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Distribution Finance Cap. Hldgs PLC
11 September 2025

This announcement contains inside information as stipulated under the UK version of the Market Abuse Regulation (EU no. 596/2014) as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time).

11 September 2025

Distribution Finance Capital Holdings plc

("DF Capital" or the "Company" together with its subsidiaries the "Group")

Results for the six months ended 30 June 2025

Significant growth and momentum

Full year profit expected to materially exceed current market guidance

Distribution Finance Capital Holdings plc, the specialist bank providing working capital solutions to dealers and manufacturers across the UK, today announces its results for the six months ended 30 June 2025.

- Delivered £9.0m of profit before tax, up c.20% on the comparable period (30 June 2024: adjusted PBT £7.5m).
- Record new lending, up c.17% to £828m (30 June 2024: £710m); supported by £1.4bn of facilities (30 June 2024: £1.1bn) and 1,491 dealers (30 June 2024: 1,250).
- Loan book reached £728m, (30 June 2024: £603 million; 31 December 2024: £666 million), up c.21% on prior year.
- Net interest margin (NIM) remained strong at 7.9% (30 June 2024: 7.8%), continuing to significantly exceed our previously communicated minimum 6% target.
- Strong arrears management resulted in low cost of risk at 0.63% (30 June 2024: 0.61% Adjusted Cost of Risk), demonstrated by arrears balances (1 day+ past due and including legal recoveries) remaining low at 0.9% of total loan book.
- Continued cost efficiency and management, despite significant investment in asset finance, with improved cost-to-income ratio of 57% (30 June 2024: 59%).
- Retail deposits total £688m (30 June 2024: £579 million) from approximately 15,500 accounts.
- Adjusted EPS increased to 3.8p (30 June 2024: 3.0p Adjusted EPS).
- Adjusted Tangible Net Asset Value (TNAV) per share ended the period at 70.2p (30 June 2024: 59.6p).

Post period end highlights and outlook

- Successful consumer lending authorisation and subsequent launch of asset finance proposition to the market with more than 75 dealers onboarded and first loans made.
- Loan book expectations unchanged with FY25 closing position expected to be between £750m and £800m.
- c£950m lending capacity based on existing capital and latent headroom within the BBB ENABLE Guarantee facility and Tier 2 facility, with a clear runway to £1.3bn loan book without the requirement for additional Tier 1 equity raise.
- The Group is now guiding for medium term NIM in the core inventory lending product of c7% over the medium term (previously 6%).
- As a result of our strong performance, particularly in net interest margin, we expect full year profit to materially exceed current market expectations with an improvement in market expectations for FY26 also anticipated.

	30 June 2025 6-month	30 June 2024 6-month	31 December 2024 12-month
Financial Highlights			
Gross revenues (£m)[1]	43.3	37.9	76.8
Adjusted profit before taxation (£m) [2]	9.0	7.5	14.4
Adjusted profit after taxation (£m) [3]	6.6	5.4	10.5
Gross loan book (£m) [4]	728	603	666
Net assets (£m) [5]			

Net assets (£m)	117.6	107.6	115.4
Customer deposits (£m)	688	579	650
Regulatory capital (£m)[6]	112	100	109
Common Equity Tier 1 capital ratio[7]	19.7%	23.2%	21.6%
Regulatory capital (as a % of RWA) [8]	21.7%	25.9%	23.8%
Gross yield[9]	12.2%	12.1%	12.2%
Net interest margin[10]	7.9%	7.8%	7.9%
Average customer rate for retail deposits[11]	4.80%	5.10%	5.16%
Adjusted cost of risk[12]	0.63%	0.61%	0.75%
Impairment loss coverage on loans to customers[13]	1.06%	1.32%	0.98%
Cost to income ratio[14]	57%	59%	59%
Adjusted basic earnings per share (pence) [15]	3.8	3.0	5.9
Adjusted tangible net assets per share[16]	70.2	59.6	63.8
Loans advanced to customers (£m)	828	710	1,440
Number of dealer customers[17]	1,491	1,250	1,334
Number of manufacturer partners[18]	97	90	88
Total credit available to dealers (£m)[19]	1,390	1,088	1,142

Carl D'Ammassa, Chief Executive Officer, commented *"The Group has made great progress in achieving our strategic ambitions and enjoyed another period of growth which underpins the significant increase in overall profitability. We continue to scale the bank efficiently and the launch of our asset finance product will significantly expand our addressable market opportunity whilst also deepening our relationships with manufacturer and dealer customers in the sectors we currently serve. With this fuller suite of products and services, DF Capital has an abundance of opportunities to grow lending. The foundations are now in place upon which we can build our medium-term growth plans."*

"Given the progress during the period, we expect full year results to be materially ahead of current market expectations, supporting the pace of our journey to deliver on the medium-term targets we laid out at the start of the year including ending FY28 with a loan book of c£1.3bn and a mid-teens return on equity."

An overview video of the results by CEO Carl D'Ammassa is available to watch here**:** https://bit.ly/DF_Capital_HY2025_Overview and on the Company's website: https://www.dfcapital-investors.com/

Analyst presentation

The Company will host an analyst webinar at 9am today relating to the results. Analysts wishing to join can register by emailing dfcapital@almastrategic.com

Investor presentation

The Company will also provide a presentation to existing and potential shareholders via the Investor Meet Company platform at 12:30pm today. Investors can register for the webinar here: https://www.investormeetcompany.com/distribution-finance-capital-holdings-plc/register-investor. A recording of the presentation will be made available on the Company's website following the conclusion of the investor presentation.

The person responsible for arranging the release of this announcement on behalf of the Company is Karen D'Souza (Company Secretary).

For further information contact:

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About DF Capital

DF Capital is a speciality lender providing flexible financing solutions that support the sales and growth of

DF Capital is a speciality lender providing flexible financing solutions that support the sales and growth of manufacturers, dealers and distributors operating in attractive underserved retail markets across the UK. As a bank, DF Capital's lending is underpinned by its award-winning savings products, straightforward digital platform, and exceptional customer service.

Chief Executive's Statement

Further strategic progress, unlocking growth and enhancing shareholder value

DF Capital operates in attractive, specialised lending niches supporting the growth of manufacturers, dealers and distributors operating predominantly in the UK. We support them with their working capital needs, provide tailored bespoke lending products to help them grow and, now having launched our asset finance lending proposition, we also help them sell more of their products and services to their customers directly.

It is this commitment to the sectors and markets in which we operate that draws a significant distinction to other banks and lenders. We are experts in what we do and deploy this experience, together with our unique digital-first, yet human touch operation, to enable the growth ambitions of our customers. Our lending is enabled by an award-winning deposit raising capability.

We believe our approach creates a competitive advantage and accordingly I'm delighted to report another period of continued strong strategic and financial momentum, delivering pre-tax profit of £9.0m for the first half of 2025 (adjusted PBT[a]: 30 June 2024: £7.5m) up c.20% on prior year.

The Group's adjusted basic Earnings Per Share (EPS)[a] and adjusted Tangible Net Asset Value (TNAV) per share[a] ended the period at 3.8p and 70.2p respectively (30 June 2024: 3.0p and 59.6p respectively), reinforcing our commitment to delivering sustainable shareholder returns and enhancing shareholder value.

As you will read in this report, we are pleased with the performance of the Group in the first half, and as a result we expect to materially exceed current market expectations for the current year, supporting the pace of our journey to deliver a mid-to-high teens return on capital over the medium term.

Disciplined approach to growth continues to underpin strong financial returns

It is now five years since our full authorisation as a bank; in that time, the Company has seen a material increase in its loan book, supported by its retail savings arm. Looking forward, it is this scaling of lending as a multi-product lender that underpins our franchise and overall profit generation. We've launched more products and services during the period, bringing these to life through a frictionless service underpinned by a human touch when our customers need us.

With an expanded suite of products and services, DF Capital has an abundance of opportunities to grow lending. The foundations are now in place to deliver on the medium term (FY28) targets we laid out at the start of the year and which are re-iterated in the outlook section.

Our growth so far has been, and will continue to be, characterised by a strong yet disciplined approach, successfully navigating macroeconomic volatility, geopolitical uncertainty, and evolving regulatory requirements.

New loan originations reached a record £828 million in H1 2025, an increase of £118 million compared to the prior period (30 June 2024: £710 million). This drove a substantial increase in the loan book to £728 million (30 June 2024: £603 million; 31 December 2024: £666 million), up c.21% on the prior year. Growth was particularly strong in sectors where the Group maintains a competitive advantage, as we remained focused on gaining market share in resilient, well-understood verticals.

Gross revenues[a], which predominantly consist of net interest income, increased by c.14% to £43.3m (30 June 2024: £37.9m). Despite two Bank of England base rate cuts in the period, net interest margin ("NIM") remained robust at 7.9% (30 June 2024: 7.8%), continuing to significantly exceed our previously communicated minimum 6% target. Effective pricing disciplines and prudency in managing our funding cost should allow us to outperform on this important performance indicator over the next 18-24 months; we now expect net interest margin to ultimately settle at c.7% in our core inventory finance lending product.

[a]*Gross revenues, adjusted profit before tax, adjusted Basic Earnings Per Share, and adjusted Tangible Net Asset Value per share are Alternative Performance Measures ("APMs") as defined in the APM section.*

As at 30 June 2025, DF Capital supported 97 manufacturer partners (30 June 2024: 90; 31 December 2024: 88) and 1,491 dealers (30 June 2024: 1,250; 31 December 2024: 1,334), reflecting our commitment to deepening existing dealer relationships while actively onboarding new customers, and providing a valuable base to support the Group's multi-product strategy. Aggregate dealer loan facilities reached £1.4 billion at the end of the period, up c.28% year-on-year (30 June 2024: £1.1 billion) and c.22% higher than at year-end (31 December 2024: £1.1 billion). Looking forward, we expect the pace of dealer network expansion to moderate as we continue to prioritise credit quality and scalability of relationships over the medium term.

This strong financial and operational performance, underpinned by resilient credit quality and a growing, diversified customer base, reinforces the Board's confidence in our strategy. Our offering continues to resonate with customers, enabling us to scale efficiently and sustainably.

Market landscape and sector outlook

We continue to demonstrate strength in our core inventory finance markets, having a well-diversified portfolio across a broad range of end-user markets. Despite ongoing macroeconomic and geopolitical uncertainty, we are well placed to report strong loan book growth.

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We are mindful of growing caution among some customers as they navigate potential business headwinds including the impact of fiscal policy changes such as anticipated business rates increases, higher employer national insurance contributions, and the likelihood of persistently elevated interest rates in the near term. Notwithstanding this, we've seen particularly strong momentum in key verticals including motorhomes and caravans, marine, motorcycles, and specialist automotive. Despite sector-specific challenges, our growth in these areas has been significant, highlighting the strength of our proposition and the depth of our dealer and manufacturer relationships.

The following table analyses the portfolio at the reporting date by principal outstanding:

	30 June 2025		**30 June 2024**		**31 December 2024**	
	£million	**%**	**£million**	**%**	**£million**	**%**
Leisure:						
Lodges and holiday homes	80.5	11.1%	117.8	19.5%	90.8	13.6%
Motorhomes and caravans	219.4	30.1%	163.4	27.1%	207.5	31.2%
Marine	83.9	11.5%	62.8	10.4%	71.9	10.8%
Motorsport	39.6	5.4%	33.6	5.6%	35.0	5.3%
Automotive	38.8	5.3%	21.6	3.6%	31.2	4.7%
	462.2	**63.5%**	**399.2**	**66.2%**	**436.4**	**65.5%**
Commercial:						
Transport	110.1	15.1%	104.3	17.3%	93.0	14.0%
Industrial equipment	40.5	5.6%	32.8	5.4%	32.9	4.9%
Agricultural equipment	20.4	2.8%	26.2	4.3%	24.4	3.7%
Other serialised assets	4.5	0.6%	3.5	0.6%	4.5	0.7%
	175.5	**24.1%**	**166.8**	**27.7%**	**154.8**	**23.3%**
Wholesale and receivables funding	**84.4**	**11.6%**	**36.6**	**6.1%**	**74.8**	**11.2%**
Asset Finance	**6.0**	**0.8%**	**-**	**0.0%**	**-**	**0.0%**
Total loan book principal[b]	**728.1**	**100%**	**602.6**	**100%**	**666.0**	**100%**

[b] *Principal balance outstanding at the reporting date for loans and advances to customers.*

In the motorhome & caravan sector, industry statistics suggest we are the market leader, taking share from competitors. End user demand generally across this sector remains high.

Whilst there has been stronger demand for both motorhomes and caravans since Easter, overall retail sales for touring caravans (tourers) remains down year-on-year. In response, most manufacturers have produced less tourers, resulting in less unsold stock at the forecourts. In contrast motorhomes continue to track in line with the previous year after several years of double-digit growth.

