

Unlocking opportunities. Realising ambitions.

Annual Report and Accounts 2025



together.®

An aerial photograph of a suburban neighborhood. The image shows a mix of residential houses with various roof colors (brown, grey, blue), green lawns, and some trees. A network of streets, including a roundabout, is visible. The overall scene is bright and sunny, suggesting a clear day.

We're Together.

For over 50 years, we have helped thousands of individuals, businesses and SMEs, and property investors unlock their property ambitions, with our common-sense approach to lending.

By combining our deep property expertise with flexible thinking, we're driving sustainable growth in an ever changing market, and helping more customers realise their ambitions.

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Together at a glance

**Over
50 years**
of lending



Buy to Let

Commercial term



Bridging

Residential



Development

**Five product
categories**

800 +
colleagues

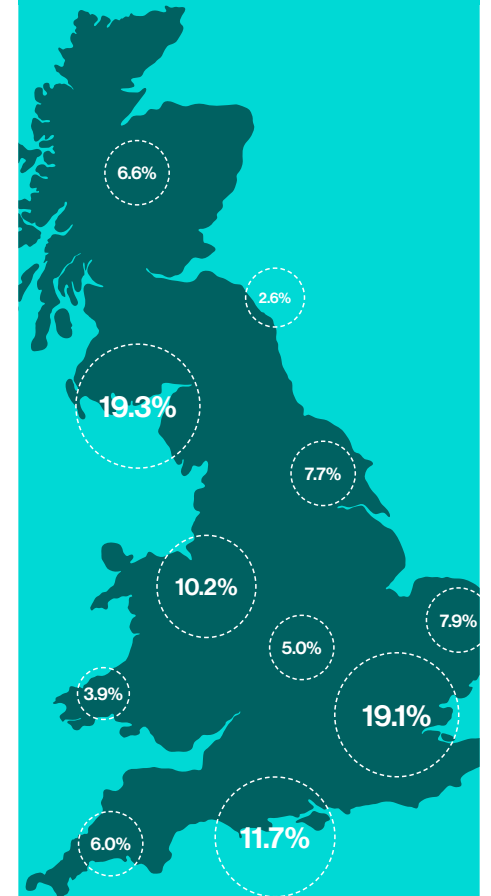


Loan book

£7.9bn



We realise property ambitions
for customers across the UK



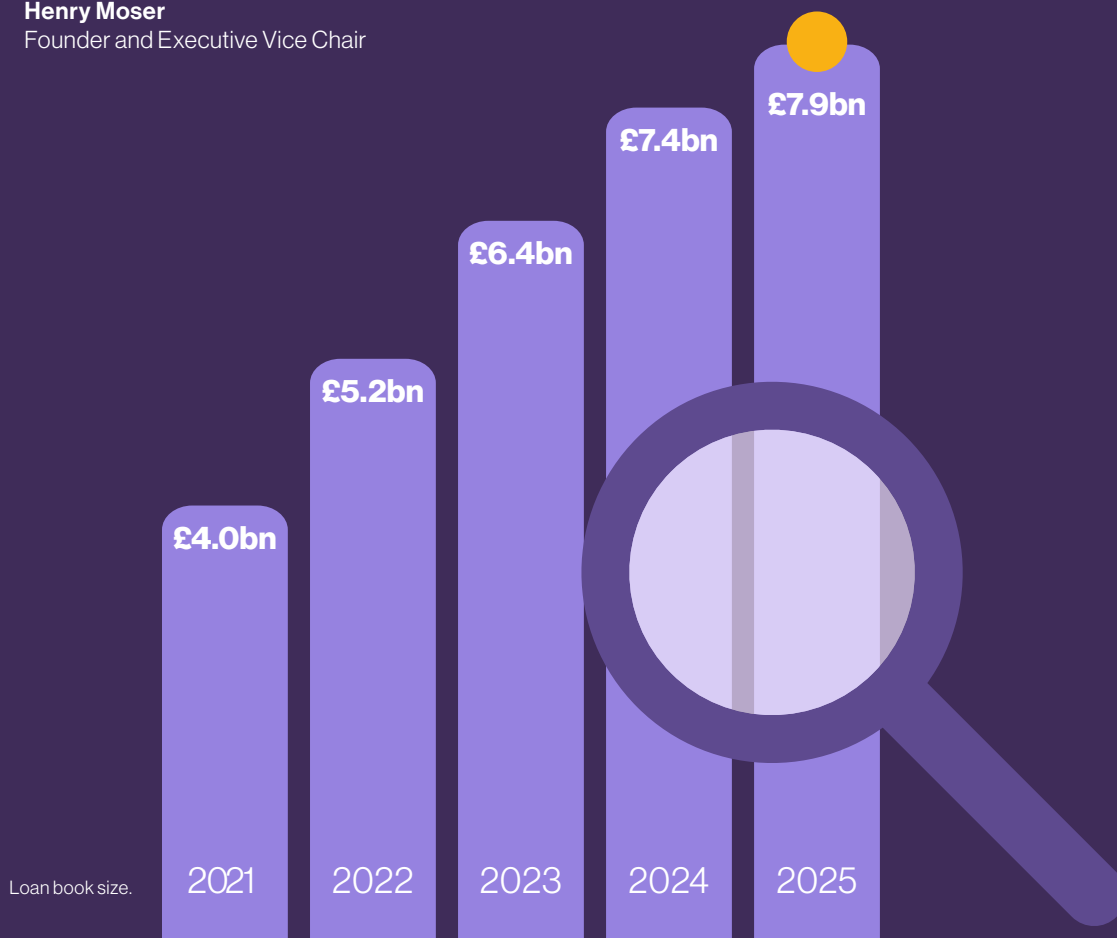
* % of our net loan book as at 30 June 2025.

Financial summary

“Together has had another excellent year, building on the things that have made us successful whilst investing in transforming our business for the future. I would like to thank my colleagues for their ongoing commitment and our banks and investors for their continued support.”

Henry Moser

Founder and Executive Vice Chair



Continuing to deliver strong returns

£216m

Underlying PBT
(2024: £201m)

£191m

Statutory PBT
(2024: £194m)

whilst delivering sustainable growth

£7.9bn

Loans and advances to customers
(2024: £7.4bn)

£264m

Average monthly originations
(2024: £250m)

with conservative LTVs at attractive margins.

55.8%

Weighted average indexed LTV
(2024: 55.7%)

5.5%

Net interest margin
(2024: 5.4%)

See the Alternative performance measures appendix for definitions and calculations of these financial metrics.

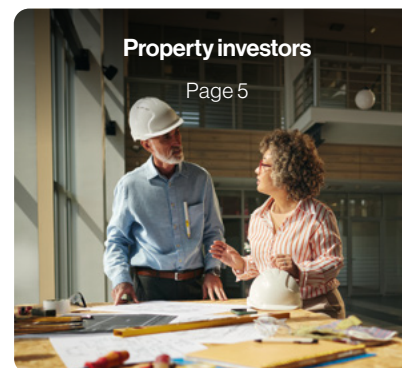
Our customers

Common sense lending

At Together, we are able to use our over 50 years of lending experience to help our customers bring their property ambitions to life.

By offering a wide range of products and lending solutions, we are well positioned to meet the specific needs of our customers in an ever changing and growing mortgage market.

Our customer types



Our products

See page 22



Buy to Let



Commercial term



Bridging



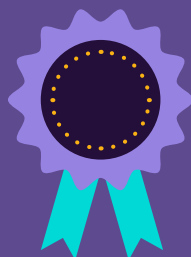
Residential



Development

Why customers choose Together

- ✓ Reputation and experience
- ✓ Certainty of funding
- ✓ Quality of service
- ✓ Trusted relationships
- ✓ Common sense decisions



Structural trends that help drive our future growth

See more on page 19



- Increase in non standard borrowers
- Changing employment patterns
- Rise of multiple incomes
- UK's credit invisibles
- Specialist lending market forecasted to rise 70% by 2029

Businesses and SMEs

Businesses and SMEs are the backbone of the UK economy, but can struggle to get finance. Using our extensive expertise and common-sense, we build trusted relationships and move at the right pace to provide the funding they need to solve problems and realise opportunities for their businesses.

Who they are

- Sole traders, limited companies and partnerships
- Start-ups and early-stage businesses
- High growth SMEs
- Firms with complex incomes or irregular cash flows
- Companies that are asset rich but cash poor
- Businesses with specialist property types

What they need

- Trusted relationships and expertise
- Tailored financial solutions
- Service, reliability and certainty
- Flexible finance to help them seize opportunities
- A lender who understands and supports them

[Link to our products](#)



Our customers continued

Property investors

Property investors come in all shapes and sizes, from first time landlords looking to build a portfolio to professional Buy to Let investors, high net worth individuals expanding their portfolios and developers seeking finance for residential, commercial, or mixed-use properties. We build trusted relationships and use our expertise, common-sense and flexibility to adapt to their changing needs and find solutions to turn their property ambitions into reality.

Who they are

- High value corporate customers
- Professional property investors
- Portfolio landlords
- Developers

What they need

- Trusted relationships and extensive property expertise
- Flexible solutions to meet their property needs
- Common-sense, service and reliability
- Bridging finance to secure opportunities
- A lender who understands their needs and makes smarter, faster decisions

Link to our products



Individuals and families

We use our experience, common sense and flexible lending products to give individuals and families a fair chance to realise their property ambitions. We provide solutions for those looking to secure their dream property, loans to self-employed professionals purchasing their first or forever property, or funding to complete a house renovation or avoid a chain break.

Who they are

We support a wide range of individuals and families including:

- First time buyers
- Existing homeowners looking to upsize
- Self-employed professionals
- High net worth individuals with complex incomes
- Homeowners renovating properties
- Later life buyers
- Individuals seeking to prevent chain breaks
- Those with limited or complex credit histories
- Customers with unique properties or non-traditional buying situations
- Accidental landlords

What they need

- Personalised lending solutions
- Common-sense, service and flexibility
- Lending and property expertise
- Reputation and trust
- Solutions to turn dreams into a reality

Link to our products



Chair's review



Chair's review

with Mike McTighe

Together delivered another strong performance in the year to 30 June 2025, as we grew our loan book to a new high of £7.9bn, while increasing underlying profit before tax to £216m.

Our financial performance underscored the strength of our business model as we maintained an attractive net interest margin of 5.5%, and a conservative loan to value of 55.8%, while delivering Group cash receipts of £3.4bn during the year.

We successfully maintained our 75% five-star rating by customers and were delighted to be awarded 'Best Newcomer' over 250 employees by Investors in People and to be included in the Financial Times 'Europe's Long-term Growth Champions' ranking of the 300 highest growth European companies between 2013 and 2023.

We also further strengthened and diversified our funding mix, raising or refinancing £5.0bn of facilities across 9 transactions during the year. This included issuing a £500m bond with a 2031 maturity to support the refinancing of our 2027 bond, successfully issuing 3 public mortgage-backed securitisations, refinancing a number of our private securitisation facilities, as well issuing a new private warehouse facility in the year.

For more details about our performance see the Business review on page 21 and the Financial review on page 31.

“Our financial performance underscored the strength of our business model.”

Enhancing our leadership team and Board

During the year, we continued to strengthen and diversify our Executive management team with Richard Rowntree joining as Group CEO, and appointed Executive Director in December, bringing over 30 years' experience in banking. With Richard's arrival, our founder, Henry Moser, took on the new role of Executive Vice Chair, continuing his active role as shareholder in guiding the Board to achieve long-term success for Together.

Chris Adams was promoted to the role of Chief Financial Officer and appointed to the Board following his previous role as the Group Finance Director and John Barker, formerly Chief Operating Officer, was appointed to the role of CEO of our Personal Finance business.

In June, we announced that Marc Goldberg, CEO of Sales and Distribution, has decided to retire from Together in December 2026 after an extremely successful career with the Group and stepped down from the Board on 30 June 2025.

On behalf of the Board, I would like to thank Marc for his outstanding contribution and dedication to Together and for his support as a member of the Board. Ryan Etchells, Chief Commercial Officer, took on additional responsibilities for sales and distribution from July 2025 and is working closely with Marc to ensure a smooth transition.

After the year end, we also recruited additional leadership talent from outside the Group, with Candice Lott joining us as Chief Marketing Officer in June 2025, Dave Sutherland joining as Chief Operating Officer in July 2025, and Cheryl Brough joining as Chief People Officer in August 2025. They bring extensive experience from a range of industries, including finance and retail, to further enhance our Executive team as we build for the future.

On behalf of Together, I would also like to thank Kevin Fisher who retired as Chief People Officer after 14 years with the Company.

We also welcome Andy Higginson to the Group Board as a Non-Executive Director with effect from 15th September 2025. His wealth of experience in Chair and Non-Executive roles across a wide range of organisations will supplement the skills and experience of our Board.

Building on our success

To build on the Group's successful 50 year track record, our new Group CEO, Richard Rowntree, led a review of the business during the year, resulting in a refresh of the Group's strategy: Invest; Optimise; Grow. We are confident this refined strategic approach, combined with our strengthened management team and the ongoing dedication and commitment of our colleagues, will help take Together to the next level.

For more details about our refined strategy, see page 13.

“We are confident this strategic approach will help take Together to the next level.”

Last year we commenced an investment programme to deliver a modern, adaptable platform to position Together for the next stage of its growth journey. This transformation programme, which will deliver improved user journeys, greater operational efficiency and increasing agility, is progressing well, with our new lending and data platforms moving into the build and test phase during the year.

We remain committed to supporting young people and helping them to build successful careers. We have always supported the development of young people within the business, and formally established our graduate and apprentice schemes 15 years ago. This year we saw a further 18 graduates and 22 apprentices join our Together Academy.

Together has a long history of supporting our local communities and this year we deployed over £0.9m to support a wide range of worthy causes including Centrepont, the North West Air Ambulance service and the Seashell Trust.

Board focus

Over the last 12 months, the Board has focused on:

- Conducting reviews of the external environment, identifying market opportunities and assessing internal capabilities to refine the Group's strategy for long-term value creation.
- Evolving the Board and Management team, and supplementing skills and experience across the Group to support delivery of the Group's strategic vision and provide for effective succession planning.
- Delivering transformation and operational efficiency, to improve customer outcomes and enhance internal processes and strengthen the overall service delivery model.

For more details on the Board's activities in the year, see page 71.

“We will continue to help customers realise their property ambitions, as we have for the last 50 years.”

Well-positioned for an exciting future

Together has achieved over 50 years of continuous profitability by using our deep property expertise, strong established relationships and ability to deliver speed and certainty of funding to help our customers to realise opportunities. Today, the Group is one of the UK's leading non-bank relationship lenders, with over 800 employees supporting a wide range of personal customers, SMEs, businesses, and property investors. We have a high-quality £7.9bn loan book supported by a full in-house service platform, strong diversified funding lines and a clear strategy for growth.

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. However, with long-term structural trends supporting an increase in demand for specialist lending solutions, we remain cautiously optimistic and will continue to help customers realise their property ambitions, as we have for the last 50 years.

Finally, I would like to express my heartfelt gratitude to all of my colleagues for their dedication and valued contribution to Together's past and future success.

Mike McTighe
Chair

Our business model

A proven sustainable model for over 50 years

Led by...

Our purpose

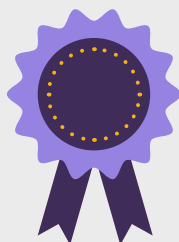
We open doors and give everyone the opportunity to turn their ambitions into reality

Our vision

To be the UK's finance partner of choice – powering progress by giving people a fair chance to bring their property ambitions to life

Our mission

Using our expertise and common sense to build trusted relationships that help individuals and businesses thrive. We are passionate about empowering our colleagues to grow and investing in our communities



Our products...

A range of personalised lending solutions to help customers realise opportunities



Buy to Let

Read more on page 22.



Commercial term

Read more on page 23.



Bridging

Read more on page 24.



Residential

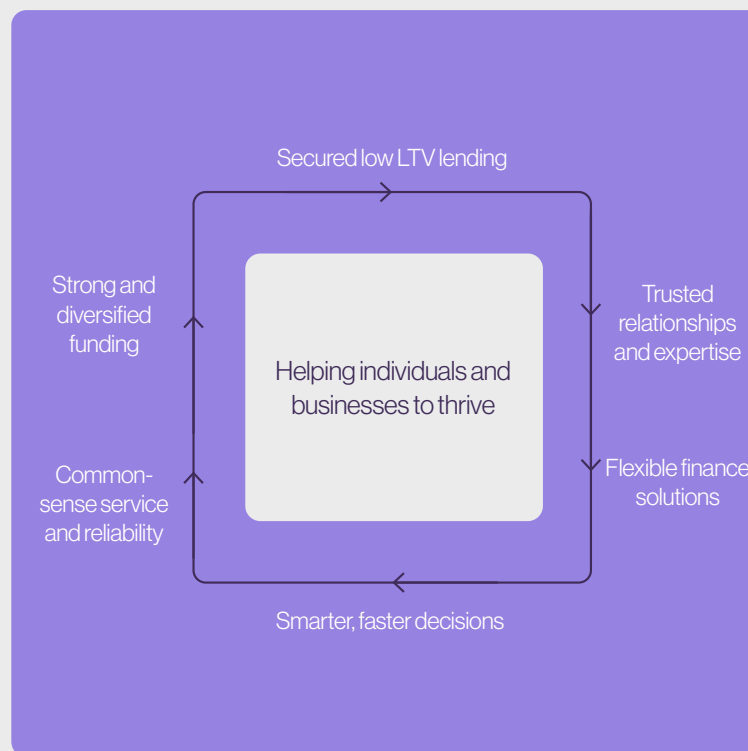
Read more on page 25.



Development

Read more on page 26.

Turning ambitions into reality



Creating value for...



Businesses and SMEs



Property investors



Individuals and families

Why customers choose Together

Customers come to Together because we help real people achieve their property ambitions, by making finance work for the real world.

Reputation & experience

With expertise in property lending for over 50 years, we know the ins and outs of how to help customers realise their ambitions, which has enabled us to become one of the UK's leading and most trusted specialist lenders.

Quality of service

We offer common-sense solutions via a broad range of flexible products, and are able to help customers realise opportunities within their timescales, without compromising on quality.

Certainty of funding

Customers need to know that they will receive the funds they need when they need them, and without delays. When we make a decision, we commit to it.



Trusted relationships

Many of our customers come back to us repeatedly and we have been working with some of our brokers and partners for decades, as we focus on nurturing these strong relationships.

Common sense decisions

We use our experience to make common-sense decisions, factoring in individual circumstances that are underserved by other lenders in the market.



Our investment case

Together has deep property expertise from lending for over 50 years, and is in a strong position in its market to continue its growth trajectory.

1

50+ year track record of success

Find out more about another year of strong results for Together in our Financial Review with our CFO, Chris Adams, from page 31.

2

Attractive markets with structural growth drivers

Learn more about the opportunities that the latest structural market trends bring in our Market review from page 19.

3

Established multi-channel distribution

Read more about our products and operations in our Business review from page 21.

4

Experienced management team

Find out more about our full senior management team within the Governance report from page 61.

5

Unique culture and dedicated colleagues

Find out more about our investment in people, including the next generation of talent, within our people feature on page 15 and 39.

6

Ambitious strategy for growth

See more on our refreshed strategy on pages 13-14 and our continuing investment in our future on pages 15-18.

Chief Executive's Q&A



Q&A

with Richard Rowntree

New Group CEO, Richard Rowntree, discusses his first impressions of the Group since joining in November 2024.

Can you tell us a bit about your background?

Over the last 30 years I have worked in senior roles with a range of high street and specialist lenders, including Bank of Ireland, RBS, Santander, Lloyds, Halifax and, most recently, Paragon where I was Managing Director of the Mortgages division. I have also served as Chair of the UK Finance Mortgages Product and Service Board, and as a non-executive director of the Estuary Housing Association and Progress Together.

I am passionate about social mobility and helping people to achieve their potential and I was proud to receive the Freedom of the City of London in 2023 for my work in promoting socio-economic diversity in the financial services sector.

What inspired you to join Together as the new CEO?

I joined Together because I saw a market-leading business operating in attractive markets with strong growth drivers, established distribution, flexible products and an experienced and well-respected team.

These initial impressions have been confirmed and exceeded.

Together has an exceptional team of talented and dedicated professionals with a strong sense of purpose and a clear focus on delivering positive customer outcomes.

There is a dynamic and supportive culture and we have a range of strategic options to deliver even greater success in the future. I am really excited to build on what has made Together such an amazing business and to help drive the Group to the next level.

What are your top priorities for the company over the next twelve months?

As a company, we are in a very strong position, and what we now need to do is to build on that strength and scale up growth to set us up for even greater success in the future. To achieve this, my top priorities include optimising our core proposition, leveraging innovation and AI to transform our systems, helping our people to work differently and unleash their potential, and developing a culture of innovation and support, as we build our business for success over the next 50 years. This will enable us to thrive on change, remain agile and build new capabilities to enable us to scale and adapt quickly and take advantage of market trends and opportunities.

“We are starting from an extremely strong base and the opportunities are really exciting.”

What are the key challenges that you will face over the coming year?

We are doing a lot over the next 12 months, particularly in terms of transforming our technology, investing in our people and building on our customer proposition.

We have further enhanced our Executive management team with three recent appointments, bringing additional strength and diversity to help the Group achieve our long-term ambitions. Candice Lott joined as Chief Marketing Officer, bringing significant experience in delivering commercial, marketing and digital transformation programmes. Dave Sutherland joined as Chief Operating Officer from Bank of Ireland, bringing over 20 years' experience in operations, technology and process transformation in finance and retail. Cheryl Brough joined as Chief People Officer bringing extensive experience in leading people functions in financial services businesses.

Marc Goldberg, CEO of Sales and Distribution, has decided to retire in December 2026 after 38 years with the Group. I would like to thank Marc for his outstanding contribution to Together. It has been a great pleasure to work with him, and I am sure he will continue to be a good friend and supporter of the business into the future.

The transformation of our systems and processes is moving at pace and we are well progressed through the build phase of our new lending and data platforms. Delivering change is always challenging, but we are starting from an extremely strong base with a great business and amazing colleagues, and the opportunities are really exciting.

“It is in the DNA of Together to find solutions to our customers' needs and I am confident that as we take the business to the next level we can bring even more property ambitions to life.”

Can you share insights into your strategic vision for Together?

We have a clear purpose, to give everyone the opportunity to turn their ambitions into reality, and a compelling vision, to be the UK's finance partner of choice and give people a fair chance to bring their property ambitions to life. By looking to the future rather than the past, we use our expertise and common sense to build trusted relationships and help individuals and businesses thrive.

We remain committed to all our customers, designing and delivering new products to meet their ever-changing needs, while taking advantage of our unique strengths. By transforming our systems to deliver more seamless and efficient customer journeys, our colleagues can focus on adding value, using enhanced data and amplifying our brand, and we will be able to support significantly more customers with our trademark common sense, service, speed, and flexibility.

It is in the DNA of Together to find solutions to our customers' needs, and I am confident that as we take the business to the next level, we can bring even more property ambitions to life.

How will you ensure the company's long-term sustainability?

We live in a rapidly changing world, with rising numbers of people with multiple incomes, more self-employed and part-time workers, and over 5 million people with little or no credit history. Increasing numbers of people are looking to rent, driven by the UK's ongoing structural housing shortage, and SMEs, who need more funding to grow, are increasingly struggling to access finance from the high street banks.

Specialist lending businesses, like Together, have a huge part to play in promoting social mobility and socio-economic diversity and supporting the SMEs that play such a crucial role in driving economic growth in the UK. Together have been helping underserved personal customers, SMEs and businesses realise their property ambitions for over 50 years, and we also have a long track record for supporting our local communities. Our model has stood the test of time for more than half a century and we are well positioned to take advantage of the wider trends in the macro-environment which are shaping the future.

“We are well positioned to take advantage of the wider macrotrends that are shaping the future.”

What message would you like to convey to your stakeholders?

It's a really exciting time to be at Together and I truly believe that the opportunity is huge. Since joining the business, I am delighted with the progress we have already made as a team, as shown in this set of results, and I would like to thank all my colleagues for their commitment, energy and dedication over this past year and also our stakeholders for their continued support of the Together growth story.

Our strategy



Invest



Optimise



Grow

To learn more about our strategy see page 13.

Our strategy

“Together has been delivering success for over 50 years, and as we look to our future, I have set out a clear strategy to see our business build for the future.”

Richard Rowntree
Group CEO



Invest

Our success allows us to invest in our future by enhancing our proposition, developing our people and adding further depth and diversity to our team to help us capitalise on our opportunities.



Optimise

We continue to optimise our core offering to drive deeper relationships, enhance our processes through innovation, AI and transformation, and remain agile to scale and adapt to market trends and opportunities.



Grow

We will continue to enhance our capabilities, evolve our culture, transform our business and provide solutions to deliver further growth and set us up for even greater success in the future.

Investing in our future

Realising ambitions for our people

We understand that only by investing in our people can we achieve our own ambitions as a Group. We strive to make Together a place where people can grow and progress in their career.

One of our proudest achievements is the Together Academy – our flagship graduate and apprenticeship programme, which was formally launched over 15 years ago. Our Academy creates opportunities for these colleagues to develop their career, as well as allowing the business to benefit from fresh perspectives and ideas.

Many colleagues have accelerated their development through the Academy, with several advancing into senior leadership roles – including our Chief Commercial Officer.

Over the years we have seen over 75 graduates and 46 apprentices progress through the Academy, including 40 this year. We provide opportunities across our business, providing on-the-job training that allows them to thrive. The Academy programmes are designed to be immersive and provide real-world experience, wellbeing support, growth activities and bundles of exposure.

See further information about our investment in people on page 39.

“The Academy has given me so many opportunities that I didn’t expect to get so early in my career. Every day is different and I’m proud of how far I’ve come so far, and I’m excited for the future opportunities I will be able to get involved in”

Academy Graduate
Business Change

Together Academy

Graduates

Apprenticeships

Role placement

- On the job experience
- Project work
- Holistic business understanding

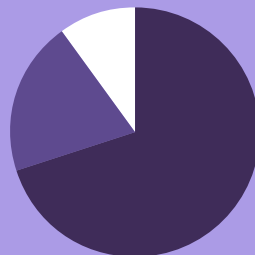
Formal learning

- Technical courses
- Personal development workshops

Informal learning

- Coaching & mentoring
- Buddies
- Knowledge sharing sessions

Knowledge and skills matrix



● Role Placement	70%
● Informal Learning	20%
● Formal Learning	10%



Investing in our communities

At Together, we take pride in measuring success not just by traditional financial metrics, but also our impact on society. People are at the heart of our 'common sense' ethos as we strive to invest in our community and make a positive impact on society.

For the third consecutive year, we have continued our support for Seashell Trust, our colleague-chosen local charity. Seashell Trust is a national learning disability charity supporting children with complex learning difficulties, disabilities, and additional communication needs.

During the year, through the Group's donations, colleague-led fundraising initiatives, and volunteering efforts, we were able to provide meaningful support to Seashell Trust. We are proud that these contributions continue to help the charity provide specialist education, residential and respite care, therapy services and support the health and wellbeing of children within our community.

