1.

Q3 Interim Financial Report.

Periods ended 31 March 2025

In this report.

investors.togethermoney.com

About Together.

For over 50 years, we've helped thousands of people, businesses and professionals unlock their property ambitions with our common-sense approach to lending.

That means we take the time to understand our customers and find a property finance solution that works for them.

Our purpose

Realising ambitions by making finance work

Our vision

To be the most valued lending company in the UK

Buy to Let

Commercial term

Development

Bridging

Residential

Experts in property lending, we offer a broad range of flexible products to underserved customers via our full-service inhouse platform.

Customers come to Together because we help people achieve their property ambitions.

Reputation & experience

Long-term relationships

Agility to deliver quickly

Certainty of funding

Real people, real decisions

For further information on our purpose & business model please see our **2024 Annual Report & Accounts.**

Further analysis of our quarterly performance, including performance in relation to the senior borrower group, is included within the **quarterly investor presentation.**

Interim management report.

Quarterly highlights

The directors present their Interim management report and the unaudited Interim condensed consolidated financial statements (Interim financial statements) for the three and nine months ended 31 March 2025. These Interim financial statements are prepared for Together Financial Services Limited (the Company) and its subsidiaries, trading as Together (the Group).

Richard Rowntree

Group Chief Executive Officer

"Together delivered another strong performance during the quarter with the loan book reaching £7.8bn, net interest margin remaining highly attractive at 5.5%, net interest income up 13% and underlying profit before tax up 11% on the same quarter last year.

We successfully raised or refinanced £2.5bn across five transactions during the quarter, as we continued to broaden our funding and raise additional liquidity to support our growth ambitions. Our transformation programme is progressing through the build phase and our pipeline is up 21% compared with Q2 2025, indicating continued robust demand for our products.

Looking forward, the outlook for the UK economy is mixed, with easing inflation and expectations of further interest rate cuts offset by global economic uncertainty due to trade tensions and tariff wars. However, Together has a successful multi-cycle track record and long-term structural trends support an increase in demand for specialist lending solutions. Against this backdrop, we remain cautiously optimistic and will continue to help customers realise their property ambitions, as we have for the last 50 years."

Highlights for the quarter ended March 2025

£7.8bn
(March 2024: £7.0bn)
Loans and advances to customers

£50.7m
(March 2024: £49.5m)
Statutory profit before tax

55.3%
(March 2024: 55.2%)
Weighted-average indexed LTV

5.5%
(March 2024: 5.5%)
Net interest margin

Interim management report.

Financial review

Financial position

As at (£m)	31 March 2025	31 March 2024	30 June 2024
Loans and advances to customers	**7,771.7**	7,044.8	7,363.9
Cash and cash equivalents	**422.0**	325.9	336.2
Fixed and other assets	**68.4**	81.4	75.4
Total assets	**8,262.1**	7,452.1	7,775.5
Borrowings	**6,932.9**	6,237.6	6,543.3
Other liabilities	**118.4**	101.0	95.8
Total liabilities	**7,051.3**	6,338.6	6,639.1
Total equity	**1,210.8**	1,113.5	1,136.4
Total equity and liabilities	**8,262.1**	7,452.1	7,775.5

Key performance indicators

	3 months ended 31 March 2025	3 months ended 31 March 2024	Year ended 30 June 2024
Average monthly originations (£m)	**248.1**	262.5	249.6
Weighted average LTV of originations[1] (%)	**58.8**	59.6	59.0
Weighted average indexed LTV (%)	**55.3**	55.2	55.7
Shareholder funds (£m)[2]	**1,235.2**	1,149.0	1,159.2
Net debt gearing (%)	**83.4**	83.3	83.9

Loans and advances to customers have increased by 10.3% to £7,771.7m compared with £7,044.8m at 31 March 2024. Average monthly lending was £266.9m for the nine month period to 31 March 2025, higher than £239.7m in the nine months to 31 March 2024, with the Group continuing to focus on lending at appropriate margins and prudent LTVs which provides protection against the risk of falls in property prices. Accordingly, the weighted average indexed LTV has remained relatively stable at 55.3% (31 March 2024: 55.2%).

To support this continued growth in loans and advances to customers, the Group's borrowings have increased by 11.1% to £6,932.9m (31 March 2024: £6,237.6m). Further information on our borrowings, including transactions in the quarter, is included in Note 9 to the financial statements.

Shareholder's funds have increased by 7.5% to £1,235.2m compared with £1,149.0m at 31 March 2024, reflecting retained profits reinvested in the business.

Net debt gearing has marginally increased to 83.4% (31 March 2024: 83.3%) as the Group has continued to successfully increase the level of funding to fund further growth but also monitors levels of gearing closely with reference to internal triggers and limits.

[1] Excludes further advances
[2] Shareholder funds is calculated as equity of £1,210.8m (31 March 2024: £1,113.5m, 30 June 2024: £1,136.4m) plus subordinated loans of £24.4m (31 March 2024: £35.5m, 30 June 2024: £22.8m).

Interim management report.
Financial review continued

Quarterly financial performance (3 month period)

For the 3 months ended (£m)	31 March 2025	31 March 2024
Interest receivable and similar income	**218.5**	196.9
Interest payable and similar charges	**(111.3)**	(102.1)
Net interest income	**107.2**	94.8
Net fair-value loss on derivatives	**(0.4)**	(1.3)
Net fee and other income	**2.1**	1.0
Operating income	**108.9**	94.5
Administrative expenses	**(39.9)**	(30.7)
Operating profit	**69.0**	63.8
Impairment losses	**(18.3)**	(14.3)
Profit before tax	**50.7**	49.5
Non-underlying items		
Transformation expense	**6.8**	2.3
Underlying profit before tax	**57.5**	51.8

Key quarterly performance indicators

For the 3 months ended (%)	31 March 2025	31 March 2024
Net interest margin[1]	**5.5**	5.5
Interest-cover ratio	**1.5:1**	1.5:1
Cost-to-income ratio	**36.6**	32.4
Underlying cost-to-income ratio	**30.4**	30.1
Cost-to-asset ratio[1]	**1.9**	1.7
Underlying cost-to-asset ratio[1]	**1.6**	1.5
Annualised cost of risk[1]	**0.95**	0.83

Interest receivable and similar income increased by 11.0% to £218.5m for the quarter ended 31 March 2025 (31 March 2024: £196.9m) which was driven by the continuing growth in the loan book over the period. Interest payable and similar charges increased by 9.0% to £111.3m (31 March 2024: £102.1m), primarily due to an increase in borrowings in support of the continued growth in lending. As a result, net interest margin has remained stable at 5.5% (31 March 2024: 5.5%). Net interest income for the quarter has increased to £107.2m (31 March 2024: £94.8m).

The Group's costs increased to £39.9m for the quarter to 31 March 2025 (31 March 2024: £30.7m), largely driven by an increase in investment in the Group's systems transformation, as well as the additional investment in staff costs. Underlying cost-to-income ratio, which excludes the impact of the transformation expense, has remained relatively stable at 30.4% (31 March 2024: 30.1%), as a result of a careful balance between cost control and investment.

The annualised cost of risk has increased to 0.95% (31 March 2024: 0.83%) with the Group increasing coverage on its loan book to reflect some deterioration in performance as has been expected and observed across the market following a period of high inflation and higher cost of borrowing in the UK. The Group continues to carefully monitor its credit risk and portfolio performance and factors it appropriately into the allowance for expected credit losses. Further detail on expected credit losses is set out in Note 8.

[1] Note that these measures have been annualised to provide year-on-year comparisons.

Interim management report.

Financial review continued

Year-to-date financial performance (9 month period)

For the 9 months ended (£m)	31 March 2025	31 March 2024
Interest receivable and similar income	**653.3**	569.4
Interest payable and similar charges	**(345.3)**	(293.9)
Net interest income	**308.0**	275.5
Net fair-value loss on derivatives	**(1.4)**	(9.9)
Net fee and other income	**5.7**	3.9
Operating income	**312.3**	269.5
Administrative expenses	**(114.2)**	(86.2)
Operating profit	**198.1**	183.3
Impairment losses	**(48.8)**	(38.9)
Profit before tax	**149.3**	144.4
Non-underlying items		
Transformation expense	**17.6**	3.5
Underlying profit before tax	**166.9**	147.9

Key year-to-date performance indicators

For the 9 months ended (%)	31 March 2025	31 March 2024
Net interest margin[1]	**5.4**	5.5
Interest-cover ratio	**1.5:1**	1.5:1
Cost-to-income ratio	**36.6**	32.0
Underlying cost-to-income ratio	**30.9**	30.7
Cost-to-asset ratio[1]	**1.9**	1.6
Underlying cost-to-asset ratio[1]	**1.7**	1.6
Annualised cost of risk[1]	**0.86**	0.77

Interest receivable and similar income increased by 14.7% to £653.3m for the 9 months ended 31 March 2025 (31 March 2024: £569.4m) which was driven by the continuing growth in the loan book over the period. Interest payable and similar charges increased by 17.5% to £345.3m (31 March 2024: £293.9m), primarily due to an increase in borrowings in support of the continued growth in lending and an increase in the cost of our funding. This has also contributed to a slight reduction in the net interest margin for the period to 5.4% (31 March 2024: 5.5%). Net interest income for the period has increased to £308.0m (31 March 2024: £275.5m).

The Group's costs increased to £114.2m for the period to 31 March 2025 (31 March 2024: £86.2m), largely driven by an increase in investment in the Group's systems transformation, as well as additional investment in staff costs. Underlying cost-to-income ratio, which excludes the impact of the transformation expense, has remained relatively stable at 30.9% (31 March 2024: 30.7%) as a result of a careful balance between cost control and investment.

The annualised cost of risk has increased to 0.86% (31 March 2024: 0.77%) with the Group increasing coverage on its loan book to reflect some deterioration in performance as has been expected and observed across the market following a period of high inflation and higher cost of borrowing in the UK. The Group continues to carefully monitor its credit risk and portfolio performance and factors it appropriately into the allowance for expected credit losses. Further detail on impairment losses is set out in Note 8.

[1] Note that these measures have been annualised to provide year-on-year comparisons.

Interim management report.

Risk review

The risk review provides an update on significant changes and developments since our latest Annual Report. Therefore, this risk review should be read in conjunction with the Group's Annual Report and Accounts for the year ended 30 June 2024.

Principal risks and uncertainties

The principal risks and uncertainties the Group faces are those that it is inherently exposed to and those which management believe could significantly impact the performance of the Group. There have been no changes in our identified principal risks and uncertainties since the year ended 30 June 2024.

Strategic risk

Strategic risk is the risk of failure to achieve objectives that impact the long-term interest of stakeholders, or from an inability to adapt to the external environment.

The Group's strategy and approach to managing and mitigating strategic risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2024.

Macroeconomic risk

The UK macroeconomic environment has seen some challenges in recent periods with stagnant economic growth, higher borrowings costs, and the lasting impact of previously high inflation.

Tariff decisions in the US after the period end have also led to some further economic uncertainty with increasing market volatility across the world economy as a result. The Group operates solely within the UK as a lender and therefore the Group is not impacted directly by tariff decisions. However, these tariff decisions could also have an impact on the UK economy, although the extent of this is uncertain. The Group has a strong track record for over 50 years and has operated through many economic cycles, with the Group benefiting from its long standing principal of low LTV lending which mitigates the impact of many downside risks and uncertain economic conditions can also increase opportunities for specialist lenders. In relation to funding markets, the Group has successfully refinanced a number of facilities over the period with a weighted average funding maturity of 3.1 years. Further information on our refinancing included within the funding risk section.

In relation to credit risk, our expected credit loss (ECL) provision factors in different weighted economic scenarios, including two downside scenarios that reflect the risk of economic downturns. Further detail on our macroeconomic scenarios is included in note 8 to the financial statements.

Below are three key macroeconomic factors that impact the markets in which we operate, and how the Group manages the risks whilst being agile to also realise opportunities.

Interest rates

The UK lending market has had to adjust to the rapid shift away from the ultra-low interest rate environment of the last decade, with higher costs of borrowing for both lenders and consumers. The Bank of England's Base Rate has however started to reduce, although at a steady rate, with a further reduction to 4.50% in March 2025, down from 5.0% in August 2024.

