tribute to a team of highly committed and talented colleagues for their remarkable achievements during a successful year. I attended one of the regular meetings of the legal, net worth and business development teams during the year and was greatly impressed by the camaraderie and cohesion which plays a fundamental role in the success and efficiency of the business.

Board

I would like to acknowledge the valuable contribution of Mark Tavener who left the Board as Chief Financial Officer in April 2025. We are currently deeply engaged in identifying the best replacement possible. As Chairman, I will ensure that any changes to the Board will maintain the necessary spread of proficiency and balance particularly in legal and accounting expertise.

Outlook

Our optimism in the Company's future performance is rooted in our resilient team of lawyers who have attracted a record number of referrals. We also have a record number of live cases with a fair value of £41.5m (FY24: £40.2m).

The company's increased revenue is based on cases signed which in turn is derived from case referrals which were up nearly a quarter on last year. This measure shows that the fundamental strengths of the business are as strong as they have ever been.

Recent figures published by Companies House showed the overall rate of liquidations, including both voluntary and insolvencies, rose to a record high in 2024/5.

So, we remain most encouraged about the continued favourable market conditions which gives every indication of a strong flow of higher value insolvency cases to come.

Lord Leigh

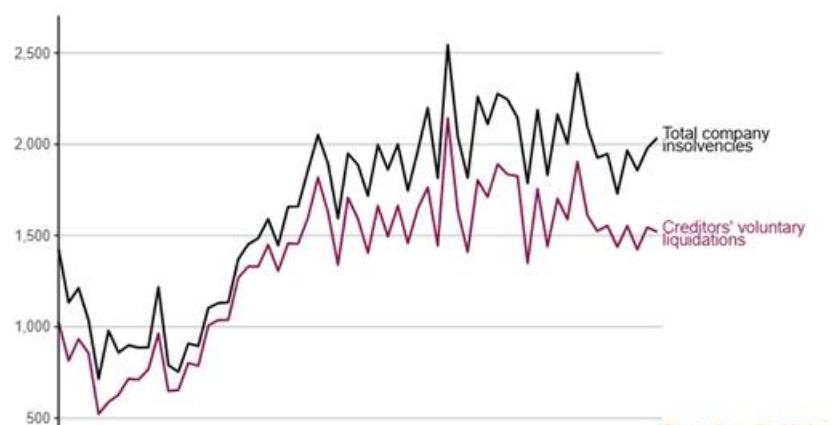
Non-Executive Chairman

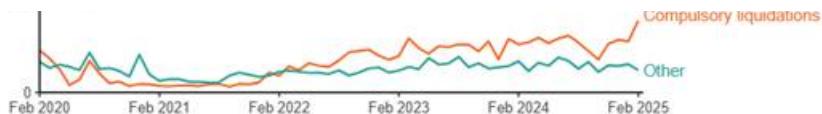
25 June 2025

CEO's Statement

The recent UK Insolvency Service commentary on UK company insolvency statistics (published March 2025) provides a useful summary of the current status of the UK insolvency market: "company insolvencies over the past year have been slightly lower than in 2023, which saw a 30-year high annual number, but have remained high relative to historical levels."

The graph below provides further detail:





Sources: Insolvency Service March 2025 (compulsory liquidations only); Companies House (all other insolvency procedures)

The data in the graph helpfully starts just prior to the onset of Covid-19. It then indicates a sharp fall in the number of UK company insolvencies which continued for around 18 months (due to the temporary suspension of key UK insolvency laws and around £600 Billion of UK Government financial support to the UK business sector).

Since February 2022, the insolvency market has not only recovered to its pre-pandemic level, but it has also strongly exceeded that level and for the last three years has remained at or around that "30-year high annual number", as quoted above.

The drivers for that increase have been:

1. The ending of the temporary suspension of UK insolvency laws in April 2022.
2. The ending of the large financial business support programme of the previous Government.
3. High levels of inflation leading to high interest rate rises albeit now falling since mid-2024.
4. Persistent core inflation above the Bank of England's target, leading to slower than expected reductions in UK interest rates.

The UK business sector now also faces significant tax and employment cost increases, cost of living challenges and international tariff changes.

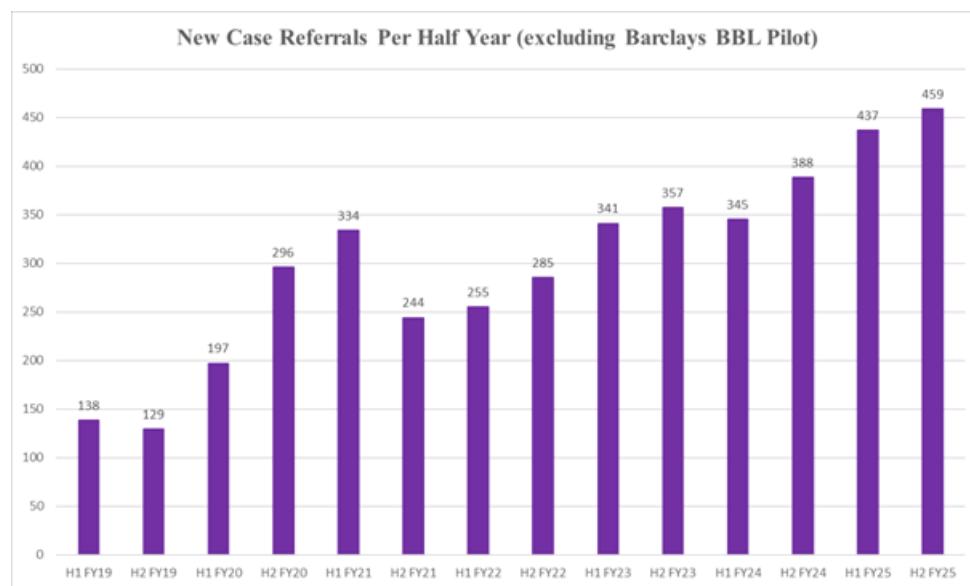
The combination of all the above factors explains the continuing improved performance of the Manolete business (which is focused almost exclusively on the UK insolvency claims market).

Manolete's Business Performance in FY25

New Case Referrals

Manolete's new case referrals mainly originate from insolvency practices and also from insolvency and restructuring departments within solicitor firms.

This graph shows the strong and growing trend of this important key performance indicator since the end of the Covid crisis.



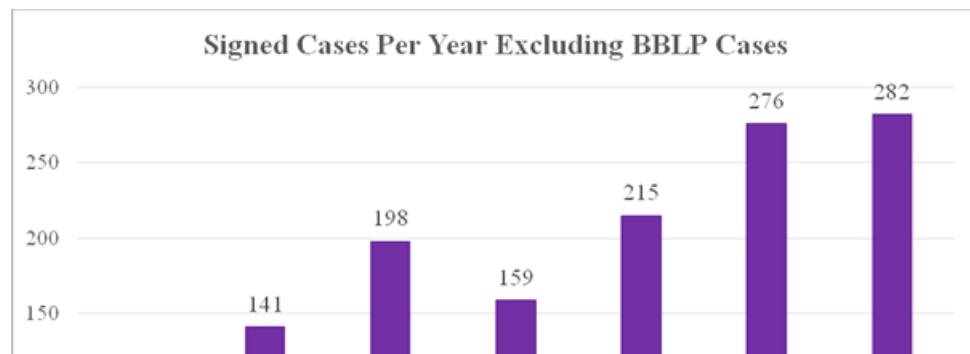
Source: Company information

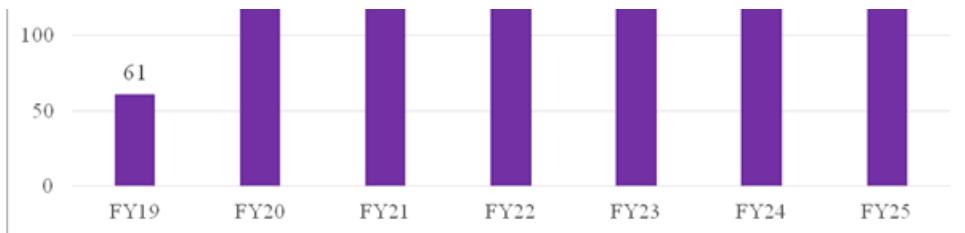
The case referrals above exclude the referrals from the Barclays Bounce Back Loan Pilot ("BBBLP") as that appears to be increasingly a one-off event, which would otherwise mask the underlying trends in the core Manolete business.

There were 896 new case referrals recorded FY25 (zero new BBBLP cases), a new record number which was 23% ahead of the 731 referrals reported in FY24 (excluding two BBBLP cases).

New Case Investments

On an annual basis, the number of new case investments in FY25 was 282, 2% higher than FY24's previous record number of 276 (figures again exclude the BBBLP cases). The signing of new case investments tends to lag the movements in the overall UK insolvency market by around seven to nine months. The continued elevated levels of total UK company insolvencies presents good visibility for future new cases.





Investment Returns

In FY25 the Company completed a record volume of 291 cases, 16% higher than 251 recorded in FY24.

Manolete's average Realised Revenue per completed case for FY25 was £101k, 5.5% higher than the average Realised Revenue per completed case for FY24 of £96k. The continued positive trend towards larger average case sizes is in line with the Board's previously stated expectation that average case completion sizes would likely increase as the number of medium and large company insolvencies returned to their normal levels in the UK insolvency market. This follows the withdrawal of the UK Government's significant financial support to businesses over the Covid period of March 2020 - April 2022, as well as the temporary suspension of key insolvency laws during that same period.

Our investment track record, by vintage, continues to demonstrate outstanding results. Manolete's model is characterised by short case durations, high ROIs (Return on Investment), exceptional Money Multiples and IRRs. The Company calculates case duration from the date we sign the investment agreement to the date the case is legally concluded. On average, cash collection takes around 12 months after legal completion.