Employability Pods

This year, one of our key focus areas was on supporting the Seashell Trust's 'Employability Pods' initiative, designed to support their students with the skills and experience required to secure a job after college. The vision of this initiative is to provide the very best opportunities for these students despite their additional needs. The funding we provided has helped the charity complete the project.

The aim of the Employability Pods is to:

- Develop real-life employment experiences and opportunities.
- Provide enterprise outlets to showcase and sell merchandise made by students.
- Develop enterprise skills.
- Provide retail outlets for community users and for staff to purchase items when at work.
- Provide accommodation to support curriculum and leisure activities.

See further information about our investment in our communities within the Sustainability section on page 37.

“The support we’ve received through our partnership with Together has been nothing short of extraordinary. It’s not just about the fundraising – though that has been incredible – it’s the heart, dedication, and generosity of their people that has truly touched us. This isn’t just charity – it’s community. It’s a powerful reflection of Together’s culture. Their support has helped transform young lives at Seashell, and we are deeply grateful.”

Seashell Trust

Events and Community Manager

☆ Spotlight: The success story of Tommy*

Tommy had his first work experience placement at Together in the canteen, as his dream was to secure a job in hospitality. Tommy has Down's Syndrome and because of his severe learning disabilities, he never thought he would have the opportunity to pursue a career and follow this dream. However, Tommy now has a paid role working in a kitchen and has gone on to work with MasterChef winner Simon Wood.

* Name changed to protect privacy.



Investing in our future continued

Investing in transformation

with Andrea Dalton



“Our lending system and data platform transformation is an ambitious project that matches the ambition of our business to deliver further continued success.”

Andrea Dalton
Chief Transformation Officer

Our past success has built a solid foundation which has provided us with the ability to invest in our systems transformation, to help realise our ambitions for the business.

Our transformation is underway, with the build of our new end-to-end lending system and our advanced data platform being well progressed in the year, with significant milestones reached.

Our transformation will create the foundations for further success and is a key enabler for our future strategy. This will provide us with agile systems that are operationally efficient and easily customisable, allowing us to maximise on market opportunities and creating the platform to bring further scalable growth.

A significant amount of work has been completed on the project in the year, and whilst we're still finalising the build and continuing onto testing, we're already excited about the future opportunities this will bring.

Our transformation opportunity



Customer and broker focused system to enhance their experience



Allowing scalable growth to meet future business ambitions



Further system embedded controls, enhancing our risk management



Agile systems that allow us to capitalise on market opportunities



Enhanced data management and analysis



Automate the routine, so our people can focus on what matters most

The Group Board approved the transformation programme in December 2023, to build the systems that will support the delivery of our future growth plans. We have carefully planned our approach to allow the effective delivery of the project, whilst seeking to minimise disruption to the business, including:

- Working with **experienced transformation partners**.
- **Bolstered transformation governance** with weekly Board transformation steering committees.
- Additional **external assurance** being undertaken over the system build and process implementation.
- **Internal audit assurance** engagements throughout the process.
- **High spec data platform build** alongside our end to end lending system for enhanced integration.
- Tactically redeployed resources to **balance transformation delivery with meeting our other strategic priorities**.
- Comprehensive **learning and development** planned for our people to enable smooth rollout.



We are excited about the opportunities that this programme will open for our further success.

Progressing our systems transformation

Our transformation is progressing at pace and has been through extensive planning that has allowed us to build our agile new platform alongside our experienced transformation partners.

Planning



Design



Build



Testing



Rollout



Migration



Enhance

Completed

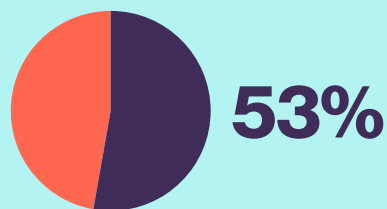
Progressing

Future

Market review

Well positioned to benefit from market trends

Majority of borrowers 'non-standard'



of UK population have one or more non-standard lending criteria¹

Changing employment patterns

4.34m

self-employed people in the UK²

UK credit invisibles

5.5m

people in the UK with little or no credit history³

Rise of multiple incomes

47%

of UK population have secondary incomes³



Specialist mortgage markets forecast to grow strongly¹⁰

Residential £bn

+70%

2029 £54bn

2023 £32bn

Commercial £bn

+32%

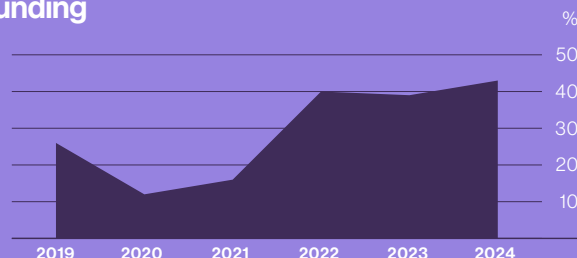
2028 £118bn

2023 £90bn

SMEs struggling for funding

<50%

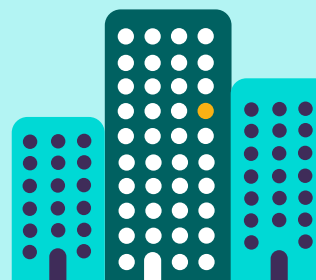
of SMEs that apply for funding receive it⁶



49% feel getting funding has become more challenging over the past three years⁷

+52%

More people renting – increase in UK households renting between 2008 and 2024⁴



c.40%

of global employment will be affected by AI⁸

1–3m

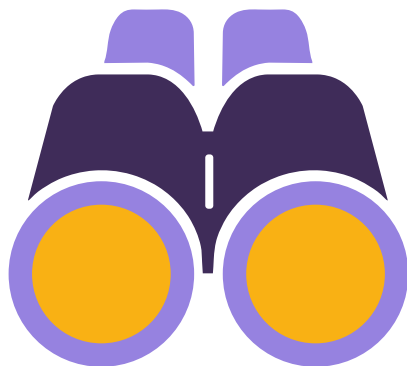
UK jobs could ultimately be displaced⁹

1. Together research – August 2022
2. ONS – Q1 2025
3. Sage – June 2024
4. English Private Landlord Survey 2024
5. Finder.com – October 2024
6. UK Government: Small Business access to finance, May 2025
7. British Chamber of Commerce, April 2024
8. IMF forecast: January 2024
9. Tony Blair Institute for Global Change forecast: November 2024
10. Economist market size and growth projections by Rob Thomas (Resi market: Oct 2024; Commercial market: Jan 2024)

Economic outlook

In the year, UK economic growth has remained slow, and there has been market uncertainty from ongoing geopolitical tensions and changing global tariff policies. At the same time, there have been gradual reductions in the Base Rate in the year, with lower inflation compared to previous periods, although remaining above the Bank of England's target.

The future economic outlook is uncertain, and in such times, the need for a lender who can support those who are underserved by the wider market is even more important. Alongside the changing structural market trends, the Group is well-positioned to take advantage of this and support even more customers, helping them to realise their property ambitions.



Economic environment

During the financial year, several noteworthy developments have adversely impacted the broader economic environment. Geopolitical tensions, particularly the ongoing conflicts in Eastern Europe and the Middle East, have continued to disrupt global supply chains, dampen investor confidence, and contribute to heightened financial market volatility.

In addition, tariff announcements in the United States have added to global economic uncertainty, influencing market sentiment and contributing to increased volatility across international markets. While the Group operates solely within the UK and is not directly affected by these tariff measures, such developments may still influence the broader UK economic landscape, the full extent of which remains uncertain.

Despite these external challenges, the Group has proven its resilience with a strong track record of navigating multiple economic cycles. This resilience is underpinned by the Group's longstanding principle of low loan-to-value (LTV) lending, a stable and diverse funding structure, and a robust risk management framework designed to mitigate the impact of many downside risks.

Interest rates

The financial year has seen Base Rate reductions for the first time in the last five years, although rates still remain high in comparison to the ultra-low interest rate environment which characterised the prior decade. The Bank of England's Base Rate commenced the financial year at 5.25%, and was gradually reduced over the course of the year down to 4.25% in May 2025, and following the year end, reduced further to 4.00% in August 2025.

These falls in the Base Rate have led to strong price competition in the year as mortgage lenders have had to adapt to changes in market rates. The current environment continues to present opportunities for Together as we are able to offer greater flexibility and a more personalised level of service by assessing applications on a case-by-

case basis, supporting customers who may not qualify with mainstream lenders. To maintain this responsiveness, the Group actively adjusts its product offerings and funding strategies, so it can continue to meet customer needs whilst delivering sustainable returns.

Property prices

House prices on the whole have demonstrated growth from the previous year, and forecasts reflect steady improvement, most likely as a result of the ongoing shortage of housing stock in the market which leads to demand outstripping supply.

However, challenges remain in relation to the risk of price falls on certain property types and in some regions. Together protects against this risk by means of its longstanding principle of lending at conservative LTVs, which gives the Group protection from property price falls.

Inflation

During the financial year, the rate of inflation in the UK has mostly remained above the Bank of England's target of 2.00%, with this increasing towards the end of the financial year to 3.6% in June 2025. The impact of inflationary pressures can contribute to ongoing affordability pressures and persistent cost of living challenges, particularly if increases in salaries and other income do not increase proportionally.

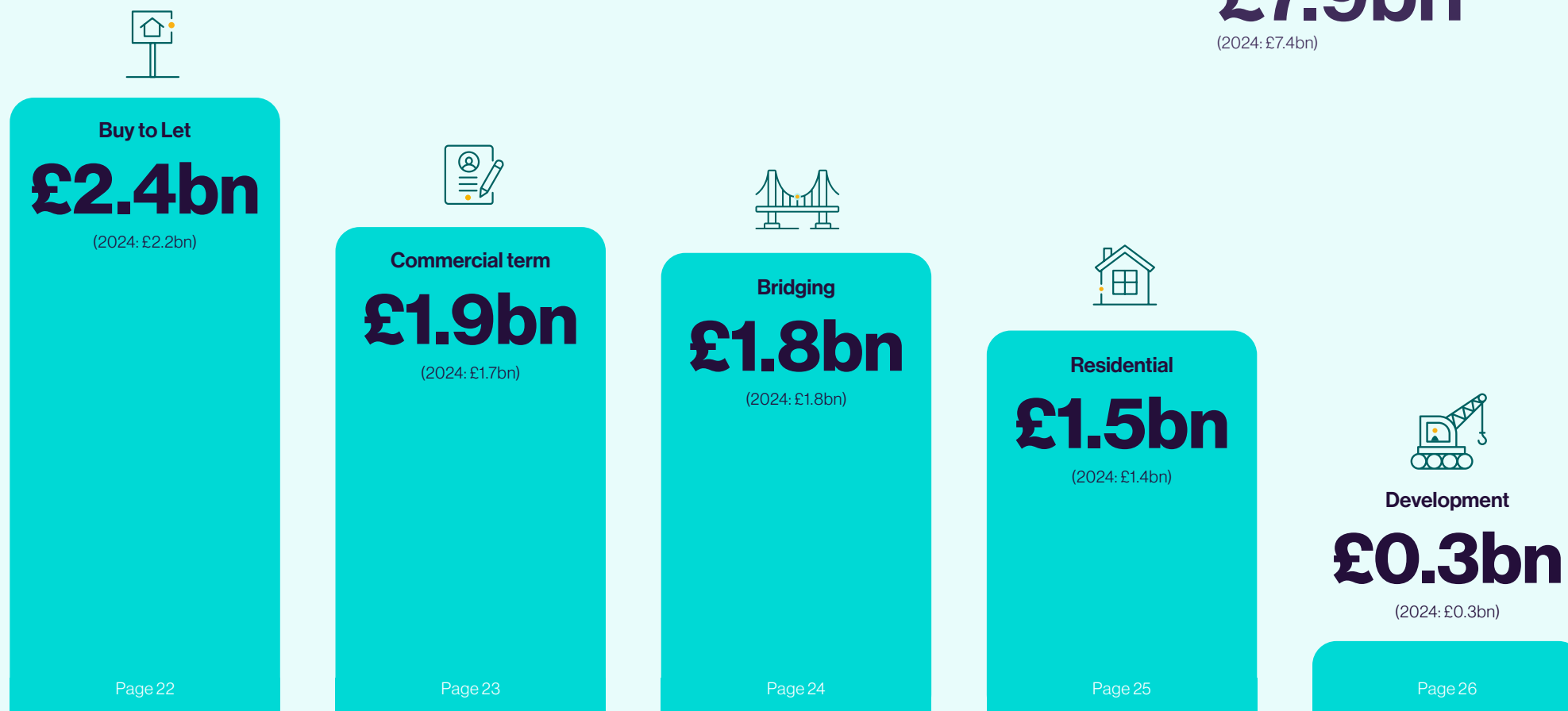
The Group has the tools to support customers who are facing cost pressures, focusing on delivering good customer outcomes and supporting vulnerable customers. When making lending decisions, the Group undertakes affordability and repayment assessments for its prospective customers, considering the impact of the higher cost of living and high interest rates, along with undertaking appropriate stress testing, leading to the sustainable and controlled growth of our loan book.

We remain cautiously optimistic and will continue to help customers realise their property ambitions, as we have for over 50 years.

Business review

Our products

The Group operates in a wide range of markets, always seeking to find the common-sense solutions to our customers' needs.



Buy to Let



The product

Buy to Let (BTL) provides financing for those seeking to let out property, from single-property accidental landlords to professional portfolio landlords.

The market competitors

This market is dominated by high street lenders for standard BTL lending for customers with 'vanilla' properties or small portfolios. Approximately a quarter of the market is addressed by challenger banks via networks and clubs of individual brokers. Like the high street lenders, these banks increasingly use technology to automate their underwriting, but whilst they have more relaxed criteria they still have relatively limited flexibility on credit criteria, customer profile and product characteristics.

The market outlook

Although demand remains high for rented property in the UK, higher interest rates have reduced demand for new BTL purchases by landlords, which has subdued growth potential in this industry.

The Renters' Rights Bill and recent stamp duty increases have led to some slowdowns in the BTL market, however there have been signs that although the environment is changing, landlords are proving to be resilient in current market conditions.

Together's proposition

Together is able to cater for a wide range of customers, from first time landlords, to portfolio landlords, and those with imperfect or thin credit profiles, where we use our experience to look to the future as well as the past to give customers a fair chance.

Flexibility in lending criteria is important, as although we focus on experienced landlords, we assess each application on its own merits, where we can make the right decision based on understanding the landlord's individual circumstances, and utilising our vast property expertise and experience.

This diligence and experience allows us to make high-quality lending decisions in good time, whilst providing a great service to our customers.

Buy to Let

Net loan book balance

£2.4bn



9.4%
Growth YoY



Business review continued

Commercial term



The product

1st and 2nd charge loans secured on a variety of commercial property types, with loans provided to both property investors and trading businesses.

The market competitors

The market is wide, with loans ranging from less than £100k to in excess of £50m. The market is dominated by banks and high street lenders, who can leverage their current account relationships, but whose highly automated processes may exclude many credit worthy customers or situations.

While having a smaller share of the overall market, specialist lenders are able to use their expertise and personalised underwriting skills to understand and support a wider range of customers, sectors and property types.

The market outlook

Estimated commercial market investment volumes in the 2024 calendar year reached c.£50bn, ahead of 2023 volumes of c.£41bn but well below the five-year pre-pandemic average of c.£66bn as a result of recent rising inflation, economic uncertainty and higher interest rates. Investors are likely to remain cautious until later in 2025 with activity expected to increase into 2026 to reach c.£55bn.

Together's proposition

Together offers flexible first charge and second charge term loans across a diverse range of commercial property types and will consider a range of purposes. Our depth of experience means we can help customers with solutions in a wide range of circumstances, whether they are investors looking for returns or owner-occupiers looking for premises to operate from or for funds to grow their business.

Together has always concentrated on smaller-scale commercial real-estate lending which can often be insulated from some of the conditions that can beset the high value multi-million-pound property market targeted by some other lenders.

Our continued focus on prudent loan-to-value ratios and affordability, across a diverse range of commercial property types, allows us to manage the quality of our lending.

Commercial term

Net loan book balance

£1.9bn



13.8%
Growth YoY

Bridging



The product

Bridging is a short-term finance product that bridges the gap between funding options for commercial and residential purposes, such as obtaining funds for refurbishment, funding auction purchases and funding quick purchases to take advantage of time-bound opportunities within the market

The market competitors

Together is the market leader for this product, with a number of smaller lenders entering the market in recent years, as well as challenger banks and other non-bank lenders also offering bridging loans.

The market outlook

The bridging market has continued its strong growth in the period and has an estimated market size of £8.8bn. Mintel are anticipating annual growth of between 7% and 11% across the segments through the next five years, although this could be constrained dependent upon the UK's macroeconomic outlook.

Together's proposition

Together, as the market leader, has decades of lending experience in this sector and provides bridging loans for a wide range of purposes, with our common-sense lending approach.

The Group is able to meet the needs of customers in this market through its:

- flexibility in lending criteria due to the range of circumstances where bridging loans are needed;
- quick but considered decision making to allow the customer to secure their property; and
- confidence in funds being provided due to the Group's history and reputation.

Together has a larger proportion of its portfolio being serviced, i.e. paying the interest on a monthly basis, than the wider market, with other lenders focusing on rolling-up the interest over the term of the loan.

Together can help with chain breaks and is able to cater for multiple exit strategies and make use of additional security. It is also able to help investors acquire properties at auction.

Together's flexibility of criteria and service is key to helping our customers to realise their ambitions.

Bridging

Net loan book balance

£1.8bn



2.2%

Growth YoY



Business review continued

Residential



The product

Residential loans are for owner-occupiers, secured against residential property as first or second charge loans.

The market competitors

The first-charge mortgage market is a large and competitive environment and is dominated by high street lenders, building societies and smaller banks, with homogeneous lending with often automated underwriting journeys based on credit scoring.

The second-charge mortgage market however is served more by specialist lenders and some challenger banks.

The market outlook

Affordability pressures have had an impact on this market, with some slow down in the number of housing purchases. However, with recent decreases in rates seen across the market, there is potential for market growth, with housing demand continuing to outstrip housing supply.

Together's proposition

In the first-charge residential loan market, Together meets the needs of customers who are typically excluded by the high street lenders and challenger banks.

Together focuses its second-charge residential loan proposition on higher-value lending where the primary customer need is home improvement and discretionary personal purchases. As a heritage lender in this truly specialist market, Together leverages our experience to focus on customer service to support our wide-ranging lending criteria.

The Group's flexibility in lending criteria allows us to meet a broad range of customer needs and help them achieve their property ambitions. This includes customers with non-standard income including self-employed or multiple income streams, non-standard properties, or thinner credit history, which may lead to rejections in automated underwriting models. Together looks at each application separately, understanding the customer's individual circumstances and making a considered decision as to whether we are able to support them.

Together offers simple, easy-to-understand products catering for loan terms of up to 40 years, with interest only and capital-repayment options. It can also provide mortgages in the Shared Ownership, Right to Buy and semi-commercial segments.

Our experience, flexibility and common-sense approach to underwriting allow us to provide the support our customers need, whilst carefully balancing risk throughout economic cycles.

Residential

Net loan book balance

£1.5bn



4.6%
Growth YoY

Development



The product

Tailored financing for residential new builds and conversions, and commercial constructions. This product allows developers to draw down funding over the course of their projects, with further advances on a facility generally occurring upon the achievement of certain milestones.

The market competitors

High street lenders have largely retrenched from the market, which is now dominated by challenger banks and specialist lenders.

Challenger banks tend to focus on the large-scale development projects. Specialist lenders will also support smaller projects and SME developers, while carefully assessing the viability of the project and the experience and track record of the developer.

The market outlook

Macroeconomic uncertainty has seen the market stagnate to around £10bn in recent years, with the development bridging market worth around £2.5bn. However, the UK Government has ambitious targets to building 300,000 new homes per year, with an appetite to make planning reforms and to develop the skills required to deliver this level of new property development. If this target is met, it could lead to growth in the development market.

Together's proposition

Together selectively offers tailored finance packages for many types and sizes of project, from new-build developments to residential conversions and small commercial construction projects.

Our heritage and reputation for comprehensive end-to-end relationship management give us a competitive advantage in meeting the needs of developers, and this approach mitigates risk throughout the lifecycle of a development.

Together's experience, speed and ease of funding provide customers with certainty that their drawdowns will be completed in timely fashion when required.

Our ability to provide complementary products, such as bridging loans while properties are being sold or buy to let loans if the developer chooses to retain the assets over the longer term, help us to support our customers throughout their development projects and beyond.

Development

Net loan book balance

£0.3bn



-3.3%
Growth YoY



Business review continued

Funding our growth

with Gary Beckett



“Our ability to raise or refinance over £5.0bn in the financial year highlights the strength of our balance sheet, a proven business model and our reputation to deliver through the economic cycles, resulting in strong ongoing support from our investors.”

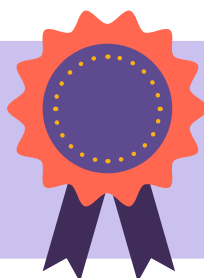
Gary Beckett
Group Managing Director & Chief Treasury Officer

Together’s high-quality loan book, long track record of success through multiple economic cycles, and established position as a repeat issuer in the capital markets have allowed the Group progressively to develop a mature, diversified and flexible funding platform.

To fund our mortgage lending, the Group draws on the mortgage-backed securities markets, bond markets, and private securitisation arrangements primarily with banking institutions, but also underpinned by growing, substantial shareholder funds.

The Group is an established repeat issuer with excellent long-standing relationships with both public and private investors and lending institutions. The Group takes a very prudent approach to both refinancing risk and counter-party concentration risk, ensuring that facilities are refinanced well ahead of maturity, and through diversification we are not overly exposed to any one lender.

The Group has continued to use more efficient securitisation facilities with further issuances throughout the year as listed overleaf to support its growth. These facilities have allowed us to grow the loan book whilst protecting our net interest margin (NIM), contributing to an increase in return on equity on an underlying basis.



Specialist RMBS Issuer of the Year

Global Capital European
Securitisation Awards 2024

Our diverse funding sources at 30 June 2025 include:

2 publicly listed senior secured notes (SSNs)

9 public residential mortgage-backed
securitisations (RMBS)

RCF a revolving credit facility (RCF)

8 private warehouse facilities

4 public commercial securitisations

£1.1bn+ retained earnings

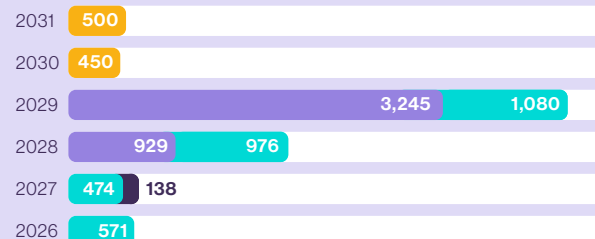
Our funding activity during the year



All above show completion date, total facility size at completion date, and facility name.

Total facilities by maturity date (£m)¹

FY ending



The earliest maturity or call date is the Together ABS5 RMBS with a call date in October 2025, which represents 1% of the Group's total drawn facilities at the reporting date. The Group's remaining facilities have maturity or call dates from February 2026 and beyond.

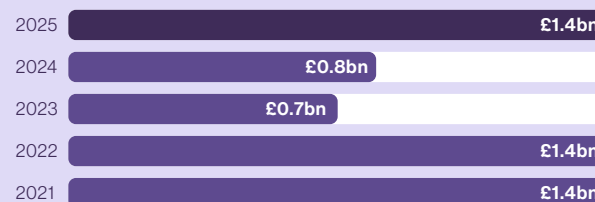
1. Based on total facilities size.

% of borrowings with a maturity within 1 year¹

7%
(2024: 1%)

- Private warehouse facilities
- Public MBS
- Senior secured notes
- RCF

Facility headroom at the financial year end (£bn)



Undrawn headroom at the year end

£1.4bn
(2024: £0.8bn)

The variety and depth of funding results in significant 'headroom' of undrawn facilities, allowing the Group to further grow its lending and manage liquidity risk

Average maturity

3.2 years

(2024: 2.6 years)

Total facility size at the year end

£8.4bn

(2024: £7.3bn)

The maturity profile of the facilities is carefully managed to ensure we mitigate market risk, with facilities refinanced and/or extended well ahead of the maturity dates.

Operating review

Customer focus

The Group remains committed to prioritising the needs and interests of customers. This includes understanding customer needs, creating products that meet those needs, and consistently delivering a positive customer experience. Accordingly, the Group continues to invest in technology and process improvements to enhance efficiency and enable us to deliver products that meet the needs of more customers in the future.

During the year, we continued to enhance the way we support customers, including those that are vulnerable, and have continued to develop our skills and capabilities. We have further embedded Consumer Duty assessments across consumer support and understanding, complaint management and root cause analysis, operational risk management and analysis of key customer processes. These efforts have supported the delivery of meaningful improvements to the customer journey and overall experience.

Delivering positive outcomes for all customers

Delivering good customer outcomes is vital to the Group's success, with the Group placing importance on receiving and acting on customer feedback, such that it is embedded in the Group's ways of working.

Our Product and Pricing Committee has continued to proactively govern our product set and ensure that our offerings are designed to meet the specific needs of our customers and ultimately deliver good outcomes. This year, the Committee completed reviews of each of our product sets, and of key product features including our fees, charges and commissions to ensure that our products are priced fairly, balancing competitiveness with commercial viability.



In 2023, we were delighted to announce that we had successfully obtained CCA Global Accreditation, which is a recognised award for excellence in customer service. We retained this recognition in 2024 following a re-assessment of our approach to customer focus, strategy, business policy, employee engagement, risk management and business performance. This recognises the high quality customer service that has become associated with Together's products and service.

The committee also periodically reviews customer outcome data and market insights to support the ongoing development of products that meet both current and emerging customer needs. This year, the committee approved multiple new product launches and changes to our criteria, ensuring that we perform robust product governance.

The Group has the appropriate tools to use in order to manage customer payment difficulty, ranging from a suite of forbearance measures where appropriate, to working with third-party partners to identify the best exit route when other options have been exhausted. We have also strengthened our oversight through targeted testing and internal audit, ensuring we identify and address potential risks to customer outcomes early.

In response to regulatory changes around Borrowers in Financial Difficulty, we improved how we communicate with customers across all channels, ensuring messaging is clear, supportive, and consistent. We also enhanced colleague training and systems to better equip teams in managing customer accounts and refined our contact strategies and reporting to strengthen oversight and drive better outcomes.

For our corporate and commercial customers, the corporate credit and risk division, encompassing lending, valuation specialism, recovery, portfolio management, and development funding, places customer outcomes at the centre of its operating model. This division focuses on maintaining strong relationships with our customers, providing a tailored approach that meets our customers' needs, whilst delivering fair and transparent outcomes.

Understanding our customers allows us to support them through their loan life cycle effectively, through early intervention when customer show signs of financial stress, to supporting them with appropriate refinancing and exit strategies where needed. This approach enhances risk management, strengthens client relationships, and reinforces our reputation for responsible and customer-centric lending.

We have also made progress in enhancing our Customer Outcome Testing Framework, which now includes targeted reviews triggered by indicators such as complaints, incidents, and dashboard metrics. This proactive approach helps us continuously improve the experience for all customer types.