Holiday home & lodge sales have continued with a more subdued trend, though there is evidence of increased activity in recent months, with sales increasing and parks starting to order more replacement stock. This market continues to adjust following the failure of Royale Park Home Estates and associated companies. Manufacturers, who have been on reduced hours for an extended period, are starting to increase production.

The marine sector is showing continued signs of renewed momentum. Demand for higher-value boats remains strong, with steady sales recovery in the leisure and luxury segments. While this doesn't yet represent growth across all categories, it's a clear indicator that confidence is returning among well-capitalised buyers, which is fuelling confidence and growing optimism amongst manufacturers and distributors.

The high-end automotive sector has continued to perform strongly, driven by resilient demand from affluent buyers and limited production volumes. Despite broader economic uncertainty and tighter credit conditions, the sector has maintained robust order books and healthy margins, particularly in the performance, electric, and SUV segments.

The plant and machinery segment of the industrial sector has shown steady growth through the year, supported by strong infrastructure investment, ongoing manufacturing modernisation, and the global shift toward cleaner energy. Demand remains high for both new and used equipment, with inventory-backed lending enabling dealers to maintain stock and meet market needs.

The agricultural sector continues to experience the effects of weather extremes, from last year's prolonged rainfall to this year's dry spring. These shifting conditions have disrupted traditional buying cycles. Machinery sales remain under pressure as farmers adjust their spending amid cost volatility, fluctuating crop values, and weather uncertainty. Despite these headwinds, we've seen the emergence of green shoots of recovery. Stabilising inflation and reducing interest rates should help support confidence.

Our diversification across these sectors as well as the intimacy in our customer relationships, allow us to successfully navigate market challenges and opportunities, whilst expanding our funding solutions to support their needs through unpredictable times, allowing them to capitalise on opportunities presented to them and, in turn, support their growth.

Looking forward, we believe the relentless focus on supporting existing manufacturer, dealer and distributor relationships, whilst at the same time diversifying into new markets, will provide further downside protection should certain markets deteriorate. Our recent entry into the renewables asset class, specifically solar panels and batteries, is a great example of how we continue to innovate and develop our product offering to support new and existing customers through our asset-based lending expertise.

Over and above this, we have also continued to leverage existing relationships and grow our Euro-zone lending, through the Group's subsidiary DF Capital Financial Solutions Limited, to support selective dealers in Republic of Ireland and Netherlands. At the period end, we had a total book value of £23m across this customer cohort. Operations for this business line sit entirely in the UK and the Group has no current plans to expand into Europe in any meaningful way. However, developing our capability in this region and being able to selectively support our existing dealer and manufacturer base has allowed us to deepen those relationships and build our knowledge and experience of operating on a multi-currency basis.

Tailored solutions that deepen relationships and grow markets

The Group has capitalised on opportunities to support existing customers, partners or known sector participants with tailored lending solutions that deepen our relationship and support the growth and vitality of the markets in which we operate. Drawing on the extensive experience and expertise we have across the Group, we have provided solutions that allow customers to acquire businesses or new locations; unlock further working capital to support growth; enable dealer and manufacturer sales by providing wholesale funding to other non-bank lenders; as well as freeing up distributor working capital via receivables financing. These unique opportunities are tailored to an individual customer or partner's need and offer us attractive risk-adjusted returns whilst fundamentally supporting growth in the markets in which we operate.

Whilst always expected to be relatively small, and not representing more than 15% of our entire lending balance, we have successfully grown lending in this area to £84.4 in H1 2025 (30 June 2024: £36.6m, 31 December 2024: £74.8m).

Asset Finance unlocks significant future growth opportunity

Unlocking the opportunity to provide loans "beyond the forecourt" has been a long held strategic imperative for the Group. I am delighted that, following receipt of regulatory approvals in February 2025 and a period of organic product development, we have onboarded over 50 dealers and lending has commenced. This is a natural extension to our existing manufacturer and dealer relationships, allows us to fund the retail sales of our dealer customers and should unlock sales growth for them. Hire purchase and leasing, commonly known as asset finance, are typical lending products required by end-users to purchase our dealer's products and is in high demand by them.

Our newly launched platform is fully digital, designed for straight-through processing while still allowing for personalised, "human touch" engagement when needed. Purpose-built for scalability, with no legacy system constraints and full compliance with evolving regulatory and legal frameworks, our proposition and how we will go to market represents a clear point of differentiation from our competitors.

With an estimated addressable market within our existing dealer network of £10 billion per annum, the Group sees significant headroom for growth in this segment. Initial focus will be in the leisure sector, where the Group already carries a significant presence, with gradual expansion into other sectors.

Retail savings and funding strategy supports our growth ambitions

As at 30 June 2025, total deposits stood at £688 million (30 June 2024: £579 million, 31 December 2024: £650m), across approximately 15,500 accounts (30 June 2024: c.14,600 accounts, December 2024: c15,600).

Our retail savings franchise remains a core strength of the Group and is fundamental to our funding strategy, enabling the continued growth and diversification of our balance sheet.

We remain visible and accessible to savers by featuring on "Best Buy" tables, supported by a super-fast application journey-enabling customers to open an account in minutes, with a dedicated sort code and account number issued immediately upon approval. Our efforts have been recognised with multiple Feefo Platinum Trusted Service Awards (2024 and 2025), and we continue to achieve high customer satisfaction ratings for the quality and consistency of our service.

Widening the jaws between income generation and cost

Operationally, we remain focused on growing into our well-established cost base and operating model, maximising the benefits of our modern efficient digital banking platform. We are committed, in all of our lending products, to deliver a seamless and efficient service to customers, backed up by quality human interaction and relationship management where needed. Whilst total costs increased due to continued investment in our recently launched asset finance proposition and general inflationary pressures, cost discipline has been well maintained. Over time, we expect further operational leverage, enabling continued growth and a widening of the jaws between cost and income. Much of the cost relating to asset finance has been made in advance of revenues and loan book growth.

The Group's headcount reached 153 employees at the period end (30 June 2024: 132 employees) with total operating expenses for the half year of £15.1m (30 June 2024: £13.2m). The cost to income ratio stood at 57% (30 June 2024: 59%), in line with expectations.

Strong credit risk performance

Despite a persistently challenging macroeconomic backdrop and elevated interest rates, the Group's credit performance has remained exceptionally strong. This resilience reflects the high quality of our customer base and the effectiveness of our disciplined credit risk and portfolio management strategies.

The number of dealers in arrears continued at an extraordinarily low level, closing the period at 38 (30 June 2024: 20), representing just 2.5% of the total dealer base. In line with our prudent risk framework, we classify any account with payments one day or more overdue, as in arrears. As at 30 June 2025, 30 of these cases were in legal recovery, with appropriate credit loss provisions recognised based on expected recoveries. The Group's total arrears balance accounted for 0.9% of the loan book (30 June 2024: 0.5%).

The cost of risk for the period was 0.63%, demonstrating a consistent performance year over year once adjusting for the £1.7m RoyaleLife recovery in 2024 (30 June 2024: 0.61% adjusted Cost of Risk[C]). The strength of performance in this area reflects our proactive approach to credit risk management and our ability to mitigate dealer defaults through redistribution of products within our existing customer network or, where necessary, by the sale of secured assets to third parties.

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000
Arrears - principal repayment, fees and interest:			
1 - 30 days past due	285	427	271
31 - 60 days past due	130	576	1,146
61 - 90 days past due	944	474	199
91 + days past due	5,516	1,519	2,646
	6,875	**2,992**	**4,262**
Total % of loan book	**0.9%**	**0.5%**	**0.6%**
Associated principal balance:			
1 - 30 days past due	1,056	2,587	1,305
31 - 60 days past due	377	1,200	2,623
61 - 90 days past due	4,144	439	449
91 + days past due	7,950	2,294	3,912
	13,527	**6,520**	**8,289**
Total % of loan book	**1.8%**	**1.1%**	**1.2%**

Portfolio ageing

We use average outstanding loan tenor as the most appropriate stock days measure to determine how our portfolio is ageing compared to our historical experience and our sector tolerance levels used for portfolio oversight. We have now seen a normalisation of seasonality trends, where typically there are high levels of repayments over the spring/summer "selling" season and reduced repayments during the autumn/winter "re-stocking" season.

Average stock days, which measure the average age of loans outstanding, have reduced to 128 days (31 December 2024: 145 days; 30 June 2024: 149 days), supporting our view of strong demand for dealer product on the forecourt. This provides a positive signal for any future credit issues.

All sectors of the portfolio operate well within our tolerances.

Strong underlying security position

In our core inventory finance lending product, we take legal title against individual assets to provide working capital to fund dealers' inventory or stock. The Group's lending relative to its security position continues to remain strong with a Loan to Wholesale Value ('LTV') of 86% (30 June 2024: 83%). We do not advance funds measured against retail prices, which typically represent a mark-up of approximately 20% on the wholesale invoice price. Accordingly, for the Group to incur losses on recovery of an asset in the event of default there would need to be an average reduction of approximately 30% in retail prices across the sectors and products we lend against.

[C]*Adjusted Cost of Risk is an Alternative Performance Measures ("APMs") as defined in the APM section.*

Successful Share-Buy Back Programme

During the period, the Bank successfully executed a share buy-back programme, reflecting the Board's confidence in the Group's financial strength, long-term strategy, and the intrinsic value of its shares. A total of 12,966,866 of ordinary shares were repurchased representing 7% of the share capital prior to the commencement of the share buyback.

Growth ambitions underpinned by a well-capitalised balance sheet

Whilst capital is not a current constraint to lending, with existing capital headroom, organic capital generation through good levels of profitability and Tier 2 capital facility to draw down, we will continue to diligently and ruthlessly ensure our capital is put to work where we can achieve the best risk-adjusted returns. Across all capital instruments, the Group has current capacity to grow lending to c£950m, generating further Tier 1 capital with forward retained earnings.

As at 30 June 2025, the Bank's equity stood at £117.6m (30 June 2024: £107.6m). Regulatory capital, which is the Common Equity Tier 1 capital together with Tier 2 capital, increased to £111.9m (30 June 2024: £100.2m). This includes £10m drawn in 2023 under the £20m Tier 2 capital facility with British Business Investments.

Our participation in the British Business Bank's ENABLE Guarantee scheme, which was entered in 2023, currently stands at £350m. The Group's CET1 ratio ended the period at 19.7% (30 June 2024: 23.2%), well above our regulatory minimum. Our total Regulatory Capital (Common Equity Tier 1 Capital + Tier 2 Capital) as a % of risk weighted assets ("RWAs") ended the period at 21.7%, also well in excess of our regulatory minimum.

Outlook

We are at an exciting point in the Group's strategic journey, having more opportunities to support the needs of our customers than ever before. We continue to see potential in our core inventory finance to either grow market share with existing relationships or enter new sectors where serialised assets are held as stock.

Asset finance presents a material opportunity for further growth; the market is much larger than our core inventory finance product, with longer lending tenors that scale our loan book relatively quickly. We have crafted a proposition that is different to incumbents and expect demand for this will grow over time.

Whilst these two lending channels will substantively represent our loan book over the medium term, our growth plan is ably complemented by tailored lending solutions that help grow our markets, unlocking the ambitions of sector participants through our lending expertise. These significant growth opportunities, our financial performance to date, and our more favourable view of net interest margin, underpins our confidence for the year, with the Board now expecting performance to materially exceed market expectations for the full year. We also remain firmly on track to hit our medium-term financial goals of:

- Target loan book of c.£1.3bn by the end of FY28
- Continuation of strong NIM over the medium term; we have revised our guidance of NIM over the medium term to c7% in the core inventory finance product versus 6% previously
- Continued cost efficiency with scale, achieving <50% cost to income ratio by FY28
- Progression of return on equity with a mid-teens target for FY28
- No further Tier 1 equity capital required to deliver these medium-term financial targets

Whilst always cautious and vigilant about the uncertainties presented by the macroeconomic and political environment, I'm excited about our future plans.