Case vintage	No. of investments			Open case investments £'000	Closed case investments £'000	Total invested £'000	Total recovered £'000	Total gain £'000	IP share £'000	Manolete gain £'000	Duration completed cases months			ROI %	Mol %	IRR %			
	No. completed	No. ongoing	% total								No. months	87%	3x	0%					
2010	3	3	100%	0	52	52	28	(24)	10	(35)	7.0m	(87%)	3x	0%	0.0m	0%	0%		
2011	0	0	-	0	0	0	0	0	0	0	0.0m	0%	0x	0%	0.0m	0%	0%		
2012	8	8	100%	0	763	763	2,524	1,761	580	1,181	18.0m	155%	2.5x	258%	7.1m	166%	2.7x	281%	
2013	10	10	100%	0	174	174	780	600	316	290	10.0m	145%	2.5x	455%	12.6m	166%	2.7x	502%	
2014	42	42	100%	0	594	594	3,884	3,290	2,427	863	17.4m	135%	2.5x	455%	14.1m	77%	1.8x	462%	
2015	39	39	100%	0	1,404	1,404	7,029	5,625	3,290	2,335	16.9m	135%	2.7x	502%	21.7m	166%	2.7x	53%	
2016	36	36	100%	0	1,936	1,936	9,393	7,457	4,164	3,293	17.4m	135%	2.7x	502%	15.0m	170%	2.7x	180%	
2017	31	31	100%	0	1,446	1,446	4,469	3,023	1,905	1,118	14.1m	77%	1.8x	462%	23.7m	166%	2.7x	73%	
2018	29	29	100%	0	4,039	4,039	23,717	19,678	12,971	6,707	16.9m	135%	2.7x	502%	27.3m	166%	2.7x	88%	
2019	59	59	100%	0	2,751	2,751	13,567	10,815	7,528	3,287	17.4m	119%	2.2x	88%	18.3m	53%	1.5x	57%	
2020	141	140	99%	1	61	8,157	8,218	20,455	12,294	7,939	4,358	14.5m	77%	1.8x	116%	21.7m	166%	2.7x	73%
2021	198	191	96%	7	557	9,404	9,961	27,349	17,948	10,702	7,243	17.4m	77%	1.8x	73%	26.3m	166%	2.7x	88%
2022	159	148	93%	11	701	4,210	4,912	11,603	7,399	4,147	3,245	18.3m	53%	1.5x	57%	21.7m	166%	2.7x	116%
2023	263	227	86%	36	1,925	4,653	6,577	17,700	13,047	7,101	5,948	11.9m	128%	2.3x	507%	30.9m	166%	2.7x	116%
2024	311	202	65%	109	2,465	3,471	5,936	19,707	16,236	8,873	7,363	10.8m	212%	3.1x	890%	26.3m	388%	4.9x	1702%
2025	284	52	18%	232	2,529	483	3,412	4,150	3,667	1,793	1,874	5.6m	113%	2.1x	130%	Total (exc. Cartel cases)			

(i) The vintages table excludes 22 cartel cases and is net of deductions for bad debt provisions (excluding ECL provisions).

(ii) Ongoing cases includes partial realisations.

(iii) The large case completion in FY21 is presented net of discounting.

(iv) IRRs are presented for vintages where there are 12 or more months of historical cashflow information.

Note: Vintages table above is unaudited

Profit and Loss Account Impact

The key performance indicators shown above had a strongly positive impact on the Company's financial performance in FY25:

- Total revenues were 16% higher at £30.5m (FY24: £26.3m)
- Operating profit was 19% higher at £3.0m (FY24: £2.5m)

Cashflow and Net Debt

In FY25, Manolete received gross cash recoveries (cash received on completed cases before payments to Insolvent Estates and associated legal costs) from completed cases of £25.6m, 45% higher than the £17.7m recorded for FY24. The £25.6m of gross cash generation was spread across 399 separate completed cases (i.e. cases completed in prior years as well as in the current financial year) (FY24: 309), highlighting the attractive 'high volume low value' element of Manolete's business model.

In FY25, net cash income from completed cases was £15.2m, 41% higher than the £10.8m recorded in FY24. After the payment of all Company overheads, net cash income was £9.4m, 88% higher than the £5.0m recorded in FY24. That positive cash inflow enabled the Company to organically finance all ongoing cases and all new case investments, which amounted to £6.9m for FY25 (FY24: £6.3m), leaving a cash surplus of £2.5m (FY24: negative £1.4m).

The Company's net debt as at 31 March 2025 was £11.1m compared to £12.3m as at the previous year end of 31 March 2024.

On the 28 March 2025, the Company announced it had signed a new Revolving Credit Facility ("RCF") with its existing long-term provider, HSBC UK Bank Plc ("HSBC"). The new RCF provides Manolete with the same level of facility as the previous arrangement, at £17.5m. However, the margin charged to Manolete by HSBC on the new RCF is at a reduced rate of 4.0% (previously 4.7%) over the Sterling Overnight Index Average (SONIA) and has a reduced non-utilisation fee, from 1.88% to 1.60%. The new RCF is a 3.25-year facility with an initial maturity of 27 June 2028. Manolete has the option to further extend the facility on its current terms by an additional year. The covenants remain unchanged except for the Asset Cover covenant which has been relaxed for 6 months from 28 March 2025.

Industry Recognition

The Company has been named, for the fifth time in succession, as the only company in the insolvency litigation funding sector to be ranked in Band 1 of the legal industry's prestigious Chambers Guide. The Band 1 ranking is a great testament to the tremendous work of all the Company's employees.

Current Trading

With strong tailwinds supporting the business, FY26 has started well, with new case referrals remaining at the elevated levels which were achieved throughout FY25.

People and Stakeholders

In anticipation of another busy year ahead, since the start of FY26, the Company has added two new senior level lawyers to its in-house legal team, which takes the total number in that team to seventeen.

I am always very grateful for the skill and dedication of Manolete's exceptional team.

Steven Cooklin
Chief Executive Officer
25 June 2025

Finance Statement

I am pleased to give my review of the Company's results for the year to 31 March 2025.

Financial overview:	31 March 2025	31 March 2024	YoY
Financial KPI	£000s	£000s	%
Revenue	30,481	26,295	16%
Gross profit	10,431	10,145	3%
Gross margin %	34.2%	38.6%	
Operating profit	2,968	2,501	19%
Operating profit margin %	10%	10%	
Profit after tax	893	933	(4%)
Investment valuation	41,450	40,196	3%
Non-financial KPIs			
<i>New cases*</i>	282	276	
<i>Completed cases**</i>	291	251	
<i>Live cases at year end***</i>	419	418	

* Excluding the one-off effect of the BBLP

**including 7 partially completed cases (7 partial completions FY24)

***including 22 cartel cases and 12 BBL cases in FY25 (22 cartel cases and 41 BBL cases in FY24)

Revenue	31 March 2025		31 March 2024	
	£000s	%	£000s	%
Realised revenue	29,475	97	24,183	92
Unrealised revenue	1,006	3	2,112	8
Revenue	30,481		26,295	

	31 March 2025		31 March 2024	
	£000s	%	£000s	%
Realised Gross Profit	9,425		8,031	17
Realised Gross Margin	32.0%		33.2%	

Revenues can be classified into realised revenue (actual completions) of £29.5m in FY25 (FY24: £24.2m) and unrealised revenue (movements in valuations of new and live cases net of previously recognised gains on realised cases) of £1.0m in FY25 (FY24: £2.1m).

Realised revenue increased by 22% to £29.5m (FY24: £24.2m) driven by a record number of case completions of 291 (FY24: 251).

Unrealised revenue of £1.0m FY25 (FY24: £2.1m) reflects the high volume of completions in the year which are removed from unrealised revenue and recorded as realised revenue as well as valuations of new cases throughout the year.

Gross profit of £10.4m in FY25 (FY24: £10.1m) represents an increase of 3% compared to the previous year.

Administrative expenses

	31 March 2025		31 March 2024	
	£000s	%	£000s	%
Wages and salaries	4,338		4,482	(3%)
Bad debt expense	1,343		1,362	(1%)
Professional fees	718		669	7%
Marketing	323		365	(12%)
Other costs, including office costs	741		766	(3%)

Administrative costs	7,463	7,644	(2%)
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Administrative expenses stayed in line with the previous year at £7.5m in FY25 (FY24: £7.6m).

Bad debt expense decreased by 1% to £1.3m (FY24: £1.4m) following a thorough review of receivables and the expected credit loss calculation. The bad debt expense primarily relates to a small number of debtors who have either entered into bankruptcy or whose assets are no longer viable targets.

Professional fee expenses of £0.7m (FY24: £0.7m) have increased by 7% due to increased spending on corporate advisory whilst also consisting of mostly recurring items such as audit, tax and PR services (all of which have broadly stayed in line with the previous year).

Marketing costs of £0.3m (FY24: £0.4m) have stabilised following a complete review on what business development activities best benefit the company.

Other costs of £0.7m (FY24: £0.8m), primarily relate to rental costs of office space in London, Durham and Manchester as well as travelling and entertainment costs.

Operating profit

The Company reported an operating profit of £3.0m in FY25 (FY24: £2.5m).

Finance expense

Finance expense increased to £1.6m FY25 (FY24: £1.5m). The Company paid a margin of 4.7% above SONIA in the financial year which has decreased to 4.0% above SONIA following the signing of a new RCF facility in March 2025. The Company also paid a 0.7% commitment fee on any unused facility with HSBC. As at 31 March 2025, £12.5m of the £17.5m HSBC facility had been drawn down (FY24: £13.7m).

Profit after tax

Profit after tax of £0.9m was recorded in FY25 (FY24: £0.9m). The post-tax margin has decreased slightly from 3.5% to 2.9%.

Earnings per share

As disclosed in Note 11, earnings per share decreased from 2.1 pence to 2.0 pence.

Balance sheet - Investment in Cases

The Company was managing 419 live case investments as at 31 March 2025, compared to 418 live cases as at 31 March 2024, a net increase of 1 case. The total fair value of the 419 live cases amounted to £41.5m as at 31 March 2025 an increase of 3% (FY24: £40.2m). The valuation includes the investment in the cartel cases as at 31 March 2025 of £15.4m, which remains relevantly unchanged from FY24 valuation of £15.1m, the increase relates to an increase in prepaid costs. Investment in cases is shown at fair value, based on the Company's estimate of the future realised profit.