The Group remains agile to changes in market rates, and in this higher rate environment, is able to continue to be flexible and make case by case decisions on those who are underserved by other lenders.

Property prices

House prices overall have been resilient despite the other pressures in the economy and have risen by 5.4% in the 12 months to February 2025 (UK Gov). This trend does however vary across different property types and can vary across different regions. The Group protects against property price risk from its long-standing principle of lending at conservative LTVs, which gives protection to the Group from property price falls.

Inflation

Following inflationary pressures in the last couple of years, inflation (CPI) now remains just above the Bank of England's target of 2.0%, with the most recent data showing inflation of 2.6% in the year to March 2025, down from 3.2% in the year to March 2024. However, the previous high inflation has led to a permanent increase in costs for customers, which can present ongoing affordability challenges.

When making lending decisions, the Group assesses the affordability for its prospective customers, considering the impact of higher cost of living, along with undertaking appropriate stress testing, ensuring sustainable and controlled growth of our mortgage book whilst possessing the tools to best support customers.

Interim management report.

Risk review continued

Credit risk

Credit risk is the risk arising as a result of default by customers or counterparties due to failure to honour obligations when they fall due.

The Group is exposed to changes in the economic position of its customers, which may adversely impact their ability to make loan repayments. The level of this risk is driven by macroeconomic factors as well as by factors relating to specific customers, such as a change in the borrower's circumstances.

Credit risk also arises if the value of assets used as security for loans falls in value, given this is the primary source of recourse should a borrower fail to repay amounts due.

The Group's approach to managing and mitigating credit risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2024. Note 8 to the Interim financial statements provides detail on expected credit losses for the periods ended 31 March 2025. This note includes information on the use of macroeconomic scenarios, which are probability weighted and allows our impairment provisioning to reflect impact of potential downside risk.

Liquidity risk

Liquidity risk is the risk that the Group is unable to access sufficiently liquid financial resources to meet the Group's financial obligations as they fall due. The approach to managing and mitigating liquidity risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2024.

The Group monitors liquidity by reference to its total accessible liquidity (TAL), which comprises cash plus immediately accessible headroom in its funding facilities (subject to drawdown notice periods, asset eligibility and covenants), which includes the revolving credit facility and each of the private securitisations.

During the period, TAL has increased to £433.0m at 31 March 2025 (30 June 2024: £233.9m, 31 March 2024: £317.9m), whilst cash balances also increasing to £422.0m at 31 March 2025 (30 June 2024: £336.2m, 31 March 2024: £325.9m). Not all cash is accessible at any one time due to securitisation requirements and covenant restrictions, and so accessible cash, which is just one component of TAL, is lower than the total cash balance.

The ability of the Group to service debt is measured using an interest-cover ratio, being EBITDA divided by interest payable. This remained stable at 1.5:1 for the three months ended 31 March 2025 (31 March 2024: 1.5:1).

A key management action to mitigate liquidity risk is the ability to control levels of new lending which could potentially increase cash held over time, depending upon the degree to which originations are restricted. The Group also benefits from a business model which is ordinarily cash-generative with a high level of redemptions and therefore cash inflows. Liquidity is monitored daily to ensure the Group can meet its financial obligations, including the outstanding pipeline of loan offers, as and when they fall due.

Some of the Group's funding is subject to financial covenants. Note 2 to the Interim financial statements provides further detail on the assessment of the going concern-basis of preparation. This includes an assessment of the risks presented to the Group by any potential breaches of lending covenants including potential mitigating actions.

One aspect of the Group's management of liquidity risk is to manage the maturity dates of its borrowings as discussed in the funding risk section.

Interim management report.

Risk review continued

Funding risk

Funding risk is the risk of being unable to access funding markets or to be able to do so only at excessive cost. This includes the risk of reduced funding options due to adverse conditions in the wholesale funding market, potentially caused by political and economic uncertainty, leading to the inability to secure additional funding for new business, or refinance existing facilities at an acceptable cost.

An overview of the Group's sources of funding is set out in the Annual Report and Accounts for the year ended 30 June 2024, and the Group's activities during the periods to 31 March 2025 are included within the business review above. The approach to managing and mitigating funding risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2024.

The weighted average maturity of the Group's existing debt facilities is 3.1 years at 31 March 2025 (30 June 2024: 2.6 years, 31 March 2024: 2.7 years). The Group has £1,670.0m (30 June 2024: £754.8m, 31 March 2024: £1,376.8m) of undrawn facility headroom as at 31 March 2025. The Group has a strong track record of successful refinancing and raising new facilities which has continued during the periods.

The depth of the maturity in the Group's existing debt facilities provides significant mitigation in respect of refinancing risk; the earliest call date on our public securitisations is the Together ABS 5 facility (representing 1% of the Group's borrowings) in October 2025.

Funding risk is mitigated through diversification of funding resources, maintenance of depth of maturity and the Group's ability to refinance ahead of the call dates, with refinancings during the periods shown within note 8.

Interest rate risk

Interest rate risk is the risk arising from the Group's exposure to movements in interest rates as a result of repricing mismatches between assets and liabilities that are either fixed or floating rate.

The Group's approach to managing and mitigating interest rate risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2024.

The table below sets out the increase/(decrease) in profit before tax of an immediate increase and decrease of 0.5% and 1.0% in interest rates, based on the interest rates prevalent at 31 March 2025 and 31 March 2024 and before any mitigation or management actions and is representative of a 12-month period.

	31 March 2025 (£m)	31 March 2024 (£m)
1.0% decrease	**(16.5)**	(22.8)
0.5% decrease	**(8.2)**	(11.4)
0.5% increase	**8.2**	11.4
1.0% increase	**16.5**	22.8

The above interest rate risk sensitivity represents the movement taking into account the Group's contractual assets, liabilities, and derivatives and their maturity and repricing arrangements.

Note 7 to the Interim financial statements details the Group's use of derivatives to mitigate interest rate risk.

Capital risk

Capital risk is the risk of failure to hold adequate capital buffers and to appropriately manage the Group's capital base to withstand the crystallisation of individual risks or a combined stress event. Given capital also comprises a material source of funding via subordination in bond and securitisation structures, insufficient capital also gives rise to funding and liquidity risk. Capital risk includes the risk of excessive gearing. Regulatory capital requirements must also be met at all times within certain of the Group's subsidiaries.

The Group's approach to managing and mitigating capital risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2024.

Note 2 to the Interim financial statements provides further detail on the assessment of the going concern basis of accounting. This includes an assessment of the risks to the Group arising from any potential breaches of lending covenants, including gearing tests, and potential mitigating actions.

Interim management report.
Risk review continued

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes execution risk in relation to the performance of the Group's modernisation and transformation agenda.

The Group's approach to managing and mitigating operational risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2024.

Conduct and compliance risk

Conduct risk is the risk arising from business activities that fail to deliver appropriate and consistent outcomes to customers and other stakeholders. This risk can arise from the failure to define and embed an appropriate culture, colleague behaviours that are inconsistent with defined Group values, and from our business activities if they fail to deliver fair and appropriate outcomes to our customers. Failure to manage this risk sufficiently could result in reputational damage, regulatory sanction, or remediation programmes, and impact the Group's operating model. Further information can be found in Note 10.

Compliance risk is the risk arising from the failure to comply with existing or new legislation or regulations in the markets within which the Group operates. This includes the risk that the Group misinterprets regulation or legislation. This could include the risk of developing business practices and processes that do not adhere to, or are not in line with, the spirit of the law or regulation, leading to customer dissatisfaction or detriment, legal action against the Group and/or potentially fines from the regulator.

The companies within the Group's Personal Finance division undertake lending which is authorised and regulated by the Financial Conduct Authority (FCA). Further information in respect of regulatory matters can be found within Note 10 to the Interim financial statements.

The Group's approach to these risks remains materially unchanged from the Annual Report and Accounts for the year ended 30 June 2024.

Statement of directors' responsibilities.

We confirm that to the best of our knowledge:

- This set of unaudited interim financial statements has been prepared in accordance with UK-adopted International Accounting Standard (IAS) 34 Interim Financial Reporting, and
- The interim management report includes a fair review of the information required, being an overview of important events during the periods of the financial year to the reporting date and a description of principal risks and uncertainties to the extent that they relate to the remainder of the financial year.

RC Rowntree
Chief Executive Officer
7 May 2025

CM Adams
Chief Financial Officer
7 May 2025

Directors

RM McTighe*	Chair	
RC Rowntree	Chief Executive Officer	(appointed 3 December 2024)
HN Moser	Executive Vice Chairman	
CM Adams		(appointed 1 October 2024)
GD Beckett		
MR Goldberg		
W Bowser*		
JM Shaoul*		

*Non-executives

Secretary

AA Hankin	(appointed 13 March 2025)
SE Blake	(resigned 13 March 2025)

Interim financial statements.

Periods ended 31 March 2025

Condensed consolidated statement of comprehensive income (unaudited)

Interim periods ended 31 March 2025

Unless otherwise indicated, all amounts are stated in £m

		Three months ended		Nine months ended	
Income statement	Note	**31 March 2025**	31 March 2024	**31 March 2025**	31 March 2024
Interest receivable and similar income	4	**218.5**	196.9	**653.3**	569.4
Interest payable and similar charges	5	**(111.3)**	(102.1)	**(345.3)**	(293.9)
Net interest income		**107.2**	94.8	**308.0**	275.5
Fee and commission income		**3.0**	2.0	**8.4**	5.7
Fee and commission expense		**(1.0)**	(1.0)	**(3.0)**	(2.0)
Net fair-value losses on derivatives	7	**(0.4)**	(1.3)	**(1.4)**	(9.9)
Other income		**0.1**	–	**0.3**	0.2
Operating income		**108.9**	94.5	**312.3**	269.5
Administrative expenses		**(39.9)**	(30.7)	**(114.2)**	(86.2)
Operating profit		**69.0**	63.8	**198.1**	183.3
Impairment losses	8	**(18.3)**	(14.3)	**(48.8)**	(38.9)
Profit before taxation		**50.7**	49.5	**149.3**	144.4
Taxation		**(11.6)**	(12.0)	**(35.1)**	(34.1)
Profit after taxation		**39.1**	37.5	**114.2**	110.3
Other comprehensive income					
Items that may be reclassified to the income statement					
Movement in the cash flow hedging reserve:					
Effective portion of changes in fair value of derivatives	7	**(4.3)**	(10.5)	**7.1**	(25.8)
Amounts reclassified to income statement		**(3.6)**	(16.7)	**(14.3)**	(22.5)
Deferred taxation on cash flow hedging reserve		**0.3**	–	**0.4**	–
Other comprehensive expense for the period, net of tax		**(7.6)**	(27.2)	**(6.8)**	(48.3)
Total comprehensive income for the period		**31.5**	10.3	**107.4**	62.0

The results for the current and preceding periods relate entirely to continuing operations. The notes on pages 16 to 42 are an integral part of these interim financial statements.

Condensed consolidated statement of financial position (unaudited)

As at 31 March 2025

Unless otherwise indicated, all amounts are stated in £m

	Note	**31 March 2025**	31 March 2024	30 June 2024
Assets				
Cash and cash equivalents	6	**422.0**	325.9	336.2
Derivative assets held for risk management	7	**9.0**	16.6	15.6
Loans and advances to customers	8	**7,771.7**	7,044.8	7,363.9
Other assets		**12.9**	13.3	10.1
Property, plant and equipment		**28.5**	30.7	30.3
Intangible assets		**9.7**	13.4	13.2
Deferred tax asset		**8.3**	7.4	6.2
Total assets		**8,262.1**	7,452.1	7,775.5
Liabilities				
Derivative liabilities held for risk management	7	**7.1**	9.1	4.4
Current tax liabilities		**0.8**	5.3	0.4
Borrowings	9	**6,932.9**	6,237.6	6,543.3
Provisions for liabilities and charges	10	**3.8**	3.9	3.2
Other liabilities		**106.7**	82.7	87.8
Total liabilities		**7,051.3**	6,338.6	6,639.1
Equity				
Share capital		**9.8**	9.8	9.8
Subordinated-shareholder-funding reserve		**43.7**	32.7	45.3
Cash flow-hedging reserve		**(2.0)**	1.1	4.8
Other reserves		**12.7**	12.7	12.7
Retained earnings		**1,146.6**	1,057.2	1,063.8
Total equity		**1,210.8**	1,113.5	1,136.4
Total equity and liabilities		**8,262.1**	7,452.1	7,775.5

The notes on pages 16 to 42 are an integral part of these interim financial statements.