Carl D'Ammassa
Chief Executive Officer

Financial Highlights and Key Performance Indicators

Summarised Statement of Comprehensive Income

	30 June 2025 6-month £'000	30 June 2024 6-month £'000	31 December 2024 12-month £'000
Gross revenues[1]	43,254	37,889	76,805
Interest expense	(16,942)	(15,383)	(31,208)
Net income	**26,312**	**22,506**	**45,597**
Other operating expenses	(15,087)	(13,226)	(26,764)
Impairment charges	(2,187)	(106)	241
Profit before taxation	**9,038**	**9,174**	**19,074**
Taxation	(2,432)	(2,443)	(5,053)
Profit after taxation	**6,606**	**6,731**	**14,021**
Other comprehensive income/(loss)	-	74	75
Total comprehensive income for the period	**6,606**	**6,805**	**14,096**
Basic earnings per share (pence)	**3.7p**	**3.8p**	**7.8p**

[1] *Sum of interest and similar income, fee income less fee expenses, net gains/(losses) from derivatives measured at fair value through profit or loss and other operating income*

Summarised Statement of Financial Position

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000
Cash and balances at central banks	84,856	86,036	110,030
Loans and advances to banks	11,599	3,496	3,771
Investment securities	-	6,175	769
Loans and advances to customers	722,031	596,771	660,772
Taxation asset	2,110	5,265	3,980
Other assets	11.388	8.462	7.218

Total assets	**831,984**	**706,205**	**786,540**
Customer deposits	688,128	579,012	649,665
Financial liabilities	2,643	1,127	90
Subordinated liabilities	10,234	10,225	10,230
Taxation liabilities	189	670	1,259
Other liabilities	13,165	7,598	9,942
Total liabilities	**714,359**	**598,632**	**671,186**
Total equity	**117,625**	**107,573**	**115,354**
Adjusted tangible net asset value per share (pence)	**70.2p**	**59.6p**	**63.8p**

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Gross yield[9]	12.2%	12.1%	12.2%
Net interest margin[10]	7.9%	7.8%	7.9%
Average customer rate for retail deposits[11]	4.80%	5.10%	5.16%
Adjusted cost of risk[12]	0.63%	0.61%	0.75%
Impairment loss coverage on loans to customers[13]	1.06%	1.32%	0.98%
Cost to income ratio[14]	57%	59%	59%
Adjusted basic earnings per share (pence) [15]	3.8	3.0	5.9
Adjusted tangible net assets per share[16]	70.2	59.6	63.8
Key Performance Indicators			
Loans advanced to customers (£m)	828	710	1,440
Number of dealer customers[17]	1,491	1,250	1,334
Number of manufacturer partners[18]	97	90	88
Total credit available to dealers (£m)[19]	1,390	1,088	1,142

[1] Sum of interest and similar income, fee income less fee expenses, net gains/(losses) from derivatives measured at fair value through profit or loss and other operating income

[2] Profit before tax adjusted for the RoyaleLife write-back in 2024. No adjustment was required for 2025.

[3] Profit after tax adjusted for the RoyaleLife write-back in 2024. No adjustment was required for 2025.

[4] Principal balance outstanding for loans and advances to customers

[5] The equity held in the Group

[6] Regulatory capital is the Common Equity Tier 1 capital (which includes current year profit) together with Tier 2 capital

[7] Common Equity Tier 1 capital (which includes current year profit) divided by Risk Weighted Assets

[8] Regulatory capital divided by Risk Weighted Assets

[9] The effective interest rate we charge our customers comprising interest income including fees

[10] Total operating income adding back fee expense as a % of average gross receivables

[11] The weighted average interest rate we pay our depositors

[12] Impairment charges and recoveries and provisions in the period (annualised) as a % of average gross receivables. 2024 periods have been adjusted for the RoyaleLife write-back. No adjustment was required for 2025.

[13] Impairment allowance as a % of gross receivables at the period end

Impairment allowance as a % of gross receivables at the period end

14 *Operating cost as a % of total operating income*

15 *Adjusted profit after tax divided by the weighted average number of shares in issue excluding treasury shares*

16 *Net assets less intangible assets divided by the weighted average number of shares in issue excluding treasury shares. No adjustment was required for 2024.*

17 *Number of borrower relationships*

18 *Number of vendors and manufacturers with whom we have programs that support our lending*

19 *Amount of credit available to our customers to draw (uncommitted) including existing drawings*

Alternative Performance Measures

Certain financial measures disclosed in the Interim Financial Report do not have a standardised meaning prescribed by International Financial Reporting Standards (IFRS) and may therefore not be comparable to similar measures presented by other issuers. Gross revenues and net interest margin are deemed to be Alternative Performance Measures ("APMs") and are defined in the Appendix.

APMs may be considered in addition to, but not as a substitute for, the reported IFRS results. The Group believes that these APMs together with the other metrics presented above, when considered together with reported IFRS results, provide stakeholders with additional information to better understand the Group's financial performance.

Based on the Group's strategy and business model, there are six principal risk categories used to help shape our policy and control framework. This categorisation creates structure for the risk policy framework and clear ownership/responsibility for assessing risk performance.

There are certain risk themes that run across many or all of these risk types. We have chosen at this stage to not pull them out individually, but instead to manage them across the principal risks framework. A good example of this are the risks created by climate change. Whilst these risks may crystallise in full over longer-time horizons, they are already becoming apparent in our business operations and cut across more than one of the principal risk categories below.

Principal Risks

Principal Risks		
Operational risk	Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. We have a framework in place which sets out our approach to Operational Risk, with associated roles and responsibilities further defined in a number of risk policies and standard operating procedures covering the various types of Operational Risk. Although the overall scope of Operational Risk would cover areas of Conduct and Compliance (i.e. regulatory) risks, we believe it makes sense to separate these items out as individual principal risks - Conduct Risk and Compliance Risk respectively given the importance of these risks in the context of the bank's activities and regulatory environment.	**Key risk mitigation tools:** operational risk policies, standard operating procedures, Risk and Control Self Assessments ("RCSAs"), risk event analysis, key controls testing, ongoing monitoring of risk metrics and limits, scenario analysis, information security and cyber defences, operational risk training, operational risk training, change management framework, operational resilience framework, physical security and safety, regular risk training, Group Risk Committee oversight.
Compliance Risk	Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation the firm may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its activities. DF Capital operates within the context of the UK legal and regulatory environment. Our Compliance Framework sets out the responsibilities within the firm to ensure awareness of both current and upcoming legal and regulatory changes and how the firm plans and implements those requirements appropriately. Compliance risk also includes the Group's obligations under the Money Laundering Regulations and covers the Groups exposure to customer-specific risk assessments, compliance monitoring plan, ongoing monitoring of risk metrics and limits, customer risk assessments, regulatory compliance training, Executive Risk Committee oversight.	**Key risk mitigation tools:** compliance policies, regulatory monitor, enterprise-wide compliance and customer-specific risk assessments, compliance monitoring plan, ongoing monitoring of risk metrics and limits, customer risk assessments, regulatory compliance training, Group Risk Committee oversight.
Conduct Risk	We define conduct risk as the risk of detriment caused to DF Capital's customers or financial markets due to inappropriate execution of its business activities and processes, including the sale of unsuitable products and inappropriate behaviours. The Conduct Risk Framework outlines our approach for ensuring good customer outcomes in line with the New Consumer Duty. It is supported by specific policies covering topics such as product governance, complaints, and vulnerable customers, which detail the specific steps and responsibilities across the firm. The scope of conduct risk coverage includes our AIM requirements, with policies such as a Market Abuse Regime Policy (including Share Dealing Code) and a Substantial and Related Party Transactions Policy.	**Key risk mitigation tools:** conduct risk policies, product governance, enterprise- wide conduct risk assessment, ongoing monitoring of risk metrics and limits, monitoring of complaints and customer feedback, key controls testing, Code of Ethics, conduct risk training and Group Risk Committee oversight.
Prudential Risk	Prudential risk covers three financial risks relating to the bank maintaining sufficient resources to ensure it is financially resilient:	**Key risk mitigation tools:** treasury policies, ICAAP, ILAAP, funds transfer

	· Funding and liquidity risk: The risk that DF Capital is not able to meet its financial obligations as they fall due or that it does not have the tenor and composition of funding and liquidity to support its assets. · Capital risk: The risk that DF Capital has an insufficient amount or quality of capital to support the regulatory requirements of its business activities through normal and stressed conditions. · Market risk (including interest rate risk): The risk of financial loss through un-hedged or mismatched asset and liability positions due to interest rate changes. This also includes the risk that assets and liabilities reference different interest rate bases and the risk of adverse financial impact from movements in market prices in the value of assets and liabilities. Roles, responsibilities, and requirements for Liquidity and Capital management are outlined in the Treasury Policy, with risk appetite taking into account the results of the bank's ILAAP and ICAAP. The Treasury Policy also outlines the roles and responsibilities required for identifying, measuring, monitoring and controlling any interest rate risk which arises due to the mismatch between assets and liabilities.	pricing policy, additional stress testing, ongoing monitoring of risk metrics and limits, financial planning and forecasting, monitoring of external environment, Asset & Liability Committee and Group Risk Committee oversight.
Credit Risk	Credit risk is the risk of financial loss arising from a customer or counterparty failing to meet their financial obligations to DF Capital. Credit risk is considered the most significant risk faced by DF Capital and can be broken down into the following categories: · Client Default Risk: The risk of loss arising from a failure of a borrower to meet their obligations under a credit agreement. · Credit Concentration Risk: The risk of loss due to the concentration of credit risk to a specific customer, counterparty, geography, or industry. · Repurchase Risk: The risk of loss arising from the failure of a third-party to meet a claim under a repurchase agreement. · Security Risk: The risk that an asset used as security to mitigate a credit loss does not provide the protection to the Company that is expected, leading to unanticipated losses. · Counterparty Risk: The failure of a Group counterparty or derivative provider. A credit framework and policies are in place to manage DF Capital's credit risk exposure, covering the roles and responsibilities of the Group's lending and investment activities.	**Key risk mitigation tools:** Credit underwriting criteria, asset audits, sector deep-dive reviews, portfolio monitoring, ongoing monitoring of risk metrics and limits, hindsight reviews of default events, monitoring of external environment, Credit Committee and Group Risk Committee oversight.
Strategic Risk	Strategic risks are the risks which can adversely impact the ability of DF Capital in achieving its strategic objectives. These risks may impact shareholder value, earnings or growth from poor strategic decisions, improper implementation of business strategies or from external events. The level 2 principal risks which fall under this category include: · Strategic Planning Risk: The risk of strategic plans being unachievable or unrealistic. · Execution Risk: The risk of failing to execute the Group's strategy and failing to deliver key strategic initiatives required to meet the financial and commercial targets of the Group. · Strategic Projects Risk: The risk of delay or failure of strategic projects and programmes. · External Environment: The risk of failing to address the impact of external events and competitive threats. Strategic risks are considered as part of DF Capital's strategic and financial plans. Stress scenarios are	**Key risk mitigation tools:** Executive Committee and Board oversight, comprehensive risk assessments of strategic and financial plans, stress testing, horizon scanning, ongoing monitoring of macro and microeconomic environment, change management framework.

strategic and financial plans. Stress scenarios are modelled as part of the ICAAP and ILAAP to determine what level of capital and liquidity the Group will need to hold in support of its strategic and financial plans.

Statement of Directors' Responsibilities

We, the Directors, confirm that to the best of our knowledge:

- the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the United Kingdom (UK);
- the interim report includes a fair review of the performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the interim report and financial statements, taken as a whole, are fair, balanced and understandable.

By order of the Board

……………………………
Carl D'Ammassa
Director
10 September 2025

Independent Review Report to Distribution Finance Capital Holdings plc

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated cashflow statement and related notes 1 to 30.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the AIM Rules of the London Stock Exchange.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the AIM rules of the London Stock Exchange.