Management amend valuations of cases each month end, following discussion on a case-by-case basis with the in-house legal team, to accurately reflect management's view of fair value. In addition, at the interim and final reporting periods, a sample of material valuations are corroborated with the external lawyers working on the case and an independent legal expert, who provide updated legal opinions as to the current status of the case. The Company does not capitalise any of its internal costs, such as salaries, these are fully expensed to the Statement of Comprehensive Income as incurred.

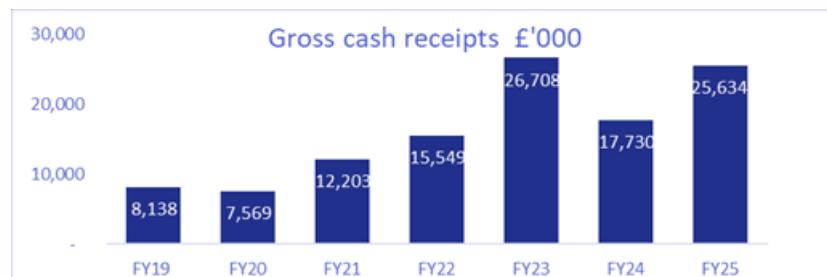
	31 March 2025	31 March 2024
	£000s	£000s
Gross cash receipts	25,634	17,730
IP share & legal costs on completed cases	(10,471)	(6,900)
Cashflows from completed cases	15,163	10,830
Overheads	(5,770)	(5,865)
Net cash generated from operations before investment in cases and corporation tax	9,393	4,965
Corporation tax	-	-
Net cash generated from operations after corporation tax and before investment in new cases	9,393	4,965
Investment in cases	(6,865)	(6,355)
Net cash generated from/(used in) operations	2,528	(1,390)
<i>% growth in case cash investments</i>	<i>8%</i>	<i>9%</i>

Gross cash receipts

Gross cash receipts of £25.6m in FY25 were higher than the previous year (FY24: £17.7m) by 45% due to the high level of completions of the past several years. Importantly, cash generated from operations before investment in cases and corporation tax remains a strong positive cash inflow of £9.4m in FY25 (FY24: £5.0m) which has been reinvested in the portfolio and used to reduce debt.

Cash receipts are being generated both from payment schedules of prior year completions as well as from current year case completions.

The graph below shows the growth in gross cash generation (including both IP share and Manolete share of cash receipts) year on year. As the business matures, a key characteristic is its ability to generate cash and ultimately be self-funding.



Overheads & Corporation Tax (cash)

Excluding non-cash items (including bad debt expense), spending incurred on overheads has stayed broadly in line with the previous year as £5.8m (FY24: £5.9m).

The Company has benefited from brought forward tax losses and no corporation tax is expected to become payable in respect of FY25.

Investment in cases

We have continued to invest in existing and new cases with total capital of £6.9m deployed during FY25 (FY24: £6.3m) which

The Company has funded its operations and new cases with cash receipts from completed cases.

Working Capital

Movement of £0.8m into working capital during FY25 was primarily due to increased trade payables and accrued expenses. Debtor days on a basic basis decreased to 433 in FY25 (FY24: 497) due to an improvement on payments terms of settlements.

	31 March 2025	31 March 2024
	£000s	£000s
Net working capital		
Net working capital	17,146	17,956
Change in net working capital	809	(1,841)
<i>DSO (Days sales outstanding) basic</i>	433	497
<i>DSO countback</i>	335	335

Debt Financing

As at 31 March 2025 the Company had drawn down £12.5m (FY24: £13.7m) of its £17.5m HSBC loan facility and has continued to deploy loan capital during the year to finance investment in cases. The Company held cash reserves of £0.7m as at 31 March 2025 which are available to deploy on new case investment.

The Company has met all its covenants in FY25.

On the 28 March 2025 a new loan facility was announced for £17.5m with HSBC. As part of the agreement, interest charges have decreased from 4.7% margin above SONIA to 4.0%. The loan facility is for 39 months expiring on 27 June 2028 with the option to extend by a year.

Rachel Lindley-Janes
Head of Finance

25 June 2025

Strategic Report

The Directors present their strategic report for the year ended 31 March 2025.

Strategy and Business Model

The Company's strategy for growth and its business model are described in detail on the Company's website, www.manolete-partners.com and at the start of this annual report.

On pages 21 to 22, we have set out the principal risks which may present challenges in executing the business model and delivering the strategy.

Supported by the strong tailwinds of high levels of UK company insolvencies, year-on-year revenues increased by 16%, driven by an increase in realised revenues. Operating profits were 18% higher at £3.0m and net assets increased 2% to £41.5m.

The number of employees was 29 (FY24: 29) at the end of the financial year. Despite recruitment challenges in some areas of the UK, the Company is not experiencing any problems attracting new recruits and has two new members of the legal team joining in the early months of FY26 as demand has increased significantly for our UK insolvency litigation financing products.

The business has grown significantly following the difficult trading conditions of the Covid crisis. At the financial year-end the cumulative number of signed litigation investments had grown to 1,635 cases, with a record 419 live, in-progress cases as at 31 March 2025.

	Year Ended 31 March 2025	Year Ended 31 March 2024	%change
	£000s	£000s	
Financials			
Realised revenue	29,475	24,183	22%
Unrealised revenue	1,006	2,112	(52%)
Total revenue	30,481	26,295	16%
Gross profit	10,431	10,145	3%
Operating profit	2,968	2,501	19%
Profit after tax	893	933	(4%)
Value of investments	41,450	40,196	3%
Non-financial KPIs			
Number of lifetime signed litigation investments	1,635	1,351	21%
Live cases at end of reporting period	419	418	0%
New cases (excluding BBBLP cases)	282	276	2%
Completed cases	291	251	16%

The movements in key performance indicators is analysed in the Report of the Chief Executive Officer on pages 12 to 15 and the Finance Report on pages 16 to 19.

Outlook and Current Trading

We are confident we have invested in a portfolio of cases which will produce attractive returns for the Company. There is strong and continuing evidence that the average size of cases is now trending back to the significantly higher level that the Company enjoyed prior to the Covid crisis.

The Board has considered the going concern status of the business in relation to the general wider economic environment and has concluded it is appropriate for the accounts to be prepared on a going concern basis. Further detail on the Board's consideration of going concern is included on page 49.

The Board believes that the business is now well-positioned to take advantage of the strong tailwinds that have started to drive its resumed growth trajectory.

The Company has made a good start to FY26 and we look forward to a promising future.

Statement of Comprehensive Income

	Note	31 March 2025 £'000s	31 March 2024 £'000s
Revenue	4	30,481	26,295
Cost of sales		(20,050)	(16,150)
Gross profit		10,431	10,145
Administrative expenses	8	(7,463)	(7,644)
Operating profit	6	2,968	2,501
Finance income	9	22	16
Finance expense	9	(1,643)	(1,479)
Profit before tax		1,347	1,038
Taxation	10	(454)	(105)
Profit and total comprehensive income for the year		893	933

Earnings per share

Basic (pence per share)	11	2.04p	2.11p
Diluted (pence per share)	11	2.01p	2.07p

The above results were derived from continuing operations.

The notes at the end of this announcement form part of these financial statements.

Statement of financial position

Company Number: 07660874	Note	31 March 2025 £'000s	31 March 2024 £'000s
Non-current assets			
Investments	12	11,340	11,293
Trade and other receivables	13	12,190	14,203
Deferred tax asset	16	278	938
Total non-current assets		23,808	26,434
Current assets			
Investments	12	30,110	28,903
Trade and other receivables	13	19,372	15,077
Cash and cash equivalents	14	692	1,452
Total current assets		50,174	45,432
Total assets		73,982	71,866

EQUITY AND LIABILITIES

Equity

Share capital	18	175	175
Share premium	19	157	157
Share based payment reserve	19	1,153	1,076
Retained earnings	19	39,956	39,063
Total equity		41,441	40,471

Non-current liabilities

Trade and other payables	15	7,584	8,434
Borrowings	17	11,762	13,726
Total non-current liabilities		19,346	22,160

Current liabilities

Trade and other payables	15	13,195	9,235
Total current liabilities		13,195	9,235
Total liabilities		32,541	31,395
Total equity and liabilities		73,982	71,866

The notes at the end of this announcement form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2025.

Steven Cooklin
Chief Executive Officer

Statement of Changes in Equity

	Share capital £'000s	Share premium £'000s	Share based payment reserve £'000s	Retained earnings £'000s	Total Equity £'000s
As at 1 April 2023	175	157	699	38,130	39,161
Comprehensive income					
Profit for the year	-	-	-	933	933
Transactions with owners					
Share based payment expense	-	-	336	-	336
Deferred tax on share-based payments	-	-	41	-	41
As at 31 March 2024	175	157	1,076	39,063	40,471
Comprehensive income					
Profit for the year	-	-	-	893	893
Transactions with owners					
Share based payment expense	-	-	283	-	283
Deferred tax on share-based payments	-	-	(206)	-	(206)
As at 31 March 2025	175	157	1,153	39,956	41,441

The notes at the end of this announcement form part of these financial statements.

Statement of Cash Flows

	Note	31 March 2025 £'000s	31 March 2024 £'000s
Profit before tax		1,347	1,038
<i>Adjustments for non-cash items:</i>	23	7,515	4,420
Operating cashflows before movements in working capital		8,862	5,458
<i>Changes in working capital:</i>			
Net increase in trade and other receivables		(2,283)	(4,901)
Net increase in trade and other payables		2,814	4,408
Net cash generated from operations before corporation tax and investments		9,393	4,965
Investment in cases	12	(6,865)	(6,355)
Net cash generated from/(used in) operating activities		2,528	(1,390)
<i>Cash flows from investing activities</i>			
Finance income received	9	22	16
Net cash generated from investing activities		22	16
<i>Cash flows from financing activities</i>			
Proceeds from borrowings	17	500	3,250

Repayments of borrowings	(1,750)	-
Interest paid	(1,330)	(1,060)
Loan arrangement fees	(730)	-
Net cash generated (used in)/from financing activities	(3,310)	2,190
Net (decrease)/increase in cash and cash equivalents	(760)	816
Cash and cash equivalents at the beginning of the year	1,452	636
Cash and cash equivalents at the end of the year	692	1,452

The notes at the end of this announcement form part of these financial statements.