Condensed consolidated statement of changes in equity (unaudited)

Interim period ended 31 March 2025

Unless otherwise indicated, all amounts are stated in £m

Nine months to 31 March 2025	**Share capital**	**Subordinated-shareholder-funding reserve**	**Cash flow-hedging reserve**	**Other reserves**	**Retained earnings**	**Total equity**
At beginning of period	**9.8**	**45.3**	**4.8**	**12.7**	**1,063.8**	**1,136.4**
Profit after taxation	**–**	**–**	**–**	**–**	**114.2**	**114.2**
Other comprehensive income	**–**	**–**	**(6.8)**	**–**	**–**	**(6.8)**
Dividends paid	**–**	**–**	**–**	**–**	**(33.0)**	**(33.0)**
Transfer between reserves	**–**	**(1.6)**	**–**	**–**	**1.6**	**–**
At end of period	**9.8**	**43.7**	**(2.0)**	**12.7**	**1,146.6**	**1,210.8**

Nine months to 31 March 2024	Share capital	Subordinated-shareholder-funding reserve	Cash flow-hedging reserve	Other reserves	Retained earnings	Total equity
At beginning of period	9.8	34.4	49.4	12.7	978.0	1,084.3
Profit after taxation	–	–	–	–	110.3	110.3
Other comprehensive losses	–	–	(48.3)	–	–	(48.3)
Dividends paid	–	–	–	–	(32.8)	(32.8)
Transfer between reserves	–	(1.7)	–	–	1.7	–
At end of period	9.8	32.7	1.1	12.7	1,057.2	1,113.5

Other reserves consist of the following:

	Share premium	**Merger reserve**	**Capital redemption reserve**	**Treasury share reserve**	**Share-based payment reserve**	**Total equity**
As at 31 March 2025	**17.5**	**(9.6)**	**1.3**	**(2.6)**	**6.1**	**12.7**
As at 31 March 2024	17.5	(9.6)	1.3	(2.6)	6.1	12.7

The share capital, share premium, merger reserve, capital redemption reserve, treasury share reserve, subordinated-shareholder funding, cash flow hedging and share-based payment reserves are all non-distributable.

The notes on pages 16 to 42 are an integral part of these interim financial statements.

Condensed consolidated statement of cash flows (unaudited)

Interim periods ended 31 March 2025

Unless otherwise indicated, all amounts are stated in £m

	Note	Three months ended 31 March 2025	Three months ended 31 March 2024	Nine months ended 31 March 2025	Nine months ended 31 March 2024
Cash flows from operating activities					
Profit after taxation		**39.1**	37.5	**114.2**	110.3
Adjustment for non-cash items included in profit after taxation	12	**144.8**	131.1	**438.5**	381.3
Changes in operating assets and liabilities	12	**(64.8)**	(263.0)	**(441.1)**	(669.4)
Taxation paid		**(12.4)**	(8.5)	**(37.0)**	(31.9)
Net cash inflow/(outflow) from operating activities		**106.7**	(102.9)	**74.6**	(209.7)
Cash flows from investing activities					
Cash paid on purchase of property, plant and equipment		**(0.2)**	(0.2)	**(0.5)**	(0.8)
Investment in intangible assets		**(0.2)**	(1.2)	**(1.8)**	(5.0)
Proceeds from disposal of property, plant and equipment		**0.2**	–	**0.2**	0.1
Net cash outflow from investing activities		**(0.2)**	(1.4)	**(2.1)**	(5.7)
Cash flows from financing activities					
Drawdown of loan notes		**102.0**	255.0	**770.5**	735.2
Repayment of loan notes		**(2,010.0)**	(410.3)	**(2,776.0)**	(1,699.8)
Proceeds from issuance of loan notes		**1,967.3**	357.2	**2,395.5**	1,594.6
Repayment of revolving credit facility		**–**	–	**–**	(70.0)
Interest paid		**(109.3)**	(117.6)	**(341.3)**	(307.0)
Dividends paid		**–**	–	**(33.0)**	(32.8)
Purchase and cancellation of derivatives		**0.1**	–	**0.1**	0.4
Principal elements of lease liability payments		**(0.8)**	(0.3)	**(1.4)**	(1.0)
Interest paid on lease liabilities		**(0.4)**	(0.4)	**(1.1)**	(1.1)
Net cash (outflow)/inflow from financing activities		**(51.1)**	83.6	**13.3**	218.5
Net increase/(decrease) in cash and cash equivalents		**55.4**	(20.7)	**85.8**	3.1
Cash and cash equivalents at beginning of period		**366.6**	346.6	**336.2**	322.8
Cash and cash equivalents at end of period	6	**422.0**	325.9	**422.0**	325.9

At 31 March 2025, cash and cash equivalents include £332.7m (31 March 2024: £253.4m, 30 June 2024: £252.1m) of restricted cash (see Note 6).

The notes on pages 16 to 42 are an integral part of these interim financial statements.

1. Reporting entity and general information

Together Financial Services Limited is incorporated and domiciled in the UK. The Company is a private company, limited by shares, and is registered in England (company number: 02939389). These financial statements are prepared for Together Financial Services Limited and its subsidiaries under the Companies Act 2006. The registered address of the Company is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. The interim financial statements comprise Together Financial Services Limited and its subsidiaries ('the Group'). The Group is primarily involved in financial services.

2. Summary of material accounting policies

Basis of preparation

The unaudited Interim financial statements have been prepared in accordance with the UK-adopted International Accounting Standard (IAS) 34 Interim Financial Reporting. They do not include all the information required by the UK-adopted International Accounting Standards in full annual financial statements and should be read in conjunction with the annual report and consolidated financial statements for the year ended 30 June 2024 which were prepared in accordance with UK-adopted international accounting standards.

The information within this interim report relating to the periods ended 31 March 2025 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the Group statutory accounts for the financial year ended 30 June 2024 has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

Accounting policies and judgements

The accounting policies, presentation and methods of computation are consistent with those applied by the Group in its latest audited annual financial statements.

Presentation of risk disclosures

Disclosures under IFRS 7 Financial Instruments: Disclosures concerning the nature and extent of principal risks have been presented within the interim management report.

Climate-related matters

In making the judgements and estimates required for preparation of these interim financial statements, the directors have had regard to the potential impacts of climate-related factors. For the current reporting period, it has been judged that no material adjustment to the judgements or methods of estimation is required to reflect the potential impacts of climate-related matters, based upon the information available at the reporting date. For further information, please refer to the Sustainability section contained in the Annual Report and Accounts for the year ended 30 June 2024.

Going concern

In preparing these Interim financial statements, the directors have assessed the Group's ability to continue as a going concern. As part of the Group's ongoing monitoring and reforecasting, consideration has been given to the changing macroeconomic environment and outlook and specific consideration has been given to the following:

- changes in customer-repayment behaviour;
- changes in credit risk;
- potential for declining or stagnating property values;
- potential for access to wholesale-funding markets;
- changes in market rates of interest;
- changes in new mortgage-origination volumes; and
- changes to operating costs.

The Group's business model, being one which is ordinarily highly cash generative, operating in profitable market segments and lending at low average loan-to-value (LTV) ratios, provides mitigation against many downside risks. The factors listed above have an impact upon the results of the Group, to a greater or lesser degree, however, are not projected to cast significant doubt on the entity's ability to continue as a going concern.

The key risks which could cause doubt as to whether the Group could continue to operate as a going concern are judged to be primarily in relation to funding and liquidity. The Group has a diverse mix of funding sources, which are structured in order to reduce the risk to the Group. Funding and liquidity risks, including reverse stress testing to identify the point at which the Group would cease to be able to operate, are discussed below.

The Directors have also considered the impact of the tariff decisions made in the US after the period end. The Group has no direct impact given it operates as a lender solely in the UK. The second-order impacts to the UK economy remain uncertain, but the Group's strong liquidity, depth of funding maturity and the incorporation of downside macroeconomic risk into its expected credit loss provisioning collectively gives protection to the Group from potential economic shocks. As a result, this consideration does not have an impact on the Group's going concern status.

2. Summary of material accounting policies (continued)

Going concern (continued)

Funding

The Group has a diverse funding base, utilising shareholder funds, private and public securitisation facilities, senior secured notes and a revolving credit facility to fund its activities and lending.

A key risk associated with wholesale funding is refinancing risk, where the Group has a proven track record of successfully refinancing borrowings. The depth of maturity in the Group's existing debt facilities provides significant mitigation in respect of refinancing risk. The next earliest maturity or call date is that of the Together ABS 5 facility in October 2025, representing 1% of the Group's borrowings. The Group's depth of maturity is also highlighted with only 3% of the Group's funding at the period end reaching its call date in the next 12 months.

The Group has continued its existing strategy of refinancing facilities in advance of their contractual maturities. Further information on the Group's borrowings and maturities of these borrowings is included within Note 9.

Liquidity

The Group retains liquidity through managing its total accessible liquidity (TAL) within set risk appetite limits. For further information regarding our management of TAL, see the principal risk and uncertainties section of the interim management report.

The Group holds liquidity in the form of cash and can also access liquidity by drawing on the revolving credit facility (RCF) and through sales of eligible assets into our private securitisation warehouse facilities. In respect of the eligibility criteria and covenants, the Group may, in certain circumstances, seek waivers and/or amendments within the going concern assessment period. This could include, but is not limited to, impacts on covenants because of a deterioration in loan-book performance due to adverse economic conditions or reductions in property values. The Group successfully negotiated waivers to certain covenants during the coronavirus pandemic, which mitigated the risk that the Group would be unable to access liquidity due to an excess of ineligible assets, and this remains a potential management action, if required in future periods.

If waivers or amendments are required but not agreed, and existing covenants are breached (and the breach is not rectified by using headroom in other facilities or through other remedies within a defined cure period), then the noteholders of the private securitisation facilities have the option to call a default of the facility.

If a facility defaults, then the cash inflows from the securitised asset pool for each facility are used to repay the interest and principal of the most senior loan notes, with deferred consideration and any interest payment of the subordinated notes due to the originators deferred until such time as all the liabilities ranking more senior are repaid in full. This would delay and potentially reduce cash inflows ordinarily flowing to the Senior Borrower Group as excess spread from each of the securitisations.

The risk of lower levels of cash inflows from redemptions can be mitigated by increasing the amount of liquid resources held as cash. The Group also holds significant cash balances to allow sufficient liquidity, with cash balances of £422.0m at 31 March 2025 (31 March 2024: £325.9m, 30 June 2024: £336.2m), of which £89.3m is unrestricted cash (31 March 2024: £72.5m, 30 June 2024: £84.1m) as shown in Note 6.

Stress testing has been performed to assess the extent to which these factors would have to detrimentally impact cash flows in order for the Group to be unable to meet its liabilities as they fall due, and the extent of any increase in credit losses which could result in covenant breaches on the Group's borrowings. The results of this stress testing are detailed on the following page.

2. Summary of material accounting policies (continued)

Going concern (continued)

Stress testing

Aside from the private securitisations, the facilities within the Senior Borrower Group, being the senior secured notes and the RCF, also include certain financial covenants including tests on gearing and minimum levels of interest cover in respect of the former and maintenance tests on gearing in respect of the latter.

To evaluate the Group's resilience in meeting these tests, a reverse-stress scenario has been developed and was considered as part of the going-concern assessment.

The scenario is one which assumes no cash flows are received from the securitisations from the point that they are assumed to default, there is no access to drawdown funding from the private securitisations, and no access to the wholesale funding markets is possible, and therefore loan-origination volumes are limited to meeting pipeline commitments. This is considered by the directors to be an extreme outcome. However, due to the bankruptcy-remote nature of securitisations, the default of one or more private securitisation facilities would not mean that the Group could not continue to operate as a going concern. The Group could continue in such a scenario by servicing the loans funded by the Senior Borrower Group. Stresses were applied to cash inflows to assess the ability to continue to service and repay borrowings as they fall due, and stresses on profitability were separately considered to assess the ability to comply with gearing covenants.