Change and service modernisation

The Group's strategy will also be delivered through its programme of investment in technology. These new systems will deliver improvements in efficiency, scalability, and customer service, setting up the Group for success in the future.

Another key aspect of our ongoing transformation programme is to improve the customer journey and in turn deliver good outcomes for our customers. Our design and business readiness activities have steps within them to allow us to consider Consumer Duty at all stages of the customer journey, linking any emerging risks to existing Consumer Duty testing processes where required. Refer to the Investing in transformation section on page 18 for further details on our full transformation programme.

During the current year, the Group undertook major steps in the design and delivery phase of our Finance Operations project, involving the implementation of AccessPay, AutoRek, and Level8. These new systems will automate and improve certain manual finance processes, resulting in more streamlined and efficient ways of working, promote the accuracy of data through robust monitoring and alerting systems, and aid in extracting relevant information to support quicker business decisions.

Alongside this, the Group went live with a Moody's treasury back office system, that also enhanced the processes of the day to day management of our funding through increased automation and integration with other systems.

The investment in these systems, along with our ongoing lending and data platform transformation, will support the Group in meeting its ambitious strategy.



'Best Use of AI and Automation Award' winner, CCA Global Excellence Awards 2025

In the year, we rolled out a new AI transcription tool with our partners Content Guru. Designed to automatically generate system notes summarising key points from customer calls, the tool has significantly reduced call and wrap time. This has freed colleagues from manual note taking allowing them to focus on delivering higher quality interactions and more personalised support, whilst simultaneously enhancing the overall colleague experience by enabling more value added work. The tool has also created a standardised approach to notation on accounts, therefore improving quality and consistency and providing colleagues with a more accurate summary of a customer's previous interactions with us. We were extremely proud that this development was awarded 'Best Use of AI & Automation' at the recent CCA Global Excellence awards in April 2025.

Established multi-channel distribution

The Group continues to focus its distribution through established introducers and has developed its product range to grow its key markets. Additionally, emphasis on strengthening direct lending by maximising the opportunities from retention of our existing customers and by strengthening relationships through other direct introducer channels has yielded results such that direct lending accounted for 48% (2024: 52%) of total lending in the year.

The intermediaries we work with, which include mortgage packagers and brokers, are of the utmost importance in ensuring our products are available to a wide range of potential customers. We continue to monitor evolving market trends and emerging market segments where we believe we are well placed to help underserved customers and build successful market positions. By listening to the feedback our customers and introducers provide, we will continue to enhance our propositions, differentiate our loan offerings and seek to provide excellent service to our customers.

The soft launch of our Networks and Clubs platform in the prior year enabled us to deal directly with Network and Club brokers. We commenced our full scale launch of the channel in the current year, offering access to our first charge residential, consumer BTL and BTL product ranges to over 20,000 advisers across 8 Club and 17 Network distribution partners. We will continue to scale up the reach and impact of this channel in the future as we expand our network reach and provide access to our wider product suite.

In the year, we have continued our progress in our Auction distribution channel, which has been a long-established and successful part of our multi-channel distribution. The nature of property auctions has changed in recent years whereby the majority of these auctions are now conducted online. We have been agile to react to this change and have been able to position ourselves as a leader in this more digitalised sector, as a result of our long-standing relationships and early investment.

Financial review

Financial results

with Chris Adams



“I am really pleased to report our results for 30 June 2025, which continues our track record of continued loan book growth and profitability, enabling us to invest in our key transformation programme for our future success.”

Chris Adams

Chief Financial Officer

Continued growth and profitability

Together has continued its proven track record of delivering profitable trading in every year since being founded over 50 years ago, with underlying profit up to £216.1m (2024: £200.9m) during the year and £190.6m on a statutory basis (2024: £194.0m). Our net loan book has also reached a record high, standing at £7.9bn (2024: £7.4bn) at the year end as we continue to focus on sustainable growth at appropriate risk adjusted returns.

Our success has created the opportunity for us to invest in our transformation programme, which sets us up for future success. As a result, our cost-income ratio has increased to 37.2% (2024: 31.9%) although a much smaller increase on an underlying basis of 31.2% (2024: 30.0%) once our investment in transformation is excluded, as we remain focused on managing costs appropriately across the business whilst we also invest in our future.

We have seen an increase in our charge from expected credit losses during the year to £75.5m (2024: £54.1m), with the prior year benefitting from improving macroeconomic forecasts. The first half of the year saw some further increases in overall arrears rates, which was consistent with the wider market trends and a delayed result of increases in interest rates and the cost-of-living, however, we saw arrears rates begin to flatten in the second half of the year.

The Group continues to be highly cash generative, with cash receipts in the year of £3.4bn (2024: £2.7bn), along with a strong liquidity position, with cash balances of £320.0m (2024: £336.2m).

The Group has had continued support from the funding market as outlined by our Chief Treasury Officer, Gary Beckett, within the 'Funding our growth' section on page 27, reflecting the strength of our balance sheet, proven business model, and ongoing confidence in our long-term growth strategy.

Profit before tax (PBT)

£190.6m

Underlying PBT

£216.1m

Financial highlights

Continued profitability driven by attractive margins, whilst investing in our future.

Operating profit

£266.1m



Underlying operating profit

£291.6m



Cost to-income ratio

37.2%



Underlying cost to-income ratio

31.2%



Net interest income

£418.7m



Net interest margin

5.5%



Return on equity

12.5%



Net debt gearing

84.0%



The full suite of financial KPIs and further information on how these metrics are calculated on a statutory and underlying basis are included in the Alternative performance measures appendix to the Financial statements.

Financial review continued

Financial performance

The results for the year to 30 June 2025 are summarised below:

	2025	2024
Interest receivable and similar income	868.1	776.3
Interest payable and similar charges	(449.4)	(407.0)
Net interest income	418.7	369.3
Net fair value losses on derivatives	(2.3)	(11.2)
Net fee and other income	7.2	6.1
Operating income	423.6	364.2
Administrative expenses	(157.5)	(116.1)
Operating profit	266.1	248.1
Impairment losses	(75.5)	(54.1)
Profit before taxation	190.6	194.0
Non-underlying items ¹	25.5	6.9
Underlying profit before taxation¹	216.1	200.9

Key performance indicators¹ in relation to the Group's income statement

	2025	2024
Net interest margin (%)	5.5	5.4
Interest cover	1.44:1	1.49:1
Cost-to-income ratio (%)	37.2	31.9
Underlying cost-to-income ratio (%)	31.2	30.0
Cost-to-asset ratio (%)	1.96	1.59
Underlying cost-to-asset ratio (%)	1.64	1.49
Cost of risk (%)	0.99	0.79
Return on equity (%)	12.5	13.2
Underlying return on equity (%)	14.1	13.7

Net interest income

Interest receivable and similar income increased to £868.1m (2024: £776.3m) during the year, reflecting the continued controlled increase in the loan book and effective pricing strategy.

Interest payable and similar charges increased to £449.4m (2024: £407.0m) due to the increases in borrowings which has funded the loan book growth.

Net interest margin ("NIM") remains strong and has increased to 5.5% (2024: 5.4%), with the Group carefully focussing on its lending and funding strategies to deliver strong returns at the right level of risk.

As a result, the Group has seen strong growth in its net interest income in the year to £418.7m (2024: £369.3m), reflecting the strong NIM and continuing growth in the loan book.

The Group also continues to manage interest rate risk through interest rate swaps to protect against movements in market interest rates through its established hedging strategy, with lower fair value losses on derivatives in the year.

Administrative expenses

Strong profitability has allowed the Group the capacity to invest in its transformation programme to create new modern and scalable lending and data platforms.

During the year, systems transformation expenditure totalled £25.5m (2024: £6.9m), incorporating; £12.9m of contractor and staff related costs, £10.5m of external professional and consultancy costs, and £2.1m of IT costs, as we progressed through the build phase of the project and incurred higher third-party costs.

These costs have been classified as a non-underlying item given the nature of this expenditure being related to the build and implementation of our new lending and data platforms, with further information on this transformation included on page 18.

On an underlying basis, excluding the transformation programme expenditure, our administrative expenses increased by 20.8% to £132.0m (2024: £109.2m). The key driver has been an increase in our staff costs, with an increase in the average number of employees in the year to 849 (2024: 786), to support our ambitious future strategy and to create the capacity to successfully embed our new lending and data systems into the business once they become operational.

This has led to an increase in the Group's underlying cost-to-asset ratio to 1.64% (2024: 1.49%) and underlying cost-to-income ratio to 31.2% (2024: 30.0%).

Whilst undertaking our transformation programme, we are continuing to closely focus on cost control, to manage the project expenditure, as well as our day to day operational costs.

1. The Alternative performance appendix to the Financial statements sets out how these performance indicators are calculated.

Impairment losses

The Group recognised impairment losses for the year to 30 June 2025 of £75.5m (2024: £54.1m). During the prior year, the Group benefitted from improving macroeconomic forecasts following a period of instability and uncertainty.

The impairment losses for the year reflects the continuing growth in the loan book, changes in market values of securities, some losses from accounts subject to proactive recovery strategies, and due to some increases in overall arrears rates consistent with wider market trends following a period of high inflation and increases in interest rates. These arrears rates have however notably flattened in the second half of the year as a result of proactive collection strategies, and somewhat due to easing pressure from a more stable economic environment with lower rates.

The Group carefully monitors its credit risk and portfolio performance and factors it appropriately into the loan loss provision, whether through the expected credit loss model, or through post model adjustments.

This careful monitoring allows us to anticipate losses and ensure sufficient coverage is applied to reflect risk. The Group's conservative LTV strategy allows it to minimise actual loss experience, due to the protection afforded by the security underpinning the loan.

This loan loss provisioning also reflects the latest macroeconomic forecasts using our range of scenarios, which are discussed further in Note 13 to the Financial statements.

Profit

Underlying operating profit increased by 14.4% to £291.6m (2024: £255.0m), which reflects the continued increase in net interest income as a result of the growing loan book.

Underlying profit, which reflects underlying operating profit after impairment losses in the year, increased by 7.6% to £216.1m (2024: £200.9m), reflecting the continued growth and strength of the business.

On a statutory basis, profit before tax decreased slightly by 1.7% to £190.6m (2024: £194.0m), largely as a result of the continued investment in the Group's transformation programme during the year.

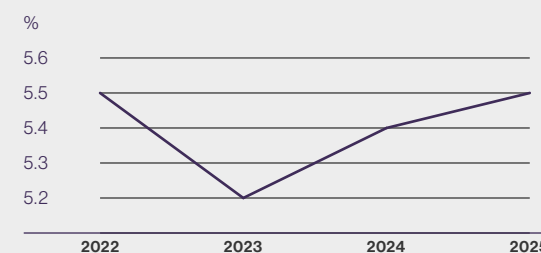
As a result, the return on equity has decreased slightly in the period to 12.5% (2024: 13.2%), albeit increasing on an underlying basis to 14.1% (2024: 13.7%) as a result of the factors outlined above.

The interest-cover ratio, being the measure of the business's ability to pay the interest on its borrowings, reduced slightly during the year to 1.44:1 for the year to 30 June 2025 (2024: 1.49:1) due to an increase in borrowing costs at a higher rate than EBITDA, due to both refinancing facilities in a higher rate environment, and the effect of non-underlying items during the year.

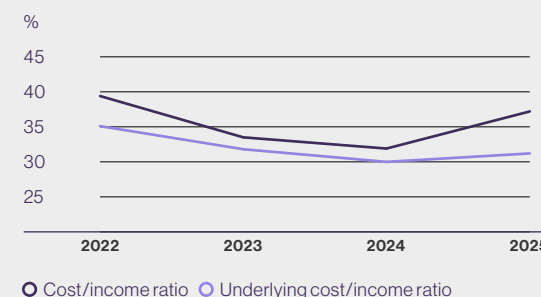
Profit before taxation



Net interest margin



Cost-to-income



Financial review continued

Financial position

The Group's financial position at 30 June 2025 is summarised below

	2025	2024
Loans and advances to customers	7,894.3	7,363.9
Cash	320.0	336.2
Fixed and other assets	77.0	75.4
Total assets	8,291.3	7,775.5
Borrowings	6,986.7	6,543.3
Other liabilities	116.1	95.8
Total liabilities	7,102.8	6,639.1
Total equity	1,188.5	1,136.4
Total equity and liabilities	8,291.3	7,775.5

Key performance indicators¹ in relation to the Group's financial position

	2025	2024
Gross loan book (£m)	8,089.8	7,510.3
Lending volume (£m)	3,163.7	2,994.7
Net loan book growth (%)	7.2	14.9
Weighted average LTV of originations (%)	60.0	59.0
Weighted average indexed LTV of portfolio (%)	55.8	55.7
Net debt gearing	84.0	83.9
Shareholder funds (£m)	1,213.4	1,159.2

Loans and advances to customers

The Group has continued to grow its net loan book to £7.9bn from £7.4bn in 2024, with loan originations for the year reaching £3.2bn (2024: £3.0bn), continuing our controlled lending growth.

The Group has maintained its long-standing principle of focusing on lending at prudent LTVs with the weighted-average LTV of loans originated in the year, excluding further advances, of 60.0% (2024: 59.0%).

The weighted-average indexed LTV of the Group's loan portfolio as a whole has remained relatively static at 55.8% at 30 June 2025 (2024: 55.7%).

This remains conservative and the Group's approach to LTV provides significant protection against any potential fall in property prices.

The impairment provision has increased to £195.5m (2024: £146.4m), which reflects not only the growth in the loan book but also increases in the coverage to 2.42% (2024: 1.95%), which has largely been driven by some deterioration in performance on certain accounts, as well as increases due to changes in valuations or exit strategies.

Further information on loans and advances to customers and associated impairment provisions is included in Note 13 to the Financial statements.

Equity and shareholder funds

The Group has continued its strategy of reinvesting most of its profits in the business, and at 30 June 2025 total shareholder funds, which include subordinated loans to the Group reached £1,213.4m (2024: £1,159.2m). On a statutory basis, equity has increased by 4.6% to stand at £1,188.7m (2024: £1,136.4m).

The increase reflected profit after tax of £144.5m, a decrease in hedging reserves of £26.8m, and a decrease of £65.4m relating to dividends to Together's parent company.

1. The Alternative performance measures appendix to the Financial statements sets out how these performance indicators are calculated.

Summary consolidated statement of cashflows

	2025	2024
Net cash generated/(used in)		
Operating activities	82.9	(382.5)
Investing activities	(2.7)	(6.3)
Financing activities	(96.4)	402.2
Net (decrease) / increase in cash and cash equivalents	(16.2)	13.4
Cash and cash equivalents at the beginning of this period	336.2	322.8
Cash and cash equivalents at the end of this period.	320.0	336.2

Cash and cash flow

The Group's strong balance sheet supports the continuing growth of the business, from the range of funding and the cash amounts held, as well as the continued cash receipts, which allows it to maintain its liquidity in order to remain within defined risk appetites.

The Group is highly cash generative, with cash receipts in the year of £3.4bn (2024: £2.7bn), which is 45.0% of the average net loan book in the year (2024: 39.4%).

Our liquidity position is also supported by a track record of successfully financing transactions to increase and extend our funding facilities in order to allow us to meet our growth plans.

The strong level of liquidity and cash inflow facilitate our consistent ability to service debt obligations, with a closing cash balance of £320.0m (2024: £336.2m), of which £88.4m (2024: £84.1m) was unrestricted.

Further information on how we manage liquidity can be found within the Risk management section.

Borrowings

Borrowings have increased in the year to £6,986.7m (2024: £6,543.3m) which has supported the further growth of the Group.

Further information on the Group's borrowing activity during the year is included within the Funding our growth section on page 27.

Net loan book



Loan book LTV
Weighted average indexed LTV

55.8%
(2024: 55.7%)

Originations



Loan book LTV
Weighted average indexed LTV on originations

60.0%
(2024: 59.0%)

Sustainability



“I believe sustainability has got to be embedded in an organisation and evidenced by the way we do things every day. Together has made great progress on our sustainability strategy, and demonstrates further that we are a business that people want to work for and with.”

Richard Rowntree
Chief Executive Officer

Our vision is to be the finance partner of choice, powering progress by giving people a fair chance to bring their property ambitions to life. This requires us to look beyond traditional financial metrics of success and look at how our business can have a positive sustainable impact on the world and its people.

Our sustainability strategy is supported by our four key pillars:

Our Colleagues

We value diversity of thinking, ideas and backgrounds. We believe in investing in our colleagues, so they have equal opportunities to realise their potential. We strive to create an open and inclusive environment for all our colleagues.

Aligns with SDGs:



[Read more on page 39](#)

Our Communities

We understand the positive impact community initiatives have. And we believe all actions – big and small – are equally important for improving and adding value to our local communities.

Aligns with SDGs:



[Read more on page 41](#)

Our Customers

We're committed to being a valued partner by delivering products and services that help our customers make a positive impact on society and the environment.

Aligns with SDGs:



[Read more on page 40](#)

Our Planet

We take our responsibilities to the planet seriously. We aim to reduce the negative impacts of carrying out business, aligned to UK net zero ambitions.

Aligns with SDGs:



[Read more on page 42](#)

Sustainability governance

The success of our sustainability strategy is reliant on, and underpinned by, effective corporate governance. That's why, at Together, we have embedded sustainability within our governance framework.

This year, we reviewed our sustainability strategy and the priorities of our four pillars to focus on delivering positive outcomes as we progress towards our ambitions. This included updating ambitions, developing long term areas of focus and ensuring that we had representation from areas of the business that are best placed to impact our strategy.

We've had strong stakeholder engagement, including support from our new Group CEO, Richard Rowntree. Colleagues have remained committed to playing their part by engaging with the Sustainability team to ensure continued progress. Our Executives and Board have provided support and guidance to ensure that sustainability is considered across all business areas.

We have improved the effectiveness of the Sustainability Committee by focusing on management and oversight of metrics that traditionally make up environmental, social, and governance (ESG). By better using the frameworks within the organisation, we have been able to evidence our commitment to good governance, for example with our disclosures on our policies on anti-bribery and information security which are available on our website.



Sustainability continued

Our Colleagues

We value diversity of thinking, ideas and backgrounds. We believe in investing in our colleagues, so they have equal opportunities to realise their potential. We strive to create an open and inclusive environment for all our colleagues.

Through the Our Colleagues pillar, we are focusing on action to continue progress towards being a more diverse, equitable and inclusive business. During the sustainability strategy refresh at the beginning of the year, we set clear areas of focus, directing our immediate diversity ambitions towards supporting women and underrepresented ethnic groups (UEG). We also remain committed to supporting other protected characteristics, such as age and disability, as we continue developing plans to ensure equity and inclusion for all colleagues at Together.

Our focus areas include:

- Policy and practices
- Education and awareness
- Recruitment and progression
- Inclusion

Intersectionality also plays a significant role in strong DEI progress. Through our focus areas, all demographics will be considered in the policies and practices we develop. We have updated our UEG ambition following a review of UK demographic data and what we feel is realistically achievable based on this information. We now have set an ambition for 14% of leadership roles to be filled by colleagues from underrepresented ethnic groups by 2030 – in line with our ambition for 50% of leadership roles to be filled by women by 2030.

The DEI Committee has enhanced its strategy during the refresh, ensuring it has the right governance to deliver progress, oversight and accountability. To support our development and provide that important external view, we are thrilled to have become members of the Employers Network for Equality & Inclusion (ENEI).

As part of this, we are looking at our people-related policies and identifying any gaps to ensure we have the framework to support our ambitions of making Together a more diverse, equitable and inclusive place to work. We have focused on bite-size and regular digital learning opportunities through our partnership with Thrive Learning. Through Thrive, colleagues have accessed over 2,000 pieces of content since the launch, with DEI-related modules being one of the most popular topics. Colleagues throughout the year have had the opportunity to learn about a variety of topics including cultures, religions, disabilities, and how they can continue to play their part in making Together a more welcoming place for all.

We believe that we have an equitable recruitment process, but acknowledge that progression in our leadership ambitions has not moved as far as we would have liked, although progress has been made at the end of the year with new senior appointments. We continue to make enhancements to our recruitment practices to ensure we encourage diverse colleagues to join the business and support their progress within it.

Making Together an inclusive place is something we are very proud of. Our Togetherness Groups have continued to add value to the organisation and to the experiences of colleagues. Our group leads and members have delivered impressive sessions for colleagues and supported the business in implementing change. Our Sunflowers disability group hosted an impactful session during Inclusion Week with Martin Hibbert on learning to live with disabilities. Our Embrace Multicultural Network offered colleagues the opportunity to learn more about the history of being Black in Britain. Our Women at Together group celebrated International Women's Day with a speaker session featuring one of our own customers, a property entrepreneur we've supported, who shared her journey into property.



Our 2024/25 Highlights

32%

of leadership positions held by women (2024: 31%)

9%

of leadership positions held by those in underrepresented ethnic groups (2024: 11%)

8.4

DEI engagements score (2024: 8.5)

6

Togetherness Groups (2024: 8)

Our Customers

We're committed to being a valued partner by delivering products and services that help our customers make a positive impact on society and the environment.

Through the Our Customers pillar, we are focusing on how we can be a valued partner by delivering products and services that support our customers to achieve their ambitions. Our strategy refresh at the start of the year has allowed us to clarify our areas of focus. Our focus areas include:

- Customer support
- Education and awareness
- Positive outcomes

Helping our customers with energy efficiency measures in their properties remains a key consideration for Together. However we remain alert to the new government consultation relating to enhancing the minimum energy efficiency standards for private rental properties and reforms to the energy performance of buildings, including updates to energy performance certifications (EPCs). We are hopeful that the outcomes of the consultations will give better clarity in these crucial areas so we can understand how best to support our customers.

This year, we have laid the groundwork for a strategic partnership with an established provider in the green home improvement sector. Our ambition is to offer customers a seamless, end-to-end retrofit journey—from initial energy assessments to tailored improvement recommendations, contractor coordination, and access to available grant funding—making it easier for them to enhance the energy efficiency of their homes with confidence.

By offering our customers more information on improving the energy efficiency of their properties, we can support them in reducing their energy costs, and support the environment by reducing the carbon emissions of our customers. Our partnership supports us in achieving this.

In light of government deliberations on whether EPC standards should be enhanced, we have refreshed our EPC Hub to give our homeowner and landlord customers the latest information on EPCs, as we understand many of our customers are still at the start of their journey. We know that meeting the government proposals will require multi-industry collaboration to deliver the required property improvements, so we want to play our part in supporting our customers with up-to-date information and the right products to help them on their journey.

At Together, sustainability includes how we operate as a responsible business, not just our environmental commitments. We have started gathering social impact metrics to better understand and articulate our organisation beyond traditional business metrics. One of our most impactful metrics is the work of our community housing and healthcare channel.

Now operating within our corporate channel, the community housing and healthcare team continues to generate positive social impact supporting the affordable property market and some of society's most vulnerable individuals. At the end of our last financial year, we were able to hit our target of financing an estimated 1,000 affordable properties. We agreed at the start of this financial year to double that target – aiming for 2,000 affordable properties financed by the end of the 2025 calendar year. So far, we've been able to finance 426 affordable properties, bringing our total to 1,443. This has meant we have supported 2,677 tenants, including children, asylum seekers, the homeless and vulnerable adults.

The success of our community housing and healthcare team inspires us to look at the ways we can evidence our purpose and vision; putting customers at the heart of what we do and serving those who struggle to access mainstream funding.



Our 2024/25 Highlights

426

total affordable properties financed (2024: 515)

2,677

total tenants supported (2024: 3,006)

Sustainability continued

Our Communities

We understand the positive impact community initiatives have. We believe all actions – big and small – are equally important for improving and adding value to our local communities.

Our commitment to social responsibility remains a priority at Together and we have continued to build on the engagement we have with our communities. The strategy review allowed us to focus on longevity – maintaining high levels of impact through our charity partners. This year, we determined that the Communities' focus areas would be:

- Long-term partnerships
- Colleague engagement

We have focused on strong relationships with our charity partners, using our donations to support the delivery of long-term impact in the community. The engagement from our colleagues in supporting our charity partners and wider community continues to evidence our culture of giving back. As the business progresses with its transformation journey, we are hopeful that charitable engagement and volunteering time can continue to support colleagues and have a positive impact on their wellbeing.

The Group is committed to respecting human rights in all its operations.

Together for Our Communities

These are some of the charities we partnered with and supported during the year:



Seashell



Community Trust



FOREVER MANCHESTER



This year, we have supported 96 charities. This has happened through donations, colleague fundraising, volunteering and larger corporate charity partnerships. We're proud of all our activities under the Our Communities agenda. A few examples of our impact include:

- Centrepoin's development of their Manchester Independent Living programme to support young people with a stable place to live at the start of their careers.
- The King's Trust's Foundations of Employment programme to support 200 young people in Greater Manchester in developing the key skills and confidence needed for long-term employment.
- Stockport County Community Trust's Schools Programme which provides programmes to primary and secondary schools in Stockport to keep children engaged and active.
- Seashell Trust's Employability Pods which are designed to help students develop real life employment experiences including the full retail experience.

We know that monetary donations are important to charities to deliver their services, but volunteering is equally important to provide skills the charity may struggle to access and the people to help deploy the services. In this financial year, our colleagues have given 1,980 hours of volunteering. Colleagues from across the business have used their volunteering days as a way to give back to the community, develop their own skills and bond with their team.



Our 2024/25 Highlights

£952k

deployed to the community (2024: £980k)

1,980

hours of volunteering in the community (2024: 2,733)

96

number of charities supported

Our Planet

We take our responsibilities for the planet seriously. We aim to reduce the negative impacts of carrying out business, aligned to UK net zero ambitions.

Following the sign off on our net zero roadmap, the strategy review for our Planet pillar centred around having the right colleagues involved to progress the strategy and meet our aspirations within our climate working group. This year, we determined that the Planet's focus areas would be:

- Net zero and energy efficiency
- Data measurement
- Collaboration
- Legislation

We have been able to make significant progress this year by empowering the working group to focus on tangible actions that will have long-term impact. We have improved our approach to data and making data-led decisions, particularly when it comes to our buildings. We have been able to make progress with our net zero ambitions by focusing on better management of our buildings' energy usage. With access to accurate and timely data, we can identify issues and correct them before they crystallise. This has been particularly evident in the gas usage across our buildings, as being able to regularly monitor usage has allowed us to find ways to reduce our overall emissions.

Data underpins how we monitor and ensure progress with our net zero strategy. Over the past year, we have focused on improving internal data sources, such as our building systems, while also exploring ways to improve external data, such as the collection of energy performance certificates for the properties on our loan book. Our Scope 3 financed emissions require better data to better understand the emissions associated with our loan book and support us in developing strategies to minimise the risks for us as a business and encourage our customers to make improvements to their properties.

We know that tackling climate change requires everyone to play their part, so we want to use our influence to help our stakeholders and those in our supply chain to join us on this journey. This year, we have focused on our suppliers by working with them to understand their impact on our supply chain emissions.

This year, we also focused on the legislation and standards surrounding reporting on environmental factors. Our Climate report, which you can see on page 44, has been reviewed in the year to include further disclosure as our climate plan continues to develop. We have also monitored progress on the future reporting requirements to identify the direction of travel.