Notes forming part of the Financial Statements

1. Company information

Manolet Partners PLC (the "Company") is a public company limited by shares incorporated in England and Wales. The Company is domiciled in England and its registered office is 2-4 Packhorse Road, Gerrards Cross, Buckinghamshire, SL9 7QE. The Company's ordinary shares are traded on the AIM Market.

The principal activity of the Company is that of acquiring and funding insolvency litigation cases.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been properly prepared in accordance with UK adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs the Company and of the profit or loss of the Company for that period.

Measurement bases

The financial statements have been prepared under the historical cost convention except for investments in insolvency litigation cases which are held at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the financial statements in compliance with UK adopted International Accounting Standards requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 3.

2.2 Going concern

The Company achieved an improved performance in the year, reporting profit before tax of £1.3m, cash generated from operations (before new investments) of £9.4m and net current assets at 31 March 2025 of £37.0m.

Given current trading levels, in particular new cases volumes being signed with a steady flow of completions along with the general level of insolvencies in the economy as a whole, the Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of the signed financial statements.

Management has updated its forecasts for the business with particular focus on the next 12 months and based on current trading levels and the existing HSBC debt financing, the Directors are of the opinion that the Company has adequate financial resources to continue in operation and meet its liabilities as they fall due, for the foreseeable future.

The HSBC RCF loan was renewed on the 27th March 2025 for a term of 39 months with the opportunity to extend by a further year. The facility is for £17.5m. At the date of signing the financial statements, the balance drawn on the RCF is £13.5m. The Company met all its covenants in FY25 and the Company is forecast to operate within the terms of the covenants for the next 12 months from signing.

Whilst no equity funding is being sought, it remains an option in the future for the Company should additional growth funding be required as the number of cases in the portfolio increases.

These sources of finance, along with a profitable forecast for trading and cash generation for the next 12 months and with mitigating actions available to the directors, if short-term cash was needed to be generated, has led the Directors to conclude that it is appropriate to adopt the going concern basis in preparing the financial statements.

For these reasons, they continue to adopt the going concern basis in preparing the Company's financial statements.

2.3 Functional and presentation currency

The financial information is presented in the functional currency, pounds sterling ("£") except where otherwise indicated.

2.4 New standards, amendments and interpretations

New and amended IFRS Standards that are effective for the current year:

During the current year, the Company adopted all new and revised standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee and that are endorsed by the UK that are effective for annual accounting periods beginning on or after 1 January 2024. None of them had a material impact on the financial statements.

- IAS 1 *Presentation of Financial Statements* (Amendments to Classification of Liabilities as Current or Non-current) (Effective from the year ending 31 March 2025)

The amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

- IAS 1 *Presentation of Financial Statements* (Amendment to Non-current liabilities with covenants). (Effective from the year ending 31 March 2025)

The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.

New and revised IFRS Standards in issue but not yet effective:

The following relevant IFRSs and amendments have been issued by the IASB but are not effective until a future period.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments) (periods commencing 1 January 2026) *
- Annual Improvements to IFRS Volume 11 (Amendments to IFRS 1 First-Time Adoption of IFRS; IFRS 7 Financial Instruments Disclosures; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows) (periods commencing 1 January 2026) *
- IFRS 18 Presentation and Disclosure in Financial Statements (periods commencing 1 January 2027) *
- IFRS 19 Subsidiaries without Public Accountability Disclosures (periods commencing 1 January 2027) *

*Not yet endorsed by the UK Endorsement Board.

The Board are currently assessing the impact of these new amendments on the company's financial reporting for future periods. However, the board does not expect any of the above to have a material impact on future results except for IFRS 18 which is expected to result in a change to the presentation of certain primary statements.

2.5 Revenue recognition

Revenue comprises two elements: the movement in fair value of investments and realised consideration.

Realised consideration occurs when a case is settled or a Court judgement received. This is an agreed upon and documented figure.

The movement in the fair value of investments is recognised as unrealised gains within revenue. This is Management's assessment of the increase or decrease in valuation of an open case, the inclusion of value for a new case and the removal of the fair value of a completed case. These valuations are estimated following the progress of a case towards completion and also reflect the judgement of the legal team working on the case (see Note 3. Significant Judgements and Estimates). Hence, unrealised revenue is the movement in the fair value of the investments in open cases over a period of time, net of eliminations of the previously recorded fair value of completed cases.

When a case is completed the carrying value is a deduction to unrealised income and the actual settlement value is recorded as realised revenue.

Revenue recognition differs between a purchased case, where full recognition of the settlement is recognised as revenue (including the insolvent estate's share) and a funded case where only the Company's share of a settlement is recognised as revenue. This differing treatment arises because the Company owns the rights to the purchased case.

As revenue relates entirely to the management of financial assets, revenue is recognised under the classification and measurement provisions of IFRS 9.

2.6 Finance expense and income

Finance expense

Finance expense comprises interest on bank loans and other interest payable. Interest on bank loans and other interest is charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Finance expenses also include costs associated with loan renewal fees, covenant amendments and unutilised fees.

Finance income

Finance income comprises interest receivable on funds invested and other interest receivable. Interest income is recognised in profit or loss as it accrues using the effective interest method.

2.7 Employee benefits: Pension obligations

The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.8 Financial assets

Classification

The Company classifies its financial assets at amortised cost or fair value through profit or loss. Financial assets do not comprise prepayments. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortised cost

The Company's financial assets held at amortised cost comprise trade and other receivables and cash in the Statement of Financial Position.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables) but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired asset.

Impairment provisions for trade receivables are recognised specifically against receivables where Management have identified default or delays to payment in addition to the simplified approach within IFRS 9 using lifetime

expected credit losses. The Company applies the simplified approach in providing for expected credit losses under IFRS 9 which allows the use of the lifetime expected credit loss provision for all trade receivables. In measuring the expected credit losses, trade receivables have been stratified by settlement type and days past due. Expected lifetime credit loss rates are based on payment profiles of completed cases from April 2022 to February 2025. For trade receivables which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Investments

Investments in cases are categorised at fair value through profit or loss. Fair values are determined on the specifics of each investment and will typically change upon an investment progressing through a key stage in the litigation or arbitration process in a manner that, in the Directors' opinion, would result in a third party being prepared to pay an amount different to the original sum invested for the Company's rights in connection with the investment. Positive material progression of an investment will give rise to an increase in fair value and an adverse progression a decrease. Management identifies and selects a number of material case valuations for external opinion. As such at any year-end, the valuation of a sample of material investments was underpinned by an external legal opinion, which supports the Directors' valuation.

The cartel cases are classified as non-current investments, with the exception of those which have entered into discussions, as they are long-term in nature where settlement will involve a considerable level of analysis, negotiation and legal process that is expected by Management to exceed 12 months. All other cases are classified as current assets as the Company policy is to reach a timely settlement on these cases in order to re-cycle working capital and this is expected to be within 12 months (although this can vary case to case and year to year, the average age of settled cases in FY25 in 16.4 months).

Valuation of investments

Determining the value of purchased and funded litigation requires an estimation of the value of such assets upon acquisition and at each reporting date. The future income generation of such litigation is estimated from known information and the opinion of external senior specialist counsel and solicitors in select cases. Valuations of each case, at the balance sheet date, are therefore arrived at by the Directors, considering Counsel's, or external lawyer's, assessment of the chances of a successful outcome, the state of progress of the matter through the legal system and the Directors' assessment of all other risks specific to the case.

Contract assets are initially recognised in respect of earned interest revenue earned on completed cases but where the settlement will be paid to the Company over a significant period of time (i.e. there is a significant financing component implicit in the transaction). The unwinding of contract assets is recognised within revenue.

2.9 Financial liabilities

The Company classifies its financial liabilities in the category of financial liabilities at amortised cost. All financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provision of the instrument. Trade and other payables and borrowings are included in this category.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are de-recognised from the balance sheet when the obligation specified in the contract is discharged, is cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other operating income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Arrangement fees in relation to a £17.5m loan facility with HSBC agreed in March 2025 have been capitalised and will be amortised over the length of the agreement, initially 3.25 years.

These capitalised costs of £738,111 as at 31 March 2025 (31 March 2024: £23,892) have been netted off against borrowings in the Statement of Financial Position.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Accounts

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer. The unwinding of contract liabilities is recognised within Cost of Sales.

2.10 Share capital

Ordinary shares are classified as equity. There is one class of ordinary share in issue, as detailed in note 18. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds, net of tax.

2.11 Income tax

Income tax for the years presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Temporary differences are not recognised if they arise from a) the initial recognition of goodwill, and b) for the initial recognition of other assets or liabilities in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.12 Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Monte Carlo, Binomial or Black Scholes pricing model which takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

3. Significant judgements and estimates

The preparation of the Company's financial statements under UK adopted International Accounting Standards requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the statement of financial position date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liability affected in the future.

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below.

Valuation of investments

Investments in cases are categorised as fair value through profit or loss. Fair values are determined on the specifics of each investment and will typically change upon an investment progressing through a key stage in the litigation or arbitration process in a manner that, in the directors' opinion, would result in a third party being prepared to pay an amount different to the original sum invested for the company's rights in connection with the investment. Due to the nature of Manolete's business model, an unrealised fair value gain will be recognised on initial investment in a case. Thereafter, positive material progression of an investment will give rise to an increase in fair value and an adverse progression a decrease.

The key stages that an individual case passes through typically includes: initial review on whether to make a purchase or funding offer, correspondence from the Company in-house lawyer, usually via externally retained solicitors, to the opposing party notifying them of the Company's assignment or funding of the claim, a fully particularised Letter Before Action and an invitation to without prejudice settlement meetings or mediation, if the opposing party does not respond then legal proceedings are issued. Further evidence may be gathered to support the claim. Eventually a court process may be entered into. The progress of a case feeds into the directors' valuation of that case each month, as set out below.