The reverse-stress test scenario and its results showed that unrealistic reductions in expected cash inflows within the Senior Borrower Group would be required for the Senior Borrower Group not to be able to meet its liabilities as they fall due, within the going-concern period. Even if actual experience approached the level of reductions judged unrealistic, further management actions could be taken to mitigate the impact. The Group has periodically repeated the reverse-stress testing, which has continued to show significant headroom.

In addition, the potential impact of reductions in the level of profitability was assessed (as a proxy for a reduction in equity), using increases in expected credit losses as the primary driver, to determine the reduction which would result in the Group's gearing breaching the RCF covenant. The testing showed that profitability would have to fall by a substantial amount and the probability of such a severe outcome is considered remote.

The deployment of additional management actions could also mitigate the possible impacts, including but not limited to: renegotiation of the terms of existing borrowings, raising alternative funding and measures to further reduce costs.

The directors are satisfied that the Group has adequate resources to continue in operation for the going concern assessment period ending 7 May 2026, which is 12 months from the date of signing this report.

3. Significant accounting judgements and key sources of estimation uncertainty

In preparing these Interim financial statements, the Group's management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the amounts reported for the Group's performance and financial position. Where possible, estimates and associated assumptions are based on historical experience, objective information, or other relevant factors and are reviewed at each reporting date. Actual results may differ from these estimates, and revisions to estimates are recognised prospectively. There has been no change to the significant accounting judgments and key sources of estimation uncertainty applied in these interim financial statements compared to those applied in the last annual report and consolidated financial statements for the year ended 30 June 2024.

Significant judgements in applying the Group's accounting policies

These significant judgements are those which the directors consider result in a significant risk of material adjustment in the carrying amounts of the Group's assets and liabilities within the next financial year.

a) Loan impairment allowance

The calculation of the Group's allowance for losses on its loans and advances to customers under IFRS 9 relies on the following key judgements:

- The incorporation of forward-looking information in the measurement of expected credit losses (ECL), in particular the economic variables driving credit risk and the number and relative weightings of the scenarios used;
- Determining the criteria for a significant increase in credit risk and indicators of credit impairment; and
- Determining where there is requirement for post-model adjustment and determining inputs for the calculation of ECL where there is such a requirement.

Further detail on the judgements in respect of the measurement of ECL and sensitivities thereon is set out in Note 8 to the financial statements.

3. Significant accounting judgements and key sources of estimation uncertainty (continued)

Significant judgements in applying the Group's accounting policies (continued)

b) Modifications of financial liabilities

The Group, from time to time, conducts refinancing of its wholesale funding facilities, which results in amendments to the contractual terms, in particular when refinancing private warehouse facilities. Depending on the facts and circumstances the assessment can be straightforward and in other cases significant judgement may be required to determine whether the amendments constitute a substantial or non-substantial contractual modification under IFRS 9. This can require the calculation of the change in the carrying value of the facility implied by the new contractual terms, which requires judgement to be applied in forecasting the amounts and timings of future cash flows in order to determine if the modification meets the 10% threshold, which would result in a substantial modification and therefore derecognition of the existing instrument.

In addition, qualitative factors applied in accordance with our accounting policies require consideration, and significant judgement is required to determine which factors are indicative that a substantial modification has occurred.

Key sources of estimation uncertainty

a) Loan impairment allowance

The Group utilises macroeconomic forecasts and the other assumptions and estimates necessary for the calculation of ECL. Further detail on these estimates and assumptions and sensitivities thereon is set out in Note 8 to the interim financial statements.

b) Interest income recognition

Interest income is recognised using the effective interest rate ('EIR') method. The EIR of a financial instrument is the rate which exactly discounts the estimated future cash flows of the instrument to its carrying amount. In calculating the EIR, all contractual terms of the financial instrument are taken account of, including transaction costs and other premiums or discounts, but not expected credit losses.

The estimation of future cash flows requires the Group to estimate the expected behavioural lives of groups of assets. The Group uses models which draw upon the Group's actual historical experience; however, there is estimation uncertainty to the extent that future performance may not mirror that of the past. For loans with a fixed-rate period which revert onto a variable rate, income recognition is assessed for the fixed and variable period separately; therefore, no future income beyond that of the fixed-rate period is recognised as part of the EIR approach for fixed-rate lending.

The fees recognised on an EIR basis through interest income on loans and advances to customers are recognised based on expected weighted average behavioural lives. At 31 March 2025, the Group had £47.5m (31 March 2024: £42.5m, 30 June 2024: £46.0m) of deferred fees that are recognised over the expected behavioural life of the loan. A change in the weighted average life by +/- 10% leads to an impact on interest income on loans and advances to customers of a decrease of £1.1m and an increase of £0.8m respectively.

c) Fair value of derivatives held for risk management

The fair value of derivatives is the price that would be received to sell a derivative asset or paid to transfer a derivative liability in an orderly transaction between market participants at the measurement date. The valuations of these instruments are derived from models that use forecast future interest-related curves, and which are subject to estimation uncertainty. Further detail in respect of the assumptions and estimates involved in derivatives held for risk management purposes is set out in Note 7 to the interim financial statements.

Unless otherwise indicated, all amounts are stated in £m

4. Interest receivable and similar income

	Three months ended		Nine months ended	
	31 March 2025	31 March 2024	**31 March 2025**	31 March 2024
Interest income calculated using the effective interest method				
On loans and advances to customers	**214.4**	192.9	**640.7**	557.5
Other interest and similar income				
On cash and cash equivalents	**4.1**	4.0	**12.6**	11.9
Total interest receivable and similar income	**218.5**	196.9	**653.3**	569.4

5. Interest payable and similar charges

	Three months ended		Nine months ended	
	31 March 2025	31 March 2024	**31 March 2025**	31 March 2024
On borrowings	**113.9**	110.4	**356.1**	318.5
On lease liabilities	**0.4**	0.4	**1.1**	1.1
On derivatives in qualifying and discontinued hedging relationships	**(3.0)**	(8.7)	**(11.9)**	(25.7)
Total interest payable and similar charges	**111.3**	102.1	**345.3**	293.9

6. Cash and cash equivalents

	31 March 2025	31 March 2024	30 June 2024
Unrestricted cash	**89.3**	72.5	84.1
Restricted cash	**332.7**	253.4	252.1
Total cash and cash equivalents	**422.0**	325.9	336.2

Restricted cash is held in securitisation vehicles for use in managing the Group's securitisation facilities. It is ring-fenced under the terms of the securitisation agreements and is not readily available. Within restricted cash, £87.0m (31 March 2024: £27.8m, 30 June 2024: £36.1m) represents amounts that could be accessed by the Group, for example by allocating additional eligible assets into the private securitisations. The balance of restricted cash represents amounts which are held within the securitisations for other purposes and may be accessible in the future, such as cash reserves or amounts paid over as deferred consideration.

All cash and cash equivalents held by the Group are denominated in pounds sterling.

Unless otherwise indicated, all amounts are stated in £m

7. Derivatives held for risk management

The Group applies both cash flow and fair value hedge accounting. Firstly, cash flow hedge accounting is used for interest-rate swaps entered into to mitigate the interest-rate risk on floating-rate liabilities in certain of its securitisation vehicles that are used for funding fixed rate lending. The Group then uses fair value hedge accounting for the interest rate swap that was entered into to mitigate the interest rate risk arising from fixed rate liabilities, held within Jerrold Finco PLC, that fund variable rate lending.

Cash flow hedging

The notional amounts on the interest-rate swaps entered into in relation to floating rate liabilities are designated against a proportion of floating-rate notes funding fixed-rate mortgages decline over time in line with the expected repayment of the mortgages.

The effectiveness of this strategy is assessed by comparing the changes in fair value of the interest-rate derivatives with changes in the fair value of the hedged floating-rate notes and uses the hypothetical-derivative method.

The Group establishes the hedging ratio by matching the notional amount of the derivative with the corresponding floating-rate notes. In these hedging relationships, the main potential sources of ineffectiveness are:

- Repayment of the notes faster than the decline in the notional amount of the derivative
- For interest-rate swaps, the inclusion of transaction costs or off-market interest rates in the fixed-rate leg
- Changes in the credit risk of either party
- Differences in the expected maturity of the hedged item and the hedging instrument

Fair value hedging

The notional amount on the interest rate swap entered into in relation to fixed rate liability in Jerrold Finco PLC remains constant, in line with the liability.

The Group designates the benchmark rate of interest component of the variable rate debt instrument and separate the mid-market benchmark rate of the hedged item on the designation date, being a separately identifiable and relationally measurable risk component. This allows for the fair value movements on both the instrument and the hedged item to be accounted for in the accounts through the P&L account. With the fair value movements moving inversely these amounts net off in the income statement to the degree the hedge is effective. Any ineffectiveness is left recorded in the income statement.

Analysis of derivatives held for risk management

The following table analyses derivatives held for risk-management purposes by type of instrument:

	31 March 2025		31 March 2024		30 June 2024	
	Assets	**Liabilities**	Assets	Liabilities	Assets	Liabilities
Interest-rate swaps – cash flow	**5.7**	**(7.1)**	16.6	(9.1)	12.9	(4.4)
Interest-rate swaps – fair value	**3.3**	**–**	–	–	2.7	–
Total derivatives	**9.0**	**(7.1)**	16.6	(9.1)	15.6	(4.4)

All derivatives mature in under five years. The average fixed interest rate on swaps under cash flow hedging is 3.857%. The average fixed interest rate on swaps under fair value hedging is 7.875%.

Unless otherwise indicated, all amounts are stated in £m

7. Derivatives held for risk management (continued)

The following tables set out details of the exposures hedged by the Group:

Nine months ended 31 March 2025	**Carrying amount of liabilities**	**Changes in fair value for calculating hedge ineffectiveness**	**Debit/(credit) balance: Cash flow hedging reserve**	**Debit/(credit) balance: Fair value on bond liability**
Borrowings cash flow hedged by interest-rate swaps				
Continuing cash flow hedging relationships	**2,486.6**	**7.1**	**6.1**	**–**
Discontinued cash flow hedging relationships	**–**	**–**	**(4.1)**	**–**
	2,486.6	**7.1**	**2.0**	**–**
Borrowings fair-value hedged by interest-rate swaps				
Continuing fair value hedging relationships	**450.0**	**0.6**	**–**	**(3.3)**
Total of all borrowings hedged by derivatives	**2,936.6**	**7.7**	**2.0**	**(3.3)**

Nine months ended 31 March 2024	Carrying amount of liabilities	Changes in fair value for calculating hedge ineffectiveness	Debit/(credit) balance: Cash flow hedging reserve	Debit/(credit) balance: Fair value on bond liability
Borrowings cash flow hedged by interest-rate swaps				
Continuing cash flow hedging relationships	1,780.7	(25.8)	5.8	–
Discontinued cash flow hedging relationship	–	–	(6.9)	–
Total of all borrowings hedged by derivatives	1,780.7	(25.8)	(1.1)	–

For the year ended 30 June 2024	Carrying amount of liabilities	Changes in fair value for calculating hedge ineffectiveness	Debit/(credit) balance: Cash flow hedging reserve	Debit/(credit) balance: Fair value on bond liability
Borrowings cash flow hedged by interest-rate swaps				
Continuing cash flow hedging relationships	1,833.6	(19.1)	(2.8)	–
Discontinued cash flow hedging relationships	–	–	(2.0)	–
	1,833.6	(19.1)	(4.8)	–
Borrowings fair-value hedged by interest-rate swaps				
Continuing hedging relationships	450.0	(2.7)	–	(2.7)
Total of all borrowings hedged by derivatives	2,283.6	(21.8)	(4.8)	(2.7)

Unless otherwise indicated, all amounts are stated in £m

7. Derivatives held for risk management (continued)

Details of instruments used to hedge borrowings are set out below:

		Carrying amounts			Debit/(credit) balance	
31 March 2025	**Notional amount**	**Derivative assets**	**Derivative liabilities**	**Net total**	**Cash flow-hedging reserve**	**Fair-value gains through income statement**
Interest-rate swaps						
Continuing cash flow hedging relationships	**2,486.6**	**5.7**	**(7.1)**	**(1.4)**	**6.1**	**1.4**
Continuing fair value hedging relationships	**450.0**	**3.3**	**–**	**3.3**	**–**	**–**
Discontinued cash flow hedges	**–**	**–**	**–**	**–**	**(4.1)**	**–**
Total of all derivatives	**2,936.6**	**9.0**	**(7.1)**	**1.9**	**2.0**	**1.4**