Our 2024/25 Highlights

23%

reduction in gas usage

89%

reduction in scope 2 market-based emissions



Together, making a real difference

At Together, we aim to support customers who are playing their part to support communities and the planet.

One such example is our customer who is a property developer who focuses on building homes with exemplary environmental and energy efficiency standards. Their ambition is to deliver 10,000 better than net zero homes by 2035. Through innovative building materials and methods, the homes delivered ensure low energy demand and improved air quality, comfort and wellbeing. Our support has meant that they could make efficient use of their capital to acquire more sites simultaneously and scale the business.

We have supported several site purchases and have built a strong relationship with this customer. We have also recently supported this customer on projects which will deliver a total of 164 new homes including one site, which will deliver 75 new homes. Meeting the UK's ambitions for housebuilding and net zero requires the engagement of businesses like this and we are proud that we can contribute to the betterment of society and the planet.

Our Climate report

Climate report



Progressing our planet, together

This Climate report is prepared in line with the recommendations provided by the Taskforce on Climate-Related Financial Disclosures (TCFD), along with the relevant Companies Act 2006 requirements.

Together remains committed to playing its part in addressing climate change, by reducing our impact on the environment by managing our own operations and seeking ways to support our customers on their net zero journey.

Our Climate report outlines our approach to addressing our impact on the climate, as well as highlighting the progress we have made in the year.

In line with the TCFD recommendations, we have split this report into the four TCFD pillars as outlined on this page.

TCFD Pillars

1

Climate strategy

The actual and potential impacts of climate related risks and opportunities on Together's business and strategy

[Read more on page 45](#)

2

Climate governance

Together's governance on climate related risks and opportunities

[Read more on page 46](#)

3

Climate risk management

How Together identifies, assesses and manages climate related risks and opportunities

[Read more on page 47](#)

4

Climate metrics and targets

The metrics and targets used to assess and manage relevant climate related risks and opportunities

[Read more on page 50](#)

Our decarbonisation roadmap

During the year, the Group prioritised four focus areas which has helped reduce our scope 1 and scope 2 emissions from the prior year, and helps ensure that we remain on track towards achieving our future climate aspirations. These focus areas in the year were as follows:

1. Net Zero and energy efficiency

Improving our built environment and fleet

2. Data measurement

Providing insight and understanding into our emissions

3. Collaboration

Ensuring we engage our whole value chain on this journey

4. Legislation

Complying with legislation and regulations

Our decarbonisation journey to net zero has been summarised as follows:

Energy emissions

In the short term, our aim is to procure 100% renewable electricity, and remain as such in the long term. We will also seek to identify alternative heating sources in the near future, eventually transitioning to low or no carbon alternatives.

Update on our progress

We have procured all of our electricity on renewable energy tariffs. Alongside our building refurbishment project, we have improved our building controls to better manage our gas usage in the interim.

Vehicles owned or operated by the Group

Our goal in the near term is to create a transition plan for company vehicles to eliminate the use of petrol and diesel vehicles. Our aspiration is to move on to a fully electric and/or hybrid vehicle fleet and reduce business mileage in the future.

Update on our progress

We continue to have a high percentage of company vehicles that are either hybrid or electric. To support our transition plans, we have installed an additional four electric vehicle charging points.

Purchased goods and services

We are continuing to engage with our top suppliers of purchased goods and services. This will lead to us developing a sustainable procurement policy and aiming to engage with other suppliers in the medium term.

Update on our progress

We have developed a new supplier framework which includes a tiering methodology for all our supplier agreements. With our new supplier code of conduct, we will begin the process of requesting our suppliers to sign up to the code – starting with our most critical suppliers.

Mortgage portfolio

Our first milestone is to collect additional EPC data for properties currently without it, and identify opportunities to collect floorspace data. Our medium term goal is to achieve high levels of coverage with EPC and floor-space data, and begin engagement with customers.

Update on our progress

We continue the process of collecting EPC data and have started looking for external support to enhance our portfolio data. We have also increased our understanding of risks and opportunities through climate scenario analysis.

Our Climate report continued

Climate strategy



Our climate aspirations

- To be net zero for our own operations by 2030
- To be net zero for our direct and indirect operations by 2050

Our strategy focuses on 5 key components:

- 1 **Implementing** climate risk governance
- 2 **Measuring** our climate impact
- 3 **Managing** climate risks and opportunities
- 4 **Reducing** emissions from our operations
- 5 **Supporting** customers towards net zero

Our net zero strategy reflects our commitment to sustainability and responsible business practices.

Together remains committed to its sustainability and climate targets in line with the UK Government who has been clear that climate change remains a priority, whilst being cognisant of the challenge ahead.

While we remain focused on reducing our environmental impact, we are also conscious of the need to balance our climate ambitions with our broader societal purpose of giving everyone a fair chance. These goals can sometimes present competing priorities, and we recognise the importance of making decisions that align with our purpose, remain legally compliant, and support long-term value for all stakeholders.

Our climate strategy was introduced in 2021, with our initial focus being on identifying our impact on the climate, using those high impact areas to determine where we can make the most significant contribution to reducing carbon emissions.

In our journey so far, we have made good progress in embedding climate governance and climate risk into the business, to set the right base for us to make an impact. This was followed by setting out to understand our current impact on the climate, from our direct emissions to our indirect emissions, including the impact of our wider lending activities. Understanding our current base has allowed us to create action plans to reduce our emissions and monitor our progress against our net zero strategy.

We have made significant progress specifically in our direct emissions, Scope 1 and 2, by reducing our energy usage in our office and our transition to hybrid and electric vehicles for our own fleet. Our indirect emissions, namely Scope 3, are inherently more difficult to reduce given the nature of the lending industry we operate in. Our Scope 3 emissions are a function of our wider society as these emissions relate to the emissions from households and businesses we finance. We recognise that tackling climate change is a global issue that requires internationally coordinated efforts between governments, businesses and people. The ability to reach net zero does place some reliance on government strategy and future technological innovation.

Climate governance

The Board recognises that sustainability is a journey, and every step forward in the right direction strengthens our resilience and shapes our future.

The Board, through delegating appropriate responsibilities, is responsible for setting our climate strategy, governance, risk management, and the sustainability aspirations of the Group.

Our Board's journey to date on climate governance has included the following:

- Fostering the necessary environment for risk management to operate effectively in line with the strategic direction of the Group, to help us meet our climate targets.
- Empowering management to monitor climate-related risks through the implementation of the Enterprise Risk Management Framework (ERMF) and Climate-Related Risks Framework (CRRF), as climate risk has been identified as a cross-cutting risk which impacts all the Level 1 and Level 2 risks within the business.
- Oversight using the approved risk appetite statements and metrics to monitor climate-related risks and identify opportunities.
- Equipping management to manage climate-related risks and opportunities with the right direction, training, tools and expertise.
- Receiving regular reporting on climate-related performance, emissions data, and progress against our net zero strategy, ensuring the Board remains informed and engaged.

As sub-committees of the Board, the Executive Committee and the Risk Committee have management responsibility to assess and manage climate-related risks and opportunities. The focus for these committees includes ensuring the net zero strategy addresses climate-related risks and positioning the Group to take advantage of opportunities presented.

Further to this, there is a sustainability committee that oversees the implementation of the net-zero strategy and initiatives. The committee is chaired by the Chief Commercial Officer, and they meet every two months. The sustainability committee inform the Executives of progress after every sustainability committee meeting. The Board of Directors is updated twice annually.

The Sustainability Committee identify and monitor climate risks across the business, providing the Executive Committees with the quantitative and qualitative information needed to manage such risk. Along with third-party expertise, the Group is able to generate quantitative and qualitative data to support the progress towards our targets.

Annual emissions figures are reported within this Climate report which provides progress against targets and any initiatives undertaken during the reporting period.



Our Climate report continued

Climate risk management



Together's climate risk management is embedded into the Enterprise Risk Management Framework, and includes a Climate Risk Management Framework, risk appetite statements, and a number of quantitative risk appetite metrics. Our climate risk management approach continues to be developed and embedded into the business.

Risk identification and measurement

Climate is an overarching risk, so identification takes place across all existing Level 1 and 2 risk types. We remain aware of emerging climate risks through regular horizon scanning as well as using scenario analysis, historical data and models, with climate-related risks now being reported into the governance structure.

The measurement of climate risk is reflected in the Group's climate-related risks framework, which considers the likelihood and impact of each risk, resulting in an inherent risk rating. This risk rating then informs the Group's response to the respective risk as well as the resource assigned.

Risk management, monitoring and reporting

Risk management of climate-related risks involves the formulation of an action plan for mitigating risks and may include risk acceptance, risk reduction, and risk avoidance. Risks assessed outside risk appetite must have approved action plans in place to reduce the risk to an acceptable level, or an approved risk acceptance.

Monitoring of climate-related risks takes place through the Group's approved climate risk metrics, which have associated trigger and limit levels.

Sustainability reporting is becoming increasingly prevalent across the globe. The Group continues to monitor emerging Climate reporting standards ahead of their effective date, as market expectation is that these will represent an advancement in both scope and disclosure requirements.

Scenario analysis

This year Together has adopted a range of climate scenarios which align to the Network for Greening the Financial System (NGFS) Delayed Transition and Fragmented World scenarios. The scenarios outline varying paths with reference to climate action, or lack thereof:

- Delayed Transition—heightened transition risks from stricter policy implementation, which is necessary due to a delay in implementing the required policies to meet Net Zero targets. Temperatures reach 1.7°C above pre-industrial averages by 2050.
- Climate Catastrophe—global failure to implement the required policy actions resulting in increasing emissions and greenhouse gas concentrations. Temperatures reach 2.3°C above pre-industrial averages by 2050.
- Climate Distress—a slightly less severe version of the Climate Catastrophe scenario. Temperatures reach 2.1°C above pre-industrial averages by 2050.

Transition and physical climate risks

The table below shows some of the example transitional and physical risks identified in relation to key areas of the Group as the identified impact level and term horizon, with management's judgement on the impact of the Group.

Risk category	Type	Impact from Climate related risks	Time Horizon	Impact
Strategic	Transition	• Risk that we do not meet our wider business targets due to management of the portfolio required to meet our obligations under government and other regulatory climate change legislation.	Medium term	●
Financial	Physical	• Increased costs as a result of operational risk and potential increased credit risk.	Medium term	●
	Transition	• Risk of higher funding costs due to investor requirements on the portfolio and/or compliance with climate-related requirements. • Complexity of incorporating uncertain impacts of climate change into long term financial planning. • Risk of insufficient or incomplete data to meet future sustainability reporting requirements.	Short term	●
Credit	Physical	• Increased risk of loss given default due to reduced house prices as a result of physical impacts. • Increased risk of probability of default and loss given default due to increased exposure to uninsured properties as a result of rising insurance costs, or to properties becoming uninsurable due to climate change.	Medium to long term	●
	Transition	• Increased risk of default due to reduced affordability caused by increasing energy costs arising from transition to net zero. • Increased risk of loss given default due to reduced house prices arising from changes to government policies.	Medium to long term	●
Conduct	Physical	• Risk that customers are adversely affected by an industry movement towards stricter lending criteria to manage physical risks.	Short to medium term	●
	Transition	• Risk of reputational damage if we are not seen to be making progress against our net zero targets.	Short to medium term	●
Compliance	Transition	• Risk of non-compliance with climate-related requirements for the property lending industry. • Risk of legal, financial and reputational repercussions as a result of not meeting regulatory disclosure requirements.	Short to medium term	●
Operational	Physical	• Risk that some third parties may face challenges in meeting our climate-related expectations. • Risk that operational costs increase due to activities required to demonstrate our transition to net zero.	Short to medium term	●
	Transition	• Consideration of supplier relationships and how these align with Group's climate strategy. • Costs may increase from activities to demonstrate progress to net zero.	Medium to long term	●

Our Climate report continued

Business management response to climate risks

Management's response to these risks currently focuses on the shorter term impacts. Key actions identified to improve risk management in this area include:

- Enhancing climate-related data collection and analytics
- Further engaging with stakeholders to communicate climate strategy and progress towards our stated targets
- Incorporating scenario analysis into longer-term financial planning and strategy
- Consideration by the central procurement function of prospective suppliers' ESG credentials and potential attributable emissions.

Opportunities

The Group remains cognisant of the climate-related opportunities available. The Group is extending its office space, and is taking the opportunity to look at alternative heating sources for this space, and the interaction with existing spaces, which has the potential to produce a more cost-efficient office space.

We have also identified a need to help our customers on the journey, for example, our EPC Hub helps us provide our customers with education on energy efficiency, including how they can begin their own sustainability journey through retrofitting for energy efficiency.

We also remain alert to changes in market sentiment and recognise the potential for the growth in demand for energy efficient mortgage products which could benefit the Group either as a new source of income, or as further contributing to playing our part on climate change.

Similarly, there could be opportunities in the future for the Group to support customers who may not be served by the wider market due to their type of property which may not initially be energy efficient but requires investment and support.

“We are more aware than ever of the challenges and opportunities that climate change presents and, alongside national efforts, we want to play our part through decarbonisation of our operations and understanding the impact of our lending.”

Paul Moran
Head of Sustainability



Climate metrics and targets

The Group monitors its greenhouse gas (GHG) performance to track performance against its target of reducing GHG emissions to net zero by 2050. In line with the TCFD requirements and the GHG protocol, we have reported our emissions under Scope 1, 2 & 3.

The tables below show our energy use and emissions for the year ended 30 June 2025:

Energy use by source	Units	2025	2024
Gas	kWh	421,035	647,440
Electricity	kWh	1,575,115	1,780,675
Transport	kWh	660,480	685,151
Total energy use by source		2,656,630	3,113,266

Emissions by category	Units	2025	2024
Scope 1 – Natural gas and other fuel consumption	tCO ₂ e	77	119
Scope 1 – Company vehicles (non-electric)	tCO ₂ e	75	92
Total Scope 1	tCO ₂ e	152	211

Scope 2 – Grid supplied electricity	tCO ₂ e	349	394
Total Scope 2 (location-based)	tCO ₂ e	349	394

Scope 2 – Purchased electricity	tCO ₂ e	23	218
Total Scope 2 (market-based)	tCO ₂ e	23	218

Scope 3 – Financed emissions	tCO ₂ e	201,077	177,041
Scope 3 – Purchased goods & services	tCO ₂ e	8,038	3,728
Scope 3 – Employee commuting	tCO ₂ e	961	911
Scope 3 – Other	tCO ₂ e	1,033	516
Total Scope 3	tCO ₂ e	211,109	182,196

Total Scope 1, 2 & 3 (location-based)	tCO ₂ e	211,610	182,801
Total Scope 1, 2 & 3 (market-based)	tCO ₂ e	211,284	182,625

Intensity ratio		2025	2024
Scope 1 & 2 (location-based)	tCO ₂ e / employees	0.65	0.77
Scope 1 & 2 (market-based)	tCO ₂ e / employees	0.26	0.55

Our emissions targets

2027 target

70%
reduction
from baseline
for our direct
operations

✓ Target achieved in
2025, two years
ahead of plan

2030 target

Net zero
for our direct
operations
by 2030

2050 target

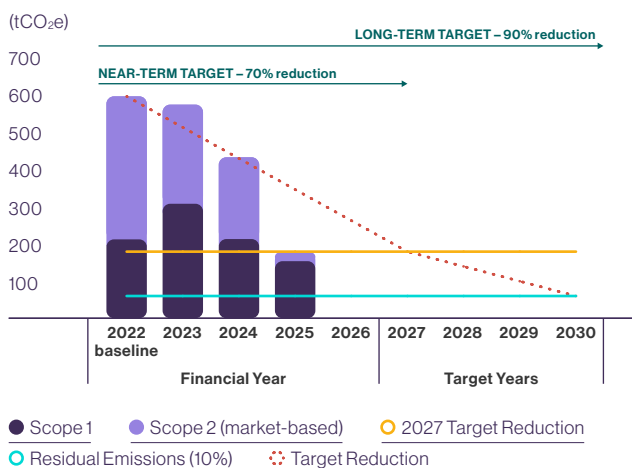
Net zero
for our direct and
indirect operations
by 2050

Our Climate report continued

Climate metrics and targets continued

Our direct emissions have consistently declined each year since we began reporting three years ago, demonstrating steady progress. There is still a lot of ground to cover to reach our net zero targets, but we take pride in the initial steps we have taken on our climate journey so far.

Scope 1 & Scope 2 Emissions (tCO₂e)



Scope 1 & 2 emissions

Our Scope 1 emissions have decreased by 28% in the year, as a result of changes we have made to the way we use energy in our buildings to help drive down emissions, in addition to further investment in electric and hybrid vehicles.

The Scope 2 location-based emissions, being calculated based on average emissions from the local grid, has decreased by 11% in the year due to upgrades to building management practices.

This reduction in electricity usage is also driven by a strong behavioural shift to drive down emissions such as the move to LED light bulbs, reconfiguring timers for heating, and changing everyday behaviour across our workforce to promote energy savings. However, our decrease in electricity consumption can more clearly be seen from the Scope 2 market-based emissions, being calculated as based on Together's chosen tariffs. This has decreased by 89% in the year primarily due to switching both of our head office buildings to renewable energy tariffs. The intensity ratio, which is calculated as Scope 1 and 2 tCO₂e divided by the average number of employees in the year, has also decreased as a result of a reduction in our energy consumption in the period.

Scope 3 emissions

Our Scope 3 emissions consider the indirect emissions that form part of our value chain. The most significant source of Scope 3 emissions is the financed emissions (category 15: investments), through our lending. Our emissions have increased by 13%, which reflects book growth of 7%, changes in property type mix, and originations in the year having a slightly higher, but still prudent, loan to value (LTV) ratio, than the existing mortgage book.

Understanding the extent of our financed emissions is key to monitoring our progress against targets and to fully account for our impact on the climate, with these emissions accounting for 95% (2024: 97%) of Together's total carbon footprint.

We have continued to increase the EPC data we have for the properties on our loan book. We have also started engaging third party suppliers to enhance our property data, particularly around floor space, to allow us to understand the carbon intensity of the properties on our loan book. This is a necessary step before we can begin to develop strategies to reduce these emissions. We have also gained greater understanding of the risks and opportunities posed by climate change through scenario analysis.

We have also had more engagement with our suppliers during the year, aiming to foster collaboration on climate related goals.

Our Scope 3 emissions remain dependent on society at large, but we continue to play our part in identifying how we can make an impact on these over time to help reach our target by 2050.

Reporting methodology

Our emissions report has been developed and calculated using the GHG Protocol's Corporate Accounting and Reporting Standard. The Greenhouse Gas Protocol Value Chain methodology is followed. All seven greenhouse gases defined by the Kyoto Protocol have been accounted for and reported on a tonnes of carbon dioxide equivalent (tCO₂e) basis.

The most significant source of Scope 3 emissions is the financed emissions through mortgage lending. According to the Partnership for Carbon Accounting Financials (PCAF) guidance, emissions from all energy consumed by the properties during the reporting year should be apportioned based on LTV and emissions calculated under Scope 3.

The table on the following page sets out the key emission categories, data sources and an overview of the methodologies utilised in our emission calculations. All conversion factors are sourced from UK Government (DESNZ) GHG Conversion Factors for Company Reporting.

Key data sources, methodology and accuracy rating

Emissions Scope/ Category	Data source/s	Methodology	Data Quality Rating
Scope 1 – Natural gas and fuel consumption, and Company vehicles	Gas invoices and fuel consumption data in mileage or litres	Total natural gas kWh consumption has been converted to tCO ₂ e using Department for Energy Security and Net Zero (DESNZ) 2023 V1.1 factors. Litres of fuel oil were converted to emissions using the DESNZ kgCO ₂ e/litre factor. Mileage in company owned vehicles was converted using kgCO ₂ e/mile DESNZ factors.	High
Scope 2 – Location-based – Purchased electricity	Building meter readings	A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). Government Emissions Factor Database 2024 version 1.1 has been used, utilising the published kWh gross calorific value (CV) and kgCO ₂ e emissions factors.	High
Scope 2 – Market-based – Purchased electricity	Electricity Invoices	<p>A market-based method reflects emissions from electricity that companies have purposefully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.</p> <p>Market-based emissions are reported in tCO₂ only.</p> <p>Market-based emissions in this report have been calculated using the supplier-specific fuel mix emissions factors and Renewable Energy Guarantees of Origin (REGO) backed supply contracts.</p>	High
Scope 3 – Finance emissions	Loan portfolio	Average energy consumption benchmarks were applied to each property, based on average consumption for EPC ratings or location-based averages. Energy estimates were apportioned based on LTV.	Medium
Scope 3 – Purchased Goods and Services	Quantity of purchased goods	Spend data converted into £ value of year of conversion factors using Bank of England inflation calculator. Emissions calculated using converted spend and spend-based emissions factors from the Department for Environment, Food & Rural Affairs (DEFRA).	Low
Scope 3 – Employee Commuting	Employee commuting questionnaire results and FTE number	Employee survey used to collect distance travelled, transport type and frequency. Annual emissions calculated for each employee that responded to survey. Results extrapolated to account for full number of employees. Accounts for UK average annual leave and public holidays.	Medium
Scope 3 – Other – Capital Goods	Capex data, bucketed into categories	A combination of supplier-specific product-level cradle-to-gate GHG inventory data from goods (where available) and Capex. Spend converted into £ value of year of conversion factors using Bank of England inflation calculator. Emissions calculated using converted spend and spend-based emissions factors from DEFRA.	Medium

Our Climate report continued

Climate data quality

Together remains cognisant of its reporting methodology and the quality of its underlying data sources, as it strives to continuously improve the accuracy of its Climate reporting. As seen in the methodology table, the data quality rating is mostly 'high' and 'medium' across the various categories.

With regards to the Scope 3 purchased goods and services which is currently rated as 'low', the Group plans to enhance this data in the near future. The plan is for the Group to move away from the spend-based approach by gathering supplier specific data, particularly the emissions associated with software and digital services. Supplier questionnaires will be used to gather emissions intensities of key goods and/or Scope 1 and 2 emissions data.

Currently, Together has calculated financed emissions using an average consumption-based approach, as company-specific data on financed emissions are not currently readily available. As we look to improve our climate-related data as part of our risk management roadmap, we will refine our methodology for calculating Scope 3, as per the GHG Protocol, using more Together-specific data, such as EPC ratings and floor space.



Stakeholder engagement

Stakeholder engagement and Board decision making

One of the key statutory obligations of the Board is to have a comprehensive understanding of the needs and expectations of the Group's stakeholders and to actively engage with them on the matters that are most relevant to them.

This requirement is outlined in section 172 of the Companies Act, which sets out the Board's responsibility to promote the success of the Group. To fulfil this obligation, we have identified our key stakeholder groups and have implemented tailored engagement activities for each.

Section 172 statement

Section 172 (1) of the Companies Act 2006 defines the legal requirement for a director to act both individually and collectively, in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole with regards to all of its stakeholders. Ongoing engagement ensures well informed decision making prioritising the best interests of all stakeholders. The information below provides some examples of how the Board has complied with section 172 (1) during the year.

Many of the requirements are integral to the way that the Group operates and therefore references have been provided where appropriate to other sections of this report where further information can be found.

Impact of our decisions

The likely consequences of any decision in the long term s.172(1)(a)

The Board recognises the impact of decision making on our stakeholders and the future success of the business. It approves the Group strategy and receives regular updates on strategic performance against the approved plan. At each Board meeting, progress against key objectives is assessed to ensure operating plans remain aligned with long-term goals. More information on the Group Strategy can be found in the Strategic report.

The Board delegates authority to members of the executive committee, providing regular reports to the Board in line with approved strategic objectives, budgets, policies and applicable regulation. More information on Board and executive activities can be found in the Board and committee structure section on page 65.

Our stakeholder groups



Our colleagues

Page 55



Our customers, introducers & suppliers

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Our communities and environment

Page 59



Our regulators

Page 59



Our investors and shareholder

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Stakeholder engagement continued



Our colleagues

The interests of the company's employees s.172(1)(b)

The Group continues to prioritise wellbeing and delivers a comprehensive value proposition for our colleagues. We continue to listen to feedback from our colleagues via an interactive engagement platform, with the Board receiving regular updates on engagement and wellbeing.

These insights play a key role in guiding the Board's oversight and shaping initiatives that support our workforce.

Colleague wellbeing

We have significantly strengthened our wellbeing initiatives by creating a holistic support framework that addresses mental, physical, and emotional health. Enhanced mental health support is available through dedicated online wellness workshops, mindfulness sessions, and access to professional counselling in addition to our inhouse team of mental health first aiders. Additionally, we have utilised our interactive engagement platform with pulse and full surveys and targeted feedback mechanisms. These tools allow us to respond quickly to emerging sentiments in our workforce, ensuring that our wellbeing and engagement strategies remain proactive and tailored to the needs of our colleagues.

To further enhance the colleague experience, the Board approved investment in our office technology through the Group's digital workplace programme, which has already seen modern meeting room technology installed, and investment in software such as Copilot. These improvements reflect our commitment to fostering a great working environment for our colleagues.

During the year, colleagues were also informed about the plans for the build of our "Link" project, which commenced in July 2025. When completed, this will join our two head office buildings, including a new modern entrance, additional meeting rooms and breakout areas, as well as an in-office gym space and a larger and improved canteen, which will further enhance the office environment for our colleagues and guests.

Colleague development

Over the year, we launched initiatives designed to support colleague career progression and development, including a new digital learning platform that offers a broad array of courses and certifications, while structured mentoring programmes connect emerging talent with seasoned leaders.

In addition to ongoing colleague support and cross-functional mobility across the Group, we continue to promote platforms like our Aspiring Professionals Network (APN) as a platform for like-minded colleagues to build relationships whilst improving their skills and knowledge. It continues to feature interactive workshops, leadership training, and guest speaker sessions from industry experts to expand internal networks.

We remain passionate about supporting colleagues at the start of their careers through the Together Academy. This year, 31 graduates and 24 apprentices were part of the academy, including 40 new in the year. We hold an annual celebration event to recognise the contribution of our graduates and apprentices.

Throughout the year, colleagues participated in quarterly Group town halls where updates on various activities from across the Group were given by members of the senior leadership and subject matter experts. These featured regular updates on the progress of our transformation journey and building the "Link" project.

We continue to proactively support the principles of the Senior Managers and Certification Regime (SM&CR). Our people managers complete training on how to ensure that colleagues display the appropriate behaviours in the achievement of objectives. All colleagues continue to receive training on SM&CR and specifically Conduct Rules on an annual basis via an online learning module and, where appropriate, face to face sessions. In this learning we highlight the close alignment between the Conduct Rules and our own Play your Part beliefs.



☆ Spotlight on Horizon

As part of our commitment to fostering strong relationships and ensuring colleague development, during the year we introduced Horizon, a new networking initiative designed to empower our workforce. With personal and professional growth at its core, Horizon strengthens colleague confidence, enhances their skills through coaching and real-world experiences, and expands their professional networks externally.