In accordance with IFRS 9 and IFRS 13, the Company is required to recognise live case investments at fair value at the half year and year end reporting periods, at 30 September and 31 March each year.

The Company undertakes the following steps:

- On a weekly basis, the internal legal team report developments into the Investment Committee on a case-by-case basis in writing. Full reviews then take place on a monthly basis to review progress on all live cases, on a case-by-case basis.
- On a monthly basis, the directors adjust case fair values depending upon objective case developments, for instance: an offer to settle, mediation agreed, positive or negative legal advice. These adjustments to fair value may be an increase or decrease in value or no change required;
- At reporting period ends, a sample of open case investments for which written assessments are obtained from external solicitors or primary counsel working on the case on behalf of the Company.

In all cases, a headline valuation is the starting point of a valuation from which a discount is applied to reflect legal advice obtained, strength of defendant's case, the likely amount a defendant might be able to pay to settle the case, progress of the case through the legal process and settlement offers.

Movements in fair value on investments in cases are included within revenue in the Statement of Comprehensive Income. Fair value gains or losses are unrealised until a final outcome or stage is reached. At the year-end there were 419 open cases, of these 373 had a valuation of less than £100k. These cases are not expected to have an individually material impact on the business when they are settled. The remaining 46 cases make up £25.6m of the Investments and are material to the business, the significant judgements and estimates in their valuations at the balance sheet date were as follows:

1. Judgements:

1.1 The amount that cases are discounted to recognise cases being settled before they are taken to Court, based on the facts of each case and management's judgement of the likely outcome.

1.2 Litigation is inherently uncertain. The Company seeks to mitigate its risk by seeking to settle cases as early as possible. Nevertheless, the risk and uncertainty can never be completely removed. The key inputs are: the headline claim value, the likely settlement value, the opposing party's ability to pay and the likely costs in achieving judgement. These inputs are inter-related to an extent.

1.3 The Company accrues for future legal costs on the basis that cases will be settled before trial which is how the vast majority of cases completed to date have been settled. When it becomes clear a case will progress all the way to trial then the additional costs are accrued at this point on a case-by-case basis.

1.4 The Company classifies all legal cases (non-cartel) as current assets as the intention and expectation is to reach a settlement within 12 months. Cartel cases are classified as non-current assets as the legal process for these Competition Law cases is a longer-term process except where settlement negotiations have commenced.

2. Estimates:

2.1 All cases will be subject to the internal key stages and regular fair value review processes as described above. For the avoidance of doubt, the fair value review requires an estimate to be made by senior management based upon the facts and progress of the case and their experience. For a sample selected by Management, an external opinion is requested from counsel or a solicitor who is working on the case which provides an independent description of the merits of the case.

These assessments include various assumptions that could change over time and lead to different assessments over the next 12 months.

2.2 Future legal costs have been estimated on the estimated time the case will take to complete and whether it will go to Court. Future results could be materially impacted if these original estimates change either positively or negatively.

2.3 Recovery of debts is based on the Company's ability to recover assets owned by the counterparty. Prior to case acceptance, a net worth review of the defendant is undertaken to assess whether they own sufficient assets to support the claim value. Cases that are settled without going to Court typically recover in full, whilst those that result in Court cases are less predictable in terms of full recovery.

2.4 The valuations assume that there is no recovery for interest and costs except for the cartel cases which do assume a figure for both costs recovery and interest charge. If cases go to Court and result in a judgement in the Company's favour, it is likely that the Company will be awarded interest and costs.

Sensitivity analysis has not been included in the financial statements, due to the vast amount of inputs and number of variables which are inherently specific to each case, making it impossible to provide meaningful data. Whilst the Board considers the methodologies and assumptions adopted in the valuation are supportable, reasonable and robust, because of the inherent uncertainty of valuation, it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year are different from the assumptions could require a material adjustment to the carrying amount of the £41.5m of investments disclosed in the balance sheet (Note 12). However, as an indication we note that a 10% increase/(decrease) in the fair value of our top 20 cases (excluding cartel cases) would result in an increase/(decrease) in the fair value investment of +/- £0.9m.

Approach to cartel case valuation:

Following publication of the ruling in respect of an EU Competition test case (the "BT / Royal Mail" case) we requested that our independent expert valuation firm apply the assumptions contained within the test case ruling to the valuation of Manolete's 22 cartel cases. Following the ruling and the receipt of further case data, the directors consider that additional discounting, or the use of a "tier based" system is no longer required and the year-end valuation therefore represents Manolete's percentage ownership of the overall case valuation. The cartel case carrying valuation as at 31 March 2025 was £15.4m (FY24 £15.1m).

Recoverability of trade receivables

The Company's business model involves the provision of services for credit. The Company normally receives payment for services it has provided once a claim has been pursued and settled or decided in Court. The average time from taking on a case to settlement is c.13.8 months although this can vary significantly from case to case. As part of the settlement agreement, the timing of payment of the award by the defendant to the Company is agreed and this is a legally binding document. Settlements can be received in full on the day of settlement or (at Management's discretion) paid in instalments over a defined settlement plan.

As such, Management applies a number of estimates and judgements in the recording of trade receivables, for example: in relation to default judgements Management assess the likely recoverability and do not necessarily recognise the full judgement.

The Company applies the simplified approach in providing for expected credit losses under IFRS 9 which allows the use of the lifetime expected credit loss provision for all trade receivables. In measuring the expected credit losses, trade receivables have been stratified by settlement type and days past due. Expected lifetime expected credit loss rates are based on the payment profiles of completed cases from April 2022 to February 2025. The Company attempts to assess the probability of credit losses but seeks to mitigate its credit risk by undertaking rigorous net worth checks before taking on a case. Occasionally credit defaults do occur when counterparties default on an agreed settlement payable by instalments. There is a concentration risk in relation to the trade receivable of £5.9m which relates to a large case completion in FY21. Repayments to date have been made according to the agreed schedule. Based on Management's assessment of the receivable no provision has been recognised against this balance.

Recovery of receivables is closely monitored by Management and action, where appropriate, will be taken to pursue any overdue payments. The Company seeks to obtain charging orders over the property of trade receivables as security where possible. The receivables' ageing analysis is also evaluated on a regular basis for potential doubtful debts. Where potential doubtful debts are identified specific bad debt provisions are held against these. It is the Directors' opinion that no further provision for doubtful debts is required. Please see note 13 of the accounts.

Recoverability of deferred tax asset on unutilised tax losses

The Company has recognised a deferred tax asset of £278k (FY24: £938k) in respect of estimated unutilised trading losses and temporary differences on share options, which are available to carry forward against future taxable profits. Management have considered whether, in their judgement, it is probable (i.e. more likely than not) that sufficient taxable profits will be generated such that an asset can be recognised. During the year the Company reported a profit before tax of £1.3m which the asset has been utilised against. The Board consider that the performance in FY24 and FY25 reflects a recovery from the

effects or temporary Covid-related business support measures and therefore, having considered the Company's projections used for going concern assessments, that it is probable that taxable profits will be available against which to utilise the full £0.7m of available unutilised losses.

4. Segmental reporting

During the year ended 31 March 2025, revenue was derived from cases funded on behalf of the insolvent estate and cases purchased from the insolvent estate, which are mostly undertaken within the UK. Where cases are funded, upon conclusion, the Company has the right to its share of revenue; whereas for purchased cases, it has the right to receive all revenue, from which a payment to the insolvent estate is made. Revenues arising from funded cases and purchased cases are considered one business segment and are considered to be the one principal activity of the Company. All revenues derive from continuing operations and are not seasonal in nature.

Net realised gains on investments in cases represents realised revenue on completed cases.

Fair value movements include the increase / (decrease) in fair value of open cases, the removal of the carrying fair value of realised cases (in the period when a case is completed and recognised as realised revenue) and the addition of the fair value of new cases.

	31 March 2025 £000s	31 March 2024 £000s
Net realised gains on investments in cases	29,475	24,183
Fair value movements (net of transfers to realisations) - Note 12	1,006	2,112
	<u>30,481</u>	<u>26,295</u>

Net realised gains on investments includes £805k (FY24: £802k) in respect of the unwinding of a discounted settlement receivable. See note 15 for further detail.

	31 March 2025 £000s	31 March 2024 £000s
Arising from:		
Purchased cases	29,807	26,985
Funded cases	674	(690)
	<u>30,481</u>	<u>26,295</u>

5. Directors and employees

Staff costs for the Company during the year:

	31 March 2025 £000s	31 March 2024 £000s
Staff costs (including directors):		
Wages and salaries	3,438	3,562
Social security costs	454	436
Other pension costs and benefits	446	484
Total staff costs	<u>4,338</u>	<u>4,482</u>

The average monthly number of employees (including executive and non-executive directors) employed by activity was:

	31 March 2025 No.	31 March 2024 No.
Directors (executive and non-executive)	6	6
Management and administration	23	23
Average headcount	<u>29</u>	<u>29</u>

The aggregate amount charged in the accounts for key management personnel (including employer's National Insurance contributions), being the directors of the company, were as follows:

	31 March 2025 £000s	31 March 2024 £000s
Directors' emoluments:		
Short term employee benefits	1,602	1,554
Share based payments	109	247
	<u>1,711</u>	<u>1,801</u>

Directors remuneration is detailed in the Remuneration report. The number of directors to whom retirement benefits accrued was 3 (FY24: 3). No options were exercised by directors in FY25 (FY24: no directors exercised options)

	31 March 2025 £000s	31 March 2024 £000s
Highest paid director:		
Short term employee benefits	575	545
Share based payments	113	103
	<u>688</u>	<u>648</u>

Management consider the directors to be the key management personnel. The total share based payment expense in the year attributable to the Board was £255k. (FY24: £247k).

6. Operating profit

Is stated after charging:

	31 March 2025 £000s	31 March 2024 £000s
Bad debts including expected credit loss expense	1,343	1,362
Share based payments	283	336

7. Auditor remuneration

Amounts payable to RSMUK Audit LLP in respect of the Interim audit for FY24 and Gravita II LLP in respect of the Year-end audit for FY25 and FY24 and the interim audit of FY25 in respect of both audit and non-audit services are set out below.