		Carrying amounts			Debit/(credit) balance	
31 March 2024	Notional amount	Derivative assets	Derivative liabilities	Net total	Cash flow-hedging reserve	Fair-value losses through income statement
Interest-rate swaps						
Continuing cash flow hedging relationships	1,780.7	16.6	(9.1)	7.5	5.8	9.8
Discontinued cash flow hedges	–	–	–	–	(6.9)	–
	1,780.7	16.6	(9.1)	7.5	(1.1)	9.8
Interest-rate caps						
Borrowings	–	–	–	–	–	0.1
Total of all derivatives	1,780.7	16.6	(9.1)	7.5	(1.1)	9.9

		Carrying amounts			(Credit)/debit balance	
30 June 2024	Notional amount	Derivative assets	Derivative liabilities	Net total	Cash flow-hedging reserve	Fair-value losses through income statement
Interest-rate swaps						
Continuing cash flow hedging relationships	1,833.6	12.9	(4.4)	8.5	(2.8)	11.1
Continuing fair value hedging relationships	450.0	2.7	–	2.7	–	–
Discontinued cash flow hedges	–	–	–	–	(2.0)	–
	2,283.6	15.6	(4.4)	11.2	(4.8)	11.1
Interest-rate caps						
Borrowings	–	–	–	–	–	0.1
Total of all derivatives	2,283.6	15.6	(4.4)	11.2	(4.8)	11.2

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers

	31 March 2025			
	Stage 1	**Stage 2**	**Stage 3 and POCI**	**Total**
Gross loans and advances	**5,953.3**	**1,135.3**	**864.8**	**7,953.4**
Allowance for expected credit losses	**(10.3)**	**(20.4)**	**(151.0)**	**(181.7)**
Loans and advances to customers	**5,943.0**	**1,114.9**	**713.8**	**7,771.7**
ECL coverage (%)	**0.2**	**1.8**	**17.5**	**2.3**

	31 March 2024			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Gross loans and advances	5,567.1	979.8	633.3	7,180.2
Allowance for expected credit losses	(12.2)	(24.8)	(98.4)	(135.4)
Loans and advances to customers	5,554.9	955.0	534.9	7,044.8
ECL coverage (%)	0.2	2.5	15.5	1.9

	30 June 2024			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Gross loans and advances	5,768.7	1,057.3	684.3	7,510.3
Allowance for expected credit losses	(10.4)	(24.6)	(111.4)	(146.4)
Loans and advances to customers	5,758.3	1,032.7	572.9	7,363.9
ECL coverage (%)	0.2	2.3	16.3	1.9

Gross balances of credit impaired loans include £14.0m (31 March 2024: £15.7m, 30 June 2024: £15.4m) of purchased or originated credit impaired (POCI) loans, which are presented net of lifetime ECL impairment provisions of £1.6m (31 March 2024: £1.8m, 30 June 2024: £1.8m).

Measurement of expected credit losses (ECL)

ECL model

The Group considers whether financial assets are credit impaired at each reporting date. For these purposes, it considers default to occur, and such loans are considered to be credit impaired, in any of the following circumstances relating to a loan:

- It becomes 90 days or more past due
- Its security has been taken into possession
- The appointment of receivers
- There is evidence of fraud
- Loans which have entered into a debt recovery strategy due to circumstances that indicate default

The Group calculates its allowance for expected credit losses using a statistical model based on the probability of default (PD), loss given default (LGD) and exposure at default (EAD):

PD is an estimate of the likelihood of default over a given time horizon, estimated at a point in time. The calculation is based on statistical models that utilise both market and internal data, based on current conditions adjusted to take into account estimates of future conditions that will impact PD and estimates for customer prepayment behaviour. For development loans, PDs are assigned using a slotting approach which comprises a range of quantitative and qualitative criteria.

LGD is an estimate of the likely loss in the event of a default. The expected loss amounts vary according to loan-to-value (LTV) ratios and future collateral prices. The estimates are based on the Group's history of recovery rates, calculated as forced-sale discounts, and the probability of repossession given default (PPGD), discounted at the original effective interest rate of the loan for the average period for recovery of sale proceeds. The LGD calculation includes floors, i.e. minimum losses, which are assigned based on the LTV of the loan and the type of security and have been developed from historical data.

EAD is an estimate of the expected gross carrying amount at a future default date. EAD is based on the current loan amount adjusted for expected repayments of principal, contractual drawdowns of loan commitments, and the impact of missed payments which would be expected for an account in default.

ECL is calculated at an individual loan level as the product of PD, LGD and EAD, discounted to the reporting date.

8. Loans and advances to customers (continued)

Measurement of expected credit losses (ECL) (continued)

ECL model (continued)

In accordance with IFRS 9, the Group uses a three-stage model for impairment based on changes in credit quality since initial recognition:

- A financial instrument not credit-impaired on initial recognition is classified in stage 1. The ECL allowance for such instruments is calculated as the portion of lifetime ECL of those default events expected to occur within 12 months of the reporting date, weighted by the probability of that default occurring.
- An instrument moves to stage 2 if there is an increase in its credit risk that is significant but not such that the instrument is considered credit impaired. The ECL allowance for stage 2 instruments is calculated as the lifetime ECL. The determination of significant increases in credit risk is explained further, later in this section.
- Stage 3 instruments are credit impaired and the ECL allowance calculated as the lifetime ECL.

Improvements in credit quality may result in instruments moving categorisation, from stage 3 to stage 2 where they are no longer considered credit impaired or to stage 1 where the credit risk is no longer significantly increased compared with initial recognition. Such transitions generally occur only after the completion of a probationary period.

The Group undertakes back-testing and validation procedures in order to assess the reasonableness of assumptions and judgements applied in calculating ECLs. The results of these procedures are considered in determining the ongoing appropriateness of key judgements and inputs, which are subject to oversight from the Audit Committee.

Post-model adjustments

The Group makes post-model adjustments to its ECL provision where appropriate to reflect factors or risks that are not judged to be fully reflected in the model, which is done on both a portfolio level, as well as adjustments relating to specific loans.

Portfolio level post-model adjustments are made for potential risks that may emerge where additional coverage is judged to be appropriate at the time that are deemed to be not fully reflected in the ECL model. This includes additional coverage to factor in potential model limitations.

Specific loan post-model adjustments are made in relation to specific loans where further information on the loan becomes known that would require adjustments to be made to the ECL calculation for that loan to reflect the identified risk. This includes incorporating latest information on the valuation of the security, including probability weighted outcomes, and specific changes to data parameters where more loan specific parameters are appropriate.

At 31 March 2025, total post-model adjustments are £41.5m (31 March 2024: £41.1m, 30 June 2024: £40.8m).

8. Loans and advances to customers (continued)

Incorporation of forward-looking information

Variables

The Group uses forward-looking information in its measurement of ECL and in identifying significant increases in credit risk (discussed in the next section). The Group's statistical analysis of historical data has confirmed that the key economic variables that drive credit risk, and the ECL for the Group's financial instruments, are unemployment, Bank of England Base Rate ("Bank Rate"), and changes in house prices. The Group has developed a range of future economic scenarios of these variables, drawing on external forecasts where appropriate.

Scenarios

The Group calculates ECL using macroeconomic scenarios, calibrated around a base case. This approach provides an ability to assess a range of economic uncertainty. In June 2024, the Group moved from using six scenarios to using four scenarios, with one base, one upside and two downside scenarios being deemed to be sufficient coverage of different macroeconomic outlooks, with these scenario weightings being unchanged since the year end.

The base case is weighted at 60% (31 March 2024: 50%, 30 June 2024: 60%) and is therefore deemed to be the most likely macroeconomic outcome. As shown in the table on the following page, this scenario assumes that Bank Rate decreases over the next year and subsequent years, some steady reduction in the unemployment rate, and continued growth in house prices.

Unchanged since the year end, there is one upside scenario which is weighted at 15% (31 March 2024: two upside scenarios; upside and mild upside weighted at 10% each) which reflects the Bank Rate remaining high due to continued consumer confidence keeping inflation high compared to the base case, with unemployment falling faster and stronger house price growth. The upside used at 31 March 2025 and 30 June 2024 is comparable to the mild upside used at 31 March 2024 but has been renamed now that there is only one upside scenario.

There are two downside scenarios; downside and severe downside weighted at 15% and 10% respectively (31 March 2024: three downsides; stagnation, downside and severe downside, weighted at 10% each). The downside scenarios assume faster reductions to the Bank Rate in a recessionary environment, with increasing unemployment and house price falls. The severe downside economic scenario representing a severely stressed environment and therefore has a lower weighting in the model.

Judgement is required to set the scenario weightings to consider the interaction between the severity of the scenarios and the weightings applied. Management has sought to assess the reasonableness of the probabilities by comparing the weighted average of each economic indicator with other available macroeconomic forecasts, in addition to benchmarking the base case scenario.

To project the economic variables for the remaining term of each instrument, it is assumed that the forecasts used in all scenarios revert to our long-term base case forecast beyond a 10-year horizon.

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Incorporation of forward-looking information (continued)

The most significant assumptions used for the ECL estimate as at 31 March 2025, by economic indicator, until March 2029 were as follows:

Bank Rate (%)	Lowest base rate	Weighting	Jun 2025	Sep 2025	Dec 2025	Mar 2026	Mar 2027	Mar 2028	Mar 2029
Upside	4.50	15%	4.8	5.2	5.4	5.7	5.4	4.9	4.5
Base	4.00	60%	4.3	4.0	4.0	4.0	4.0	4.0	4.0
Downside	1.75	15%	4.1	3.6	3.3	2.9	1.8	1.8	1.8
Severe downside	1.00	10%	4.0	3.3	2.8	2.3	1.0	1.0	1.0
Weighted average			4.3	4.0	4.0	3.9	3.6	3.5	3.4

Unemployment rate (%)	% peak	Weighting	Jun 2025	Sep 2025	Dec 2025	Mar 2026	Mar 2027	Mar 2028	Mar 2029
Upside	4.3	15%	4.3	4.1	4.0	3.8	3.6	3.6	3.6
Base	4.5	60%	4.5	4.5	4.5	4.5	4.4	4.2	4.1
Downside	6.9	15%	4.9	5.1	5.3	5.6	6.4	6.8	6.5
Severe downside	7.3	10%	5.0	5.3	5.6	5.9	6.9	7.3	7.0
Weighted average			4.6	4.6	4.7	4.7	4.8	4.8	4.7

Annual change in house-price index (%)	Start to trough % change	Weighting	Jun 2025	Sep 2025	Dec 2025	Mar 2026	Mar 2027	Mar 2028	Mar 2029
Upside	n/a[1]	15%	4.9	4.4	4.0	3.5	5.3	6.7	5.3
Base	n/a[1]	60%	3.7	2.9	2.2	1.5	3.0	4.2	5.2
Downside	(9.4)	15%	1.3	(1.6)	(4.1)	(6.5)	(2.3)	(0.7)	5.6
Severe downside	(17.9)	10%	0.1	(3.7)	(7.5)	(10.6)	(4.7)	(3.6)	5.7
Weighted average			3.1	1.8	0.5	(0.6)	1.8	3.1	5.3

1. This scenario does not have a trough as HPI is forecast to increase across all future periods.

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Incorporation of forward-looking information (continued)

The most significant assumptions used for the ECL estimate as at 31 March 2024, by economic indicator, until March 2028 were as follows:

Bank Rate (%)	Lowest base rate	Weighting	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Mar 2026	Mar 2027	Mar 2028
Upside	4.00	10%	5.8	6.3	6.3	6.3	5.6	4.4	4.0
Mild upside	3.75	10%	5.5	5.8	5.8	5.8	4.9	4.0	3.8
Base	3.25	50%	5.0	4.8	4.5	4.3	3.5	3.5	3.3
Stagnation	1.75	10%	5.1	4.8	4.3	3.9	2.9	1.8	1.8
Downside	1.50	10%	5.0	4.5	4.0	3.5	2.4	1.5	1.5
Severe downside	0.75	10%	4.9	4.1	3.5	3.0	1.6	0.8	0.8
Weighted average			**5.1**	**4.9**	**4.6**	**4.4**	**3.5**	**3.0**	**2.8**

Unemployment rate (%)	% peak	Weighting	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Mar 2026	Mar 2027	Mar 2028
Upside	n/a[1]	10%	3.6	3.4	3.3	3.3	3.3	3.3	3.3
Mild upside	3.9	10%	3.9	3.9	3.8	3.7	3.6	3.6	3.6
Base	4.0	50%	4.0	4.0	4.0	4.0	3.8	3.7	3.8
Stagnation	6.7	10%	4.5	4.8	5.0	5.2	6.1	6.7	6.5
Downside	6.9	10%	4.5	4.8	5.1	5.3	6.3	6.9	6.7
Severe downside	7.3	10%	4.6	5.0	5.3	5.6	6.7	7.3	7.1
Weighted average			**4.1**	**4.2**	**4.3**	**4.3**	**4.5**	**4.7**	**4.6**

Annual change in house-price index (%)	Start to trough % change[2]	Weighting	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Mar 2026	Mar 2027	Mar 2028
Upside	n/a	10%	0.9	1.2	2.3	5.0	6.1	10.0	4.4
Mild upside	(0.3)	10%	0.1	(0.0)	0.6	2.7	4.5	8.4	4.5
Base	(1.3)	50%	(0.7)	(1.3)	(0.9)	0.6	2.3	5.8	4.6
Stagnation	(7.4)	10%	(2.6)	(4.4)	(5.6)	(5.4)	(1.2)	2.4	4.9
Downside	(10.7)	10%	(3.3)	(5.6)	(7.3)	(7.6)	(2.7)	0.6	5.1
Severe downside	(18.9)	10%	(4.6)	(7.6)	(10.2)	(11.3)	(5.5)	(2.6)	5.3
Weighted average			**(1.3)**	**(2.3)**	**(2.5)**	**(1.3)**	**1.3**	**4.8**	**4.7**

1. Unemployment rate is forecast to decrease in all future periods in this scenario.
2. Where the start to trough is measured from Dec 2022 when the house price index fell.