☆ Spotlight on LearnFest

Every year we organise a week-long learning event allowing our colleagues to dive into expert sessions, Q&As and workshops delivered by our colleagues, including executives, and external speakers. This year, colleagues dedicated a total of 1,173 hours to learning across 24 sessions. The topics ranged from business knowledge to colleague wellbeing and personal development. Notably this year, the introduction of the 'In conversation with our Chair' session was particularly well received, fostering an open dialogue between leadership and colleagues, helping to make voices heard. This initiative was shortlisted in the British Training Awards for L&D Experience of the Year.

Transformation programme

The transformation programme has progressed significantly throughout the year. As with all major initiatives of this scale, strong governance and strategic oversight throughout this significant transition is crucial. Efforts remain focused on equipping the Group with necessary tools and insights to navigate anticipated changes effectively. In doing so, the Board has refined its communication approach, ensuring all stakeholders receive clear and transparent updates at every stage of programme delivery.

Looking ahead, we have developed a refreshed wellbeing strategy for the next 12-18 months to support colleagues through our period of transformation, including learning and development sessions for managers on how to successfully manage periods of change, as well as weekly wellbeing sessions – such as mindfulness classes – and small treats to boost morale and connection.

Business readiness

Given our progress through the build phase of our new systems, business readiness became a central focus of the Board Transformation Steering Committee, to put the organisation in the best position to absorb the changes to systems and processes. This focus has been further embedded through inclusion in Executive objectives and the broader strategic plan.

Key initiatives included:

- Capacity planning: Identified ways to free up capacity for transformation delivery through prioritisation, recruiting additional resource, and investing in automation and AI to support relevant functions.
- Executive engagement: Regular sessions with Executive team members to test assumptions, validate models, and secure buy-in for readiness plans, ensuring alignment between transformation goals and operational realities.
- Change management: Further change governance was introduced to prioritise only the most important change requests to minimise disruption and protect delivery timelines.
- Training and communication: Change management learning and development sessions were introduced to help colleagues prepare for the upcoming changes.

This proactive and structured approach has helped mitigate operational strain, align transformation with business needs, and ensure a smoother transition into new systems and processes.

Our diversity

The Board continues to support and champion diversity, equity and inclusion (DEI) within the workforce, including targets to increase diversity within the senior management team. More information on our diversity, equity and inclusion strategy and engagement with colleagues can be found in the Sustainability section on page 37.

By systematically monitoring colleague engagement, through quarterly reporting to the Board and continuous feedback opportunities, we ensure that our approach not only supports individual career goals and wellbeing, but also underpins our broader strategic objectives. This people-focused framework strengthens our capacity to serve customers, enrich communities, and maintain our position as the most valued lending company in the UK.

Our achievements and awards

Our colleagues have demonstrated exceptional dedication and excellence, earning multiple prestigious awards this year :

- 2024 Women's Recognition Award for Underwriter of the Year
- Chartered Institute of Internal Auditors Audit and Risk Awards – 2025 Winner of Outstanding team – Financial Services Sector
- National Mortgage Awards 2024 for Underwriter of the Year (2nd Charge)
- NACFB Awards 2024 for Underwriting Team of the Year
- Top 100 World's best Mortgage Lenders (2024)
- Colleague Commendation Award at the Crystal Specialist Finance annual Crystal Ball (2025)
- Investors in People Awards 2024 for Best Newcomer
- Yorkshire Business Hero Awards (2025) for Funding Employer of the Year

Stakeholder engagement continued



Our customers, introducers & suppliers

The need to foster the company's business relationships with suppliers, customers and others s.172(1)(c)

Our customers

Our purpose is to open doors and give everyone the opportunity to turn their ambitions into reality. With a diverse customer base facing a range of circumstances and scenarios – from corporate clients and SMEs, community housing and healthcare developers, residential and commercial developers to property buying companies – we combine common sense, expert industry knowledge, and a personal touch to create tailored property finance solutions, helping our customers turn their ambitions into reality.

We recognise the vital role our lending plays in generating positive social and economic outcomes, whether that's through our customers securing homes, growing businesses, or revitalising communities, ultimately strengthening local economies.

During the year, we continued with our commitment to support our customers through our EPC Hub, a platform for homeowners, landlords and introducers to find tailored information on how they can understand and improve the EPC rating of their properties. More information on how we support our customers with the energy efficiency of their properties can be found in the Sustainability section on page 37.

Leveraging the service modernisation and process automation launched in the previous reporting period, we continue to enhance customer outcomes testing, ensuring we have adequate systems, controls and processes, and appropriate governance in place to safeguard our customers' interests.

Our customer-facing colleagues are focused on delivering positive customer outcomes. To support this, we actively seek feedback from both our customers and introducers, and we take complaints very seriously. The Board receives regular updates from management on customer activity and engagement strategies. We continue to deliver enhanced customer contact strategies and forbearance tools for borrowers in financial difficulty, and greater support for vulnerable customers.

★ Spotlight on Voice of the Customer (VOC)

The Group remains committed to placing customer insight at the heart of decision-making. We have implemented a consistent and structured approach to VOC reporting and analysis, with monthly thematic reports shared with the relevant Executive team member. Key insights from customer feedback are regularly included into internal reporting, enabling us to proactively identify opportunities to enhance customer experience. Examples of actions taken during the year include:

- A review of colleague conduct, where insights have informed targeted actions to further strengthen service quality. Feedback in this area continues to be monitored to ensure sustained progress.
- A prioritised review of feedback from Vulnerable Customers, to ensure we continue to deliver fair and positive outcomes for all customer groups.

Other themes identified through VOC are closely monitored and are prioritised for deeper analysis should trends emerge. This approach ensures that customer feedback is not only heard but actively shapes our operational priorities and continuous improvement efforts.



Our introducers

Our Board believes that maintaining positive business relationships is crucial to the group's long-term sustainability. Maintaining good relationships with our introducers to business provides us with confidence that we will be able to achieve our lending targets going forward. The introducers we work with, which include mortgage packagers and brokers, are central to ensuring our products are available to a wide range of potential customers.

We continue to develop and streamline our application processes to improve the customer journey for both direct and intermediary customers.

We will continue to identify evolving market trends and emerging market segments where we believe we are well placed to help underserved customers and build successful market positions. By listening to the feedback provided by our customers and introducers, we will continue to enhance our propositions, differentiate our loan offerings and seek to provide excellent service to our customers.

Our suppliers

Suppliers play an important part in supporting our business, in particular our professional advisers and externally sourced IT developers.

Our supplier engagements are clear and open, ensuring that every third-party contract supports our operational transformation goals. Over the year, we have strengthened our procurement capabilities. The regular feedback received from our suppliers helps us to address areas of opportunity and refine our supplier management framework to secure mutually beneficial long-term relationships. As an example, feedback has helped shape our Contract & Supplier Relationship Management (CSRM) Framework which sets out the overall approach to the management of strategic suppliers and critical contracts through an organised process.

In all new appointments, we adhere to ethical standards as set out in our Modern Slavery Statement, which is available on our website, reinforcing our commitment to responsible and ethical sourcing.

In line with the Group's financial delegated authority framework, the Board approves third party supplier contracts that fall outside Executive Committee's delegated authority. The aim is that every enhancement – from digital innovations and customer experience improvements to streamlined introducer collaborations and supplier optimisations – is aligned with our strategic objectives. This robust governance and transparent communication ensure that all customers, introducers and suppliers benefit equally and that our operations continue to support sustainable, long-term growth.

Our achievements and awards

We are proud that both our peers and prestigious industry organisations value and respect what we do, and how we do it. We won an impressive collection of awards during the year, including:

- The City of Manchester Business Awards 2024 for Financial Services Firm of the Year
- Business Desk North West Business of the Year 2024 Award for Large Business of the Year
- Hidden Gems campaign at the 2024 Awards for Marketing Effectiveness award for Most Effective Earned Media Strategy
- YourMortgage Awards 2024 for Best Second Charge Mortgage Lender
- 2025 International Brilliance Awards – Gold Award for our 'Opening Doors since 1974' Campaign (Brilliance in Integrated Campaign Category)
- 2025 International Brilliance Awards – Silver Award for our 'Openings Doors since 1974' Campaign (Brilliance in Marketing Category)
- North West Residential Property Awards 2025 for Development Funder of the Year
- Crystal Specialist Finance Annual Crystal Ball Award for Bridging Lending of the Year (2025)
- CCA Global Excellence Awards 2025 for Best Use of AI and Automation

Stakeholder engagement continued



Our communities and environment

The impact of the company's operations on the community and the environment s.172(1)(d)

We recognise that our decisions extend beyond business operations, shaping both the communities we serve and the broader sustainability of our planet. Upholding our responsibilities under section 172(1)(d) of the Companies Act, we embed sustainability into strategic planning and daily operations.

Through our charity partners, we actively support local communities, deploying £0.9m (2024: £1.0m) in the community during the year. These initiatives not only foster local resilience but also strengthen lasting relationships that enrich the communities we serve.

We take our environmental responsibilities seriously, aligning our efforts with the UK's net zero ambitions. The Board is committed to the Group's environmental targets, receiving regular updates from the Head of Sustainability to track progress.

We believe success is measured not only in financial results but in the positive legacy we create for our communities and our environment.

More insight into our impact on the community and the environment can be found in the Sustainability section.

★ Spotlight on Pensioners' Events

Every December we host a Pensioners' Christmas Lunch that brings together elderly members of our community to help combat loneliness at Christmas.

This event provides our colleagues with the opportunity to serve, listen to and entertain over 150 pensioners, fostering meaningful connections and support. Additionally, this year we hosted our inaugural Pensioner's Afternoon Tea, further reinforcing our mission to enhance community wellbeing and inclusion.



Our regulators

The desirability of the company maintaining a reputation for high standards of business conduct s.172(1)(e)

Our regulated companies undertake lending which is authorised and regulated by the Financial Conduct Authority (FCA).

We adopt an open and transparent approach to regulatory engagement, treating enquiries with priority and following established processes for proactive communication with the FCA. Our Board and management team are dedicated to fostering a culture of excellence through clear goals, robust processes, and the right expertise.

Over the year, we have continued to monitor the regulatory landscape and maintained open and proactive communication with the FCA, including around the progress and customer impacts of our transformation programme.

We continue to engage with the FCA's consultation papers, including in relation to their growth agenda via UK Finance.

The Board and its committees approve policies and procedures that facilitate high standards of governance and compliance in line with regulatory expectations. Where relevant, the divisional Board and committees develop their own policies which are set within the Group's overarching framework to guarantee consistent standards across all business operations. More information can be found in the Board and Committees structure section.

During the year, we continued to apply our Board approved tax strategy which is published on our website.

We continue to embed our Consumer Duty framework and monitor customer outcomes. In parallel with these regulatory commitments, we remain focused on enhancing customer experience. We continually refine our customer contact strategies, implement forbearance tools for borrowers in financial difficulty, support vulnerable customers, and review key customer correspondence. Regular updates on customer engagement are provided to the Board.



Our investors and shareholder

The need to act fairly between members of the company s.172(1)(f)

The Board understands the need to act fairly between members of the Company. Throughout the year, the Group's governance arrangements are regularly reviewed to ensure they continue to meet the requirements of all the Group entities and their respective stakeholders.

Our funding is provided by UK and international banks and financial institutions. We have established some long-standing banking relationships and have built strong relationships with our institutional investors, many of whom invest across a number of our funding facilities. We consider these relationships to be central to the continued success of our business.

The Board remains committed to strategic growth while strengthening our governance framework to navigate the evolving financial and regulatory environment. Our engagement with investors focuses on transparent communication, ensuring alignment with our vision for sustainable growth and responsible lending.

We prioritise open communication with our investors, ensuring they have clear visibility into our financial performance and strategic direction. This strengthens trust through consistent and transparent reporting. Our engagement strategy includes quarterly financial reporting, providing comprehensive updates on revenues, profitability, risks and market positioning. We host interactive investor presentations on our business performance, industry trends and future growth initiatives. We also provide one-on-one investor engagement, conducting direct meetings and discussions with key investors to address concerns and build stronger partnerships.

We also attended a number of conferences throughout the year, including securitisation industry conferences in Europe, North America and Australia as well as high yield and leveraged finance conferences, both virtually and in person.

During the year, we successfully completed an issuance of senior secured notes and several public securitisation issuances. These activities involved engagement with banking partners and investors around the financing needs of the business.

The Board understands the need to foster the Company's relationships with investors and as such we incorporate investor insights and market feedback into strategic planning, ensuring that our strategic direction remains agile, sustainable, and impactful in an ever-evolving financial landscape.

Our shareholder

The Company is a wholly owned subsidiary of Bracken Midco2 Limited, a company whose ultimate parent entity is Redhill Famco Limited, which is ultimately controlled by Henry Moser who sits on the Board. The Board engages with its immediate parent company on various matters including governance and provides Mr Moser with an opportunity to offer his feedback. The Board considers the balance of interests between the shareholder and other stakeholders.

Our private ownership structure provides a long-term stable form of capital, which supports decision making in the interests of long term value creation. More information can be found in the Financial review section.

Strategic report approved by the Board of Directors and signed on behalf of the Board.

Richard Rowntree
Chief Executive Officer

12 September 2025

Our achievement and awards

- Global Capital European Securitization Awards 2025 for Specialist RMBS Issuer of the Year
- Named in the Financial Times List of Europe's Long Term Growth Champions 2025



Chair's introduction and Governance overview

Chair's introduction to Governance

with Mike McTighe



“Building a strong and experienced leadership team with the right culture has been key to the Group’s success, and will remain key to delivering our future plans.”

Mike McTighe
Chair

Embedding good governance provides the foundations for achieving our ambitions as a Group.

Robust governance remains the cornerstone of our continued success and resilience, and we continue to adapt and enhance our governance as our business continues its growth.

To help support our future plans, we have made a number of appointments to the Executive Committee and Board in the year, bolstering an already highly experienced team.

This year, we were delighted to announce the appointment of Richard Rowntree as our CEO, with Richard joining the Board in December 2024, and being responsible for driving the future strategic direction of the Group. In the period prior to Richard joining, Gary Beckett provided support in the interim, taking on additional responsibilities. As previously mentioned, we also appointed Chris Adams to the Board with a promotion to Chief Financial Officer.

In June 2025, Marc Goldberg stepped down from his role on the Board, whilst also announcing his plans to retire in December 2026. Marc will be handing over his other responsibilities in the coming year to allow a smooth transition. There have also been further Executive Committee appointments, which continued into the new financial year.

This sets us up for our next stage as a business, including our investment in our systems transformation. This has been a key focus throughout the year with careful governance to ensure the business continues its lending growth whilst delivering this investment to bring us further future success. The Board has received regular updates through the Board Transformation Steering Committee, allowing agile governance throughout the process.

As we build for the future, the Board remains steadfast in its commitment to upholding high standards of transparency, accountability, and ethical decision-making. Good governance will remain pivotal to ensuring the Group delivers against its strategic ambitions for all our stakeholders.

Governance overview

Effective corporate governance provides assurance that the operations of the Group are successfully managed in the interests of the shareholder and other key stakeholders.

The Group continues to voluntarily adopt the “Wates Corporate Governance Principles for Large Private Companies” as a measure of good practice.

The Board sets the overall governance framework for the Group. This framework is structured to equip the directors of all entities within the Group with the necessary tools to make key decisions. These decisions are crucial for creating long-term value, supporting our sustainability goals, and meeting our legal and regulatory requirements.

The Wates Principles

- 1 Purpose and leadership**
- 2 Board composition**
- 3 Directors' responsibilities**
- 4 Opportunity and risk**
- 5 Remuneration**
- 6 Stakeholder relationships and engagement**

The Wates Principles

Principle	How the principle has been applied during the year
<p>1</p> <p>Purpose and leadership</p> <p>An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.</p>	<ul style="list-style-type: none"> • Our leadership remains committed to responsible, transparent finance that empowers individuals and businesses while reinforcing trust in the financial sector. This feeds into the Group's Strategic Plan approved by the Board. • The Board's ongoing oversight of the transformation programme, through the Transformation Steering Committee, positions the Group for the next phase of growth. The Board recognises that effective delivery of this programme allows us to maximise enterprise value and enhances the Group's ability to navigate a dynamic market with agility for the benefit of our key stakeholders while meeting our regulatory obligations. More information on the Group's strategy and transformation programme can be found in the Strategic report section. • The Board ensures that the appropriate culture, values and conduct are embedded within the Group. Our beliefs empower colleagues to make informed decisions, act with integrity, and contribute to our long-term success, driven by accountability and respect. • The Board sets the tone to encourage colleagues to raise concerns they may have in a safe environment without fear of repercussions. Colleagues receive training on the various channels in place to make such reports. Colleague views are also captured by regular engagement surveys. • Recognising that culture is dynamic and must evolve, the Group has initiated a culture review to assess how effectively its values are reflected in decision-making and desired outcomes. The review involves a comprehensive assessment of the Group's culture. This approach reinforces the Group's commitment to maintaining a culture that is embedded, relevant, and aligned with its long-term strategic objectives.
<p>2</p> <p>Board composition</p> <p>Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.</p>	<ul style="list-style-type: none"> • The Chair leads the Board and facilitates open debate and constructive discussion whilst ensuring that the executive directors receive appropriate challenge. The roles of Chair and CEO are held by different individuals. • The Board has a wealth of experience within the specialist lending sector and benefits from three Non-Executive Directors who provide challenge and bring a range of knowledge and expertise from both the financial services sector and elsewhere. A skills matrix self-assessment is undertaken to assess the skills and capabilities of all Board members. The output of this exercise is reported back to the Board with proposed actions to address any gaps. • During the year, Richard Rowntree was appointed as Group CEO and Chris Adams was promoted to CFO, with both becoming Board members. More information on the composition of the Board, including members' skills and experience, can be found in the Board and committees structure section. • Approval of external board appointments for Directors is reserved for the Remuneration and Nomination Committee, ensuring Directors maintain the capacity to contribute meaningfully to the Group and identify and manage any potential or perceived conflicts of interest. • During the year, the Board participated in targeted training sessions covering a deep dive review of the Autumn budget, developments in employment law and a general economic update, along with training on capital consumption and IFRS 9. In addition, Board members complete relevant colleague e-learning modules, and complete quarterly Continuous Professional Development logs as a record of external training and e-learning activities throughout the year.

Chair's introduction and Governance overview continued

The Wates Principles continued

Principle	How the principle has been applied during the year
<p>3</p> <p>Directors' responsibilities</p> <p>The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision making and independent challenge.</p>	<ul style="list-style-type: none"> • The Chair has overall responsibility for the leadership of the Board, including ensuring its effective governance. The directors owe both fiduciary duties and general duties of reasonable care, skill and diligence. Each director understands their responsibilities as stated in their role profiles and in accordance with the Companies Act 2006. All directors have access to the Company Secretary for guidance and are entitled to obtain independent legal or professional advice on any matter necessary to perform their duties. • There are clear divisions between the role of the Board, its committees and the Executive Committee. The matters reserved for the Board and committee terms of reference are regularly reviewed to ensure clear responsibilities and delegation of authority. • The Board and its committees carry out an annual review of their effectiveness, ensuring duties are discharged in alignment with the matters reserved for the Board, committee terms of reference, and Group policies. This review includes targeted questions evaluating the activities undertaken and assessing overall compliance with governance responsibilities. Detailed information on Board and committee activities throughout the year is available in the Board and committees structure section.
<p>4</p> <p>Opportunity and risk</p> <p>A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.</p>	<ul style="list-style-type: none"> • The Board is responsible for approving the Group's strategy, ensuring it is designed to maximise long-term sustainable success. The Board measures performance against the Group's strategic and financial plans, addressing challenges and creating value by leveraging opportunities. The approval process for the Group's strategy and plans is rigorous. The Board receives insight on key actions identified to drive performance and mitigate risk. More information can be found in the Strategic report. • The Risk Committee operates under delegated authority from the Board on matters of risk management and internal controls. The Risk function provides oversight through measuring and monitoring risk, providing advice and support on risk related matters, tracking actions where required, and performing horizon scanning. More information on the Committee's activities can be found in the Board and committees structure section. • The Group Enterprise Risk Management Framework provides a formalised structure for the risk management of the Group. The Board reviews and approves the risk appetite statements and associated limits and early warning triggers. More information on the principal risks and uncertainties facing the business and risk management framework can be found in the Risk management section.

The Wates Principles continued

Principle	How the principle has been applied during the year
<p>5</p> <p>Remuneration</p> <p>A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.</p>	<ul style="list-style-type: none"> • The Board delegates authority to its Remuneration and Nomination Committee to oversee the colleague-wide remuneration policy, including salary, benefits, pension and other incentive arrangements. The Committee is also responsible for determining individual remuneration packages for Executive Committee members. More information on the activities of the committee can be found in the Board and committees structure section. • The Committee reviews executive remuneration packages to align them to strategic performance, informed through risk assessment, and evaluated using a balanced scorecard approach. The balanced scorecard provides a holistic framework for measuring executive performance and value creation. It equally considers key factors such as operational targets, financial achievements, leadership effectiveness and contributions to the Group's broader objectives, including customer satisfaction, colleague welfare and community impact. • The overall remuneration approach ensures that executive remuneration is fair, transparent and fosters accountability while aligning with the interest of all stakeholder groups. • The Board continues to support closing the gender pay gap and has implemented measures to progress this area.
<p>6</p> <p>Stakeholder relationships and engagement</p> <p>Directors should foster effective stakeholder relationships aligned with the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and considering their views when making decisions.</p>	<ul style="list-style-type: none"> • The Board recognises that effective stakeholder engagement is fundamental to long-term success, and is committed to constructive relations with all stakeholders, taking into account their interests in the decision-making processes. • Through regular colleague surveys, Group Town Halls and weekly newsletters, the Group maintains ongoing engagement with colleagues, and the Board receives an overview of this feedback. This helps to create a collaborative and team-oriented environment that fosters productivity and innovation. More information can be found in the Stakeholder engagement report.

Board and committee structure

The Board

Overview

The Board provides strong leadership within a framework of prudent and effective controls. The Board is responsible for setting the risk appetite and overseeing the delivery of the Group's strategic objectives within that risk appetite.

The Board takes responsibility for approving the Group's vision and purpose, setting the cultural tone from the top, and is collectively accountable for the Group's success.

The schedule of matters reserved for the Board is reviewed on an annual basis and details key matters which should only be decided by the Board. Whilst these matters are reserved for the Board, the Board delegates certain responsibilities and authorities to individuals and Board committees as appropriate. The powers and responsibilities of these committees are defined in their terms of reference, which are subject to annual review.

Agendas for Board and Committee meetings are prepared by the Company Secretary and agreed in advance by the respective chairs. These meetings provide a structured forum for challenging the Group's performance, ensuring alignment with our strategic objectives. Following each committee meeting, chairs formally report back to the Board on key issues, recommendations, and updates on delegated matters.

The Group undertakes regulated residential lending through some of its designated subsidiaries, collectively known as Together Personal Finance (PF), which are authorised and regulated by the Financial Conduct Authority (FCA). PF maintains an independent governance structure, including its own Board and Board committees to oversee regulatory compliance, including compliance with the Senior Managers & Certification Regime (SM&CR).

The PF Board comprises three independent non-executive directors (including the PF chair), one shareholder-nominated non-executive director, and two executive directors (the PF CEO and PF Finance Director). The chair of the PF Board holds a casting vote. The shareholder-nominated director also sits on the Group Board as an executive director. The PF CEO provides regular updates on PF's activities during Group Board meetings, with the PF Chair attending whenever appropriate. More information on the independent governance of the PF division can be found in the Together Personal Finance Limited Annual Report.

There were two changes to the Board during the year. On recommendation from the Remuneration and Nomination Committee, the Board approved the appointment of Chris Adams as Chief Financial Officer and Executive Director on the Board with effect from 1 October 2024. Richard Rowntree was appointed as Group Chief Executive Officer and Executive Director on the Board with effect from 3 December 2024.

Company Secretary

The Company Secretary, supported by the wider Company Secretariat team, is integral to our governance framework, providing expert advice to the Board on governance matters, supporting the Chair and creating an environment where strategic decisions drive sustainable growth and long-term value for the Group. All directors have access to the advice and services of the Company Secretary.

In the course of the year, Andrew Hankin, our General Counsel, assumed additional responsibilities and was appointed as Company Secretary with effect from 3 December 2024 following the resignation of Sarah Blake.

Henry Moser

Executive Vice Chair & Founder

Skills, experience & contribution

- Founder of the business and played a central role in the Group since incorporation.
- Extensive experience of mortgage lending and the property market, built up over 50 years in the sector.
- Keen focus on relationships and people, including the recruitment and retention of executive leadership talent for the Group, whilst developing a pipeline of talent for the future including through our apprentice and graduate programmes.
- Strong interest in community and charitable giving programmes across the Group, dedicating both colleague and financial resource to supporting charity partners.

During the year, Henry made the decision to bring in new leadership to guide the next phase of growth, hiring Richard Rowntree as Group CEO and taking up the role of Executive Vice Chair.

With Richard in place as CEO, Henry is gradually reducing his involvement in the day-to-day operations, although continues to remain strongly committed to the Group's success, with his role moving towards focusing on mentoring the leadership team, Board participation and shareholder support for the strategic vision driven by the Executive team.



1 Gary Beckett
Managing Director and Chief Treasury Officer

2 Marc Goldberg
CEO—Sales and Distribution
Stepped down on 30 June 2025

3 Wayne Bowser
Non-Executive Director

4 Mike McTighe
Non-Executive Director and Chair

5 Richard Rowntree
Chief Executive Officer

6 Chris Adams
Chief Financial Officer

7 Joe Shaoul (Not pictured)
Non-Executive Director

8 Henry Moser (Not pictured)
Executive Vice Chair & Founder

Board and committee structure continued

Committee key

■ Committee Chair

A Audit Committee member

R Risk Committee member

N Remuneration and Nomination Committee member

D Dividend Committee member

Di Disclosure Committee member

T Transformation Steering Committee member

Mike McTighe

Non-Executive Director and Board Chair

N D Di A R T

Appointed to the Board: November 2010

Skills, experience & contribution

- Significant boardroom experience including chair appointments at over 20 public and private companies around the world.
- Successful long-term leadership of the Group, overseeing its growth over multiple economic cycles.
- Detailed knowledge of investor and stakeholder expectations through an extensive network both within the sector and in other fields of expertise.
- Strong focus on ethical leadership and establishing a corporate governance framework which supports the growth of the business through sound decision making.
- Provides a breadth of insight on corporate culture and human resource management.

Mike was appointed Chair in 2010. He brings significant experience to the Board, having held a number of senior executive positions at globally recognised companies such as General Electric, Motorola and Philips. He was on the Board of the UK Communications Sector Regulator, Ofcom, for eight years and was awarded the Grant Thornton UK Chair of the Year award in 2010.

Mike is currently the non-executive Chair of IG Group Holdings plc and Openreach Ltd, the regulated and structurally separate arm of BT Group plc, to which he was appointed as inaugural Chair in January 2017. In July 2023, Mike was appointed Chair of Press Acquisitions Ltd and May Corporation Ltd, the parent companies of the Telegraph Media Group and the Spectator respectively, in order to oversee their sale. In March 2024, Mike was appointed Chair of the Telegraph Media Group to provide senior representation and leadership through the completion of the Department for Digital, Culture, Media & Sport-initiated merger control review.