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

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our conclusion relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
10 September 2025

Condensed Consolidated Statement of Comprehensive Income

	Note	6 months ended 30 June 2025 (Unaudited) £'000	6 months ended 30 June 2024 (Unaudited) £'000	Year ended 31 December 2024 (Audited) £'000
Interest and similar income	5	43,937	37,657	76,820
Interest and similar expenses	6	(16,942)	(15,383)	(31,208)
Net interest income		**26,995**	**22,274**	**45,612**
Fee income	7	607	695	1,237
Fee expenses	8	(796)	(688)	(1,626)
Gains/(losses) on derivatives at fair value through profit or loss		(519)	225	372
Other income		25	-	2
Total operating income		**26,312**	**22,506**	**45,597**
Staff costs	9	(9,499)	(7,823)	(16,044)
Other operating expenses	10	(5,588)	(5,403)	(10,670)
Net impairment (loss)/gain on financial assets	12	(2,187)	(106)	241
Other provisions		-	-	(50)
Total operating profit		**9,038**	**9,174**	**19,074**
Profit before taxation		**9,038**	**9,174**	**19,074**
Taxation charge	13	(2,432)	(2,443)	(5,053)
Profit after taxation		**6,606**	**6,731**	**14,021**
Other comprehensive income/(loss):				
Items that may subsequently be transferred to the income statement:				
FVOCI investment securities:				
Amounts transferred to the income statement		-	-	75
Fair value movements		-	74	-
Total other comprehensive income for the period, net of tax		**-**	**74**	**75**
Total comprehensive income for the period		**6,606**	**6,805**	**14,096**
Earnings per share:		**pence**	**pence**	**Pence**
Basic EPS	28	3.7	3.8	7.8
Diluted EPS	28	3.5	3.6	7.4

Condensed Consolidated Statement of Financial Position

	Note	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000

Assets:				
Cash and balances at central banks		84,856	86,036	110,030
Loans and advances to banks		11,599	3,496	3,771
Investment securities	25	-	6,175	769
Derivatives held for risk management		306	210	295
Loans and advances to customers	14	722,031	596,771	660,772
Trade and other receivables	15	6,486	5,126	4,678
Deferred taxation asset	18	2,110	5,265	3,980
Non-current assets held for sale		-	50	-
Property, plant and equipment		1,026	1,303	1,093
Right-of-use assets	19	2,744	1,141	202
Intangible assets		826	632	950
Total assets		**831,984**	**706,205**	**786,540**
Liabilities:				
Customer deposits	22	688,128	579,012	649,665
Amounts due to banks		-	180	180
Derivatives held for risk management		495	65	6
Fair value adjustments on hedged liabilities	26	287	182	136
Lease liabilities	23	2,643	1,127	90
Trade and other payables		11,961	7,101	9,335
Provisions	11	422	70	285
Current taxation liability	17	189	670	1,259
Subordinated liabilities	24	10,234	10,225	10,230
Total liabilities		**714,359**	**598,632**	**671,186**
Equity:				
Issued share capital	21	1,793	1,793	1,793
Merger relief	21	94,911	94,911	94,911
Merger reserve		(20,609)	(20,609)	(20,609)
Own shares	21	(473)	(439)	(440)
Retained earnings		46,880	31,917	39,699
Treasury Shares	21	(4,877)	-	-
Total equity		**117,625**	**107,573**	**115,354**
Total equity and liabilities		**831,984**	**706,205**	**786,540**

Condensed Consolidated Statement of Changes in Equity

	Issued share capital £'000	Merger relief £'000	Merger reserve £'000	Own shares[1] £'000	Treasury Shares[2] £'000	Retained earnings/(loss) £'000	Total £'000
Balance at 31 December 2023 (Audited)	**1,793**	**94,911**	**(20,609)**	**(401)**	**-**	**24,720**	**100,414**
Profit after taxation	-	-	-	-	-	6,731	6,731
Other comprehensive loss	-	-	-	-	-	74	74
Share-based payments	-	-	-	-	-	493	493
Share premium account cancellation	-	-	-	(38)	-	(101)	(139)
Balance at 30 June 2024 (Unaudited)	**1,793**	**94,911**	**(20,609)**	**(439)**	**-**	**31,917**	**107,573**
Profit after taxation	-	-	-	-	-	7,290	7,290
Other comprehensive loss	-	-	-	-	-	1	1
Share-based payments	-	-	-	-	-	492	492
Employee Benefit Trust	-	-	-	(1)	-	(1)	(2)
Balance at 31 December 2024 (Audited)	**1,793**	**94,911**	**(20,609)**	**(440)**	**-**	**39,699**	**115,354**
Profit after taxation	-	-	-	-	-	6,606	6,606
Share-based payments	-	-	-	-	-	614	614
Employee Benefit Trust	-	-	-	(33)	-	(39)	(72)
Share buyback	-	-	-	-	(4,877)	-	(4,877)

Balance at 30 June 2025 (Unaudited)	**1,793**	**94,911**	**(20,609)**	**(473)**	**(4,877)**	**46,880**	**117,625**

[1]The Group has adopted look-through accounting (see note 1 of the 2024 Annual Report and Accounts) and recognised the Employee Benefit Trust (EBT) within the consolidated financial statements.

[2]During the period, the Group repurchased 12,966,866 shares at a total cost of £4,876,862 inclusive of commission. These treasury shares do not carry voting rights or rights to dividends while held by the company.

Condensed Consolidated Cash Flow Statement

	Note	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Cash flows from operating activities:				
Profit before taxation		9,038	9,174	19,074
Adjustments for non-cash items and other adjustments				
Included in the income statement	20	4,788	1,948	3,822
Increase in operating assets	20	(65,630)	(28,693)	(92,390)
Increase in operating liabilities	20	41,532	6,654	79,376
Taxation (paid)/received		(1,631)	55	(681)
Net cash (used in)/generated from operating activities		**(11,903)**	**(10,862)**	**9,201**
Cash flows from investing activities:				
Purchase of investment securities		-	(4,936)	(9,918)
Proceeds from sale and maturity of investment securities		-	15,000	25,000
Dividend income on money market fund		21	3	25
Coupon received from investment securities	25	-	75	75
Purchase of property, plant and equipment		(570)	(364)	(397)
Purchase of right of use assets		(87)	-	-
Purchase of intangible assets		(9)	(166)	(623)
Net cash (used in)/generated from investing activities		**(645)**	**9,612**	**14,162**
Cash flows from financing activities:				
Repayment of lease liabilities	23	(108)	(130)	(252)
Coupon paid on subordinated liabilities		(630)	(634)	(1,273)
Purchase of own shares		(72)	(138)	(142)
Purchase of treasury shares	21	(4,877)	-	-
Net cash used in financing activities		**(5,687)**	**(902)**	**(1,667)**
Net (decrease)/increase in cash and cash equivalents		**(18,235)**	**(2,152)**	**21,696**
Cash and cash equivalents at start of the period		112,563	90,867	90,867
Cash and cash equivalents at end of the period		**94,328**	**88,715**	**112,563**

Notes to the Interim Financial Report

1. Basis of preparation

1.1 General information
The interim condensed consolidated financial statements of Distribution Finance Capital Holdings plc (the "Company" or "DFCH plc") include the assets, liabilities and results of its wholly owned subsidiaries, DF Capital Bank Limited ("the Bank"), DF Capital Financial Solutions Limited and DF Capital Retail Finance Limited, which together form the "Group".

DFCH plc is registered and incorporated in England and Wales under company registration number 11911574. The registered office is St James' Building, 61-95 Oxford Street, Manchester, M1 6EJ. The Company's ordinary shares are admitted to trading on AIM, a market operated by the London Stock Exchange.

The principal activity of the Company is that of an investment holding company. The principal activity of the Group is as a specialist personal savings and commercial lending bank group. The Group provides niche working capital funding solutions to dealers and manufacturers, enabled by competitively priced personal savings products.

The interim report is presented in pounds sterling, which is the currency of the primary economic environment in which the Group operates, and are rounded to the nearest thousand pounds, unless stated otherwise.

1.2 Basis of accounting
The condensed consolidated set of financial statements included in this Interim Financial Report have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ('IAS 34').

The condensed set of financial statements included within this Interim Financial Report for the six months ended 30 June 2025 should be read in conjunction with the annual audited financial statements of Distribution Finance Capital Holdings plc for the year ended 31 December 2024.

The annual consolidated financial statements of Distribution Finance Capital Holdings plc are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the UK adopted IFRS.

The condensed consolidated financial information for the six months ended 30 June 2025 has been prepared using accounting policies consistent with IFRS. The interim information does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. The financial information for the periods ending 30 June 2025 and 30 June 2024 are unaudited but have been reviewed by the Company's auditor, Deloitte LLP, and their report appears on page 17 of this Interim Financial Report. The comparative figures for the year ended 31 December 2024 are the Group's statutory accounts and have been reported on by its auditor and delivered to the Registrar of Companies. The report of the auditor on those statutory accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

1.3 Principal accounting policies
The principal accounting policies adopted in the preparation of this financial information are set out below. These policies have been applied consistently to all the financial periods presented.

1.4 Going concern
The financial statements are prepared on a going concern basis as the Directors are satisfied that the Group has adequate resources to continue operating for a period of at least 12 months from the date of approval of the financial statements.

In making this assessment the Directors have considered the Group's current available capital and liquidity resources, the financial projections of the Group, including the outcome of stress testing. Based on this review, the Directors believe that the Group is well placed to manage its business risks successfully within the expected economic outlook. Accordingly, the Directors have adopted the going concern basis in preparing the Interim Financial statements.

1.5 Critical accounting estimates and judgements
In accordance with IFRS, the Directors of the Group are required to make judgements, estimates and assumptions in certain subjective areas whilst preparing these financial statements. The application of these accounting policies may impact the reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates.

Any estimates and underlying assumptions used within the statutory financial statements are reviewed on an ongoing basis, with revisions recognised in the period in which they are adjusted, and any future periods affected.

Further details can be found in note 3 of these financial statements on the critical accounting estimates and judgements used within these financial statements.

1.6 Foreign currency translation
The financial statements are expressed in Pounds Sterling, which is the functional and presentational currency of the Group.

Transactions in foreign currencies are translated to the Group's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the statement of income.

1.7 New accounting standards issued but not yet effective

In April 2024 the IASB issued IFRS18 - "Presentation and Disclosure in Financial Statements". This is expected to impact the way in which information is disclosed in financial statements without impacting materially on the underlying accounting.

IFRS18 is expected to apply to the Group with effect from the financial year ending 31 December 2027, if the standard is endorsed for use in the UK. A detailed exercise to determine the impact of the new standard on the Group's annual reporting will be carried out before the implementation date.

Other than IFRS18 there are no new reporting standards and interpretations in issue but not effective which address matter relevant to the Group's accounting and reporting.

2. Summary of material accounting policies

The same accounting policies, presentation and methods of computation are followed in the condensed consolidated set of financial statements as applied in the Group's latest annual audited financial statements for the year ended 31 December 2024.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas involving the most complex and subjective judgements and areas where assumptions and estimates are considered to have the most significant effect on the financial statements are the same as those set out in Note 3 of the 2024 Annual Report and Accounts. A summary and updates regarding these critical accounting judgements and estimates are set out below.

Judgements

3.1. Expected credit losses loan impairment

Significant increase in credit risk for classification in stage 2
Counterparties are classified into stage 2 where the risk profile of the borrower profile has significantly increased from inception of the exposure. This increase in credit risk is signified by either increases in internal or external credit ratings, the counterparty becoming over 30 days past due, or forbearance measures being applied.

The Group has aligned its assessment of significant increases in credit risk to its internal threshold criteria for prompting
customer pricing reviews for consistency.

Due to the short-term behavioural term of the current lending portfolio, the Group has not applied a probationary ("cooling off") period to exposures which are no longer triggering the stage 2 threshold criteria so these will move back to stage 1 once the classification criteria is no longer met.

Definition of default
The Group aligns its definition of default to the regulatory definition for default in all periods presented. The Group applies the regulatory guideline of 90+ days in arrears and also uses internal and external information, along with financial and non-financial information, available to the Group to determine whether a default event has either occurred or is perceived to have occurred.

Should a default event occur the Group applies a probationary ("cooling off") period to Stage 3 counterparties before being transferred back to either stage 1 or 2. The probationary period is typically 3 months but is extended up to 12 months for more severe scenarios. During the probationary period the counterparty must no longer meet the criteria for Stage 3 inclusion for the entire applicable period.

Estimates

The Group has made the following estimates in the application of the accounting policies that have a significant risk of material adjustment to the carrying amount of assets and liabilities:

3.2. Expected credit losses loan impairment

See the Group's Annual Report for the year ended 31 December 2024 which outlines the assumptions the Group includes to best estimate the probability of default ("PD"), exposure at default ("EAD"); and loss given default ("LGD") inputs within the impairment model in order to calculate the expected credit loss ("ECL"). The general design of the impairment model remains unchanged for the period ended 30 June 2025, however certain assumptions have been updated to reflect changes in circumstances.

Probability of default ("PD")
In the absence of sufficient internal historical default data, the Group uses an external credit rating agency to provide credit ratings and corresponding probability of defaults ("PDs") for the vast majority of the Group's counterparties. These are "Through-the-Cycle" PDs which represents a long-run average probability of default, opposed to Point-in-Time PDs which are shorter term and partially reflect the current economic outlook. Further, the primary data points which impact credit ratings and PDs are derived from past events, therefore, PDs are inherently a lagging indicator of expected default activity over the following 12-month period and longer.

Consequently, the Group utilises external macroeconomic forecast data sourced from an external economics research company to adjust PDs from Through-the-Cycle to Point-in-Time, and further consider how default activity may evolve in the future. Following this exercise, as at 30 June 2025 the Group has applied a scalar to its PDs to reflect an expected marginal improvement in the macroeconomic environment.

A 100% deterioration in PDs from average PD of 4.55% to 9.10% (excluding stage 3 exposures, which are already in default) would result in an additional impairment charge of £3,900k at 30 June 2025 (30 June 2024: £2,429k; 31 December 2024: £1,445k).

Loss Given Default ("LGD")
The Group conducts a bi-annual review of LGD performance against modelled assumptions. As at 30 June 2025, this analysis demonstrated that actual losses were below our modelled LGD. Application of this change resulted in a £309k reduction in ECL.