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Incorporation of forward-looking information (continued)

The most significant assumptions used for the ECL estimate as at 30 June 2024, by economic indicator, until June 2028 were as follows:

Bank Rate (%)	Lowest base rate	Weighting	Sep 2024	Dec 2024	Mar 2025	Jun 2025	Jun 2026	Jun 2027	Jun 2028
Upside	3.90	15%	5.6	5.8	5.8	5.8	5.3	5.0	3.9
Base	3.25	60%	5.0	4.8	4.5	4.3	3.8	3.5	3.3
Downside	1.50	15%	4.9	4.3	3.8	3.3	1.9	1.5	1.5
Severe downside	0.75	10%	4.8	4.0	3.4	2.6	1.1	0.8	0.8
Weighted average			5.1	4.8	4.5	4.2	3.4	3.2	2.8

Unemployment rate (%)	% peak	Weighting	Sep 2024	Dec 2024	Mar 2025	Jun 2025	Jun 2026	Jun 2027	Jun 2028
Upside	4.2	15%	4.2	4.1	4.0	3.8	3.7	3.6	3.6
Base	4.4	60%	4.4	4.4	4.3	4.2	3.8	3.8	3.7
Downside	6.9	15%	4.8	5.1	5.3	5.6	6.6	6.9	6.7
Severe downside	7.3	10%	4.9	5.3	5.5	5.8	6.9	7.3	7.1
Weighted average			4.5	4.5	4.5	4.5	4.5	4.6	4.5

Annual change in house-price index (%)	Start to trough % change	Weighting	Sep 2024	Dec 2024	Mar 2025	Jun 2025	Jun 2026	Jun 2027	Jun 2028
Upside	n/a[1]	15%	2.0	2.8	2.9	2.6	4.9	7.3	3.8
Base	n/a[1]	60%	1.3	1.8	1.7	1.0	2.9	4.9	3.9
Downside	(9.0)	15%	(1.5)	(2.9)	(5.2)	(7.7)	(2.3)	(0.4)	4.3
Severe downside	(18.1)	10%	(2.8)	(5.0)	(8.2)	(11.5)	(5.2)	(3.7)	4.6
Weighted average			0.6	0.5	(0.1)	(1.3)	1.6	3.6	4.0

1. This scenario does not have a trough as HPI is forecast to increase across all future periods.

Significant increases in credit risk, forbearance and contract modifications

The Group monitors all financial instruments that are subject to credit risk to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase then the Group measures the ECL allowance based on a lifetime rather than a 12-month ECL.

The Group uses qualitative and quantitative criteria including:

- A loan becoming 30 days or more past due,
- Certain qualitative indicators, such as those used in the servicing of the loan which indicate increased credit risk,
- Increases in internal risk scores on certain portfolio accounts,
- External credit bureau data signifying increases in credit risk for a customer,
- There is an increase in the lifetime PD of the loan since origination which is judged to be significant, and
- Loans which exhibit certain indicators of increased credit risk, such as forborne accounts as described below, or specific accounts where stage overrides are made on a specific case basis.

The Group offers forbearance to assist customers who are experiencing financial distress and considers an account as forborne at the time a customer in financial difficulty is granted a concession. For accounting purposes, any gains or losses arising upon granting forbearance are usually not material because losses are already included in ECLs. Subsequently, the Group may determine after a probationary period that a restructuring has significantly improved credit risk such the asset is moved back to stage 1.

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Allowance for expected credit losses

The following tables analyse the movement of the allowance for expected credit losses during the 9-month periods ended 31 March 2025 and 31 March 2024.

	Nine months ended 31 March 2025			
Allowance for expected credit losses	**Stage 1**	**Stage 2**	**Stage 3 and POCI**	**Total**
Balance at beginning of period	**(10.4)**	**(24.6)**	**(111.4)**	**(146.4)**
Transfer to a 12-month ECL	**(4.5)**	**4.5**	**–**	**–**
Transfer to a lifetime ECL not credit impaired	**4.1**	**(5.3)**	**1.2**	**–**
Transfer to a lifetime ECL credit impaired	**0.3**	**18.3**	**(18.6)**	**–**
Changes due to stage movement	**3.4**	**(9.0)**	**(11.3)**	**(16.9)**
Other changes in credit risk during the period	**(5.7)**	**(8.4)**	**(27.3)**	**(41.4)**
Impairment of interest income on stage 3 loans	**–**	**–**	**(14.1)**	**(14.1)**
New financial assets originated[1]	**(2.2)**	**(0.7)**	**(2.0)**	**(4.9)**
Financial assets derecognised	**3.5**	**4.5**	**12.2**	**20.2**
Changes in models and risk parameters	**1.2**	**0.3**	**3.7**	**5.2**
Impairment losses for the period charged to income statement	**0.1**	**4.2**	**(56.2)**	**(51.9)**
Discounting release	**–**	**–**	**14.1**	**14.1**
Write-offs net of recoveries	**–**	**–**	**2.5**	**2.5**
Balance at end of period	**(10.3)**	**(20.4)**	**(151.0)**	**(181.7)**

	Nine months ended 31 March 2024			
Allowance for expected credit losses	Stage 1	Stage 2	Stage 3 and POCI	Total
Balance at beginning of period	(17.6)	(30.6)	(61.6)	(109.8)
Transfer to a 12-month ECL	(11.6)	11.6	–	–
Transfer to a lifetime ECL not credit impaired	6.2	(7.1)	0.9	–
Transfer to a lifetime ECL credit impaired	0.1	13.3	(13.4)	–
Changes due to stage movement	5.2	(12.9)	(11.8)	(19.5)
Other changes in credit risk during the period	(1.3)	(8.7)	(26.5)	(36.5)
Impairment of interest income on stage 3 loans	–	–	(10.6)	(10.6)
New financial assets originated[1]	(3.1)	(2.5)	(0.4)	(6.0)
Financial assets derecognised	3.4	7.7	8.5	19.6
Changes in models and risk parameters	6.5	4.4	2.2	13.1
Impairment losses for the period charged to income	5.4	5.8	(51.1)	(39.9)
Discounting release	–	–	10.6	10.6
Write-offs net of recoveries	–	–	3.7	3.7
Balance at end of period	(12.2)	(24.8)	(98.4)	(135.4)

[1] All new originations are in stage 1 or POCI. The table above shows items originating in stage 1, which have moved to stage 2 or 3 during the period.

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Allowance for expected credit losses (continued)

The ECL allowance has increased by £35.3m to £181.7m in the nine month period ending 31 March 2025 (30 June 2024: £146.4m). This net movement in ECL allowance comprises a range of drivers, with the principal being:

- Changes due to accounts moving between stages has increased the provision by £16.9m (31 March 2024: £19.5m), which is the net impact of accounts moving into stage 3 through defaulting, moving into stage 2 due to having a significant increase in credit risk since origination, or moving back a stage after seeing credit quality improvements.
- Changes in models and risk parameters resulted in a reduction in the provision of £5.2m (31 March 2024: release of £13.1m). The main drivers of this change were updates to macroeconomic data based on latest actuals and forecasts, as well as updates to model parameters.
- Allowances recognised on newly originated loans resulted in an increase of £4.9m (31 March 2024: £6.0m) due to the forward-looking nature of ECLs, where all loans have some allowance from origination, although generally at lower levels of coverage.
- The impairment of interest income recognised on stage 3 loans of £14.1m (31 March 2024: £10.6m) was offset by the unwinding of discounting on expected cash flows of the same amount.
- The remaining net £18.7m (31 March 2024: £13.2m) increase in provision comprises increases in ECL during the life of loans offset by releases on loans which redeem and where allowances are released, and changes to post model adjustments. This has been driven by changes to probabilities of default assigned to the loans, changes to book performance and changes to valuations as a result of indexation and individual revaluations.

Impairment losses for the period

	Three months ended		Nine months ended	
	31 March 2025	**31 March 2024**	**31 March 2025**	31 March 2024
Movements in ECL allowance, charged to income	**19.4**	15.0	**51.9**	39.9
Amounts released from deferred income	**(0.8)**	(0.3)	**(1.9)**	(0.4)
Write-offs net of recoveries	**(0.3)**	(0.4)	**(1.2)**	(0.6)
Charged to the income statement	**18.3**	14.3	**48.8**	38.9

Impairment losses for the nine-month period increased to £48.8m (31 March 2024: £38.9m) and increased to £18.3m in the 3-month period (31 March 2024: £14.3m). Some of the key drivers of the 9-month period charge are:

- Maintaining the coverage on a growing loan book contributed £11.1m (31 March 2024: £14.8m) to the charge due to the changes in gross loans and advances to customers in the balance sheet of £8.6m (31 March 2024: £11.1m), in addition to replacing balance sheet coverage utilised by write-offs of £2.5m (31 March 2024: £3.7m).
- Impairment of interest charged on certain stage 3 loans of £14.1m (31 March 2024: £10.6m) as described above, which also acts to maintain the levels of coverage on the book.
- Increasing the post model adjustments has contributed a further £0.7m charge (31 March 2024: £13.8m charge) for the period.

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Gross loans and advances movements

The following tables set out changes in gross loans and advances to customers that contributed to the changes in the ECL allowance:

	Nine months ended 31 March 2025			
Movements in gross loans and advances to customers	**Stage 1**	**Stage 2**	**Stage 3 and POCI**	**Total**
Balance at beginning of period	**5,768.7**	**1,057.3**	**684.3**	**7,510.3**
Transfer to a 12-month ECL	**607.5**	**(606.7)**	**(0.8)**	**–**
Transfer to a lifetime ECL not credit impaired	**(1209.7)**	**1,275.3**	**(65.6)**	**–**
Transfer to a lifetime ECL credit impaired	**(23.7)**	**(378.7)**	**402.4**	**–**
New financial assets originated	**2,272.0**	**10.2**	**2.3**	**2,284.5**
Financial assets derecognised including write-offs	**(1,461.5)**	**(222.1)**	**(157.8)**	**(1,841.4)**
Balance at end of period	**5,953.3**	**1,135.3**	**864.8**	**7,953.4**

	Nine months ended 31 March 2024			
Movements in gross loans and advances to customers	Stage 1	Stage 2	Stage 3 and POCI	Total
Balance at beginning of period	4,575.2	1,459.5	485.3	6,520.0
Transfer to a 12-month ECL	984.2	(984.2)	–	–
Transfer to a lifetime ECL not credit impaired	(1,052.7)	1,099.5	(46.8)	–
Transfer to a lifetime ECL credit impaired	(13.0)	(313.0)	326.0	–
New financial assets originated	1,955.6	35.3	2.3	1,993.2
Financial assets derecognised including write-offs	(882.3)	(317.2)	(133.5)	(1,333.0)
Balance at end of period	5,567.0	979.9	633.3	7,180.2

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Significant accounting estimates

Key areas of estimation uncertainty in the ECL models are the macroeconomic scenarios used, and the calculations of loss given default and probability of default. The sensitivities below were performed by recalculating the impairment allowance by changing only those assumptions stated, and with all other variables unchanged. The impact of PMAs is not included in the analysis below.