Wayne Bowser

Non-Executive Director

A R N D

Appointed to the Board: February 2016

Skills, experience & contribution

- Extensive experience in, and understanding of, financial services, including Private Equity.
- Strong background in client relationship management within the banking sector.
- Many years working in senior positions within a regulated environment.
- Previous member of Together's Personal Finance Board providing leadership for the Group's regulated lending business.
- Group Whistleblowing Champion – with several years' experience of addressing colleague concerns in line with the Group's Whistleblowing Policy.

Wayne joined Together in 2015 and was appointed to the Board in 2016 as a non-executive director and Chair of the Audit and Risk Committees. Wayne has over 20 years of executive management experience, including Deputy Head of Commercial Banking at HSBC, and has held non-executive directorships at various leading firms in sectors including house building, motor dealership and private equity investors.

Joe Shaoul

Non-Executive director

**Appointed to the Board:** April 1997**Skills, experience & contribution**

- Continuity of leadership for the Group across three decades.
- Strong understanding of the economic environment in which the Group operates and leveraging extensive expertise gained across multiple economic cycles.
- Strong focus on stakeholder relationship management.
- Outstanding commercial acumen.

Joe has been a non-executive director on the Board since 1997. Besides bringing continuity to the Board's membership, he also brings significant experience, having held a number of directorships and consultancy positions. These roles have included Chair of Atlantic House Fund Management, acting as a consultant to CB Richards Ellis and for Svenska Handelsbanken, and as a partner at a large Manchester-based law firm for many years. Joe was also a non-executive director of Bridge Insurance Brokers Limited and UK Land & Property Limited.

Richard Rowntree

Chief Executive Officer

**Appointed to the Board:** December 2024**Skills, experience and contribution**

- Leadership and executive committee roles across numerous UK banks.
- Expert knowledge and experience of the UK mortgage market as well as the specialist lending sector.
- Skilled in creating conditions to build high performing teams, nurture talent and create cultures where people can reach their full potential.
- Strong breadth of knowledge across business operations.
- Passionate advocate for increased social mobility and diversity within the finance industry as well as addressing the societal issues that influence home ownership.

Richard joined Together in November 2024 as Group Chief Executive Officer with three decades of experience in the financial services industry, and was appointed to the Board in December 2024. He leads the executive team to deliver Together's business strategy and commercial priorities as he guides the future direction of the Group.

Richard brings extensive leadership and executive committee experience from a career spanning senior roles at six major UK banks including Managing Director of Paragon Banking Groups' mortgages division. Richard's retail banking career has seen him specialise in the Mortgage sector, serving as chair of UK Finance Mortgages Product and Service Board, which represents 300 firms in the financial services industry.

In 2023, Richard was awarded the Freedom of the City of London following his work to promote socio-economic diversity and inclusion in the financial services sector. He has held positions as an Advisory Board Member to the City of London Corporation for Socio-Economic Taskforce and Non-Executive Director of Progress Together, a non-profit membership body seeking parity for employees regardless of socio-economic background.

Board and committee structure continued

Marc Goldberg

CEO – Sales and Distribution

Appointed to the Board: March 2001

Resigned from the Board: June 2025

Skills, experience & contribution

- Extensive experience in the commercial mortgage lending market.
- Valued member of the Group's senior leadership since 1997.
- Customer and partner relationships built up over many years.
- Keen focus on wellbeing and making decisions which support our colleagues.

Marc has been with the Company for more than 35 years. He joined as an Office Junior in 1989 and has worked in various roles within the business including Underwriting and Product Development Manager, Group Sales Director, Group Commercial Director, and Commercial Finance Chief Executive Officer. Marc was appointed to the Board in 2001, taking responsibility for building Together's brand across the industry. Since becoming a member of the Group Executive Committee, Marc has continued to lead and shape the business.

In 2023, Marc assumed the role of Chief Executive Officer of Sales and Distribution, overseeing the sales activity across the Group. Marc is a passionate customer champion, helping Together meet its ambitions whilst delivering the right outcomes for customers, business partners and colleagues. Marc is a passionate and enthusiastic contributor to Together's charitable 'Our Communities' programme, overseeing the Group's financial and voluntary support for local and national causes. He is renowned for his commercial acumen and his commitment to the industry.

Marc recently announced his plans to retire in December 2026, and stepped down from the Board on 30 June 2025. Marc has commenced handing over his responsibilities as part of his wider role to ensure a smooth transition.

Gary Beckett

Managing Director and Chief Treasury Officer



Appointed to the Board: June 2000

Skills, experience & contribution

- In-depth experience in financial reporting and analysis, asset and liability management, raising finance through debt capital markets, and developing and executing a funding strategy to support the growth of the business.
- Detailed understanding of the specialist lending sector and of the Group, its markets, its operations and its colleagues.
- Appointed director of all the Group's subsidiary entities, and Non-Executive Director of the Group's regulated division, Together Personal Finance.
- A breadth of knowledge of the Group's operations, having served multiple roles within the business including Chief Financial Officer, Chief Operations Officer, Head of Human Resources and interim CEO Designate.

Gary joined Together in 1994 and was appointed to the Board in 2000; he was appointed Group Chief Financial Officer from 2001 to 2018. Gary, a chartered accountant, assumed the role of Managing Director and Chief Treasury Officer in 2018 and as interim CEO designate from March 2024, prior to the appointment of Richard Rowntree as Group CEO in December 2024. Gary continues to assist the Group CEO and Executive Vice Chair in helping to drive the strategy for the business and promote effective collaboration across the Group, whilst continuing to play a leading role in Treasury activity.

Gary has over 30 years' experience managing finance and treasury functions and, prior to joining Together, he worked at a national accountancy practice.

Gary is also vice chair of our DEI committee and is passionate about creating an inclusive workplace where everyone has an equal opportunity to succeed.

Chris Adams
Chief Financial Officer



Appointed to the Board: October 2024

Skills, experience & contribution

- Experienced finance professional with a track record of building and leading effective teams across a range of financial services.
- Broad finance and financial services experience including financial risk and balance sheet management, strategic and financial planning, corporate reporting, risk and control, and taxation.
- Regular attendee at Group Board Risk and Audit Committees.

Chris is a chartered accountant and a Fellow of the ICAEW, with experience in both industry and accounting practice. Chris joined Together in 2017, holding various roles within Finance including Group Financial Controller and Group Finance Director. He joined Together from Co-op Bank, where he gained further experience in prudential regulation and financial risk management. Earlier in his career, Chris specialised in financial services at Deloitte, working across audit and assurance, M&A and securitisation teams in both the UK and Australia.

Andrew Hankin
General Counsel and Company Secretary

Appointed: March 2025

Skills, experience & contribution

- Experienced legal professional who has built the Group Legal team at Together.
- Trusted advisor to the Board and management team on Legal and governance related matters.
- Regular attendee at Group Board, management and committee meetings.

Andrew is a qualified lawyer with over 20 years of experience across the Financial Services sector both in industry and previously in private practice. He joined Together in 2016 from the Co-op Bank as Senior Legal Counsel and has since progressed to General Counsel, more recently also assuming the position of Company Secretary with a wider remit for Legal and Governance related activities across our Group Legal and Company Secretariat teams. In the early part of his career, Andrew specialised in Real Estate Finance and Restructuring matters in the London office of Addleshaw Goddard LLP.

Board of Directors

The Board members during the year were as follows:

Board members	Appointed	Resigned
Henry Moser Executive Vice Chair and Founder	June 1994	
Mike McTighe Non-Executive Director and Chair	November 2010	
Wayne Bowser Non-Executive Director	February 2016	
Joe Shaoul Non-Executive Director	April 1997	
Richard Rowntree Chief Executive Officer	December 2024	
Marc Goldberg CEO – Sales and Distribution	March 2001	June 2025
Gary Beckett Managing Director and Chief Treasury Officer	June 2000	
Chris Adams Chief Financial Officer	October 2024	
Sarah Blake Company Secretary	May 2018	March 2025
Andrew Hankin General Counsel and Company Secretary	March 2025	

Board and committee structure continued

Board activity during the year

The Board meets at least six times per year. The following section outlines the key activities undertaken.

In addition to the ongoing oversight activities performed by the Board during the year, the Board considered the following topics and took the following key decisions:

Q1**1 July 2024 –
30 September 2024**

- Approval of drawdowns from the Transformation Programme budget to fund programme work.
- Approval and oversight of the Groups Sustainability and DEI strategy.
- Approval of the Operational, Conduct & Compliance Risk Management Target Operating Model.
- Oversight of regulated loan structures and approval of unregulated loan structures.
- Approval of the Annual Report and Accounts. Review and approval of Group policies and assurance sought of the internal control framework.
- Approval of the appointment of Chris Adams as Chief Financial Officer and Executive Director with effect from 1 October 2024.
- Annual review and approval of the delegation of authority to the Group Executive Committee and Transformation Steering Committee.
- Annual review and approval of the delegation of authority for signing contracts and legal documents.
- Oversight of the strategic plan and consideration of the infrastructure, resources and governance required to support the achievement of the plan.

Q2**1 October 2024 –
31 December 2024**

- Approval of the revised funding plan.
- Approval of the appointment of Richard Rowntree as Executive Director with effect from 3 December 2024.
- Approval of the revised transformation plan and programme spend, in addition to further drawdowns on the transformation programme budget.
- Approval of the Groups tax policy and strategy.
- Oversight of the strategic plan and consideration of the infrastructure, resources and governance required to support the achievement of the plan.
- Deep dive review of budget, employment law and general economic update.
- Consideration of the proposed approach to the 2024/2025 Board training programme.

Q3**1 January 2025 –
31 March 2025**

- Annual review and approval of the delegation of authority to the PF Board.
- Oversight of the strategic plan and consideration of the infrastructure, resources and governance required to support the achievement of the plan.
- Approval of the delegation of authority for signing contracts and legal documents.
- Oversight of the Groups alignment with FCAs 5-year strategy to support growth and improve lives with four priorities.
- Approval of building expenses for the improvement of the office buildings.
- Approval of the appointment of Andrew Hankin as the Group Company Secretary with effect from 13 March 2025.

Q4**1 April 2025 –
30 June 2025**

- Approval of the Corporate Strategy and 5-year business plan. More details on the strategy can be found on page 13.
- Approval of the Groups Financial budget and review of internal forecasts.
- Approval of the annual lending plan.
- Approval of the annual funding plan.
- Oversight of the PF financial budget and strategic plan.
- Consideration of the output from the annual review of Board effectiveness.
- Approval of Board Committees' Terms of Reference.

The following topics were also dealt with throughout the year:

- Oversight of the Group's culture, including consideration of colleague engagement, training and development.
- Oversight of capital management and allocation.
- Oversight of key contracts and expenditure.
- Oversight of changes in the legal and regulatory landscape.
- Oversight of the transformation programme.
- Approval of new, amended or extended funding facilities.

In addition, the CEO's reporting to the Board provided regular updates on:

- ✓ **People Strategy**
- ✓ **Profitability and growth initiatives**
- ✓ **Culture**
- ✓ **Regulatory Outlook**



Board and committee structure continued

Board Committees

Audit Committee

The Audit Committee meets at least four times a year and operates under delegated authority from the Board to oversee the Group's statutory financial reporting, the effectiveness of its internal controls and risk management, the Group internal audit function and the relationship with the external auditor. There were no changes to the membership of the Committee during the year.

The committee oversees the performance and appointment of the Group's external auditor, and recommended their reappointment for the financial year ending 30 June 2025. The committee also reviewed the external audit plan for the year ending 30 June 2025. During the year, the committee managed the transition of the external audit partner following the end of the outgoing partner's five-year term. The external auditor attended each committee meeting, and the chair of the committee had ample opportunity to meet with the audit partner outside of formal committee meetings.

The committee oversees and reviews the effectiveness of the Group's Internal Audit function. The committee approved the annual Internal Audit plan for the year ending 30 June 2025 as well as the functions budget and its proposed resource. During the year, the committee has received regular reports from the Group Chief Audit Officer (CAO) setting out the results of assurance activity, proposed changes to the approved Internal Audit plan and any subsequent impacts to resource. Significant findings and themes identified have been considered by the Committee, alongside Management's response and the tracking and completion of outstanding actions. The Committee regularly monitors whether Internal Audit has delivered its reports in accordance with the agreed plan and to the expected standard.

This year the function's work has also included assurance over the Company's Transformation Programme, and the audit plan for the year ended June 2026 seeks to continue this work, with a specific assurance plan on the delivery of Transformation, supported by an External Co-source provider, being approved by the Audit Committee in May 2025. The Group CAO also carries out an annual review of the effectiveness of Together's system of internal control and reports and has presented this to the Committee. The opinion of that report supports the Board's review of the organisation's risk management and material controls and highlights any areas of concern identified in the period.

During the year, the Chief Audit Officer presented the output of the function's self-assessment analysis on the new IIA Global Standards and the UK IIA Financial Services Code to the Audit Committee which concluded that the function was well-positioned for a seamless adoption of the new IIA Global Standards. In June 2025, the Group Internal Audit function were awarded "Outstanding Team – Financial Services Sector" by the Institute of Internal Auditors in their Annual Audit & Risk Awards.

The Committee regards the Internal Audit function to be independent and effective.

During the year, the committee undertook its annual review of the "Group Whistleblowing Policy" to ensure that the process for colleagues to raise concerns about misconduct and unethical practices remains effective. The Chair of the Committee continues in the role of Group Whistleblowing Champion. A co-whistleblowing champion has also been appointed to support the Chair.

Non-Audit Services

The Group's non-audit services policy governs the provision of non-audit services by the external auditor and limits the amount of non-audit fees paid to the external auditor.

The provision of any non-audit services requires prior approval from the Committee and the Committee monitors the non-audit services to ensure it remains within the agreed cap. The policy aims to ensure that the external auditor maintains objectivity and independence in their role; it aligns with best practices in corporate governance and helps to safeguard the integrity of the audit process.

During the year, the only non-audit services that the Group engaged the external auditor on were the interim reviews of the quarterly condensed consolidated financial statements and the comfort letter in relation to the issuance of the senior secured notes, which are classified as non-audit services but in both cases are required to be performed by the external auditor.

Risk Committee

The Risk Committee, operating under delegated authority from the Board, meets at least four times a year to oversee risk management and internal controls.

The committee advises the Board on current risk exposures and the group risk strategy, ensuring that robust control systems are maintained through regular updates from both first and second lines of defence. The committee also ensures that management develops policies and strategies for long-term sustainability and fosters a culture of effective risk management. Specific responsibilities are delegated to the executive risk committee, supported by the asset and liability and credit risk oversight committees.

During the year, the committee remained focused on a number of key areas including; credit risk, with the committee supporting improvements to arrears management; financial risk, including managing interest rate exposures; and operational risk, including focus on cyber risk given recent high profile cyber attacks on retailers.

The committee continued to be involved in integrated risk oversight for our transformation programme, evaluating potential risk exposures associated with the ongoing project, and emphasising critical areas requiring heightened scrutiny. More information on risk management can be found at page 81.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee, operating under delegated authority from the Board, meets at least three times a year. It has responsibility for approving the Pay and Reward Policy, setting remuneration packages for the Executive Committee members and determining budgets for colleague incentive schemes. It is also responsible for recruiting potential new members of the Board and reviewing succession plans for Executive Committee roles.

Additionally, the Committee is responsible for ensuring that remuneration budgets align with the Group's financial goals and performance objectives and that incentive schemes are fair, transparent and aligned with the Group's overall remuneration strategy. During the year, the Committee approved the approach to the pay review and annual bonus payments, and a base salary increase for eligible colleagues, taking into account economic conditions, cost-of-living pressures, and inflation.

The Committee reviews the skills, knowledge and experience of the Board to assess their appropriateness for the Group and approves the approach to the Board and Committee effectiveness review which collates feedback on the performance and capabilities of key individuals and functions. During the year, the committee reviewed the Board and Committee chair role profiles, to align them with the requirements of the respective committee terms of reference.

On recommendation from the Committee, a number of Board appointments were made during the year. More information on changes to Board membership during the year can be found in the Board and committee structure section. The Committee has also been focussed on the recruitment of additional members to the Executive Committee, including the Chief People Officer, Chief Marketing Officer and Chief Operating Officer roles.

The Committee monitors the annual Gender Pay Gap Report, its supporting analysis and recommended actions.

It also monitors the approach to diversity, equity and inclusion within the organisation, recognising the importance of having a diverse and inclusive workforce and that appropriate strategies and initiatives are in place to promote diversity at all levels. More information on our diversity, equity and inclusion strategy can be found in the Sustainability section.

Disclosure Committee

The Disclosure Committee operates under delegated authority from the Board, to review and approve public disclosures, and to consider matters which may require public disclosure in accordance with applicable market abuse regulations.

Dividend Committee

The Dividend Committee operates under delegated authority from the Board, to approve the payment of interim dividends and recommend the payment of final dividends to the Board, taking into account the financial position of the group and other factors. The committee also reviews and approves the dividend policy annually.

Transformation Steering Committee

The Transformation Steering Committee is a combined committee of the Group and PF Boards, which includes representatives from both businesses and is chaired by Jon Hogan, non-executive director from the PF Board. The committee operates under delegated authority from both Boards, ensuring the successful delivery of the Group's transformation objectives in line with approved budgets.

The Committee meets weekly to review programme progress, approve key decisions, including budget drawdowns, statements of work and tooling selections, and addresses emerging challenges. It also holds a formal monthly meeting to challenge key project deliverables, seeking Board approval where required. The Committee provides strategic oversight and governance for the Transformation programme and its integration with related initiatives. It ensures delivery remains aligned with business objectives, manages risk, and oversees vendor performance.

Transformation governance is supported by structured decision-making, with formal approvals and escalation routes to the Group and PF Boards. The Committee relies on input from assurance partners and internal reviews from third-line and Executive feedback to shape its decisions, balancing technical, operational and strategic perspectives to ensure robust outcomes.

The Committee also monitors business readiness, capacity planning, and change management, with the aim of limiting business disruption as the transformation programme is delivered. It supports initiatives to create capacity for programme delivery, increased focus on managing business change requests, and secondments. This governance framework enables agile responses to risks and maintains alignment with the Group's strategic objectives.

Board and committee structure continued

Other Governance Committees

Executive Committee (ExCo)

The ExCo is chaired by the Group CEO and meets monthly. It has oversight of business operations and responsibility for delivery in line with the strategic plan and in accordance with risk appetite and applicable regulation. It fosters a strong culture of conduct and compliance, aligning with business goals and driving positive outcomes for customers and colleagues.

Acting within its authority, the ExCo assists the Group CEO in fulfilling his responsibilities effectively. It monitors financial and operational performance, addresses performance deviations and escalates critical matters to the Board when necessary. The ExCo strengthens the control environment, promotes a customer-focused culture, and upholds the Group's values. It also monitors key business plans, policies, and strategies – including those related to sustainability, diversity, and inclusion. It ensures robust governance and allocates resources to support the Group's long term success.

Under the leadership of the Group CEO, the ExCo has been focused on developing the Group's corporate strategy and five year business plan. More details on the strategy can be found in the Strategic report section.

There have been a number of appointments to ExCo during and post the year end in order to further strengthen the management and leadership of the Group. Candice Lott joined as Chief Marketing Officer in June 2025, Dave Sutherland as Chief Operating Officer in July 2025 and Cheryl Brough as Chief People Officer in August 2025.



Executive Committee Activity

Q1

1 July 2024 –
30 September 2024

- Development of a detailed corporate strategy and budget for Board approval.
- Approval of the delegation of authorities to the Groups sub-committees.
- Consideration and recommendation of the Group Sustainability and DEI strategy and associated targets to the Board.
- Review, approval and recommendation of unregulated products and loan structures.
- Recommending the Funding Plan to the Board for approval and challenge of treasury financing transactions.
- Monitoring arrears and recoveries throughout the loan book.
- Setting objectives enabling the successful delivery of the business plan.
- Oversight of operating and financial performance.
- Approval of capital and operational expenditure.

Q2

1 October 2024 –
31 December 2024

- Consideration and challenge of financing transactions.
- Consideration and approval of updated plan for the transformation programme.
- Consideration and challenge of organisational changes.
- Consideration and approval of the DEI FY2025 action plan.

Q3

1 January 2025 –
31 March 2025

- Consideration and challenge of financing transactions.
- Consideration and recommendation of new products for Board approval.
- Consideration and recommendation of the office building enhancement project for Board approval.
- Approval of material business contracts in line with the delegated authorities framework.

Q4

1 April 2025 –
30 June 2025

- Review and recommendation of the refreshed strategy and five year business plan. More details on the strategy can be found on page 13.
- Review and recommendation of the Groups financial budget and review of internal forecasts.
- Review and recommendation of the annual lending and funding plans.
- Oversight of emerging corporate opportunities and growth initiatives in line with the Groups strategy.
- Oversight of in-life customer communications.
- Oversight of the transformation programme and consideration of programme requests.
- Review and refresh of our strategy including considering the external environment, competitive landscape, lending strategies, current and future capabilities, our technology transformation and our future direction.

Directors' report

The directors present their report for the year ended 30 June 2025. Certain information required to be included in a directors' report can be found in the other sections of the Annual Report, as referenced below and in each of the sections that follow. All of the information presented in these sections is incorporated by reference into this Directors' report and is deemed to form part of this report.

The Group's principal activity continues to be the provision of mortgage finance secured on property and land within the United Kingdom. The directors do not expect any significant change to the activities of the Together Financial Services Limited group of companies, trading as Together ('the Group').

Results

The results for the year are set out in the consolidated statement of comprehensive income. The profit before tax for the year ended 30 June 2025 was £190.6m (2024: £194.0m). A full review of the financial performance of the Group is included within the Financial review and commentary on the Group's future outlook is given in the Strategic report.

Financial position

As shown in the consolidated statement of financial position, loans and advances to customers net of impairment provisions have increased by 7.2% to £7,894.3m (2024: £7,363.9m). At the same time, shareholders' funds have increased by 4.7% to £1,213.4m (2024: £1,159.2m), including shareholder loans and notes of £24.9m (2024: £22.8m). This includes dividends paid of £65.4m (2024: £65.7m) during the year. No further dividends are proposed.

Full reviews of the Group's financial position and funding and cash position are included within the Financial review and the Operating review.

A description of the Group's exposure to its principal risks, along with risk management objectives and policies, is included within the Risk management overview.

Employee engagement

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and internal publications. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

Further detail of the Group's engagement with its employees is provided in the Stakeholder engagement report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training and suitable arrangements are made. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Environment

The Group recognises the importance of protecting the environment, and acts to reduce its impact by recycling and reducing energy consumption. During the year, the Group has further developed our sustainability strategy, which is detailed further within the Sustainability section.

Under the Companies (Directors' report) Regulations 2018, the Group is required to comply with the Streamlined Energy and Carbon Report (SECR) reporting framework to disclose energy use and associated greenhouse gas (GHG) emissions; this is set out in detail in the Sustainability section.

The Companies (Strategic report) (Climate-related Financial Disclosure) Regulations 2022 remain mandatory for the Group as a large private company. The relevant disclosures are included in the Climate report.

Statement of going concern

As set out in the Statement of Directors' Responsibilities, the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation for a period of at least 12 months from the date of this report.

The directors have assessed, in the light of current and anticipated economic conditions, the Group's ability to continue as a going concern for a period up to 12 September 2026, which is 12 months from the date of signing this report. Further detail of this assessment is set out in Note 2 to the Financial statements.

The directors are satisfied that the Company and the Group have adequate resources to continue in operation for the going concern assessment period. Accordingly, the directors have adopted the going-concern basis in preparing these accounts.

Directors

All directors listed below have served throughout the year and to the date of this report, unless otherwise indicated:

Mike McTighe*

Non-Executive Director and Chair

HN Moser

Founder and Executive Vice Chair

Richard Rowntree (appointed 3 December 2024)

Chief Executive Officer

Chris Adams (appointed 1 October 2024)

W Bowser*

MR Goldberg (resigned 30 June 2025)

JM Shaoul*

GD Beckett

* Non-executives.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

Charitable donations

During the year, the Company made donations of £766,771 (2024: £798,782) to charities.

Other charitable deployment including colleague donations and volunteering is disclosed in our Alternative performance measures appendix.

Political donations

During the year neither the Group nor the Company made any political donations.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst and Young LLP will therefore continue in office.

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- as far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any audit information and to establish that the Company's auditor is aware of that information.

This statement is given and should be interpreted in accordance with the provisions of s418 (2) of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.



Richard Rowntree

Chief Executive Officer

12 September 2025

Statement of Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Parent Company financial statements in accordance with UK adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit of the Group and the Company for that year.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK adopted international accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company and Group financial position and financial performance;
- state whether UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and the Group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report and corporate governance statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Risk management overview



“Our focus is on protecting our customers, people, and business, whilst achieving our strategy. The risk function influences the business to make informed decisions based on appropriate risk assessments, advocating a strong culture and robust governance arrangements to achieve this.”

Julie Twynholm
Chief Risk Officer

A strong risk culture is a key enabler for our ambitious plans. This ensures we can highlight the inherent uncertainties, opportunities and threats in our plans and safely navigate through these so that all of our stakeholders can unlock their ambitions. Risk management is vital to allow us to continue realising ambitions for all our stakeholders.

With the current levels of geopolitical risk and technological disruption, it is critical that we can identify, assess and manage the key risk exposures we face so that we can support the business in continuing to succeed and flourish.

As a business we are always evolving our approach to risk management to ensure this remains proportional to the environment and the ambitions of the business, helping to navigate through geopolitical, economic, regulatory and technological changes whilst seeking out the opportunities that are presented.

Our focus this year has been supporting the business to design, build and test our new systems effectively whilst managing the inherent risks borne from our BAU activities and enabling effective risk-based decisions to be made that satisfy our key stakeholder groups.

The principal risks that the Group faces are those that it is inherently exposed to and those which management believe could significantly impact the achievement of the Group's purpose and vision.

The principal risks are listed below:

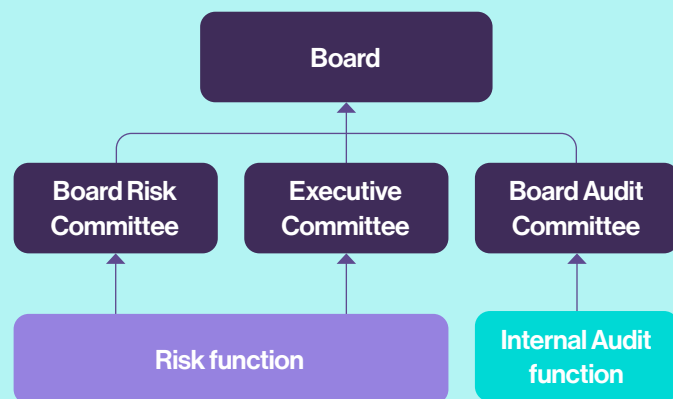
- 1 Strategic risk**
[Read more on page 85](#)
- 2 Credit risk**
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- 3 Liquidity risk**
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- 8 Conduct risk**
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- 9 Compliance risk**
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Risk management overview continued

Risk governance

The Group's risk governance structure allows the appropriate level of oversight and management of the Group's risk, whilst delegating different levels of responsibilities to create a strong risk culture across the business.