A 10% reduction in the expected discounted cashflows from the collateral held by the Group would result in an additional impairment charge of £1,751k at 30 June 2025 (30 June 2024: £1,296k; 31 December 2024: £1,355k).

Forward looking macroeconomic scenarios
The Group considers four economic stress scenarios within its impairment modelling whereby the Group stresses PD and LGD inputs in accordance with expected macroeconomic outlooks. This provides an ECL impairment allowance for each scenario which is multiplied by the likelihood of occurrence over the next 12-month period from the balance sheet date to give a probability weighted ECL.

Probability Weighting ECL Impairment ECL Coverage[1]

Scenario	Probability Weighting (%)	ECL Impairment (£'000)	ECL Coverage [1] (%)
30 June 2025 (Unaudited)			
Upside	20%	6,293	0.86%
Base	50%	6,842	0.93%
Downside	20%	8,275	1.13%
Severe downside	10%	14,274	1.95%
Weighted total	**100%**	**7,762**	**1.06%**
30 June 2024 (Unaudited)			
Upside	20%	6,332	1.04%
Base	50%	7,118	1.17%
Downside	20%	8,722	1.44%
Severe downside	10%	14,110	2.33%
Weighted total	**100%**	**7,980**	**1.32%**
31 December 2024 (Audited)			
Upside	20%	4,618	0.68%
Base	50%	5,621	0.83%
Downside	20%	7,384	1.08%
Severe downside	10%	13,656	2.01%
Weighted total	**100%**	**6,577**	**0.97%**

[1] ECL Coverage is calculated by dividing the ECL impairment by the Exposure at Default (EAD). EAD is typically higher than the gross loan receivable balance.

In the event one of the above scenarios occurs and applied a 100% probability weighting the impact on the impairment allowances would be as follows:

Scenario	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Upside	(1,469)	(1,648)	(1,959)
Base	(920)	(862)	(956)
Downside	513	742	807
Severe downside	6,512	6,130	7,079

4. Operating segments

IFRS 8 Operating segments requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers. Information is based on the Company's internal management reports, both in the identification of operating segments and measurement of disclosed segment information.

The Company's products and the markets to which they are offered are so similar in nature that they are reported as one class of business. During H1, the company introduced an asset finance product. As at the reporting date, this line of business represents an immaterial amount of the total loan gross receivable balance. Given its current scale, management has determined that it does not meet the quantitative thresholds for separate segment disclosure under IFRS 8, and therefore it has not been reported as an individual operating segment at this stage. As a result, the chief operating decision maker uses only one segment to control resources and assess the performance of the entity, while deciding the strategic direction of the Company.

5. Interest and similar income

	6 months ended 30 June 2025 (Unaudited) £'000	6 months ended 30 June 2024 (Unaudited) £'000	Year ended 31 December 2024 (Audited) £'000
At amortised cost (using effective interest rate method):			
On loans and advances to customers	41,310	35,101	71,619
On loans and advances to banks	2,609	2,341	4,930
On money market fund	18	6	28
	43,937		

		37,448	**76,577**
At FVOCI:			
On investment securities	-	209	243
Total interest and similar income	**43,937**	**37,657**	**76,820**

6. Interest and similar expenses

	6 months ended 30 June 2025 (Unaudited) £'000	6 months ended 30 June 2024 (Unaudited) £'000	Year ended 31 December 2024 (Audited) £'000
At amortised cost (using effective interest rate method):			
On customer deposits	16,307	14,341	29,482
On subordinated liabilities	629	633	1,272
	16,936	**14,974**	**30,754**
At FVTPL:			
Net interest expense on financial instruments hedging liabilities	6	409	454
Total interest and similar expenses	**16,942**	**15,383**	**31,208**

7. Fee Income

	6 months ended 30 June 2025 (Unaudited) £'000	6 months ended 30 June 2024 (Unaudited) £'000	Year ended 31 December 2024 (Audited) £'000
Facility-related fees	607	621	1,237
Other fee Income	-	74	-
Total fee income	**607**	**695**	**1,237**

8. Fee Expense

	6 months ended 30 June 2025 (Unaudited) £'000	6 months ended 30 June 2024 (Unaudited) £'000	Year ended 31 December 2024 (Audited) £'000
Enable guarantee charges	414	469	988
Financial guarantee charges	364	196	576
Undrawn commitment facility fees	10	10	20
Non-incremental direct costs	8	13	23
Broker Fees	-	-	19
Total fee expense	**796**	**688**	**1,626**

9. Staff costs

	6 months ended 30 June 2025 (Unaudited) £'000	6 months ended 30 June 2024 (Unaudited) £'000	Year ended 31 December 2024 (Audited) £'000
Wages and salaries	7,193	5,993	12,367
Share-based payments	614	493	985

Contractor costs	72	53	59
Social security costs	1,105	868	1,784
Pension costs arising on defined contribution schemes	515	416	849
Total staff costs	**9,499**	**7,823**	**16,044**

Contractor costs are recognised within staff costs where the work performed would otherwise have been performed by employees. Contractor costs arising from the performance of other services is included within other operating expenses.

10. Other operating expenses

	6 months ended 30 June 2025 (Unaudited) £'000	6 months ended 30 June 2024 (Unaudited) £'000	Year ended 31 December 2024 (Audited) £'000
Finance costs	117	52	103
Depreciation	588	295	641
Amortisation of intangible assets	132	152	285
Impairment of fixed assets	275	-	-
Loss on disposal of fixed assets	-	-	5
Loss on disposal of intangible assets	1	-	6
Professional services expenses	1,414	1,498	2,998
Audit and accountancy fees	293	264	480
IT related expenses	1,812	1,710	3,502
Other operating expenses	1,488	1,403	2,546
Foreign Currency (Gain)/Loss	(532)	29	104
Total other operating expenses	**5,588**	**5,403**	**10,670**

The foreign currency gain recognised within other operating expenses is largely offset by the fair value loss on derivative financial instruments, as reflected within the consolidated statement of comprehensive income.

11. Provisions

Analysis for movements in other provisions:

	Leasehold dilapidations £'000	Other Provisions £'000	Total £'000
6 months ended 30 June 2025 (Unaudited)			
At start of period	235	50	285
Additions	126	-	126
Utilisation of provision	(4)	-	(4)
Unused amounts reversed	-	-	-
Unwinding of discount	15	-	15
Lease modification	-	-	-
At end of period	**372**	**50**	**422**
6 months ended 30 June 2024 (Unaudited)			
At start of period	67	-	67
Additions	-	-	-
Utilisation of provision	-	-	-
Unused amounts reversed	-	-	-
Unwinding of discount	3	-	3
Lease modification	-	-	-
At end of period	**70**	**-**	**70**
Year ended 31 December 2024 (Audited)			
At start of period	67	-	67
Additions	-	50	50
Utilisation of provision	-	-	-
Unused amounts reversed	-	-	-
Unwinding of discount	6	-	6

Unwinding of discount	[illegible]		[illegible]
Lease modification	162	-	162
At end of period	**235**	**50**	**285**

12. Net impairment loss on financial assets

	6 months ended 30 June 2025 (Unaudited) £'000	6 months ended 30 June 2024 (Unaudited) £'000	Year ended 31 December 2024 (Audited) £'000
Movement in impairment allowance in the period	1,391	(6,769)	(8,062)
Write-offs	796	6,875	7,821
Total net impairment losses on financial assets	**2,187**	**106**	**(241)**

See note 14 on further analysis of the movement in impairment allowances on loans and advances to customers.

13. Taxation

Analysis of tax charge recognised in the period:

	6 months ended 30 June 2025 (Unaudited) £'000	6 months ended 30 June 2024 (Unaudited) £'000	Year ended 31 December 2024 (Audited) £'000
Current taxation charge:			
UK corporation tax on profit for the current period	562	597	1,925
Adjustments in respect of prior years	-	-	(3)
Total current taxation charge	**562**	**597**	**1,922**
Deferred taxation charge:			
Current period	1,870	1,846	3,135
Adjustments in respect of prior years	-	-	(4)
Total deferred taxation charge	**1,870**	**1,846**	**3,131**
Total taxation charge	**2,432**	**2,443**	**5,053**

Current tax on profits reflects UK corporation tax levied at a rate of 25% for the period ended 30 June 2025 (30 June 2024: 25%; 31 December 2024: 25%). The Company is not subject to the banking surcharge levied at a rate of 3% on the profits of banking companies chargeable to corporation tax after an allowance of £100 million per annum.

Expenses that are not deductible in determining taxable profits/losses include impairment losses, amortisation of intangible assets, depreciation of fixed assets, client and staff entertainment costs, and professional fees which are capital in nature.

A deferred tax asset is only recognised to the extent the Group finds it probable that the prior taxable losses can be utilised against future taxable profits.

14. Loans and advances to customers

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Loan book principal	728,138	602,560	665,709
Accrued interest and fees	4,339	4,099	4,067
Gross carrying amount	**732,477**	**606,659**	**669,776**
less: impairment allowance	(7,762)	(7,980)	(6,577)
less: effective interest rate adjustment	(2,684)	(1,908)	(2,427)
Total loans and advances to customers	**722,031**	**596,771**	**660,772**

Refer to note 12 for further details on the impairment losses recognised in the periods.

Ageing analysis of gross loan receivables:

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Not in default:			
Not yet past due	720,710	598,697	661,391
Past due: 1 - 30 days	283	270	435
Past due: 31 - 60 days	142	144	168
Past due: 61 - 90 days	142	55	5
Past due: 90+ days	-	-	-
	721,277	**599,166**	**661,999**
Defaulted:			
Not yet past due and past due 1 - 90 days	7,742	5,974	6,143
Past due 90+ days	3,458	1,519	1,634
	11,200	**7,493**	**7,777**
Total gross carrying amount	**732,477**	**606,659**	**669,776**

Analysis of gross loan receivables in accordance with impairment losses:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2025 (Audited)	**643,513**	**18,484**	**7,779**	**669,776**
Transfer to Stage 1	5,333	(5,067)	(266)	-
Transfer to Stage 2	(35,268)	35,268	-	-
Transfer to Stage 3	(10,811)	(7,655)	18,466	-
Net lending/(repayment)	94,114	(16,629)	(14,150)	63,335
Write-offs	(4)	(1)	(629)	(634)
Total movement in receivables	**53,364**	**5,916**	**3,421**	**62,701**
As at 30 June 2025 (Unaudited)	**696,877**	**24,400**	**11,200**	**732,477**
Impairment allowance coverage at 30 June 2025	0.63%	0.79%	28.23%	1.06%

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2024 (Audited)	**545,952**	**21,052**	**17,123**	**584,127**
Transfer to Stage 1	16,689	(16,612)	(77)	-
Transfer to Stage 2	(41,655)	41,655	-	-
Transfer to Stage 3	(5,530)	(3,995)	9,525	-
Net lending/(repayment)	64,355	(22,746)	(10,911)	30,698
Write-offs	-	-	(8,166)	(8,166)
Total movement in receivables	**33,859**	**(1,698)**	**(9,629)**	**22,532**
As at 30 June 2024 (Unaudited)	**579,811**	**19,354**	**7,494**	**606,659**
Impairment allowance coverage at 30 June 2024	0.53%	1.02%	62.52%	1.32%

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2024 (Audited)	**545,952**	**21,052**	**17,123**	**584,127**
Transfer to Stage 1	38,281	(38,204)	(77)	-

Transfer to Stage 2	(82,317)	82,416	(99)	-
Transfer to Stage 3	(10,714)	(7,327)	18,041	-
Net lending/(repayment)	152,311	(39,433)	(19,943)	92,935
Write-offs	-	(20)	(7,266)	(7,286)
Total movement in receivables	**97,561**	**(2,568)**	**(9,344)**	**85,649**
As at 31 December 2024 (Audited)	**643,513**	**18,484**	**7,779**	**669,776**
Impairment allowance coverage at 31 December 2024	0.57%	0.90%	34.95%	0.98%

Analysis of impairment losses on loans and advances to customers:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2025 (Audited)	**3,692**	**166**	**2,719**	**6,577**
Transfer to Stage 1	90	(90)	-	-
Transfer to Stage 2	(229)	229	-	-
Transfer to Stage 3	(35)	(64)	99	-
Remeasurement of impairment allowance	(922)	46	2,112	1,236
Net lending/(repayment)	1,811	(94)	(1,090)	627
Write-offs	-	-	(678)	(678)
Total movement in impairment allowance	**715**	**27**	**443**	**1,185**
As at 30 June 2025 (Unaudited)	**4,407**	**193**	**3,162**	**7,762**

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2024 (Audited)	**2,522**	**160**	**11,914**	**14,596**
Transfer to Stage 1	147	(145)	(2)	-
Transfer to Stage 2	(231)	231	-	-
Transfer to Stage 3	(46)	(30)	76	-
Remeasurement of impairment allowance	(71)	206	1,038	1,173
Net lending/(repayment)	777	(225)	251	803
Write-offs	-	-	(8,592)	(8,592)
Total movement in impairment allowance	**576**	**37**	**(7,229)**	**(6,616)**
As at 30 June 2024 (Unaudited)	**3,098**	**197**	**4,685**	**7,980**

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2024 (Audited)	**2,522**	**160**	**11,914**	**14,596**
Transfer to Stage 1	277	(275)	(2)	-
Transfer to Stage 2	(425)	479	(54)	-
Transfer to Stage 3	(69)	(173)	242	-
Remeasurement of impairment allowance	(1,274)	560	3,191	2,477
Net lending/(repayment)	2,661	(582)	(3,837)	(1,758)
Write-offs	-	(3)	(8,735)	(8,738)
Total movement in impairment allowance	**1,170**	**6**	**(9,195)**	**(8,019)**
As at 31 December 2024 (Audited)	**3,692**	**166**	**2,719**	**6,577**

15. Trade and other receivables

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Trade receivables	4,559	3,148	3,316
Impairment allowance	(422)	(106)	(216)
	4,137	**3,042**	**3,100**

	4,137	3,042	3,100
Other debtors	265	403	528
Prepayments	2,084	1,681	1,050
	2,349	**2,084**	**1,578**
Total trade and other receivables	**6,486**	**5,126**	**4,678**

All trade receivables are due within one year and typically due for payment within 30 days of invoice.