Macroeconomic scenarios

In June 2024, the Group moved from using six scenarios to using four scenarios, with one upside and two downside scenarios being deemed to be sufficient coverage of different macroeconomic outlooks. The following table shows unweighted ECL when 100% probability was applied to each scenario as at 31 March 2025, 31 March 2024 and 30 June 2024.

	31 March 2025	
	Probability of the scenario	**Unweighted ECL**
Upside	**15%**	**131.1**
Base case	**60%**	**158.9**
Downside	**15%**	**242.7**
Severe downside	**10%**	**302.6**
Weighted loan loss provision		**181.7**

	31 March 2024	
	Probability of the scenario	Unweighted ECL
Upside	10%	83.3
Mild upside	10%	95.1
Base case	50%	118.1
Stagnation	10%	163.1
Downside	10%	186.8
Severe downside	10%	235.1
Weighted loan loss provision		135.4

	30 June 2024	
	Probability of the scenario	Unweighted ECL
Upside	15%	99.7
Base case	60%	125.2
Downside	15%	203.3
Severe downside	10%	258.1
Weighted loan loss provision		146.4

The mild upside scenario at 31 March 2024 has been renamed as the upside scenario at 31 March 2025 and 30 June 2024 now that there is only one upside scenario.

Utilising multiple economic scenarios reflects the non-linearity of the forward-looking ECL approach. Sensitivities can be derived from this table by applying different combinations of probabilities to the unweighted ECLs and comparing these with the weighted average which is the amount recorded within the statement of financial position.

Loss given default

The LGD model uses current security values and forecast HPI assumptions to project property values for each of the economic scenarios. An immediate and sustained 10% reduction in forecast house prices applied in each scenario (i.e. a 10% cut applied to the index in each forecast future period) would result in an increase in the impairment allowance of £28.4m at 31 March 2025 (31 March 2024: £22.7m; 30 June 2024: £25.5m); conversely, a 10% increase would result in a decrease in the impairment allowance of £21.2m at 31 March 2025 (31 March 2024: £17.1m; 30 June 2024: £19.6m).

Probability of default and probability of repossession given default

A 10% relative worsening of both PDs and PPGDs simultaneously (e.g. a 1.0% PD increasing to 1.1%) would increase the total impairment allowance by £6.7m at 31 March 2025 (31 March 2024: £5.3m; 30 June 2024: £5.9m). A 10% relative improvement of both PDs and PPGDs simultaneously (e.g. a 1.0% PD decreasing to 0.9%) would result in a decrease in the impairment allowance by £6.5m at 31 March 2025 (31 March 2024: £5.0m; 30 June 2024: £5.6m).

8. Loans and advances to customers (continued)

Significant accounting judgements

Key areas of judgement in the ECL models include judgements about which loans have been subject to a significant increase in credit risk since initial recognition and therefore should be classified as stage 2, with a resultant ECL allowance based on a lifetime rather than a 12-month ECL.

The sensitivity below was performed by recalculating the impairment allowance by changing only the item stated, and with all other variables unchanged.

Sensitivities	Increase in allowance 31 March 2025	31 March 2024	30 June 2024
Measure all loans in stage 1 using a lifetime ECL	**19.8**	18.2	20.2

9. Borrowings

	31 March 2025	31 March 2024	30 June 2024
Loan notes	**5,954.5**	5,141.1	5,564.7
Subordinated shareholder loans	**24.4**	35.5	22.8
Lease liabilities	**27.0**	28.6	28.4
	6,005.9	5,205.2	5,615.9
Senior secured notes	**950.0**	1,055.0	950.0
Fair value adjustment due to hedging on senior secured notes	**3.3**	–	2.7
	953.3	1,055.0	952.7
Debt-issue costs	**(26.3)**	(22.6)	(25.3)
Total borrowings	**6,932.9**	6,237.6	6,543.3

Of which:

	31 March 2025	31 March 2024	30 June 2024
Due within 12 months	**939.0**	790.8	660.6
Due after 12 months	**5,993.9**	5,446.8	5,882.7
	6,932.9	6,237.6	6,543.3

Loan notes have the following features:

Loan facility	Established	Securitisation type	Facility type	Facility size* (£m)	Maturity or call date
ADALO ABS	2024	Private funding	Revolving	150.0	Mar 2028
Brooks ABS	2021	Private funding	Amortising	61.7	Mar 2028
Brooks ABS 2	2025	Private funding	Amortising	78.0	Mar 2029
Delta ABS 2	2019	Private funding	Revolving	600.0	Dec 2028
Highfield ABS	2018	Private funding	Revolving	725.0	Dec 2027
Kingsway ABS	2025	Private funding	Revolving	1,200.0	Jan 2029
Lakeside ABS	2015	Private funding	Revolving	1,000.0	Nov 2028
Together ABS 5	2021	Public securitisation	Amortising	105.5	Oct 2025
Together ABS 6	2022	Public securitisation	Amortising	153.4	May 2026
Together ABS 7	2022	Public securitisation	Amortising	240.6	Jun 2026
Together ABS 8	2023	Public securitisation	Amortising	273.2	Apr 2027
Together ABS 9	2023	Public securitisation	Amortising	305.6	Sep 2027
Together ABS 10	2024	Public securitisation	Amortising	198.9	Jan 2028
Together ABS 11	2024	Public securitisation	Amortising	231.6	May 2028
Together ABS 12	2024	Public securitisation	Amortising	386.9	Sep 2028
Together ABS 13	2025	Public securitisation	Amortising	250.4	Jan 2029
Together CRE2	2021	Public securitisation	Amortising	113.5	Feb 2026
Together CRE3	2022	Public securitisation	Amortising	225.0	Oct 2026
Together CRE4	2023	Public securitisation	Amortising	303.8	Nov 2027
Together CRE5	2025	Public securitisation	Amortising	496.1	Apr 2029
Wilmslow ABS	2025	Private funding	Revolving	386.9	Jan 2029

*Facility size refers to the total available facility size in the case of revolving facilities, whilst amortising facilities represent the actual external funding as at the period end.

9. Borrowings (continued)

In the case of the amortising facilities, the maturity date shown is the date of the option to call the facility and the facility size is shown as the amortised position at the balance sheet date. The maturity dates for revolving facilities include an amortisation period covering one year prior to the maturity date, except for Lakeside ABS which has no amortisation period.

The maturity date on the undrawn revolving credit facility (RCF) is September 2026 with a total facility size of £138.3m.

The senior secured notes are initially measured at fair value, and subsequently measured at amortised cost, however they are subject to a fair value adjustment, for the hedged risk only, due to the adoption of fair value hedge accounting with respect to the interest rate swap of the bond. Accordingly, whilst the carrying value of the bond is £950.0m at the end of the quarter, this is subject to a fair value adjustment relating to the hedged risk of £3.3m, resulting in a closing balance of £953.3m at period-end.

Subordinated shareholder loans were originally issued on 2 November 2016. They are interest-free loans totalling £68.1m, which comprised £25.1m due in 2027, after maturity extensions, and £43.0m due in 2036. In the prior year, the subordinated loans to a related party, Bracken Midco2 Limited, totalling £25.1m had their maturity extended from September 2027 to November 2036. This resulted in the accounting derecognition of the loans due in 2027, and a recognition of the loans of the same nominal value due in 2036, recognised at a new fair value.

The difference between the total nominal value of £68.1m and the initial fair values on origination or extension of £15.4m represents a cumulative non-distributable capital contribution of £52.7m, £9.0m of which has amortised by 31 March 2025 (31 March 2024: £15.3m, 30 June 2024: £7.4m). The remainder of the reserve will be amortised over the life of the instruments.

The Group has undertaken the following refinancing activity since the year ended 30 June 2024:

- In August 2024, the Group was able to successfully refinance its DABS facility, securing an additional £200m, resulting in a total facility size of £600m and extending the maturity date to December 2028.
- In September 2024, the Group issued a further RMBS facility, Together Asset Backed Securitisation 2024 – 1ST2 PLC (TABS 12) raising £429m of external funding.
- In November 2024, the Group refinanced its LABS facility securing an additional £175.0m, resulting in a total facility size of £1,000.0m and extending the maturity date to November 2028.
- In January 2025, the Group separated and upsized its £1,250m CABS2 facility into two revolving warehouse facilities totalling £1,587m; Kingsway Asset Backed Securitisation with a facility size of £1,200m and Wilmslow Asset Backed Securitisation with a facility size of £387m and extending the maturity dates for both to December 2029.
- In February 2025, the Group issued an RMBS, Together Asset Backed Securitisation 2025 – 2ND 1 PLC (TABS 13), raising £257.7m of external funding.
- In March 2025, the Group issued a further facility, Brooks Asset Backed Securitisation 2 Limited (BABS2) raising £80.0m of external funding with a maturity date of March 2029.
- Also in March 2025, the Group issued a further CMBS, Together Asset Backed Securitisation 2025 – CRE1 plc (CRE5) raising £522.2m of external funding.

Debt-issue costs, which consist of the prepaid fees in relation to the RCF, loan notes and the senior secured notes, are deducted from the loan carrying amounts and charged to interest expense over the expected term of the facility or notes as appropriate.

Unless otherwise indicated, all amounts are stated in £m

9. Borrowings (continued)

Borrowings have the following maturities:

As at 31 March 2025	<1 year	1-2 years	2-5 years	>5 years	Total
Loan notes	**942.2**	**909.3**	**4,103.0**	**–**	**5,954.5**
Senior secured notes	**–**	**500.0**	**–**	**453.3**	**953.3**
Subordinated shareholder loans	**–**	**–**	**–**	**24.4**	**24.4**
Lease liabilities	**0.8**	**0.8**	**2.5**	**22.9**	**27.0**
	943.0	**1,410.1**	**4,105.5**	**500.6**	**6,959.2**
Debt-issue costs	**(4.0)**	**(4.4)**	**(14.2)**	**(3.7)**	**(26.3)**
	939.0	**1,405.7**	**4,091.3**	**496.9**	**6,932.9**

As at 31 March 2024	<1 year	1-2 years	2-5 years	>5 years	Total
Loan notes	792.8	859.7	3,488.6	–	5,141.1
Senior secured notes	–	555.0	500.0	–	1,055.0
Subordinated shareholder loans	–	–	20.5	15.0	35.5
Lease liabilities	1.2	1.1	2.4	23.9	28.6
	794.0	1,415.8	4,011.5	38.9	6,260.2
Debt-issue costs	(3.2)	(3.7)	(15.7)	–	(22.6)
	790.8	1,412.1	3,995.8	38.9	6,237.6

As at 30 June 2024	<1 year	1-2 years	2-5 years	>5 years	Total
Loan notes	662.5	3,156.9	1,745.3	–	5,564.7
Senior secured notes	–	–	500.0	452.7	952.7
Subordinated shareholder loans	–	–	–	22.8	22.8
Lease liabilities	1.2	1.1	2.5	23.6	28.4
	663.7	3,158.0	2,247.8	499.1	6,568.6
Debt-issue costs	(3.1)	(6.0)	(13.7)	(2.5)	(25.3)
	660.6	3,152.0	2,234.1	496.6	6,543.3

Unless otherwise indicated, all amounts are stated in £m

10. Provisions and contingent liabilities

Provisions

	Nine months ended	
	31 March 2025	31 March 2024
Balance at beginning of period	**3.2**	7.2
Charge/(release) for the period	**1.4**	(0.3)
Provisions utilised	**(0.8)**	(3.0)
Balance at end of period	**3.8**	3.9

As at 31 March 2025, the Group has recognised provisions of £3.8m (31 March 2024: £3.9m, 30 June 2024: £3.2m). Estimating the amount of provisions requires the exercising of judgement, with the amounts representing the best estimate of the amount required to settle or transfer the obligation at the reporting date.