Three lines of defence model



Further information on the Group's risk governance structures is included in the Governance report on page 73.

First line

Senior management within the Group, including the Group Executive, are responsible for the management and execution of the operations of the business in alignment with the Group's strategy and within the risk appetites set by the Board.

Their role is to identify, own, and manage risks within the areas they are responsible for, including executing risk and control self-assessments (RCSAs), embedding the enterprise risk management framework (ERMF), and maintaining effective internal controls. They are also involved in guiding the development, implementation and monitoring of internal risk policies and procedures.

Second line

The Risk function, alongside the Legal function, operates independently from the first line.

Their role is to assess and oversee the risk profile of the Group in accordance with the Board-approved risk appetites across level one risks. This is achieved through the design, implementation and operation of the ERMF.

The Group Risk function also provides assurance over key business risks, working collaboratively across all three lines, as well as providing specialist advice in areas such as financial crime, information security and climate risk.

Third line

The Internal Audit function operates as the third line, reporting independently into the Audit Committee.

Their role is to review and report on the appropriateness, adequacy and effectiveness of internal processes, systems and controls, with an internal audit plan that maps to the Group's key risks. This includes providing the Audit Committee with independent and objective assurance regarding the robustness of the risk management frameworks.

The internal audit function also provides advisory engagements across different areas of the business.

Enterprise risk management framework

The Group is exposed to a variety of risks in pursuing its strategic objectives. To identify and manage these risks the Group utilises an enterprise risk management framework (ERMF).

The ERMF is designed and implemented in a way which is considered appropriate for the nature, scale and complexity of the Group and to be responsive to changes in the external environment. It provides the necessary organisational arrangements for managing risks in a consistent and structured manner and sets out how this is governed.

Risk universe

In pursuing its strategic objectives, the Group is exposed to a variety of risks. The risk categories in the Group's risk universe are defined at level one and level two, each with a risk appetite and definition. The level one risks align to those included within our Principal risks and uncertainties section on page 85.

Risk culture

Management recognise the importance of risk culture in embedding the ERMF and, therefore, ensuring intelligent risk-based decisions are made. The Group's risk culture is built on the following elements:

Effective communication

Having a clear and consistent risk message articulated in the Group's values of "Doing the right thing", "Being accountable" and "Respect for people"

Accountability

Active management of risks and use of timely management information to facilitate effective risk decisions.

Establishing expected colleague behaviour through the conduct risk framework.

Incentives

Providing colleagues with a clear vision and outlining expected behaviours.

Ensuring that remuneration and awards have sufficient focus on quality as well as quantity.

Risk appetite

The Group's risk appetite, which is approved by the Board, is the amount of risk that the Group is willing to accept in pursuit of its strategic objectives.

The management of the Group's risk appetite is a dynamic process and is refreshed as appropriate to reflect changes in the environment in which the Group operates.

Risk policy framework

The risk policy framework sets out the policy requirements for monitoring and managing the Group's principal risks. Executive members are accountable for the policies assigned to them, with each policy setting out the approach to managing each risk whilst also including the requirements on monitoring and reporting.

ERMF management


Each area of the business is responsible for embedding and applying the ERMF, which includes identifying, assessing and reporting on risks, assessing the effectiveness of the control environment and tracking actions against risks.

In order for the ERMF to be effective, it is underpinned by:

- a Board- and senior management-led culture;
- appropriate organisation structures and processes; and
- clear communication and relevant training to all colleagues on management of risks.

Emerging and evolving risks

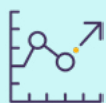
Emerging and evolving risks are current or future risks that contain uncertain or unpredictable components which have the potential to impact the future performance of the Group. These are assessed on a regular basis and are monitored by the Group's Board Risk committee.

Emerging and evolving risk	Risk overview	Management and response
 <p>Macroeconomic and geopolitical uncertainty</p>	<p>The UK macroeconomic outlook is very uncertain with domestic fiscal constraints and a continued lack of growth in the UK economy now being exacerbated by the announcement of worldwide tariffs by the US and the subsequent uncertainty in financial markets as a result. It remains unclear how this will play out in the long term and the impact that this will have on UK growth and interest rates in the short to medium term.</p> <p>There is also heightened geopolitical uncertainty including conflicts in Ukraine and the Middle East which could have an impact on commodity prices, leading to potential higher inflation and interest rates.</p>	<p>The Group uses scenario planning to factor economic uncertainty into its forecasting, risk appetites, and expected credit loss models. This uses latest macroeconomic data and forecasts across a number of scenarios that are then used in stress testing and contingency planning to allow the business to make the right decisions based on different scenarios should they occur. Enhancements made in the prior year still remain through our cost-of-living affordability stresses for customers which factor in things like higher interest rates, and increased costs as a result of inflation.</p> <p>The Group has a long track record of weathering periods of macroeconomic and political uncertainty, such as the 2008 global financial crisis and the 2020 pandemic, which demonstrates the resilience of its business model and the importance of maintaining its set of key risk management principles.</p>
 <p>Transformation</p>	<p>We are undertaking a significant investment in transformation, including in our technology infrastructure, to provide a more scalable and resilient platform that enables us to meet our strategic ambitions.</p> <p>Refer to the 'Investing in transformation' section within the Strategic report for further details on our transformation programme.</p> <p>There are a number of material risks and uncertainties inherent in undertaking such a significant programme, which could impact the timescales for delivery, the programme spend, the scope of what will be delivered on Day 1 and the businesses readiness to commence using the new systems and processes. Undertaking such a significant programme of work also places increased demands on business resources, which if not mitigated appropriately could impact business as usual activities, and any programme delays could extend the impacted period for this.</p>	<p>We are proportionally investing in key governance, oversight, advisory and assurance activities to identify project and business risks, implement adequate and effective mitigating controls and determine proportional treatment plans. This will support the timely delivery of the programme, the management of costs within budget and completing the defined scope without worsening current risk exposures. We are also using a combination of internal and external assurance to independently monitor the effectiveness of the programme's risk management.</p> <p>The programme is overseen through a dedicated Board-led governance arrangement to enable effective challenge and support, whilst the external assurance will be supported by internal assurance activities and risk assessments to support Executive attestations and Go/No Go decision making.</p>

Emerging and evolving risk

Risk overview

Management and response



Operational resilience

As part of our transformation programme, we will be increasing our reliance on third-party suppliers and their systems to support our key business activities. This could increase the Group's exposure to resilience risk whereby key activities are reliant on fewer but more critical third parties, systems and services, however also allows us to benefit from the additional ongoing support that third parties can offer to maintain and upgrade systems.

The ever-evolving cyber threats, particularly in light of increased aggression from cartel-like groups utilising new AI technologies, present an ongoing threat that needs to be continuously monitored and adapted to, such as the new trend observed in recent high profile attacks on large retailers.

To mitigate this we are continuously assessing and enhancing our key controls to ensure we are resilient to the various threats we are exposed to. Our key focus is on maintaining our ability to: oversee and manage third parties, monitor and maintain our key systems and services, protect our data and systems from vulnerabilities, processing errors and the evolving cyber threats that emerge, and ensuring we have the ability to identify, respond to and recover from availability and performance issues that may arise whilst minimising the impact on our key stakeholder groups.



People risk

Our colleagues continue to be a key strategic enabler of our business model, given our focus on common-sense lending driven through customer relationships, there is a risk of over-dependence on some core colleagues to develop our systems, operate our activities and maintain our key relationships.

To continue to manage this, our move to our new loan platform and data systems through our transformation programme is being used to conduct knowledge transfers to mitigate this over-dependence, whilst our ongoing commitment to investing in our people through our value proposition and development programmes will mitigate any risks to our ability to attract and retain the talent we need.



Regulatory change

The Consumer Duty regulations came into effect in 2023, with the FCA continuing to assess market implementation as businesses embed this within their processes and governance.

Failure to comply with changes in regulation could result in fines, reputational damage and the potential revocation of regulatory permissions.

The Group monitors changes in regulation as they have the potential to impact the way we operate. Staying on top of regulatory change is also in line with our commitment to deliver good customer outcomes.



Climate risk

Climate change and society's response to it presents risks which impact the Group's ability to achieve its objectives. These risks are considered cross-cutting, as they have the potential to influence multiple risk categories across the organisation, including financial, credit, operational, strategic, and reputational risks.

The risks arise through two primary channels: the physical effects of climate change and the impact of changes associated with the transition to a lower carbon economy.

Climate risk is an ongoing risk and a continued area of focus for the Group. The impact of climate risk on the Group's policies, customers, markets and products will be closely linked to the UK Government's policies on the transition to net zero and how other financial institutions embed climate risk in their business models.

Refer to the Climate report for further details.

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.

Each principal risk listed below is discussed in further detail throughout the remainder of the report.

1 Strategic risk

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

Management and mitigation

- Regular Board oversight of the Group's strategy, including monitoring of financial and non-financial performance metrics and alignment of objectives.
- Developing succession planning and continuing to focus on our colleagues.
- The transformation and service modernisation programmes are expected to ensure that business processes are more efficient and scalable whilst being better controlled through having more automated, preventative and in-process controls including by design, which in turn enables the business to achieve economies of scale that support our strategic objectives.
- Maintain a prudent statement of financial position, with diversity of mix and tenor of funding structures, and closely monitored gearing levels.

- Sensitivity and stress testing analysis are carried out against the loan book and business plans, in order to monitor our ability to deliver on our strategic objectives and to respond appropriately to the changing external environment. As part of this we:
 - performed a strategic refresh, looking at external perspectives, changing competitive landscapes and societal changes that have set our direction for the future and led to the Group's refreshed strategy;
 - performed the annual budget process and regular reforecasts to support in the making of informed business decisions to achieve our strategic objectives, whilst responding to a changing environment.

Direction and travel

Increased

The geopolitical environment has been somewhat unstable in the year following the announcement of tariffs by the US government and the continuing conflicts in Ukraine and the Middle East, which could have impacts on the UK's economy. Although the UK has agreed a trade deal with US following the tariff announcements, the UK economy continues to experience some challenges with low growth and productivity and increasing unemployment.

Inflation continues to be above the Bank of England's target, although lower than previous periods. As a result, the Bank of

England have been able to reduce interest rates from their peak of 5.25% in August 2023, to 4.25% at June 2025, with a subsequent reduction after the year end to 4.00% in August 2025. This can help reduce affordability pressures for borrowers, although the extent of future cuts remains uncertain, with some higher inflation rates in July and August 2025.

The reducing rate environment can increase competition within the mortgage lending market, however the Group has been able to quickly adapt its pricing and lending strategies, whilst maintaining its prudent approach to lending at conservative LTVs.

The rapid changes in AI technology also presents a risk and an opportunity for the Group. The Group is therefore investing in the transformation of its systems, which is not only a key strategic enabler, but will allow it to be best placed to take advantage of future technology improvements. Whilst delivering the transformation programme, the Group is continuing to proactively manage the risk associated with changes in systems alongside normal business operations and achieving other strategic objectives.

The Group has also been active during the year in developing succession planning with the appointments to Board and Executive Committee during the year, as detailed on page 73.

1 Strategic risk

2 Credit risk

3 Liquidity risk

4 Capital risk

5 Funding risk

6 Interest rate risk

7 Operational risk

8 Conduct risk

9 Compliance risk

2 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 financial 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 borrowers' circumstances, or changes in the valuation of securities.

Management and mitigation

- The Group has comprehensive underwriting procedures which, as appropriate, have regard to creditworthiness, affordability levels, repayment strategies and LTV ratios.
- Customer affordability models are utilised by the Group and are tailored to the customer and loan type. We continued to update affordability models throughout the year and stress tested models to consider the impact of increased numbers of customers requiring support and other interventions, to allow appropriate resource and operational planning.
- Monitoring of customer performance throughout the life of the loan, with regard to arrears, proactive collection strategies, or the application of forbearance measures.
- Measuring and monitoring credit quality for impairment purposes using expected credit loss models. Our detailed disclosures in respect of expected credit loss (ECL) modelling are included within Notes 2, 3 and 13 to the Financial statements.
- The Group has continued to develop its help for customers, investing in specialist expertise to deliver preventative support throughout the lifetime of the customer relationship.

Direction of travel

Stable —

Arrears levels have remained elevated but have started to stabilise across a number of product lines with reductions in interest rates feeding through into improved affordability for customers. Customer support and collections activities have helped manage these exposures. Proactive activity was targeted at customers coming to the end of the fixed rate period on their loans to ensure they received support as their interest rates rose. Improvements have been introduced quickly to support customers as required with improvements in in-life as well as recoveries processes to manage potential issues more proactively.

Our ECL models have largely performed as designed, building up a provision ahead of actual arrears, with charges in the financial year being largely driven by book performance as arrears increased during the first half of the year. Post model adjustments also continued to be applied on specific loans where the model is deemed to not account for identified risk.



Principal risks and uncertainties continued

2 Credit risk continued

Maximum exposure to credit risk

The Group's maximum exposure to credit risk and allowance for impairment is as follows:

Audited	Note	2025 £m	2024 £m
Included within the statement of financial position			
Gross loans and advances to customers		8,089.8	7,510.3
Less: allowance for impairment	13	(195.5)	(146.4)
Loans and advances to customers	13	7,894.3	7,363.9
Cash and cash equivalents	11	320.0	336.2
Net derivatives held for risk management	12	(10.2)	11.2
Amounts owed by related parties	14	2.4	2.2
Other debtors	14	1.8	0.9
		8,208.3	7,714.4
Not included within the statement of financial position			
Commitments to lend (net of ECL)		149.9	129.9
Maximum exposure to credit risk		8,358.2	7,844.3

Cash and cash equivalents are primarily surplus cash placed overnight with institutions with sufficiently high credit ratings, with some of this cash being restricted as explained in the liquidity risk section of this report. The Group's material credit risk therefore relates to loans and advances to customers.

An impairment allowance is held against the gross exposures on loans and advances to customers, measured on an expected credit loss (ECL) basis under IFRS 9. Further details of the Group's ECL methodology, and the movement in impairment losses through the year, are shown in Note 13 to the Financial statements.

Collateral held

The Group enters into agreements with customers taking security for loan receivables over immovable property and land. A key measure the Group uses in assessing credit risk is the ratio of the loan amount to the value (LTV) of the underlying security. Valuations obtained on origination are updated by indexing using established regional house price indices to estimate the current security value and, in some cases, they are updated to reflect a more recent valuation of the security where this has been obtained. The table below shows gross loan balances by indexed LTV banding.

	2025 £m	2025 % of gross balances	2024 £m	2024 % of gross balances
60% or less	4,264.0	52.7	4,016.4	53.5
61—85%	3,577.7	44.2	3,321.6	44.2
86—100%	131.1	1.6	106.7	1.4
Greater than 100%	117.0	1.5	65.6	0.9
Gross loan balances	8,089.8	100.0	7,510.3	100.0

Of the gross balances at 30 June 2025, 96.9% (30 June 2024: 97.7%) of loans had an indexed LTV of less than or equal to 85%. The weighted average LTV of new lending, excluding further advances in the year, has increased slightly during the year with the Group continuing to lend at conservative LTVs.

	2025 %	2024 %
Buy to Let	63.7	63.1
Development	53.9	46.9
Bridging	62.5	60.9
Commercial term	58.5	56.5
Residential	51.4	50.7
Average weighted LTV of new funding	60.0	59.0

2 Credit risk continued

Concentration of credit risk

The Group's lending portfolio is geographically diversified across the UK as shown below:

	2025 %	2024 %
Eastern England	8.1	8.0
East Midlands	4.9	5.2
Greater London	19.1	20.8
North East	2.5	2.4
North West	19.1	19.1
Scotland	6.6	6.1
South East	11.8	11.3
South West	6.0	5.8
Wales	4.0	4.0
West Midlands	10.2	9.3
Yorkshire & Humber	7.7	8.0
Gross loan balances	100.0	100.0

The Group's credit risk appetite framework includes specific concentration metrics, and the loan portfolio is regularly monitored against these.

The Group's lending portfolio falls into the following concentrations by loan size:

	2025 %	2024 %
Up to £50,000	4.2	4.6
£50,000—£99,999	12.3	12.0
£100,000—£249,999	26.2	24.5
£250,000—£499,999	18.3	17.8
£500,000—£999,999	12.3	11.9
£1,000,000—£2,499,999	11.7	11.8
£2,500,000 or greater	15.0	17.4
Gross loan balances	100.0	100.0

The proportion of the Group's gross loan balances in excess of £2.5m has shown a decrease compared to the prior year. Of these loans, 89.0% (30 June 2024: 95.4%) have an LTV of under 85% at 30 June 2025.

Forbearance

Forbearance occurs when a concession is made on the contractual terms of a loan or mortgage in response to a borrower's financial difficulties. Forbearance measures are to support the customer and are based on the individual's unique circumstances. In the Personal Finance division, this is offered in accordance with regulatory guidance.

For those customers requiring additional assistance, the Group works with a number of not-for-profit agencies. Relevant colleagues also received training during the year on our forbearance measures and how to support customers with these.

A range of forbearance options are available, including:

- informal payment plan setting;
- reduced payment plans;
- interest rate amendments/deferrals/freezes;
- term extensions;
- variation of contracts;
- capitalisation of payment shortfalls;
- assisted sales; and
- balance adjustments and reduction in redemption figures.

For the purpose of our ECL modelling, loans are reported as forborne until they meet the exit criteria which includes:

- performing for two years since the last forbearance event;
- making regular payments; and
- the loan being less than 30 days past due.

Principal risks and uncertainties continued

3 Liquidity risk

Liquidity risk is the risk that the Group is unable to access sufficient liquid financial resources to meet the Group's financial obligations as they fall due.

Management and mitigation

- Regular stress testing, including on a forecast basis, to test the ability of the Group to meet its obligations under normal and stressed conditions, which are modelled and monitored against a 150-day survival period. This includes weekly monitoring of redemptions for any indication of stress, and reverse stresses to assess the point at which the Group could not meet its liabilities.
- Monitoring of liquidity risk against Board-approved risk appetite limits and triggers, and covenants and eligibility criteria within the securitisations.
- Forecasting of expected cash flows, including the pipeline of loan offers, and monitoring of actual cash flows and the composition and quality of liquid resources.
- Regular management information and reporting on key liquidity risk drivers.

The performance of loans within private securitisations presents a key liquidity risk. These facilities are subject to portfolio covenants and eligibility restrictions but, in certain circumstances, assets can be exchanged or repurchased or additional capital can be injected into the facilities to ensure compliance.

There is a risk that facilities may go into early amortisation if there is a failure to comply with the facility terms or a breach of non-curable performance covenants. This would result in the removal of undrawn facility headroom and deferral of Group cash flows which would be prioritised to repay the facilities.

Direction of travel

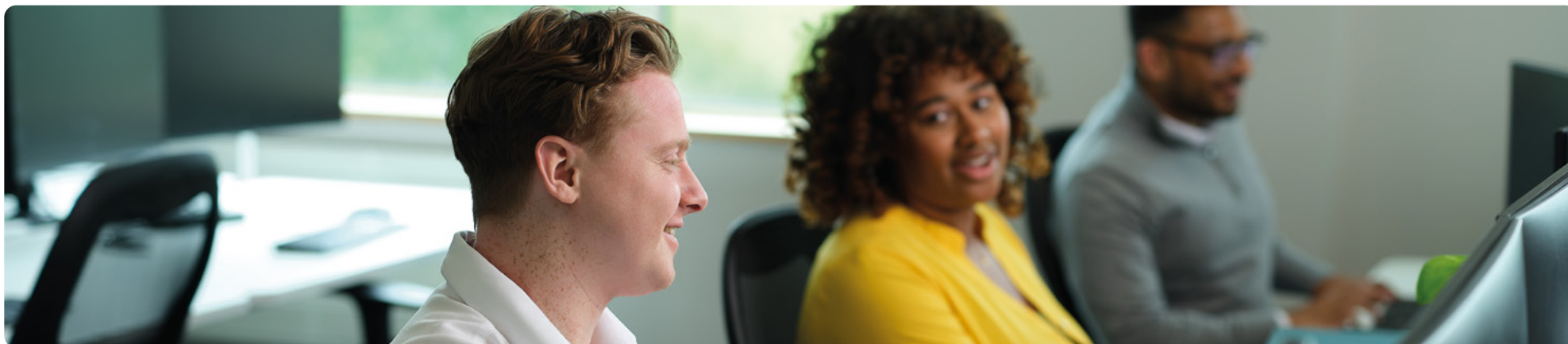
Stable —

The Group's liquidity position remains strong, evidenced by the level of cash and its total accessible liquidity (TAL).

Liquidity resources improved during the year due to the upsize of existing private securitisation facilities and execution of public securitisations to facilitate loan book growth.

The Group monitors liquidity by reference to its TAL, which comprises cash plus immediately accessible headroom in its funding facilities (subject to drawdown notice periods, asset eligibility and covenants, as well as our own internal risk appetites), which include the revolving credit facility and each of the private securitisations.

During the period, TAL has increased to £425.3m at 30 June 2025 (2024: £233.9m). Cash balances have been maintained at similar levels to the prior year, with £320.0m at 30 June 2025 (2024: £336.2m). Not all cash is accessible at any one time due to securitisation requirements and covenant restrictions, with unrestricted cash balances of £88.4m (2024: £84.1m), as disclosed in Note 11 to the financial statements.



4 Funding risk

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, or reputation risk, leading to the inability to secure additional funding for new business, or to refinance existing facilities at an acceptable cost.

Management and mitigation

- Diversification of funding sources.
- Maintenance of depth of maturity through regular new issuances and timely refinancing of existing sources of funding.
- Monitoring individual funding maturity dates, maturity concentrations and funding headroom.
- Monitoring the maturity mismatch between assets and liabilities.
- Proactive refinancing of facilities well in advance of their contractual maturity dates.
- Maintenance and regular review of a contingency funding plan.
- Focus on maintaining strong relationships with our investors and banks, whilst identifying appetite for further funding to fund our growth.

Direction of travel

Stable

In FY25, the Group completed a large number of transactions, upsizing and extending the maturity of its private facilities, including, but not limited to, splitting its Charles Street Asset Backed Securitisation warehouse into dedicated first-charge and non-first-charge vehicles (Kingsway and Wilmslow Asset Backed Securitisations respectively). A new private arrears facility was created to house certain sub-performing loans across the Group (Brooks Asset Backed Securitisation 2 Limited).

The Group also successfully completed a number of public securitisations which included two RMBS transactions under the Together Asset Backed Securitisation programme, and one CRE MBS (Together Asset Backed Securitisation 2025 – CRE1 plc). The Group also refinanced its £500m senior secured notes due 2027, which now matures in 2031.

Timing of contractual financial cash flows

The following is an analysis of the gross undiscounted contractual cash flows payable on our financial liabilities, including expected future interest payments, based upon forecast market rates for floating rate instruments.

Audited 2025 (£m)	Carrying value	On demand and up to 1 year	1-2 years	3-5 years	More than 5 years	Total
Loan notes	5,999.7	1,432.9	934.0	4,295.1	–	6,662.0
Senior secured notes	963.1	74.2	72.9	668.8	537.5	1,353.4
Lease liabilities	26.9	0.7	0.8	2.6	22.8	26.9
Subordinated shareholder loans	24.9	–	–	–	68.1	68.1
Borrowings before issuance costs	7,014.6	1,507.8	1,007.7	4,966.5	628.4	8,110.4
Debt issuance costs	(27.9)	–	–	–	–	–
Borrowings	6,986.7	1,507.8	1,007.7	4,966.5	628.4	8,110.4
Trade creditors	2.6	2.6	–	–	–	2.6
Other creditors	3.5	3.5	–	–	–	3.5
Commitments to lend	–	149.9	–	–	–	149.9
	6,992.8	1663.8	1,007.7	4,966.5	628.4	8266.4

For the loan notes, where the facility has an option to call ahead of the final maturity date, the contractual cash flows in the above table reflects the date of the option to call the facility, as opposed to the final contractual maturity date, as this reflects the more likely expected cash flow timings.

The weighted average maturity of the Group's borrowings is 3.2 years at 30 June 2025 (30 June 2024: 2.6 years) and the Group has a strong track record of successful refinancing and raising new facilities, as seen through the facilities raised during the year as discussed in the Our funding section on page 27.

Principal risks and uncertainties continued

4 Funding risk continued

Audited 2024 (£m)	Carrying value	On demand and up to 1 year	1-2 years	3-5 years	More than 5 years	Total
Loan notes	5,564.7	949.1	2,003.6	3,070.0	–	6,022.7
Senior secured notes	952.7	62.2	61.7	632.6	485.4	1,241.9
Lease liabilities	28.4	1.1	1.1	2.4	24.5	29.1
Subordinated shareholder loans	22.8	–	–	–	68.1	68.1
Borrowings before issuance costs	6,568.6	1,012.4	2,066.4	3,705.0	578.0	7,361.8
Debt issuance costs	(25.3)	–	–	–	–	–
Borrowings	6,543.3	1,012.4	2,066.4	3,705.0	578.0	7,361.8
Trade creditors	2.7	2.7	–	–	–	2.7
Other creditors	1.6	1.6	–	–	–	1.6
Commitments to lend	–	130.1	–	–	–	130.1
	6,547.6	1,146.8	2,066.4	3,705.0	578.0	7,496.2

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 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 7% of the Group's funding at 30 June 2025 reaching its call date in the next 12 months.

In the year, 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 in Note 18 to the Financial statements.

5 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.

Management and mitigation

- Business planning and stress testing of forecasts.
- Reviewing the level of gearing within the Senior Borrower Group, the Group itself, and of a parent undertaking, Bracken Midco1 PLC, to include the PIK Toggle Notes above the Group. These are closely managed to ensure the Group has sufficient capital to support the current balance sheet as well as future growth ambitions.
- Current and forecast levels of Group capital, including the gearing ratio, are monitored and reported to the Board on a regular basis. Total shareholder funds increased by £54.2m over the year (2024: £41.2m increase), which is net of dividends paid in the year of £65.4m. The net debt gearing ratio has slightly increased to 84.0% at 30 June 2025 (30 June 2024: 83.9%) as a result of a rise in debt to fund loan portfolio growth.
- Continuous monitoring of the required regulatory capital requirements within relevant subsidiaries and the actual levels projected.

Direction of travel

Stable —

The Group continues to closely monitor its gearing and capital levels to ensure there are sufficient capital resources to achieve its lending and strategic plans and against risk appetites that provide a buffer to the levels required to maintain compliance with senior secured note and revolving credit facility covenants.

The Group has no regulatory capital requirements beyond those of its regulated subsidiaries, which maintained a surplus to regulatory requirements throughout the year.



6 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.

Management and mitigation

- Monitoring of interest rate risk exposure, including forward-looking stress testing of earnings at risk, which incorporates new business assumptions and expected redemptions, and undertaking hedging transactions as appropriate.
- Monitoring the impact of a range of possible interest rate changes on the Group's performance and strategy.
- Embedded hedging strategy across the whole balance sheet.
- The Group hedges its estimated pipeline exposure reducing exposure to interest rate movements during the origination process.