	31 March 2025 £000s	31 March 2024 £000s
Fee payable to Company's auditor and its associates for the statutory audit of the Company's financial statements	122	122
Fees payable to Company's auditor and its associates for other services:		
Interim agreed upon procedures (2024: RSMUK Audit LLP)	13	11
Total	135	133

8. Analysis of expenses by nature

Internal legal costs are included within administrative expenses whereas external legal costs are either capitalised as Investments for open cases or recognised as cost of sales on completed cases.

The breakdown by nature of administrative expenses is as follows:

	31 March 2025 £000s	31 March 2024 £000s
Staff costs, including pension and healthcare costs	4,338	4,482
Bad debts including expected credit loss expenses	1,343	1,362
Professional fees	718	669
Marketing costs	323	365
Other costs, including office costs	741	766
Total administrative expenses	7,463	7,644

9. Finance income and finance expense

	31 March 2025 £000s	31 March 2024 £000s
Bank interest	22	16
Total finance income	22	16
	31 March 2025 £000s	31 March 2024 £000s
Other loan interest	158	196
Bank loan charges	1,485	1,283
Total finance expense	1,643	1,479

10. Taxation

	31 March 2025 £000s	31 March 2024 £000s
Analysis of charge/(credit) in year		
Current tax charge on profits for the year	-	-
Adjustments in respect of prior periods	-	735
Income tax charge	-	735
Deferred tax charge/(credit)	454	(630)
Total tax charge	454	105

The tax charge for the year differs from the standard rate of corporation tax in the UK of 25%. (FY24: 25%). The differences are explained below.

	31 March 2025 £000s	31 March 2024 £000s
Profit on ordinary activities before tax	1,347	1,038
Profit on ordinary activities multiplied by the rate of corporation tax in the UK as above	337	259
Effects of		

Effects of:

Expenses not deductible	93	105
Adjustments to current tax in respect of previous periods	-	735
Deferred tax charged directly to equity	(206)	41
Temporary differences not recognised in the computation	-	(71)
Brought forward losses utilised in the year	(430)	(364)
Movement in temporary difference	660	-
Recognition of deferred tax asset not previously recognised	-	(600)
Total taxation charge	454	105

At 31 March 2025 the Company had estimated unutilised losses to carry forward of £0.7m (FY24: £2.4m). A deferred tax asset of £278k in respect of estimated tax losses of £0.7m has been recognised (see Note 16).

From 1 April 2023 the headline rate of UK corporation tax increased to 25% and the deferred tax asset has been measured by reference to this rate. Losses do not expire.

11. Earnings per share

The basic earnings per share is calculated by dividing the profit/(loss) attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit/(loss) after tax by the weighted average number of shares in issue during the year, adjusted for potentially dilutive share options.

The following reflects the income and share data used in the earnings per share calculation:

	31 March 2025 £000s	31 March 2024 £000s
Profit for the period attributable to equity holders of the Company	894	933
Weighted average number of ordinary shares	43,777,359	44,135,972
Earnings per share	2.04p	2.11p

Basic Earnings Per Share is based on the profit for the year attributable to the equity holders of the Company dividend by the weighted average number of ordinary shares during the period.

	31 March 2025 £000s	31 March 2024 £000s
Profit for the period attributable to equity holders of the Company	894	933
Diluted weighted average number of ordinary shares	44,490,399	45,128,751
Diluted earnings per share	2.01p	2.07p

Reconciliation of number of shares and diluted shares at year end:

	31 March 2025 £000s	31 March 2024 £000s
Weighted average number of shares for Basic Earnings Per Share	43,777,359	43,761,305
Adjustments for calculation of Diluted Earnings Per Share:		
Options over ordinary shares	713,040	1,366,751
Weighted average number of shares for Diluted Earnings Per Share	44,490,399	45,128,056

The earnings per share is diluted by options over ordinary shares, as detailed in note 20.

12. Investments

Non-current investments and current asset investments comprise the costs incurred in bringing funded and purchased cases to the position that they have reached at the balance sheet date. In addition, where an event has occurred that causes the Directors to revalue the amount invested, a fair value adjustment is made by the Directors based on Counsel's and the Directors' opinion, which can either be positive or negative (see Note 3 on accounting estimates).

	31 March 2025 £000s	31 March 2024 £000s
As at 1 April 2024	40,196	36,462
Prepaid cost additions	6,865	6,355
Realised prepaid costs	(6,617)	(4,733)
Fair value movement (net of transfers to realisations)	1,006	2,112
As at 31 March 2025	41,450	40,196

12. Investments (continued)

	31 March 2025	31 March 2024

	£000s	£000s
Current	30,110	28,903
Non-current	11,340	11,293
As at 31 March 2025	41,450	40,196

Analysis of fair value movements

	31 March 2025 £000s	31 March 2024 £000s
New case investments	10,090	12,325
Increase in existing case fair value (excl. cartel cases)	1,556	488
Decrease in existing case fair value (excl. cartel cases)	(2,375)	(3,982)
Case completions - transferred to realisations	(8,245)	(6,811)
Increase in fair value of cartel cases	(20)	92
Fair value movement (net of transfers to realisations)	1,006	2,112

13. Trade and other receivables

	31 March 2025 £000s	31 March 2024 £000s
Amounts falling due in excess of one year:		
Trade receivables	9,423	11,738
Contract asset	2,767	2,465
Total trade and other receivables due in excess of one year	12,190	14,203
Amounts falling due within one year:		
Gross trade receivables	25,549	21,203
Less:		
Specific provisions	(5,043)	(4,507)
Allowance for expected credit losses	(1,321)	(1,838)
Trade receivables	19,185	14,858
Prepayments	187	219
Total trade and other receivables due within one year	19,372	15,077

Trade receivables are amounts due from settled cases in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Ageing of the expected credit loss allowance is included in note 24.

The contract asset relates to the unwinding of the discounting applied to the present value of the settlement of a large case which settled in FY21. Unwinding income of £735k (FY24: £805k) and unwinding expense of £538k (FY24: £578k) were recognised in the year in respect of this single large case. No other receivables are discounted.

No impairment provision has been recognised in respect of the contract asset as there is no past history of impairment losses and future losses are not anticipated.

Movements in the allowance for expected credit losses (ECL) are as follows:

ECL Provision	31 March 2025 £000s	31 March 2024 £000s
At 1 April 2024	1,838	1,794
Increase in provisions for impairment	(517)	44
As at 31 March 2025	1,321	1,838

The Company applies the simplified approach in providing for expected credit losses under IFRS 9 which allows the use of the lifetime expected credit loss provision for all trade receivables. In measuring the expected credit losses, trade receivables have been stratified by settlement type and days past due. Expected lifetime credit loss rates are based on the payment profiles of completions from April 2022 to February 2025.

14. Cash and cash equivalents

	31 March 2025 £000s	31 March 2024 £000s
Cash at bank and in hand	692	1,452

All bank balances are denominated in pounds sterling.

15. Trade and other payables

31 March 2025	31 March 2024
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	£000s	£000s
Amounts falling due in excess of one year:		
Accruals - direct costs	5,600	6,651
Contract liability	1,984	1,783
Total trade and other payables due in excess of one year	7,584	8,434
Amounts falling due in one year:		
Trade payables	1,450	1,325
Accruals - direct costs	10,332	6,714
Other creditors	1,280	1,058
Other taxation and social security	133	138
Total trade and other payables due within one year	13,195	9,235

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying value of trade and other payables approximates their fair value, as the impact of discounting is not significant except one large case described below.

Accruals - direct costs relate primarily to accrued amounts due to Insolvency Practitioners on the Company's completed cases and accrued legal costs of completed cases. Of the £7.7m shown as non-current, £3.5m relates to the amounts payable to the Insolvency Practitioner due in more than one year in respect of the large case completion in FY21.

The contract liability relates to the unwinding of the discounting applied to the present value of amounts payable to the insolvency practitioner following the settlement of a large case settled in FY21.

16. Deferred tax asset

	31 March 2025 £000s	31 March 2024 £000s
At 1 April 2024	938	267
Deferred tax charged in the income statement for the period	(454)	630
Deferred tax included directly in equity	(206)	41
At 31 March 2025	278	938

Deferred tax has been charged to equity reserve where these movements in deferred tax assets relate to releases and creation of share options.

Deferred tax assets are recognised in respect of:

	31 March 2025 £000s	31 March 2024 £000s
Unutilised losses carried forward	170	600
Temporary differences on share options	106	336
Other items	2	2
Total	278	938

At 31 March 2025 the Company had estimated unutilised losses to carry forward of £0.7m (FY24: £2.4m). The losses are expected to be recoverable against future profits.

17. Borrowings

	31 March 2025 £000s	31 March 2024 £000s
Non-current		
Bank loans	11,762	13,726
Total non-current borrowings	11,762	13,726

Arrangement fees of £738,111 in relation to a £17.5m loan facility renewed with HSBC in March 2025 are capitalised and amortised over the original length of the loan facility, a period of 39 months. There is an option to extend for a further year.

Gross borrowings are £12.5m as at 31 March 2025 (FY24: £13.7m) but are presented net of HSBC set-up amortised costs of £738k above which are being amortised over 39 months. Maturity analysis, interest rates and covenant compliance of bank loans is included in note 24.

The Company agreed on 28 March 2025, a new RCF for £17.5m over an initial 39 month period to 28 June 2028, with an option to extend by a further year.

Under terms of the agreement, Steven Cooklin is required to maintain a minimum shareholding of 5% of the issued share capital of the Company and is subject to a change in control clause such that no investor may hold more than 30% of the voting rights of the Company.

Interest is charged on any utilised funds.

Reconciliation of liabilities arising from financing activities:

1 April 2024	Cash flows	Non-cash changes	31 March 2025
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	£'000s	£'000s	£'000s	31 March
	Bank borrowings	Cash flows	Non-cash changes	2025
Total liabilities from financing activities	13,726	(1,250)	(714)	11,762

	1 April 2023 £'000s	Cash flows £'000s	Non-cash changes £'000s	31 March 2024 £'000s
Bank borrowings	10,381	3,250	95	13,726
Total liabilities from financing activities	10,381	3,250	95	13,726

The Directors consider the carrying value of all financial liabilities to be equivalent to their fair value.