As a financial services company, the Group is required to comply with relevant legislation, and has processes in place to meet these standards and to manage any legal claims against the Group. Where such claims are received, the Group will investigate the facts and circumstances and will defend claims without merit.

Provisions substantially represents a provision for such legal claims, which includes both legal claims already received but not yet concluded, and an expectation for future claims which are yet to be received, but relate to events which are judged to have already occurred, and the anticipated costs of undertaking these processes for claims which are received by the Group.

Contingent liabilities

Fixed and floating charges

As at 31 March 2025, the Group's assets were subject to a fixed and floating charge in respect of £950.0m senior secured notes (31 March 2024: £1,055.0m, 30 June 2024: £950.0m).

Unless otherwise indicated, all amounts are stated in £m

11. Financial instruments and fair values

The Group measures fair values using the following hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Measurements derived from observable data, such as market prices or rates;

Level 3: Measurements relying on significant inputs not based on observable market data.

Financial instruments measured at fair value

The following table analyses the fair values as at the period end of financial instruments measured at fair value, analysed into different levels according to the degree to which they are based on observable inputs:

31 March 2025	**Level 1**	**Level 2**	**Level 3**	**Fair value**	**Carrying value**
Derivative assets/(liabilities) held for risk management – Interest-rate risk					
Derivative assets	**–**	**9.0**	**–**	**9.0**	**9.0**
Derivative liabilities	**–**	**(7.1)**	**–**	**(7.1)**	**(7.1)**

31 March 2024	Level 1	Level 2	Level 3	Fair value	Carrying value
Derivative assets/(liabilities) held for risk management – Interest-rate risk					
Derivative assets	–	16.6	–	16.6	16.6
Derivative liabilities	–	(9.1)	–	(9.1)	(9.1)

30 June 2024	Level 1	Level 2	Level 3	Fair value	Carrying value
Derivative assets/(liabilities) held for risk management – Interest-rate risk					
Derivative assets	–	15.6	–	15.6	15.6
Derivative liabilities	–	(4.4)	–	(4.4)	(4.4)

Financial instruments not measured at fair value

All the Group's other financial assets and liabilities are held at amortised cost. The carrying value is a reasonable approximation of fair value for all financial instruments other than for loans and advances to customers and for borrowings. For loans and advances to customers and for borrowings, fair value is calculated based upon the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The following table analyses the fair values of loans and advances and of borrowings into different levels according to the degree to which the fair values are based on observable inputs:

31 March 2025	**Level 1**	**Level 2**	**Level 3**	**Fair value**	**Carrying value**
Financial assets					
Loans and advances to customers	**–**	**–**	**7,768.8**	**7,768.8**	**7,771.7**
Financial liabilities					
Borrowings	**948.6**	**3,284.5**	**2,712.8**	**6,946.0**	**6,932.9**

31 March 2024	Level 1	Level 2	Level 3	Fair value	Carrying Value
Financial assets					
Loans and advances to customers	–	–	7,005.9	7,005.9	7,044.8
Financial liabilities					
Borrowings	1,026.3	2,701.7	2,498.1	6,226.1	6,237.6

Unless otherwise indicated, all amounts are stated in £m

11. Financial instruments and fair values (continued)

Financial instruments not measured at fair value (continued)

30 June 2024	Level 1	Level 2	Level 3	Fair value	Carrying value
Financial assets					
Loans and advances to customers	–	–	7,347.6	7,347.6	7,363.9
Financial liabilities					
Borrowings	936.3	2,755.2	2,852.5	6,544.0	6,543.3

The fair value of loans and advances to customers is based on future interest cash flows (at current customer rates) and principal cash flows discounted using the rate at which we most recently advanced similar loans (at market rate). This rate is assumed to encompass the time value of money, plus a risk premium to account for the inherent uncertainty in the timing and amount of future cash flows arising from mortgage assets. Forecast principal repayments are based on redemption at maturity with an overlay for historical behavioural experience to take account of expected prepayment. The eventual timing of future cash flows may be different from the forecast due to unpredictable customer behaviour. A further adjustment is made to reflect expected credit losses over the life of each loan.

For borrowings, the fair value of senior secured notes is considered to be level 1, reflecting quoted prices. The fair value of the £500.0m SSNs 2027 is lower than the carrying value as the notes are trading at a discount to their par value as at 31 March 2025. The fair value of the £450.0m SSN 2030 is higher than the carrying value as the notes are trading at a premium to their par value as at 31 March 2025.

The fair value of loan notes issued by private securitisations is estimated to be the carrying value because the notes track a floating rate of interest but where the margins payable are observable inputs only when they are issued or refinanced. These notes are classified as level 3 with publicly issued residential mortgage-backed securities classified as level 2. The revolving credit facility is classified as level 2 given this is a private facility without quoted market prices.

Subordinated shareholder loans and lease liabilities are also classified as level 3. Market prices are not available for these loans and so fair value has been estimated by discounting the related expected future cash flows. As market rates are not observable for these loans, management has derived discount rates by reference to other arm's length transactions with investors, making allowance for the tenor and seniority of the loans.

12. Notes to the cash flow statement

	Three months ended		Nine months ended	
	31 March 2025	31 March 2024	**31 March 2025**	31 March 2024
Adjustments for non-cash items in profit after tax:				
Interest payable	**111.3**	102.1	**345.3**	293.9
Impairment losses	**18.3**	14.3	**48.8**	38.9
Taxation	**11.6**	12.0	**35.2**	34.1
Provisions for liabilities and charges/(releases)	**1.1**	(0.4)	**1.4**	(0.3)
Depreciation and amortisation	**2.1**	1.7	**6.4**	4.9
Net losses on financial instruments	**0.4**	1.3	**1.4**	9.9
Losses/(gains) on disposal of fixed assets	**–**	0.1	**–**	(0.1)
Total adjustments for non-cash items in profit after tax	**144.8**	131.1	**438.5**	381.3
Changes in operating assets and liabilities				
Increase in loans and advances to customers	**(72.9)**	(264.3)	**(456.7)**	(673.5)
(Decrease)/increase in other operating assets	**1.8**	(2.6)	**(5.0)**	(4.1)
Increase in other operating liabilities	**6.3**	3.9	**20.6**	8.2
Total changes in operating assets and liabilities	**(64.8)**	(263.0)	**(441.1)**	(669.4)
Additional information on cash flows from operating activities				
Interest income receipts	**184.9**	169.9	**547.7**	488.5

13. Related party transactions

Relationships

The Company has the following related parties:

a) Controlling party

All the voting shares of Together Financial Services Limited are controlled by Bracken Midco2 Limited, a company whose ultimate parent is Redhill Famco Limited, which is ultimately controlled by HN Moser, a director of Together Financial Services Limited.

Besides the companies owned by Redhill Famco Limited, other entities owned by HN Moser are deemed to be related parties and during the period or prior period transacted with the Company's subsidiaries as follows:

Entity	Nature of transactions
Bracken Property Company Limited	The Group pays operating lease and insurance costs to Bracken Property Company Limited for its provision of the Group's head office property.
Charles Street Commercial Investments Limited, Charles Street Capital Limited, and Charles Street Finance Holdings Limited	The Group refers borrowers outside its lending criteria to Charles Street Commercial Investments Limited, Charles Street Capital Limited, and Charles Street Finance Holdings Limited. The Group also performs underwriting, collection and arrears-management activities for these loans. The Group manages accounts payable on behalf of the companies and provides accounting and treasury services for which it receives a fee. In addition, in December 2024, the Group sold, at book value, loans to Charles Street Capital Limited, totalling £9.3m.
Sunnywood Estates Limited	The Group provided loans with interest charged at 5% per annum, secured on certain assets of Sunnywood Estates Limited which was redeemed during the prior year. The Group also managed accounts payable on behalf of Sunnywood Estates Limited.

Balances due to or from the above entities are interest-free and repayable on demand, unless otherwise stated.

b) Parent companies

The Group transacted with the following parent company ultimately controlled owned by HN Moser:

Entity	Nature of transactions
Bracken Midco2 Limited	In November 2016 the Company received subordinated funding from Bracken Midco2 Limited. The subordinated loans are interest-free and for fixed terms, as set out in Note 9. The difference between the loans' maturity amounts and their fair values represents a capital contribution to the Group which is being amortised through income over the life of each loan. The Group pays dividends to its parent company Bracken Midco2 Limited.

c) Subsidiaries

The Company utilises its bank and subordinated shareholder funding, and bonds raised by a subsidiary company, to provide treasury funding to its lending subsidiaries. Interest is recharged among Group companies based on the Group's external cost of borrowings and the risk of the assets funded. The cost of equity funding is not charged. All amounts are repayable on demand.

d) Key management personnel

Key management personnel comprise directors of the Group and Parent.

There are other entities controlled by key management personnel which are deemed to be related parties and during the period or prior transacted with the Company's subsidiaries as follows:

Entity	Nature of transactions
Waterfold Asset Management Limited	Waterfold Asset Management Limited provides property management services. These expenses are subsequently recovered by recharging costs to customer accounts.

Balances due to or from the above entities are interest-free and repayable on demand, unless otherwise stated.

Unless otherwise indicated, all amounts are stated in £m

13. Related party transactions (continued)

Relationships (continued)

Transactions

The Group had the following transactions with related parties during the three-month period:

	Three months ended			
	31 March 2025		31 March 2024	
Group	Charge to income or equity	Paid/(received)	Charge to income or equity	Paid/(received)
Lease and insurance costs	1.1	1.1	0.5	0.5
Accounts payable transactions	–	0.2	–	0.2
Net settlement of treasury funding	–	0.4	–	(0.3)
Sale of motor vehicles to related party[2]	–	(0.1)	–	–
Related parties of HN Moser	1.1	1.6	0.5	0.4
Interest expense	0.5	–	0.6	–
Dividends paid	–	–	–	–
Parent companies	0.5	–	0.6	–
Property management costs	0.3	0.3	–	–
Related parties of other key management personnel	0.3	0.3	–	–
Total related parties	1.9	1.9	1.1	0.4

The Group had the following transactions with related parties for the nine-month period:

	Nine months ended			
	31 March 2025		31 March 2024	
Group	Charge to income or equity	Paid/(received)	Charge to income or equity	Paid
Lease and insurance costs	2.2	2.2	1.1	1.1
Accounts payable transactions	–	1.1	–	0.2
Sale of loans and advances with customers to related parties[1]	–	(9.3)	–	–
Net settlement of treasury funding	–	0.5	–	0.1
Sale of a motor vehicle to related party[2]	–	(0.1)	–	–
Related parties of HN Moser	2.2	(5.6)	1.1	1.4
Interest expense	1.6	–	1.8	–
Dividends paid	33.0	33.0	32.8	32.8
Parent companies	34.6	33.0	34.6	32.8
Property management costs	0.9	1.0	–	–
Related parties of other key management personnel	0.9	1.0	–	–
Total related parties	37.7	28.4	35.7	34.2

[1] In December 2024, the Group sold loans to Charles Street Capital Limited at book value, totalling £9.3m.

[2] In February 2025, the Group sold a motor vehicle to Bracken Property Company Limited at an amount estimated to be market value totalling £0.1m.

Included within other assets are amounts owed by related parties of the Group of £3.8m (31 March 2024: £1.3m), mainly in respect of companies in which HN Moser is a director and shareholder. Included within this are amounts in relation to a director's loan of £0.5m (31 March 2024: £0.4m). The loan is interest free and repayable on demand.

14. Commitments

The Group has commitments to extend credit which are not recorded on the balance sheet. This includes both the undrawn element of existing facilities and new commitments to lend.

At 31 March 2025, the Group had undrawn commitments to lend of £125.4m (31 March 2024: £131.4m, 30 June 2024: £130.1m). These relate mostly to lines of credit granted to existing customers for property development. The amounts do not represent the amounts at risk at the reporting date but the amounts that would be at risk should the facilities be fully drawn upon and should the customer default.

The ECL on the undrawn elements of existing facilities is included within the total ECL held within net loans and advances to customers. The ECL on new pipeline lending commitments is £0.2m at 31 March 2025 (31 March 2024: £0.1m and 30 June 2024: £0.2m) and is classified within other liabilities.

15. Events after the reporting date

In April 2025, the Company paid a dividend of £32.4m to its parent undertaking, Bracken Midco2 Limited.