The trade receivable balances are assessed for expected credit losses (ECL) under the 'simplified approach', which requires the Group to assess all balances for lifetime ECLs and is not required to assess significant increases in credit risk.

Ageing analysis of trade receivables:

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Not in default:			
Not yet past due	3,984	2,545	3,125
Past due: 1 - 30 days	159	504	45
Past due: 31 - 60 days	179	51	5
Past due: 61 - 90 days	7	29	8
Past due: 90+ days	-	-	-
	4,329	**3,129**	**3,183**
Defaulted:			
Not yet past due and past due 1 - 90 days	83	9	94
Past due 90+ days	147	10	39
	230	**19**	**133**
Total trade receivables	**4,559**	**3,148**	**3,316**

Analysis of movement of impairment losses on trade receivables:

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
At 1 January	**216**	**259**	**259**
Amounts written off	(63)	(206)	(223)
Change in impairment allowance due to new trade and other receivables originated net of those derecognised due to settlement	269	53	180
At period end	**422**	**106**	**216**

16. Current taxation asset

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
At 1 January	**-**	**55**	**55**
Repayments	-	(55)	(55)
At period end	**-**	**-**	**-**

17. Current taxation liability

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)

	(Unaudited) £'000	(Unaudited) £'000	(Audited) £'000
At 1 January	**(1,259)**	**(73)**	**(73)**
Charge to profit and loss account	(561)	(597)	(1,925)
Repayments	1,631	-	736
Adjustments in respect of prior years	-	-	3
At period end	**(189)**	**(670)**	**(1,259)**

18. Deferred taxation asset

The table below shows the movement in net deferred tax assets:

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
At 1 January	**3,980**	**7,111**	**7,111**
Charge to profit and loss account	(1,870)	(1,846)	(3,135)
Adjustments in respect of prior years	-	-	4
At period end	**2,110**	**5,265**	**3,980**

The Group has an unrecognised deferred tax asset value of £nil (30 June 2024: £0.7m, 31 December 2024: £nil) which is not expected to be utilised for the foreseeable future.

19. Right-of-use assets

	Buildings £'000
Cost:	
31 December 2023 (Audited)	**2,127**
Additions	3
Disposals and write-offs	-
Lease modifications	-
As at 30 June 2024 (Unaudited)	**2,130**
Additions	5
Disposals and write-offs	-
Lease modifications	(836)
As at 31 December 2024 (Audited)	**1,299**
Additions	2,768
Disposals and write-offs	-
As at 30 June 2025 (Unaudited)	**4,067**
Accumulated depreciation:	
31 December 2023 (Audited)	**900**
Charge for the period	89
Disposals and write-offs	-
As at 30 June 2024 (Unaudited)	**989**
Charge for the period	108
Disposals and write-offs	-
As at 31 December 2024 (Audited)	**1,097**
Charge for the period	226
Disposals and write-offs	-
As at 30 June 2025 (Unaudited)	**1,323**
Carrying amount:	
At 30 June 2024 (Unaudited)	1,141
At 31 December 2024 (Audited)	202
At 30 June 2025 (Unaudited)	**2,744**

During the period, the Group entered into a lease agreement for a new office space. This lease agreement commenced in March 2025 and therefore in accordance with IFRS16, a right of use asset and lease liability were recognised from that point within the consolidated financial statements.

The maturity analysis of lease liabilities is presented within note 23.

20. Notes to the cash flow statement

Cash and cash equivalents:

See below for reconciliation of balances classified as cash and cash equivalents, which are recognised within the consolidated cash flow statement:

consolidated cash flow statement:

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Cash and balances at central banks	84,856	86,036	110,030
Loans and advances to banks	9,472	1,487	1,764
Money market fund	-	1,192	769
Total cash and cash equivalents	**94,328**	**88,715**	**112,563**

The loans and advances to banks figure included on the face of the balance sheet includes cash collateral on derivatives placed with banks, which has not been classified as a cash and cash equivalent.

<u>Adjustments for non-cash items and other adjustments included in the income statement:</u>

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Depreciation of property, plant and equipment	362	206	444
Depreciation of right-of-use assets	226	89	197
Impairment of property, plant and equipment	275	-	-
Loss on disposal of property, plant and equipment	-	-	5
Amortisation of intangible assets	132	152	285
Loss on disposal of intangible assets	1	-	6
Loss on lease modification	-	-	30
Share based payments	614	493	985
Impairment allowances on receivables	2,187	106	(241)
Movement in other provisions	-	-	50
Dividend income on money market fund	(18)	(3)	(28)
Interest income on investment securities	-	(209)	(243)
Realised loss on investment securities	-	-	-
Finance costs	102	52	103
Unwind of discount	15	3	6
Interest on subordinated liabilities	629	633	1,272
Amortisation of subordinated liabilities acquisition costs	5	5	10
Interest in suspense	258	421	941
Total non-cash items and other adjustments	**4,788**	**1,948**	**3,822**

<u>Net change in operating assets:</u>

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Increase in loans and advances to customers	(63,020)	(29,060)	(93,048)
Derivative financial instruments	(11)	327	241
(Increase)/decrease in other assets	(2,599)	40	417
Increase in operating assets	**(65,630)**	**(28,693)**	**(92,390)**

<u>Net change in operating liabilities:</u>

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000

Increase in customer deposits	38,463	4,390	75,043
Derivative financial instruments	489	(500)	(559)
Fair value adjustments for portfolio hedged risk	151	(242)	(288)
Increase/(decrease) in other liabilities	2,429	3,006	5,180
Increase in operating liabilities	**41,532**	**6,654**	**79,376**

21. Equity

	30 June 2025 (Unaudited) No.	30 June 2024 (Unaudited) No.	31 December 2024 (Audited) No.	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Authorised:						
Ordinary shares of 1p each	179,369,199	179,369,199	179,369,199	1,793	1,793	1,793
Allotted, issued and fully paid:						
Ordinary shares of 1p each	179,369,199	179,369,199	179,369,199	1,793	1,793	1,793

Included in the ordinary shares above are 12,966,866 shares repurchased by the Company in the period at a total cost of £4,876,862 inclusive of commission. These treasury shares do not carry voting rights or rights to dividends while held by the company. See the table below for further details.

Analysis of the movements in equity:

	Date	No. of shares #	Issue Price £	Share Capital £'000	Merger Relief £'000	Total £'000
Balance at 1 January 2024 (Audited)		**179,369,199**		**1,793**	**94,911**	**96,704**
No transactions within the period		-	-	-	-	-
Balance at 30 June 2024 (Unaudited)		**179,369,199**		**1,793**	**94,911**	**96,704**
No transactions within the period		-	-	-	-	-
Balance at 31 December 2024 (Audited)		**179,369,199**		**1,793**	**94,911**	**96,704**
No transactions within the period		-	-	-	-	-
Balance at 30 June 2025 (Unaudited)		**179,369,199**		**1,793**	**94,911**	**96,704**

Own shares:

Own shares represent 2,635,658 (30 June 2024: 2,677,859; 31 December 2024: 2,677,998) ordinary shares held by the Group's Employee Benefits Trust to meet obligations under the Company's share and share option plans. The shares are stated at cost and their market value at 30 June 2025 was £1,027,907 (30 June 2024: £780,463; 31 December 2024: £990,859).

22. Customer deposits

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Retail deposits	688,128	579,012	649,665
Total customer deposits	**688,128**	**579,012**	**649,665**
Maturity analysis:			
Amounts repayable within one year	609,584	476,466	513,226
Amounts repayable after one year	78,544	102,546	136,439

	688,128	**579,012**	**649,665**

23. Lease liabilities

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Current	(78)	154	90
Non-current	2,721	973	-
Total lease liabilities	**2,643**	**1,127**	**90**
Maturity analysis:			
Year 1	138	252	109
Year 2	274	252	-
Year 3	275	252	-
Year 4	544	253	-
Year 5	544	252	-
Onwards	2,444	231	-
Total lease payments	**4,219**	**1,492**	**109**
Less: unearned interest	(1,576)	(365)	(19)
Total lease liabilities	**2,643**	**1,127**	**90**

During the period, the Group entered into a lease agreement for a new office space. This lease agreement commenced in March 25 and therefore in accordance with IFRS16, a right of use asset and lease liability were recognised from that point within the consolidated financial statements.

The lease agreement includes a rent-free period in the first 12 months from inception of the lease. As a result, in the 12 months from the reporting date the expected lease repayments are lower than the associated finance cost. Therefore, the liability is increasing in year 1, hence the current portion of the lease liability is negative, whilst the non-current portion is higher than the amount presented on the face of the balance sheet.

Movements in lease liabilities in the period:

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
At 1 January	**90**	**1,205**	**1,205**
Additions	2,561	-	-
Finance costs	100	52	103
Lease payments	(108)	(130)	(252)
Lease modification	-	-	(966)
At period end	**2,643**	**1,127**	**90**

24. Subordinated liabilities

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Tier 2 notes	10,000	10,000	10,000
Accrued interest	267	269	268
Deferred acquisition costs	(33)	(44)	(38)
Total subordinated liabilities	**10,234**	**10,225**	**10,230**

25. Investment securities

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Investments not measured at fair value:			
Money market fund	-	1,192	769
Investment securities measured at FVOCI:			
Treasury bills	-	4,983	-
UK government gilts	-	-	-

Total investment securities	**-**	**6,175**	**769**

Analysis of investment securities movements during the period:

At 1 January	**769**	**14,839**	**14,839**
Purchased investment securities	5,031	6,128	10,659
Proceeds from sold or maturing securities	(5,818)	(15,000)	(25,000)
Coupons received	-	(75)	(75)
Interest income	18	209	271
Unrealised Gains	-	74	-
Amounts transferred to the income statement	-	-	75
At period end	**-**	**6,175**	**769**

Maturity profile of investment securities:

Within 12 months	-	1,192	769
Over 12 months	-	4,983	-

During the period, the Group's only active investment security was a low volatility money market fund which invests in a range of cash holding and short dated securities held to maturity. This materially removes exposure to market movements, meaning the fund consistently trades at par value. The Group have therefore treated the investment as a cash and cash equivalent with related purchases and sales not recognised in the cash flow statement.

In comparative periods, the Group held other investment securities such as Government gilts and UK treasury bills which were not treated as cash and cash equivalents and such were included in the cash flow statement.

26. Hedge accounting

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Hedged liabilities:			
Current hedge relationships	305	199	167
Swap inception adjustment	(18)	(17)	(31)
Fair value adjustments on hedged liabilities	**287**	**182**	**136**

As at the period ended 30 June 2025, the Group presently only hedges liabilities in the form of its customer deposits and subordinated liabilities. The Group currently hedges a small amount of its longer-term loans and advances to customers. The majority of loans and advances to customers are expected to reprice within a short time frame and are subsequently not hedged.

At present, the Group expects its hedging relationships to be highly effective as the Group hedges liabilities and assets for which the fair value movements between the hedged item and hedging instrument are expected to be highly correlated.

Further, the Group does not anticipate having to rebalance the hedging relationship once entered into due to the contractual terms of the hedged liabilities meaning that the contractual cash flows are highly predictable, with any deviation likely to be negligible. In the period ended 30 June 2025, there has been no cancelled or de-designated hedge relationships due to failed hedge accounting relationships.