18. Share capital

	31 March 2025 No.	31 March 2024 No.
Allotted and issued Ordinary shares of £0.004 each	43,761,305	43,761,305

Voting rights

The holders of ordinary shares are entitled to one voting right per share.

Dividends

The holders of ordinary shares are entitled to dividends out of the profits of the Company available for distribution.

19. Reserves

Share capital

Includes the Company's nominal share capital.

Share premium

Includes all premiums received on issue of share capital in excess of nominal value.

Share based payment reserve

Includes amounts recognised for the fair value of share options in issue in accordance with IFRS 2 plus the equity element of associated deferred tax asset movements.

Retained earnings

Includes all current and prior periods retained profits and losses.

20. Share options

The Company operates a number of share-based payment schemes as follows:

CSOP Share Scheme

The Board has adopted the Manolete Partners Company Share Option Plan (CSOP) to enable conditional share awards to be granted, which may be subject to achievement of performance criteria and the awards are exercisable between three and ten years following their grant. There are no cash-settlement alternatives and the awards are therefore accounted for under IFRS 2 as equity settled share-base payments.

In addition to CSOP share options, unapproved share options have also been granted which do not qualify for the tax exempt criteria. These are detailed below.

Year ended 31st March 2025

Grant date	Vesting Date	Exercise price £	Balance brought forward	Granted during the year	Exercised during the year	Lapsed/forfeited	Balance carried forward
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21/11/2019	21/11/2021	1.12	370,806	-	-	-	370,806
08/07/2019	08/07/2022	4.45	50,557	-	-	(3,370)	47,187
29/11/2019	29/11/2022	4.65	16,127	-	-	(3,225)	12,902
09/12/2019	09/12/2022	4.30	193,781	-	-	-	193,781
27/07/2020	27/07/2023	4.15	14,456	-	-	(7,228)	7,228
16/11/2022	16/11/2025	2.58	34,950	-	-	-	34,950
26/11/2024	26/11/2027	0.98	-	122,448	-	-	122,448
			680,677	122,448	-	(13,823)	789,302
Exercisable at the end of the year							631,904
Weighted average exercise price				2.50	0.98	-	4.34
							2.23

Year ended 31st March 2024

Grant date	Vesting Date	Exercise Price £	Balance brought forward	Granted during the year	Exercised during the year	Lapsed/forfeited	Balance carried forward
21/11/2019	21/11/2021	1.12	370,806	-	-	-	370,806
08/07/2019	08/07/2022	4.45	50,557	-	-	-	50,557
29/11/2019	29/11/2022	4.65	16,127	-	-	-	16,127
09/12/2019	09/12/2022	4.30	193,781	-	-	-	193,781
27/07/2020	27/07/2023	4.15	14,456	-	-	-	14,456
16/11/2022	16/11/2025	2.58	34,950	-	-	-	34,950
			680,677	-	-	-	680,677
Exercisable at the end of the year							645,727
Weighted average exercise price				2.50	-	-	2.50

Options outstanding as at 31 March 2025 are exercisable at prices ranging between £0.98 and £4.65 (FY24 £1.12 and £4.65) and the weighted average contractual life of the options outstanding at the reporting date is 64 months (FY24: 67 months) as analysed in the table below:

Exercise price range	Number of share options		Weighted average remaining contractual life (months)
	FY25	FY24	
£0.98 - £1.99	493,254	370,806	67
£2.00 - £3.99	34,950	34,950	92
£4.00 - £4.65	261,098	274,921	56
	789,302	680,677	64
			67

	Number of share options		Average exercise price £
	FY25	FY24	
CSOP Options	277,563	168,938	2.05
Unapproved Options	511,739	511,739	2.32
Total	789,302	680,677	2.23
			2.50

Fair value calculations

The fair value of the CSOP share options plans are calculated at the date of the grant using the Black-Scholes option pricing model. Expected volatility was determined by calculating the historical volatility of the Company's share price over an appropriate period. The charge recognised in profit or loss in regard to CSOP and unapproved options was £24,013 (FY24: £10,749).

Long-term incentive plan

In FY21 the Company introduced an equity-settled long-term incentive plan (LTIP) scheme for the executive directors. Performance is measured at the end of the three-year performance period. The awards granted in FY25 are measured equally across three criteria; EPS, Share price and strategic performance. Options awarded will expire ten years from the date of grant and are issued at the nominal value of the Company's share capital of £0.004p but the Company's remuneration committee may waive the requirement at their discretion.

The following table summarises the movements in LTIP options during the year:

Year ended 31st March 2025

Grant date	Vesting Date	Exercise price £	Balance brought forward	Granted during the year	Exercised during the year	Lapsed/forfeited	Balance carried forward
30/09/2020	30/03/2022	0.004	53,333	-	-	(53,333)	-
30/09/2020	30/09/2023	0.004	321,334	-	-	(321,334)	-
02/12/2021	02/12/2024	0.004	357,806	-	-	(357,806)	-
29/07/2022	29/07/2025	0.004	349,800	-	-	-	349,800
29/07/2022	29/07/2023	0.004	16,054	-	-	-	16,054
18/07/2023	18/07/2026	0.004	475,914	-	-	-	475,914
18/09/2024	18/09/2027	0.004	-	600,000	-	-	600,000
			1,573,914	600,000	-	(732,473)	1,441,441
Exercisable at the end of the year							
Weighted average exercise price							
						0.004	1,441,441

Year ended 31st March 2024

Grant date	Vesting Date	Exercise price £	Balance brought forward	Granted during the year	Exercised during the year	Lapsed/forfeited	Balance carried forward
30/09/2020	30/03/2022	0.004	53,333	-	-	-	53,333
30/09/2020	30/09/2023	0.004	321,334	-	-	-	321,334
02/12/2021	02/12/2024	0.004	357,806	-	-	-	357,806
29/07/2022	29/07/2025	0.004	349,800	-	-	-	349,800
29/07/2022	29/07/2023	0.004	16,054	-	-	-	16,054
18/07/2023	18/07/2026	0.004	-	475,587	-	-	475,587
			1,098,327	475,587	-	-	1,573,914
Exercisable at the end of the year							
Weighted average exercise price							
						0.004	

No options were exercised during the period and no options were modified. The weighted average remaining contractual life of these options is 102 months (FY24: 96 months). No LTIP options were in issue prior to the 1 April 2020.

Fair value calculations

The fair value of the LTIP share options plans are calculated at the date of the grant using the Monte-Carlo and Binomial simulation pricing models. Expected volatility was determined by calculating the historical volatility of the Company's share price over an appropriate period. The following table presents the inputs used in the option pricing model for the share options granted in the years ended 31 March 2025 and 31 March 2024 based on the information at the date of grant:

Grant date of award	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/07/2023	2.08	0.004	46.5%	0%	4.77%	0.64
18/09/2024	1.07	0.004	41.7%	0%	3.65%	0.28

LTIP awards granted during the year ended 31 March 2025 are subject to the Earnings Per Share performance, Strategy performance and share price conditions. At each reporting date, the Board consider the likelihood of vesting conditions being met in determining the charge to be recorded in the profit or loss, with the exception of LTIPs carrying a market condition where the likelihood of achieving the target share price is not revisited after grant. During the year it was determined that LTIP awards granted in FY21 and FY22 failed to vest and so were treated as lapsed. After accounting for the write back the accumulated charge for LTIPs which failed to vest, the net charge recognised in the profit or loss was £109,223 (FY24: £247,349).

2 Year Share Scheme

In FY24, the Company introduced a 2 year share scheme for the employees of the organisation (excluding Directors). Share options are awarded in respect of the financial year, following approval by the Remuneration Committee, and based on an individual's performance. These share options vest after 2 years of continued good performance in the Company. Once vested, the options can be exercised until 10 years from the grant date. The options are equity settled. The options were valued using the intrinsic value model, being the difference between the Company's share price at the date of the grant and the exercise price which is the nominal value of a share.

The following table summarises the movements in 2 Year Share Scheme options during the year:

Year ended 31st March 2025

Grant date	Vesting	Exercise	Balance	Granted	Exercised	Lapsed/	Balance
------------	---------	----------	---------	---------	-----------	---------	---------

	Date	price	brought forward	during the year	during the year	forfeited	carried forward
29/06/2023	29/06/2025	0.004	87,167	-	-	(8,381)	78,786
18/09/2024	18/09/2026	0.004	-	177,273	-	-	177,273
			87,167	177,273	-	(8,381)	256,059
Exercisable at the end of the year							
Weighted average exercise price		0.004	0.004	-	0.004	0.004	

Year ended 31st March 2024

Grant date	Vesting Date	Exercise price	Balance brought forward	Granted during the year	Exercised during the year	Lapsed/forfeited	Balance carried forward
29/06/2023	29/06/2025	0.004	-	87,167	-	-	87,167
			-	87,167	-	-	87,167
Exercisable at the end of the year							
Weighted average exercise price		-	0.004	-	-	0.004	

No options were exercised during the period and no options were modified. The weighted average remaining contractual life of these options is 277 months (FY24: 356 months). The charge recognised in the profit or loss in respect of 2 year share schemes was £149,317 (FY24: £78,011).

21. Retirement benefits

The Company operates a defined contribution pension scheme for all qualifying employees. During the year, the Company charged £103,211 (FY24: £99,669) as employer's pension contributions. The outstanding pension creditor as at 31 March 2025 was £8,111 (FY24: £8,227).