27. Financial instruments

Analysis of financial instruments by valuation model

The Group measures fair values using the following hierarchy of methods:

- Level 1 - Quoted market price in an active market for an identical instrument
- Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for similar instruments that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial assets and liabilities that are not measured at fair value:

Financial assets and liabilities that are not measured at fair value:

30 June 2025 (Unaudited)	Carrying amount £'000	Fair value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets not measured at fair value:					
Cash and balances at central banks	84,856	84,856	84,856	-	-
Loans and advances to banks	11,599	11,599	11,599	-	-
Investment securities	-	-	-	-	-
Loans and advances to customers	722,031	722,031	-	-	722,031
Trade receivables	4,137	4,137	-	-	4,137
Other receivables	265	265	-	-	265
	822,888	**822,888**	**96,455**	**-**	**726,433**
Financial liabilities not measured at fair value:					
Customer deposits	688,128	686,851	-	-	686,851
Amounts due to banks	-	-	-	-	-
Other financial liabilities	2,643	2,643	-	-	2,643
Subordinated liabilities	10,234	10,524	-	10,524	-
Trade payables	221	221	-	-	221
Other payables	8,448	8,448	-	-	8,448
	709,674	**708,687**	**-**	**10,524**	**698,163**

30 June 2024 (Unaudited)	Carrying amount £'000	Fair value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets not measured at fair value:					
Cash and balances at central banks	86,036	86,036	86,036	-	-
Loans and advances to banks	3,496	3,496	3,496	-	-
Investment securities	1,192	1,192	1,192	-	-
Loans and advances to customers	596,771	596,771	-	-	596,771
Trade receivables	3,042	3,042	-	-	3,042
Other receivables	403	403	-	-	403
	690,940	**690,940**	**90,724**	**-**	**600,216**
Financial liabilities not measured at fair value:					
Customer deposits	579,012	579,500	-	-	579,500
Amounts due to banks	180	180	180	-	-
Other financial liabilities	1,127	1,127	-	-	1,127
Subordinated liabilities	10,225	10,497	-	10,497	-
Trade payables	97	97	-	-	97
Other payables	4,317	4,317	-	-	4,317
	594,958	**595,718**	**180**	**10,497**	**585,041**

31 December 2024 (Audited)	Carrying amount £'000	Fair value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets not measured at fair value:					
Cash and balances at central banks	110,030	110,030	110,030	-	-
Loans and advances to banks	3,771	3,771	3,771	-	-
Investment securities	769	769	769	-	-
Loans and advances to customers	660,772	660,772	-	-	660,772
Trade receivables	3,100	3,100	-	-	3,100
Other receivables	528	528	-	-	528
	778,970	**778,970**	**114,570**	**-**	**664,400**
Financial liabilities not measured at fair value:					
Customer deposits	649,665	650,736	-	-	650,736
Amounts due to banks	180	180	180	-	-
Other financial liabilities	90	90	-	-	90
Subordinated liabilities	10,230	10,567	-	10,567	-
Trade payables	524	524	-	-	524

Trade payables	[illegible]	[illegible]			[illegible]
Other payables	4,384	4,384	-	-	4,384
	665,073	**666,481**	**180**	**10,567**	**655,734**

Fair values for level 3 assets were calculated using a discounted cash flow model and the Directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost are approximate to their fair values.

Cash and balances at central banks
This represents cash held at central banks where fair value is considered to be equal to carrying value.

Loans and advances to banks
This mainly represents the Group's working capital current accounts with other banks with an original maturity of less than three months. Fair value is not considered to be materially different to carrying value.

Investment securities
The investment securities carried at amortised cost represent the Groups investment in a money market fund. Due to the short-term nature of the underlying investments which are held to maturity, the fund has never deviated from par value. The carrying value is therefore considered to be approximately equal to the fair value.

Loans and advances to customers
Due to the short-term nature of loans and advances to customers, their carrying value is considered to be approximately equal to their fair value. These items are short term in nature such that the impact of the choice of discount rate would not make a material difference to the calculations.

Customer deposits
The fair value of fixed rate retail deposits has been estimated by discounting future cash flows at current market rates of interest. Retail deposits at variable rates and deposits payable on demand are considered to be at current market rates and as such fair value is estimated to be equal to carrying value.

Subordinated liabilities
The fair value of the subordinated liabilities is estimated by discounting the expected cashflows using an interest rate for
similar liabilities with the same remaining maturity rate and credit profile.

Trade and other receivables, other borrowings and other liabilities
These represent short-term receivables and payables and as such their carrying value is considered to be equal to their fair value.

Financial assets and liabilities included in the statement of financial position that are measured at fair value:

30 June 2025 (Unaudited)	**Carrying Amount £'000**	**Principal Amount £'000**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Financial assets measured at fair value:					
Investment securities	-	-	-	-	-
Derivative assets	306	25,000	-	306	-
	306	**25,000**	**-**	**306**	**-**
Financial liabilities measured at fair value:					
Derivative liabilities	495	55,156	-	495	-
	495	**55,156**	**-**	**495**	**-**

30 June 2024 (Unaudited)	**Carrying Amount £'000**	**Principal Amount £'000**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Financial assets measured at fair value:					
Investment securities	4,983	5,000	4,983	-	-
Derivative assets	210	10,000	-	210	-
	5,193	**15,000**	**4,983**	**210**	**-**
Financial liabilities measured at fair value:					
Derivative liabilities	65	10,000	-	65	-
	65	**10,000**	**-**	**65**	**-**

31 December 2024 (Audited)	**Carrying Amount £'000**	**Principal Amount £'000**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Financial assets measured at fair value:					
Investment securities	-	-	-	-	-
Derivative assets	295	10,000	-	295	-
	295	**10,000**	**-**	**295**	**-**
Financial liabilities measured at fair value:					
Derivative liabilities	6	5,000	-	6	-
	[illegible]	[illegible]		[illegible]	

	6	5,000	-	6	-

Investment securities
The investment securities carried at fair value by the Company are treasury bills and government gilts. Treasury bills and government gilts are traded in active markets and fair values are based on quoted market prices.

There were no transfers between levels during the periods, all investment securities have been measured at level 1 from acquisition.

Derivatives
Derivative instruments fair values are provided by a third party and are based on the market values of similar financial instruments. The fair value of investment securities held at FVTPL is measured using a discounted cash flow model.

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while providing an adequate return to shareholders.

Refer to the audited financial statement of the Group for the year ended 31 December 2024 for further details of the Group's approach to capital management.

Financial risk management

The Group's activities and the existence of the disclosed financial instruments expose it to a variety of financial risks.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce ongoing risk as far as possible without unduly affecting the Group's competitiveness and flexibility.
The Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Interest rate risk

Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. One of the Group's main income-generating activities is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers. The Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

Refer to the audited financial statement of the Group for the year ended 31 December 2024 for further details of the Group's approach to credit risk management and impairment provisioning.

Collateral held as security:

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Fully collateralised			
Loan-to-value* ratio:			
Less than 50%	19,589	14,123	15,539
51% to 70%	44,938	63,736	75,391
71% to 80%	121,738	113,066	120,027
81% to 90%	110,189	109,306	104,174
91% to 100%	373,420	274,914	305,906
Asset Finance	6,011	-	-
Total collateralised lending	**675,885**	**575,145**	**621,037**
Unsecured lending	**56,592**	**31,514**	**48,739**

* Calculated using wholesale collateral values. Wholesale collateral values represent the invoice total (including applicable VAT) from the invoice received from the supplier of the product. The wholesale amount is lower than the recommended retail price (RRP) of the product.

The Group's lending activities are asset based so it expects that the majority of its exposure is secured by the collateral value of the asset that has been funded under the loan agreement. The Group has title to the collateral which is funded under loan agreements. The collateral includes boats, motorcycles, recreational vehicles, caravans, light commercial vehicles, industrial and agricultural equipment. The collateral has low depreciation and is not subject to rapid technological changes or redundancy. There has been no change in the Group's assessment of collateral and its underlying value in the reporting period.

The assets are generally in the counterparty's possession, but this is controlled and managed by the asset audit process. The audit process checks on a periodic basis that the asset is in the counterparty's possession and has not been sold out of trust or is otherwise not in the counterparty's control. The frequency of the audits is initially determined by the risk rating assessed at the time that the borrowing facility is first approved and is assessed on an ongoing basis.

Additional security may also be taken to further secure the counterparty's obligations and further mitigate risk. Further to this, in many cases, the Group includes a repurchase agreement with the counterparty to sell-back the underlying collateral.

Based on the Group's current principal products, the counterparty repays its obligation under a loan agreement with the Group at or before the point that it sells the asset. If the asset is not sold and the loan agreement reaches maturity, the counterparty is required to pay the amount due under the loan agreement plus any other amounts due. In the event that the counterparty does not pay on the due date, the Group's customer management process will maintain frequent contact with the counterparty to establish the reason for the delay and agree a timescale for payment. Senior Management will review actions on a regular basis to ensure that the Group's position is not being prejudiced by delays.

In the event the Group determines that payment will not be made voluntarily, it will enforce the terms of its loan agreement and recover the asset, initiating legal proceedings for delivery, if necessary. If there is a shortfall between the net sales proceeds from the sale of the asset and the counterparty's obligations under the loan agreement, the shortfall is payable by the counterparty on demand.

Concentration of credit risk:
The Group maintains policies and procedures to manage concentrations of credit at the counterparty level and industry level to achieve a diversified loan portfolio. The Group's gross receivable balance for loans and advances to customers is split by industry as follows:

	30 June 2025		**30 June 2024**		**31 December 2024**	
	£'000	**%**	**£'000**	**%**	**£'000**	**%**
Leisure:						
Lodges and holiday homes	81,240	11.1%	118,549	19.5%	91,473	13.7%
Motorhomes and caravans	220,375	30.1%	164,020	27.0%	207,948	31.0%
Marine	84,566	11.5%	63,403	10.5%	72,120	10.8%
Motorsport	39,884	5.4%	33,813	5.6%	35,264	5.3%
Automotive	39,273	5.4%	21,803	3.6%	31,562	4.7%
	465,338	**63.5%**	**401,588**	**66.2%**	**438,367**	**65.4%**
Commercial:						
Transport	110,560	15.1%	104,854	17.3%	93,314	13.9%
Industrial equipment	40,796	5.6%	32,986	5.4%	33,128	4.9%
Agricultural equipment	20,749	2.8%	26,488	4.4%	24,720	3.7%
Other serialised assets	-	0.0%	3,575	0.6%	-	0.0%
	172,105	**23.5%**	**167,903**	**27.7%**	**151,162**	**22.6%**
Wholesale and receivables funding	89,023	12.2%	37,168	6.1%	80,247	12.0%
Asset Finance	6,011	0.8%	-	0.0%	-	0.0%
Total gross receivables	**732,477**	**100%**	**606,659**	**100%**	**669,776**	**100%**

Credit quality of borrowers:

An analysis of the Group's credit risk exposure for loan and advances per class of financial asset, internal rating and stage is provided in the following tables. Refer to the audited financial statements of the Group for the year ended 31 December 2024 for description of the meanings of stages 1, 2 and 3.