22. Financial instruments - classification and measurement

Financial assets

Financial assets measured at amortised cost comprise trade receivables, contract assets and cash, as follows:

	31 March 2025 £000s	31 March 2024 £000s
Trade receivables	28,609	26,596
Contract assets	2,767	2,465
Cash and cash equivalents	692	1,452
Total	32,068	30,513

Financial assets measured at fair value through profit or loss comprise of investments;

	31 March 2025 £000s	31 March 2024 £000s
Investments	41,450	40,196
Total	41,450	40,196

Financial liabilities

Financial liabilities measured at amortised cost comprise of trade and other payables and bank loans, as follows:

	31 March 2025 £000s	31 March 2024 £000s
Trade and other payables	20,780	17,669
Bank loans	11,762	13,726
Total	32,542	31,395

Fair value

The fair value of investments is determined as set out in the accounting policies in Note 2. The fair value hierarchy of financial instruments measured at fair value is provided below:

31st March 2025	Level 1 £000s	Level 2 £000s	Level 3 £000s
Investments	-	-	41,450
Total	-	-	41,450

31st March 2024	Level 1 £000s	Level 2 £000s	Level 3 £000s
Investments	-	-	40,196
Total	-	-	40,196

23. Cashflow information

(A) Non-cash adjustments to cashflows generated from operations

	31 March 2025 £000s	31 March 2024 £000s
Fair value movements	(1,006)	(2,112)
Legal costs on realised cases	6,617	4,733
Finance expense	1,643	1,479
Share based payments	283	336
Finance income	(22)	(16)
Non-cash adjustments to cashflows generated from operations	7,515	4,420

(B) Net debt

	31 March 2025 £000s	31 March 2024 £000s
Cash and cash equivalents	692	1,452
Borrowings - repayable after one year	(11,762)	(13,726)
Net debt	(11,070)	(12,274)

24. Financial instruments - risk management

The Company's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), investment risk, liquidity risk and credit risk. Risk management is carried out by the Board of Directors. The Company uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

The Company finances its operations through a mixture of equity finance, bank debt, cash and liquid resources and various items such as trade receivables and trade payables which arise directly from the Company's operations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest bearing assets including cash and cash equivalents are short-term liquid assets. It is the Company's policy to settle trade payables within the credit terms allowed and the Company does therefore not incur interest on overdue balances. No sensitivity analysis has been prepared as the impact on the financial statements would not be significant.

The interest rate profile of the Company's borrowings is shown below:

	31 March 2025	31 March 2024		
	Debt £000s	Interest Rate	Debt £000s	Interest Rate
Floating rate borrowings				
Bank loans	12,500	SONIA and Margin of 4.0%	13,750	SONIA and Margin of 4.7%

Sensitivity to variable interest rates

Interest charged on the bank loan is a variable rate and is therefore sensitive to the movements in UK interest rates. Whilst interest rates have increased over the last 12 months it is now expected that UK interest rates will decrease over the next 12 months. The Company has considered interest rate hedges but has decided not to purchase such an instrument due to the high cost involved.

Liquidity risk

The Company seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Company has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

Unused borrowing facilities at the reporting date:

	31 March 2025 £000s	31 March 2024 £000s
Bank loans	5,000	3,750

The following table details the Company's remaining contractual maturity for the Company's financial liabilities with agreed maturity periods. The table is presented based on the undiscounted cashflows of the financial liabilities based on the

earliest date on which the Company can be required to pay which may differ from the carrying liabilities at the reporting date. Bank covenants were met during FY25.

At 31 March 2025	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Greater than 5 years	Total contractual cashflows	Carrying amount of liabilities
	£000s	£000s	£000s	£000s	£000s	£000s
Trade and other payables	13,425	2,248	3,273	801	19,746	20,097
Bank borrowings	-	-	12,500	-	12,500	11,762
Total	13,425	2,248	15,773	801	32,246	31,859

At 31 March 2024	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Greater than 5 years	Total contractual cashflows	Carrying amount of liabilities
	£000s	£000s	£000s	£000s	£000s	£000s
Trade and other payables	9,622	2,686	4,310	1,170	17,788	17,669
Bank borrowings	-	13,750	-	-	13,750	13,726
Total	9,622	16,436	4,310	1,170	31,538	31,395

Capital risk management

The Company is both equity and debt funded, and these two elements combine to make up the capital structure of the business. Equity comprises share capital, share premium and retained earnings and is equal to the amount shown as 'Equity' in the balance sheet. Debt comprises bank loans which are set out in further detail above and in note 17. The Company initially raised funds through an IPO in December 2018 and has drawn down £12.5m of a HSBC loan facility (FY24: £13.75m), the total facility is a £17.5m revolving credit facility with HSBC.

The Company's current objectives when maintaining capital are to:

- Safeguard the Company's ability to operate as a going concern so that it can continue to pursue its growth plans.
- Provide a reasonable expectation of future returns to shareholders.
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

During the year ended 31 March 2025 the Company's strategy remained unchanged.

Credit risk and impairment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The maximum exposure to credit risk is the carrying value of its financial assets recognised at the reporting date, as summarised below:

	31 March 2025 £000s	31 March 2024 £000s
Trade receivables	28,608	26,596
Contract asset	2,767	2,465
Cash and cash equivalents	692	1,452
Total maximum exposure	32,067	30,513

No expected credit loss ("ECL") provision is raised against bank balances or against the contract asset as management consider credit risk in both cases to be immaterial based on historical experience.

The Company applies the simplified approach in providing for expected credit losses under IFRS 9 which allows the use of the lifetime expected credit loss provision for all trade receivables. In measuring the expected credit losses, trade receivables have been stratified by settlement type and days past due. Expected lifetime credit loss rates are based on the payment profiles of receivables from April 2022 to February 2025.

The Company attempts to assess the probability of credit losses but seeks to mitigate its credit risk by undertaking rigorous net worth checks before taking on a new case. Occasionally, credit defaults do occur when counterparties default on an agreed settlement, payable by instalments.

There is a concentration risk in relation to the trade receivable of £5.9m in relation to a single case which completed in FY21. Repayments to date have been made according to the agreed schedule. Excluding this balance, the Company does not consider any concentration of risk within either trade or contract asset to be significant. The Company seeks to obtain charging orders over the property of trade receivables as security where possible. The receivables' ageing analysis is also evaluated on a regular basis for potential specific provisions in relation to trade receivables. It is the Directors' opinion that no further specific provisions are required.

The following table contains an analysis of the Company's total gross trade receivables segmented by settlement type.

	31 March 2025 £000s	31 March 2024 £000s
Settlement agreements	22,681	23,805
Judgements	7,248	4,629
Specific provisions	5,043	4,507
Gross carrying amount	34,972	32,941

Loss allowance	(6,363)	(6,345)
Trade receivables carrying amount	28,609	26,596

Analysis of trade receivables stratified by settlement type, is as follows:

Past due at 31 March 2025	Current £000s	0-1 months £000s	1-3 months £000s	3-6 months £000s	6-12 months £000s	>12 months £000s	Total £000s
Gross receivables							
Settlement agreements	17,736	657	297	214	2,048	2,998	23,950
Judgements	2,206	138	2,158	496	947	5,077	11,022
Total	19,942	795	2,455	710	2,995	8,075	34,972
Loss allowance							
Settlement agreements - ECL	(253)	(19)	(37)	(32)	(44)	(241)	(626)
Judgements - ECL	(311)	(64)	(5)	(77)	-	(238)	(695)
Settlement agreements	(117)	(7)	(15)	(22)	(422)	(687)	(1,270)
Specific provisions	-	-	-	-	-	-	-
Judgements	-	(64)	(2)	(6)	(8)	(317)	(3,376)
Specific provisions	-	(64)	(2)	(6)	(8)	(317)	(3,373)
Total	(745)	(92)	(63)	(139)	(783)	(4,542)	(6,364)
Expected loss rate %							
Settlement agreements	2%	5%	13%	16%	23%	39%	20%
Judgements*	34%	47%	47%	49%	57%	58%	50%
Total	4%	11%	3%	19%	26%	56%	18%

*Expected judgement loss rates are shown net of deductions where the Company has secured charging orders over properties owned by the debtors.

Expected credit loss ("ECL") rates have been calculated with reference to past history of credit losses within each ageing category. Management has sought to amend the rates if there are known future macroeconomic events that may alter those historical rates.

In respect of certain aged debtors, the Company may hold restrictions on a defendant's property sales and a charge over a defendant's property. Where significant assets are held by a defendant the Company may choose not to record an ECL or specific provision on the exposure of an aged debtor.

Judgements are handed down by a judge and are imposed on a defendant, the adversarial nature of the arrangement results in these balances being more difficult to collect, often requiring the forced sale of a defendant's asset which can take time to achieve.

The Company fully writes off an aged debtor when it believes that there are no prospects of recovery.

Credit risk on cash and cash equivalents is considered to be very low as the Company's banks hold Fitch credit ratings of A or above.

Investment risk

Investment risk refers to the risk that the Company's case investments may increase or decrease in value.

Sensitivity analysis has not been included in the financial statements, due to the vast number of inputs and number of variables which are inherently specific to each case, making it impossible to provide meaningful data. Whilst the Board considered the methodologies and assumptions adopted in the valuation are supportable, reasonable and robust, because of the inherent uncertainty of valuation, it is reasonably possible, on the basis of existing knowledge that outcomes within the next financial year that are different from the assumptions could require a material adjustment to the carrying amount of the £41.5m of investments disclosed in the balance sheet. However, as an indication we note that a 10% increase/(decrease) in the fair value of our top 20 cases (excluding Cartel cases) would result in an increase/(decrease) in the fair value investment of +/- £0.9m.

Currency risk

The Company is not exposed to any currency risk at present.

25. Related party transactions

Director and key management remuneration is disclosed in Note 5.

Lord Leigh, a Non-Executive Director of the Company, is a senior partner at Cavendish Corporate Finance LLP. The Company paid Cavendish Corporate Finance LLP £595,000 (FY24: £20,000) for the provision of consultancy services. The Company owed £525,000 to Cavendish Corporate Finance LLP as at 31 March 2025 (FY24: £nil).

26. Ultimate controlling party

The Company has no ultimate controlling party.

£(0.5)m

[2] The audited results differ from the Trading Update released on 29 April 2025 as the Board has deemed an additional 19 small Barclays BBL Pilot cases be aborted for commercial reasons with a consequential reduction in revenue from £30.8m to £30.5m.

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