30 June 2025 (Unaudited)	**Stage 1**		**Stage 2**		**Stage 3**		**Total**	
		Portfolio		**Portfolio**		**Portfolio**		**Portfolio**
	£'000	**%**	**£'000**	**%**	**£'000**	**%**	**£'000**	**%**
Gross carrying amount:								
Above								

	£'000	Portfolio %	£'000	Portfolio %	£'000	Portfolio %	£'000	Portfolio %
average (Risk rating 1-2)	496,124	67.7%	768	0.1%	2,138	0.3%	499,030	68.1%
Average (Risk rating 3-5)	182,682	24.9%	15,832	2.2%	4,177	0.6%	202,691	27.7%
Below average (Risk rating 6+)	18,071	2.5%	7,800	1.1%	4,885	0.7%	30,756	4.2%
Total gross carrying amount	**696,877**	**95.1%**	**24,400**	**3.4%**	**11,200**	**1.5%**	**732,477**	**100%**

	£'000	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**
Impairment allowance:								
Above average (Risk rating 1-2)	(1,838)	0.4%	(1)	0.1%	(343)	16.0%	(2,182)	0.4%
Average (Risk rating 3-5)	(2,177)	1.2%	(95)	0.6%	(538)	12.9%	(2,810)	1.4%
Below average (Risk rating 6+)	(392)	2.2%	(97)	1.2%	(2,281)	46.7%	(2,770)	9.0%
Total impairment allowance	**(4,407)**	**0.6%**	**(193)**	**0.8%**	**(3,162)**	**28.2%**	**(7,762)**	**1.1%**

30 June 2024 (Unaudited)	**Stage 1**		**Stage 2**		**Stage 3**		**Total**	
	£'000	**Portfolio %**	**£'000**	**Portfolio %**	**£'000**	**Portfolio %**	**£'000**	**Portfolio %**
Gross carrying amount:								
Above average (Risk rating 1-2)	441,583	72.8%	-	0.0%	251	0.0%	441,834	72.8%
Average (Risk rating 3-5)	118,170	19.5%	15,912	2.6%	-	0.0%	134,082	22.1%
Below average (Risk rating 6+)	20,058	3.3%	3,442	0.6%	7,243	1.2%	30,743	5.1%
Total gross carrying amount	**579,811**	**95.6%**	**19,354**	**3.2%**	**7,494**	**1.2%**	**606,659**	**100%**

	£'000	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**
Impairment allowance:								
Above average (Risk rating 1-2)	(1,544)	0.3%	-	0.0%	(47)	18.7%	(1,591)	0.4%
Average (Risk rating 3-5)	(1,346)	1.1%	(131)	0.8%	-	0.0%	(1,477)	1.1%
Below average (Risk rating 6+)	(208)	1.0%	(66)	1.9%	(4,638)	64.0%	(4,912)	16.0%
Total impairment allowance	**(3,098)**	**0.5%**	**(197)**	**1.0%**	**(4,685)**	**62.5%**	**(7,980)**	**1.3%**

31 December 2024 (Audited)	Stage 1		Stage 2		Stage 3		Total	
	£'000	Portfolio %	£'000	Portfolio %	£'000	Portfolio %	£'000	Portfolio %
Gross carrying amount:								
Above average (Risk rating 1-2)	459,277	68.6%	13,996	2.1%	4,075	0.6%	477,348	71.3%
Average (Risk rating 3-5)	173,037	25.8%	2,092	0.3%	1,157	0.2%	176,286	26.3%
Below average (Risk rating 6+)	11,199	1.7%	2,396	0.4%	2,547	0.4%	16,142	2.4%
Total gross carrying amount	**643,513**	**96.1%**	**18,484**	**2.8%**	**7,779**	**1.2%**	**669,776**	**100.0%**
	£'000	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**
Impairment allowance:								
Above average (Risk rating 1-2)	(1,686)	0.4%	(89)	0.6%	(1,700)	41.7%	(3,475)	0.7%
Average (Risk rating 3-5)	(1,839)	1.1%	(11)	0.5%	(430)	37.1%	(2,280)	1.3%
Below average (Risk rating 6+)	(167)	1.5%	(66)	2.8%	(589)	23.1%	(822)	5.1%
Total impairment allowance	**(3,692)**	**0.6%**	**(166)**	**0.9%**	**(2,719)**	**35.0%**	**(6,577)**	**1.0%**

See note 14 for analysis of the movements in gross loan receivables and impairment allowances in terms of IFRS 9 staging.

Analysis of credit quality of trade receivables:

	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Status at balance sheet date:			
Not past due, nor defaulted	3,984	2,545	3,125
Past due but not in default	345	584	58
Defaulted	230	19	133
Total gross carrying amount	**4,559**	**3,148**	**3,316**
Impairment allowance	(422)	(106)	(216)
Carrying amount	**4,137**	**3,042**	**3,100**

See note 14 for analysis of the movements in gross trade receivables and impairment allowances in terms of IFRS 9 staging.

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations as they fall due or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance operations and can be affected by a range of Group-specific and market-wide events.

Refer to the audited financial statement of the Group for the year ended 31 December 2024 for further details of the Group's approach to liquidity risk management.

Market risk

Market risk is the risk that movements in market factors, such as foreign exchange rates, interest rates, credit spreads, equity prices and commodity prices will reduce the Group's income or the value of its assets.

The principal market risk to which the Group is exposed is interest rate risk.

The Group's treasury function is responsible for managing the Group's exposure to all aspects of market risk within the operational limits set out in the Group's treasury policies, with the overall objective of managing market risk in line with the Group's risk appetite. The Asset and Liability Committee approves the Group's treasury policies and receives regular reports on all aspects of market risk exposure, including interest rate risk.

Refer to the audited financial statement of the Group for the year ended 31 December 2024 for further details of the Group's approach to market risk management.

Group's approach to market risk management.

28. Earnings per share

Earnings attributable to ordinary shareholders	30 June 2025 (Unaudited) £'000	30 June 2024 (Unaudited) £'000	31 December 2024 (Audited) £'000
Profit after tax attributable to the shareholders	6,606	6,731	14,021
Weighted average number of shares, thousands			
Basic	179,369	179,369	179,369
Dilutive impact of share-based payment schemes	10,231	8,606	9,669
Diluted	189,600	187,975	189,038
Earnings per share, pence per share			
Basic	3.7	3.8	7.8
Diluted	3.5	3.6	7.4

29. Related party disclosures

During the six months period ended 30 June 2025, related party transactions have had no material effect on the financial position or performance of the Group. The related party transactions remain similar in nature to those disclosed in the audited financial statements of the Group for the year ended 31 December 2024.

30. Subsequent events

Subsequent to 30 June 2025, the Group agreed a VAT recovery, which is expected to be approximately £1.4m with HMRC in respect of an updated Partial Exemption Special Method. This amount was recognised after the reporting date and is therefore not included in the results for the 6 months to 30 June 2025.

Alternative Performance Measures

Certain financial measures disclosed in the Interim Financial Report do not have a standardised meaning prescribed by International Financial Reporting Standards (IFRS) and may therefore not be comparable to similar measures presented by other issuers. These measures (defined below) are deemed to be Alternative Performance Measures ("APMs")

APMs may be considered in addition to, but not as a substitute for, the reported IFRS results. The Group believes that these APMs together with the other metrics presented above, when considered together with reported IFRS results, provide stakeholders with additional information to better understand the Group's financial performance.

Gross revenues (£m):

	30 June 2025 6-month (Unaudited)	30 June 2024 6-month (Unaudited)	31 December 2024 12-month (Audited)
Interest and similar income	43.9	37.7	76.8
Fee income	0.6	0.7	1.2
Fee expenses	(0.8)	(0.7)	(1.6)
Net gains/(losses) on derivatives at fair value through profit or loss and other operating income	(0.5)	0.2	0.4
Total gross revenues (£m)	**43.3**	**37.9**	**76.8**

Sum of interest and similar income, fee income less fee expenses, net gains/(losses) on disposal of financial assets at fair value through other comprehensive income, net losses from derivatives measured at fair value through profit or loss and other operating income.

Gross yield (%):

	30 June 2025 6-month (Unaudited)	30 June 2024 6-month (Unaudited)	31 December 2024 12-month (Audited)
Interest and similar income on loans and advances to customers (£m)	41.3	35.1	71.6
Fee income (£m)	0.6	0.7	1.2
	41.9	**35.8**	**72.8**
Average gross receivables (£m)	689.7	591.0	595.0
Gross yield (%)	**12.2%**	**12.1%**	**12.2%**

The effective interest rate we charge our customers including fees.

The effective interest rate we charge our customers including fees.

Net interest margin (%):

	30 June 2025 6-month (Unaudited)	30 June 2024 6-month (Unaudited)	31 December 2024 12-month (Audited)
Total operating income (£m)	26.3	22.5	45.6
Add back: Fee expenses (£m)	0.8	0.7	1.6
Adjusted total operating income (£m)	27.1	23.2	47.2
Average gross receivables (£m)	689.7	591.0	595.0
Net interest margin (%)	**7.9%**	**7.8%**	**7.9%**

Total operating income adding back fee expense, as a % of gross receivables at the year end.

Adjusted cost of risk (%):

	30 June 2025 6-month (Unaudited)	30 June 2024 6-month (Unaudited)	31 December 2024 12-month (Audited)
Impairment charges (£m)	(2.2)	(0.1)	0.2
Less: impact of RoyaleLife write-back in 2024 (£m)	-	(1.7)	(4.7)
Adjusted impairment charge (£m)	(2.2)	(1.8)	(4.5)
Average gross receivables (£m)	689.7	591.0	595.0
Adjusted cost of risk (%)	**(0.63%)**	**(0.61%)**	**(0.75%)**

Impairments charges in the year adjusted for the RoyaleLife write-back in 2024, as a % of average gross receivables. No adjustment was required for 2025.

Cost to income ratio (%):

	30 June 2025 6-month (Unaudited)	30 June 2024 6-month (Unaudited)	31 December 2024 12-month (Audited)
Staff costs (£m)	9.5	7.8	16.0
Other operating expenses (£m)	5.6	5.4	10.7
Total operating expenses (£m)	15.1	13.2	26.7
Total operating income (£m)	26.3	22.5	45.6
Cost to income ratio (%)	**57%**	**59%**	**59%**

Total operating expenses as a % of total operating income.

Adjusted tangible net asset value per share:

	30 June 2025 6-month (Unaudited)	30 June 2024 6-month (Unaudited)	31 December 2024 12-month (Audited)
Total assets (£m)	832.0	706.2	786.5
Total liabilities (£m)	(714.4)	(598.6)	(671.2)
Net assets (£m)	117.6	107.6	115.4
Less: Intangible assets	(0.8)	(0.6)	(1.0)
Net assets less intangible assets (£m)	116.8	106.9	114.4
Period end number of shares in issue	179,369	179,369	179,369
Less: treasury shares ('000)	(12,967)	-	-
Adjusted period number of ordinary shares outstanding excluding treasury shares ('000)	166,402	179,369	179,369
Adjusted tangible net asset value per share (pence)	**70.2p**	**59.6p**	**63.8p**

Net assets less intangible assets divided by the period end number of shares in issue during the year excluding treasury shares.

Impairment loss coverage on loans to customers (%):

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Impairment allowance on loans and advances to customers (£m)	7.8	8.0	6.6
Gross carrying amount of loans and advances to customers (£m)	732.5	606.7	669.8
Impairment coverage on loans to customers (%)	**1.06%**	**1.32%**	**0.98%**

Impairment allowance as a % of gross carrying amount of loans and advances to customers at the period end.

Adjusted return on customer assets (%)

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Profit after tax (£m)	6.6	6.7	14.0
Less: post tax impact of RoyaleLife write-back in 2024 (£m)	-	(1.3)	(3.5)
Adjusted profit after tax (£m)	6.6	5.4	10.5
Average gross receivables (£m)	689.7	591.0	595.0
Adjusted return on customer assets (%)	**1.9%**	**1.8%**	**1.8%**

Profit after tax adjusted for the RoyaleLife write-back in 2024, divided by average gross receivables during the year.

Adjusted return on equity (%)

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Profit after tax (£m)	6.6	6.7	14.0
Less: post tax impact of RoyaleLife write-back in 2024 (£m)	-	(1.3)	(3.5)
Adjusted profit after tax (£m)	6.6	5.4	10.5
Average equity (£m)	116.9	103.6	107.4
Adjusted return on equity (%)	**11.3%**	**10.5%**	**9.8%**

Profit after tax adjusted for the RoyaleLife write-back in 2024, divided by average equity during the year.

Adjusted basic earnings per share

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Profit after tax (£m)	6.6	6.7	14.0
Less: post tax impact of RoyaleLife write-back in 2024 (£m)	-	(1.3)	(3.5)
Adjusted profit after tax (£m)	6.6	5.4	10.5
Weighted average number of ordinary shares outstanding ('000)	179,369	179,369	179,369
Less: weighted average treasury shares ('000)	(6,292)	-	-
Adjusted weighted average number of ordinary shares outstanding excluding treasury shares ('000)	173,077	179,369	179,369
Adjusted basic earnings per share (pence)	**3.8p**	**3.0p**	**5.9p**

Adjusted basic EPS is calculated by dividing profit attributable to ordinary equity holders of the Company adjusted for the RoyaleLife write-back in 2024, divided by the weighted average number of ordinary shares outstanding during the period less treasury shares held.

Adjusted profit before tax (£m)

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Profit before tax (£m)	9.0	9.2	19.1
Less: pre-tax impact of RoyaleLife write-back in 2024 (£m)	-	(1.7)	(4.7)
Adjusted profit before tax (£m)	**9.0**	**7.5**	**14.4**

Profit before tax adjusted for the RoyaleLife write-back in 2024. No adjustment was required for 2025.

Regulatory capital (£m)

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Unaudited)
Common Equity Tier 1 capital	101.7	90.0	98.8
Tier 2 capital	10.2	10.2	10.2
Regulatory capital (£m)	**111.9**	**100.2**	**109.0**

Regulatory capital is the Common Equity Tier 1 capital together with Tier 2 capital.

Number of dealers
Number of borrower relationships.

Number of manufacturer partners
Number of vendors and manufacturers with whom we have programs that support our lending.

Number of vendors and manufacturers with whom we have programs that support our lending.

Total credit available to dealers
Amount of credit available to our customers to draw (uncommitted) including existing drawings.