Direction of travel

Decreased ↓

The Bank of England reduced rates four times during FY25, from 5.25% to 4.25%, and after year end reduced further to 4.00% in August 2025. Following recent US trade policy announcements, market rate expectations (as represented by SONIA yield curves) have been volatile, however such expectations imply that rates will continue to fall in 2025.

As with other lenders, Together has had to be responsive to changes with regard to its product pricing.

Despite changes to the interest rate environment, the Group's overall risk exposure has reduced as a result of the Group's hedging activity.

Interest rate sensitivity

The table below sets out the impact on profit before tax of an immediate decrease and increase of 0.5% and 1.0% in interest rates, based on the interest rates prevalent at the year-end dates and before any mitigation or management actions, other than hedging. This represents the movement taking into account the Group's contractual assets, liabilities and derivatives and their maturity and repricing arrangements.

The sensitivity presumes that there is no lag in the pass on of rate changes to customers and it is calculated on a contractual basis. This has reduced in the year as a result of the additional hedging activity that has taken place in the year following the refinance of certain funding facilities.

Note 12 to the Financial statements further details the Group's use of derivatives to mitigate interest rate risk.

	2025 £m	2024 £m
1.0% decrease	(11.9)	(15.7)
0.5% decrease	(6.0)	(7.8)
0.5% increase	6.0	7.8
1.0% increase	11.9	15.7



Principal risks and uncertainties continued

7 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This also considers the risk of information security, technology infrastructure and third-party risks.

Management and mitigation

- Utilising a Risk and Control Self-Assessment (RCSA) approach to identify, manage and monitor key operational risks, and the development of action plans to address these risks, with dedicated first line risk support on completing this.
- Analysis of risk events to understand the impacts and causes and develop action plans to contain, remediate and minimise the likelihood of recurrence in the future.
- Providing specialist risk advice, and independent assurance, on current business activities and planned system changes.
- Supporting the business with risk advice and assurance on the design, build, testing and readiness of Transformation to ensure new and increased risks are identified and mitigated effectively.
- Frameworks to recruit, train and retain sufficient skilled personnel. This includes succession planning, identification, and mitigation of reliance on key individuals.
- Enhancements to our cyber risk management, utilising the National Institute of Standards and Technology (NIST) framework, and in particular responding to new attack types as observed in the recent high profile attacks on large retailers.
- Enhancing our onboarding, in-life management and exit process with key third party suppliers and partners.
- Development of a technology roadmap to ensure our key systems and services are maintained, developed and upgraded/replaced as necessary during their lifecycle.
- Furnishing the Board and Executives with independent analysis of adherence to risk appetites, including the key drivers and causes of above appetite and emerging exposures and the key activities being taken to address these.

Direction of travel

Increased 

As the business continues through its systems transformation, there is inherent increased operational risk as the business continues to operate existing processes and controls, whilst moving towards new lending and data platforms and delivering on its other strategic priorities. This can lead to capacity constraints and potential for increases in low impacting risk events. However, the business has sought mitigants in the year including additional resource, and restrictions on other business change, which has created some additional capacity.

There is however limited appetite for further changes to our existing processes and systems as we approach the delivery of our transformation programme, therefore the causes of risk events can only be partially mitigated at this time.

The key causes are continuously analysed and, where appropriate and aligned to the agreed design, are fed in as requirements for the new systems being developed to ensure these are well mitigated in the future state.

The focus for the future is to mature our third party controls to be aligned with the increased inherent risk associated with our future state, whereby most of our key business activities are reliant on the availability and performance of three key SaaS suppliers, therefore increasing the reliance on these controls to identify, assess and treat any emerging risks prior to crystallisation.

8 Conduct risk

Conduct risk is the risk arising from our corporate plan and business activities or behaviours that fail to deliver fair, appropriate and consistent outcomes to customers and all stakeholders. Failure to manage this risk sufficiently could result in reputational damage, regulatory sanction, and remediation programmes, and could impact the Group's operating model.

Management and mitigation

- Regular review of the effectiveness of our business activities and processes for their ability to deliver good customer outcomes. The focus this year has been on enhancing our monitoring over customer outcomes, including delivery of consistent outcomes for higher risk customer cohorts and across products, and delivering fair value for our customers across our distribution chain.
- Performance of gap analysis against industry body and regulator guidance and good practice to identify potential continual improvements to business processes. During FY25, this has particularly focused on providing support to customers impacted by the rising cost of living.
- Regular review of culture management dashboard to identify colleague behaviours that may not be aligned to our desired culture.
- Benchmarking against non-financial misconduct industry data to assess the effectiveness of our conduct controls.

Direction of travel

Stable —

The Group puts good customer outcomes at the centre of its decision-making process. How we measure and monitor customer outcomes remains a key area of focus.

We remained cognisant of our customers' circumstances and the potential for a rise in vulnerabilities resulting from the challenging macroeconomic environment.

We are continuing to focus on the frameworks we have in place to set and measure against our desired culture and to maintain high standards of personal conduct.

9 Compliance risk

Compliance risk is the risk arising from failure to comply with existing or new legislation or regulations in the markets within which the Group operates. 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 regulations, leading to customer dissatisfaction or detriment, legal action against the Group and/or potential fines from a regulator.

Management and mitigation

- Identifying and supporting customers when events occur that adversely impact their circumstances and ability to honour their contractual payments.
- 1st line quality assurance and customer outcome testing across the customer journey, including second line oversight provided by experienced risk and compliance departments.
- Proactively engaging with the Group's regulators to provide transparency with regard to material matters.
- Monitoring compliance with regulatory and legal obligations by in-house Compliance and Financial Crime and Data Protection teams through execution of a Board-approved monitoring programme.
- Monitoring of compliance with legal obligations by an in-house legal department.
- Horizon scanning and impact assessments of potential regulatory and legal change. The compliance function monitors all regulatory developments to allow for new guidance to be considered, and changes to be implemented where appropriate.

Direction of travel

Stable —

While there is a new focus by Government and Regulators on 'Deregulation' and 'Simplification', the level of regulatory scrutiny remains high as a result of the challenging macroeconomic environment and the FCA's continued focus on the effective embedding of the Consumer Duty. The regulator remains committed to providing a stronger framework for firms to protect customers and to prevent firms from being used as vehicles for financial crime.

Focus has also remained high on ensuring good customer outcomes through enhancing how we measure and monitor customer outcomes, including with an enhanced Consumer Duty Dashboard.

Future focus is on the impacts that deregulation could have on our business model, competitive environment and internal processes and controls.

Financial statements.

Year ended 30 June 2025

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Independent auditor's report

Independent auditor's report to the members of Together Financial Services Limited

Opinion

We have audited the financial statements of Together Financial Services Limited (the 'Company' or the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cashflows, and the related notes 1 to 30, including material accounting policy information and information in the Risk Management section of the annual report, marked as "audited". The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the Group's and of the Parent Company's affairs as at 30 June 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period ending 12 September 2026, which is 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report continued

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 79, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are UK adopted International Accounting Standards, the Companies Act 2006, Regulations issued by the Financial Conduct Authority and UK Tax Legislation.
- We understood how the Group is complying with those frameworks by making enquiries of management, internal audit, those charged with governance, and reviewing minutes of meetings of the Board of Directors. We enquired as to any known or suspected instances of non-compliance with laws and regulations.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the entity level controls that the Group has established to address risks related to fraud. We considered the risk of fraud by assessing accounting estimates, notably expected credit losses and recognition of income using the effective interest rate method, for evidence of management bias.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of management and internal audit for their awareness of any known instances of non-compliance or suspected non-compliance with laws and regulations, reviewing key policies and correspondence with regulators. We performed journal entry testing, with a focus on postings where we considered there is a heightened risk of fraud based on our understanding of the business, and incorporated unpredictability into the nature, timing, and extent of our testing. In addition, we designed specific audit procedures to address the risk of fraud in key areas of estimation, including challenging the assumptions and judgements made by management, with the support of auditor's specialists where applicable.
- The Group operates in the financial services industry, which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that they had the appropriate competence and capabilities, which included the use of specialists where appropriate.

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

Use of our report

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

Gary Adams (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP,
Statutory Auditor
London

12 September 2025

Financial statements

Statement of comprehensive income

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

Consolidated statement of comprehensive income

	Note	2025	2024
Interest receivable and similar income	4	868.1	776.3
Interest payable and similar charges	5	(449.4)	(407.0)
Net interest income		418.7	369.3
Fee and commission income		11.1	7.9
Fee and commission expense		(4.0)	(2.7)
Net fair-value losses on derivatives	12	(2.3)	(11.2)
Other income		0.1	0.9
Operating income		423.6	364.2
Administrative expenses	6	(157.5)	(116.1)
Operating profit		266.1	248.1
Impairment losses	13	(75.5)	(54.1)
Profit before taxation		190.6	194.0
Taxation	10	(44.1)	(44.8)
Profit after taxation		146.5	149.2

Other comprehensive (loss) / income	Note	2025	2024
Items that may be reclassified to the income statement:			
<i>Movement in the cash flow-hedging reserve:</i>			
Effective portion of changes in fair value of derivatives	12	(11.1)	(19.1)
Amounts reclassified to income statement		(18.7)	(25.5)
Deferred taxation on cash flow hedging reserve		0.8	–
Other comprehensive loss for the year, net of tax		(29.0)	(44.6)
Total comprehensive income for the year		117.5	104.6

Statement of financial position

As at 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

Consolidated statement of financial position

	Note	2025	2024
Assets			
Cash and cash equivalents	11	320.0	336.2
Derivative assets held for risk management	12	16.6	15.6
Loans and advances to customers	13	7,894.3	7,363.9
Other assets	14	12.9	10.1
Current tax asset		2.3	–
Property, plant and equipment	16	28.4	30.3
Intangible assets	17	8.5	13.2
Deferred tax asset	10	8.3	6.2
Total assets		8,291.3	7,775.5
Liabilities			
Derivative liabilities held for risk management	12	26.8	4.4
Current tax liabilities		–	0.4
Borrowings	18	6,986.7	6,543.3
Provisions for liabilities and charges	19	4.5	3.2
Other liabilities	20	84.8	87.8
Total liabilities		7,102.8	6,639.1
Equity			
Share capital	21	9.8	9.8
Subordinated-shareholder-funding reserve		43.2	45.3
Cash flow-hedging reserve		(24.2)	4.8
Other reserves		12.7	12.7
Retained earnings		1,147.0	1,063.8
Total equity		1,188.5	1,136.4
Total equity and liabilities		8,291.3	7,775.5

These financial statements were approved and authorised for issue by the Board of Directors on 12 September 2025.

Company Registration No. 02939389.

Signed on behalf of the Board of Directors.



R Rowntree
Director



CM Adams
Director

Financial statements continued

Statement of financial position

As at 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

Company statement of financial position

	Note	2025	2024
Assets			
Cash and cash equivalents		80.3	70.8
Derivative assets held for risk management		12.9	2.2
Amounts owed by related parties	14	1,107.2	1,202.9
Other assets	14	8.1	6.3
Current tax asset		1.6	1.8
Investments in subsidiaries	15	45.1	45.2
Property, plant and equipment	16	27.9	29.7
Intangibles	17	8.5	13.2
Deferred tax asset	10	4.8	2.0
Total assets		1,296.4	1,374.1
Liabilities			
Borrowings	18	51.5	50.6
Amounts owed to related parties	20	1,011.5	1,024.3
Provisions	19	0.7	–
Other liabilities	20	48.2	36.1
Total liabilities		1,111.9	1,111.0
Equity			
Share capital	21	9.8	9.8
Subordinated-shareholder-funding reserve		43.2	45.3
Other reserves		18.6	18.6
Retained earnings		112.9	189.4
Total equity		184.5	263.1
Total equity and liabilities		1,296.4	1,374.1

Together Financial Services Limited (the Company) reported a loss after tax for the year ended 30 June 2025 of £13.2m (2024: £15.5m profit). As permitted by section 408 of the Companies Act 2006, no separate statement of comprehensive income is presented in respect of the Company.

These financial statements were approved and authorised for issue by the Board of Directors on 12 September 2025.

Company Registration No. 02939389.

Signed on behalf of the Board of Directors.



R Rowntree
Director



CM Adams
Director

Statements of changes in equity

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

Consolidated statement of changes in equity

2025	Share capital	Subordinated-shareholder-funding reserve	Cash flow-hedging reserve	Other reserves	Retained earnings	Total equity
At beginning of year	9.8	45.3	4.8	12.7	1,063.8	1,136.4
Profit after taxation	–	–	–	–	146.5	146.5
Other comprehensive expense	–	–	(29.0)	–	–	(29.0)
Transfer between reserves	–	(2.1)	–	–	2.1	–
Dividends paid	–	–	–	–	(65.4)	(65.4)
At end of year	9.8	43.2	(24.2)	12.7	1,147.0	1,188.5

2024	Share capital	Subordinated-shareholder-funding reserve	Cash flow-hedging reserve	Other reserves	Retained earnings	Total equity
At beginning of year	9.8	34.4	49.4	12.7	978.0	1,084.3
Profit after taxation	–	–	–	–	149.2	149.2
Other comprehensive expense	–	–	(44.6)	–	–	(44.6)
Derecognition of subordinated shareholder loans ¹	–	(4.6)	–	–	–	(4.6)
Recognition of subordinated shareholder loans ¹	–	17.8	–	–	–	17.8
Transfer between reserves	–	(2.3)	–	–	2.3	–
Dividends paid	–	–	–	–	(65.7)	(65.7)
At end of year	9.8	45.3	4.8	12.7	1,063.8	1,136.4

1. In the prior year, two 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.

Other reserves consist of the following:

	Share premium	Merger reserve	Capital redemption reserve	Treasury share reserve	Share-based payment reserve	Total other reserves
As at 30 June 2025	17.5	(9.6)	1.3	(2.6)	6.1	12.7
As at 30 June 2024	17.5	(9.6)	1.3	(2.6)	6.1	12.7

The share capital, share premium, capital redemption, subordinated-shareholder-funding and share-based payment reserves are all non-distributable.

Financial statements continued**Statements of changes in equity**

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

Company statement of changes in equity

2025	Share capital	Subordinated-shareholder-funding reserve	Other reserves	Retained earnings	Total equity
At beginning of year	9.8	45.3	18.6	189.4	263.1
Loss after taxation	–	–	–	(13.2)	(13.2)
Transfer between reserves	–	(2.1)	–	2.1	–
Dividends paid	–	–	–	(65.4)	(65.4)
At end of year	9.8	43.2	18.6	112.9	184.5

2024	Share capital	Subordinated-shareholder-funding reserve	Other reserves	Retained earnings	Total equity
At beginning of year	9.8	34.4	18.6	237.3	300.1
Profit after taxation	–	–	–	15.5	15.5
Derecognition of subordinated shareholder loans	–	(4.6)	–	–	(4.6)
Recognition of subordinated shareholder loans	–	17.8	–	–	17.8
Transfer between reserves	–	(2.3)	–	2.3	–
Dividends paid	–	–	–	(65.7)	(65.7)
At end of year	9.8	45.3	18.6	189.4	263.1

Other reserves consist of the following:

	Share premium	Capital redemption reserve	Treasury share reserve	Share-based payment reserve	Total other reserves
As at 30 June 2025	17.5	1.3	(2.6)	2.4	18.6
As at 30 June 2024	17.5	1.3	(2.6)	2.4	18.6

The share capital, share premium, capital redemption, subordinated-shareholder-funding and share-based payment reserves are all non-distributable.

Statements of cash flows

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

Consolidated statement of cash flows

	Note	2025	2024
Cash flows from operating activities			
Profit after taxation		146.5	149.2
Adjustment for non-cash items included in profit after taxation	23	582.0	523.6
Changes in operating assets and liabilities	23	(596.6)	(1,009.1)
Taxation paid		(49.0)	(46.2)
Net cash inflow / (outflow) from operating activities		82.9	(382.5)
Cash flows from investing activities			
Cash paid on purchase of property, plant, and equipment		(1.0)	(1.1)
Investment in intangible assets		(1.7)	(5.3)
Proceeds from disposal of property, plant, and equipment		–	0.1
Net cash outflow from investing activities		(2.7)	(6.3)
Cash flows from financing activities			
Drawdown of loan notes		1,042.5	1,482.1
Repayment of loan notes		(3,002.8)	(2,402.0)
Proceeds from issuance of loan notes		2,395.5	1,973.3
Proceeds from issuance of senior secured notes		500.0	450.0
Repayment of senior secured notes		(500.0)	(555.0)
Net repayment of revolving credit facility		–	(70.0)
Interest paid		(463.3)	(410.1)
Dividends paid		(65.4)	(65.7)
Purchase and cancellation of derivatives		0.1	2.3
Lease liability payments	25	(3.0)	(2.7)
Net cash (outflow) / inflow from financing activities		(96.4)	402.2
Net (decrease) / increase in cash and cash equivalents		(16.2)	13.4
Cash and cash equivalents at beginning of year		336.2	322.8
Cash and cash equivalents at end of year	11	320.0	336.2

Company statement of cash flows

	Note	2025	2024
Cash flows from operating activities			
(Loss)/profit after taxation		(13.2)	15.5
Adjustment for non-cash items included in loss / profit after tax	23	8.2	9.5
Changes in operating assets and liabilities	23	87.4	143.2
Net cash inflow from operating activities		82.4	168.2
Cash flows from investing activities			
Cash paid on purchase of property, plant and equipment		(1.0)	(1.1)
Investment in intangible assets		(1.7)	(5.3)
Investment in subsidiaries		–	(10.0)
Proceeds from disposal of property, plant, and equipment		–	0.1
Net cash outflow from investing activities		(2.7)	(16.3)
Cash flows from financing activities			
Net cash inflows from loan notes		–	12.6
Net cash outflows from revolving credit facility		–	(70.0)
Interest paid		(1.8)	(1.7)
Dividends paid		(65.4)	(65.7)
Lease liability payments	25	(3.0)	(2.7)
Net cash outflow from financing activities		(70.2)	(127.5)
Net increase in cash and cash equivalents		9.5	24.4
Cash and cash equivalents at beginning of year		70.8	46.4
Cash and cash equivalents at end of year		80.3	70.8

Financial statements continued

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

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 consolidated financial statements comprise Together Financial Services Limited and its subsidiaries ('the Group'). Details of subsidiary companies included in the Group are provided in Note 15. The Group is primarily involved in financial services.

2. Material accounting policies

The material accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year unless otherwise stated.

Basis of preparation

The consolidated and Company financial statements have been prepared in accordance with UK adopted international accounting standards.

The audited financial statements include these accounting policies and the accompanying notes to the financial statements on pages 105 to 143 which form an integral part of the primary financial statements. These financial statements are presented in pounds sterling as that is the currency of the primary economic environment in which the Group operates.

The preparation of financial statements in accordance with the above requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the individual accounting policies and in Note 3 to the Financial Statements.

These financial statements have been prepared on the historical cost basis, except for derivative financial instruments, subordinated shareholder loans, and other long-term employee benefits which are stated at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Presentation of risk disclosures

Disclosures under IFRS 7 Financial Instruments: Disclosures concerning the nature and extent of risks relating to financial instruments have been presented within the sections denoted as audited in the 'Principal risks and uncertainties' section of the Risk Management report and forms part of the financial statements.

Going concern

In preparing these 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:

- financial performance and projections;
- liquidity, funding, capital, and covenant considerations; and
- overall risk profile of the Group

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 to reduce the risk to the Group. Funding and liquidity risks, including reverse stress testing are discussed below.

Funding

The Group has a diverse funding base to fund its activities and lending, 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 7% of the Group's funding at 30 June 2025 reaching its call date in the going concern assessment period ending 12 September 2026.

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 18.

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

2. Material accounting policies continued

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, please see the Risk management section.

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 as a result of a deterioration in loan-book performance due to adverse economic conditions or reductions in property values.

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 continues to hold significant cash balances to allow sufficient liquidity, with cash balances of £320.0m at 30 June 2025 (30 June 2024: £336.2m), of which £88.4m is unrestricted cash (30 June 2024: £84.1m) as shown in Note 11.

Stress testing has been performed in order 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, as detailed in this note.

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 assumes no cash flows are received from the securitisations from the point that they are assumed to default over a 6-month period; there is no access to drawdown funding from the private securitisations; 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 and interest cover 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 Group has also considered the operational risks associated with the transformation programme and concluded that these do not have a material impact on the Group's going concern assessment for the next 12 months from the date of signing this report.

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

Financial statements continued

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

2. Material accounting policies continued

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Negative goodwill is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill arising on acquisitions in the year ended 30 June 1998 and earlier periods was written off to reserves in accordance with the accounting standard then in force. As permitted by IFRS the goodwill previously written off has not been reinstated in the statement of financial position.

Merger accounting has continued to be used on transition to IFRS for the consolidation of the following subsidiaries:

- Together Commercial Finance Limited
- Together Personal Finance Limited
- Blemain Finance Limited
- FactFocus Limited
- Harpmanor Limited

Under this method any goodwill arising on consolidation is treated as a reduction in reserves.

On disposal or closure of a previously acquired business, the attributable amount of goodwill, including that previously written off to reserves, is included in determining the profit or loss on disposal.

Operating segments

The Group's only listed financial instruments are issued by a subsidiary, Jerrold Finco PLC, and the securitisations which are consolidated in the Group results, rather than the parent company, Together Financial Services Limited. The Group is therefore outside the scope of IFRS 8 *Operating Segments* and accordingly does not disclose segmental information in these financial statements.

Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all financial instruments measured at amortised cost using the effective interest method. The effective interest method calculates the amortised cost of a financial asset or a financial liability and allocates the interest income or interest expense over the expected life of the instrument. The effective interest rate is the rate that, at inception of the instrument, discounts its estimated future cash payments or receipts to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Group takes into account all contractual terms of the financial instrument but does not consider future credit losses, except for assets which are credit-impaired on origination. For credit-impaired assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses. The calculation includes all fees, transaction costs and other premiums or discounts that relate to the origination of the instrument.

Interest on impaired financial assets is recognised at the original effective interest rate applied to the carrying amount as reduced by an allowance for impairment.

Fee and commission income and expense

Fees and commissions which are an integral part of the effective interest rate of a financial instrument e.g. procurement fees paid to introducers are recognised as an adjustment to the contractual interest rate and recorded in interest income.

Fees and commissions which are not considered integral to the effective interest rate are generally recognised on an accruals basis when the service has been provided. These items primarily consist of legal and valuation fees, and credit-search fees.

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

2. Material accounting policies continued

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16

The Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone costs.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the interest rate implicit in the lease.

The lease liability is measured at amortised cost using the interest rate implicit in the lease or the incremental borrowing rate. It is remeasured when there is:

- a change in future lease payments arising from a change in an index or rate
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- if the Group changes its assessment of whether it will exercise a purchase, extension or termination option
- a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the underlying right of use asset.

Rentals received under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Pension benefits

During the period, the Group operated a defined contribution scheme and made contributions to employees' personal pension plans.

The amount charged to the income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the year to Group pension plans and personal pension schemes. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Financial statements continued

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

2. Material accounting policies continued

Share-based payments

The Group has granted options to senior management under an equity-settled scheme.

The cost of providing the options is charged to the income statement over the vesting period of the related options. The corresponding credit is made to a share-based payment reserve within equity.

In the Company's financial statements, the grant by the parent of options over its equity instruments to the employees of subsidiary undertakings is treated as an investment in subsidiaries. The fair value of services received, measured by reference to the fair value at the date of grant, is recognised over the vesting period as an increase in investments in subsidiary undertakings, with a corresponding credit to the share-based payment reserve within equity.

The cost of options is based on their fair value, determined using a Black-Scholes pricing model at the grant date. The value of the charge is adjusted at each reporting date to reflect lapses and expected or actual levels of vesting, with a corresponding adjustment to the share-based payment reserve.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Current and deferred tax items are recognised in the income statement except tax on items that are recognised in other comprehensive income shall be recognised in other comprehensive income, and items that are recognised directly in equity shall be recognised directly in equity.

Current tax is the expected tax payable on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income and expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding amounts used for taxation purposes and is accounted for using the balance sheet liability method. Deferred tax assets and liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the Group intends to settle its current tax assets and liabilities on a net basis.

The change in fair value of derivatives arising from the SPV's, as recognised within other comprehensive income and expense, has no deferred tax impact on the Group.

Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents comprise highly liquid investments which are convertible into cash with an insignificant risk of changes in value with a maturity of three months or less at the date of acquisition and can include short-term highly liquid debt securities.

Where cash is not freely available for the Group to use for its general purposes, it is disclosed as restricted cash; this includes cash collected in the securitisation vehicles prior to paying down loan notes.

Financial assets and liabilities

Financial assets

All the Group's financial assets are initially recognised at fair value plus any directly attributable transaction costs.

All the Group's financial assets, except derivatives held for risk management which are outlined on the following page, are classified as measured at amortised cost, being the gross carrying amount less expected impairment allowance, using the effective interest rate method, as they meet both of the following conditions:

- The assets are held within a business model whose objective is to hold the assets to collect contractual cash flows, and
- The contractual terms of the financial assets give rise to cash flows at specified dates that are solely payments of principal and interest on the principal amounts outstanding.

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

2. Material accounting policies continued

Financial assets and liabilities continued

Financial assets continued

The Group's business model for its financial assets, apart from derivatives, is to hold them to collect contractual cash flows, with sales of mortgage loans and advances to customers only made internally to consolidated special purpose entities for the purpose of collateralising the issuance of loans. The loans' cash flows are consistent with a basic lending arrangement, the related interest only including consideration for the time value of money, credit and other basic lending risks, and a profit margin consistent with such an arrangement. Cash and cash equivalents also meet these conditions and accordingly management has classified all of the Group's financial assets as measured at amortised cost.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset have expired or where substantially all the risks and rewards of ownership have been transferred.

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. The Group then assesses whether the new terms are substantially different from the original ones. If the terms of an asset are substantially different, it is derecognised and a new asset recognised at its fair value using its new effective interest rate. If the terms are not substantially different, the Group recalculates the gross carrying amount using the original effective interest rate and recognises a modification gain or loss in the income statement. Such modifications typically arise from forbearance because of financial difficulties of the borrower, and any gain or loss is included in impairment losses. A modified loan's credit risk is assessed to see if it remains higher than on initial recognition for the purposes of calculating expected credit losses.

Financial liabilities

The Group's financial liabilities, apart from derivatives, which largely consist of borrowings, are all classified as measured at amortised cost. All of the Group's financial liabilities are recognised initially at fair value, less any directly attributable transaction costs.

Financial liabilities are derecognised when their contractual obligations are discharged, cancelled or have expired. An exchange of financial liabilities with substantially different terms or a substantial modification to the terms of an existing financial liability is treated as an extinguishment of the original liability and the recognition of a new one. It is assumed that terms are substantially different if the discounted present value of the cash flows under the new terms is at least 10% different from the discounted present value of the remaining cash flows of the original liability. All gains or losses on non-substantial modifications, calculated as a change in the net present value of future cash flows using the original effective interest rate, are recognised immediately in the income statement. The Group may also consider qualitative factors in determining whether a modification is substantial.

Impairment of financial instruments

The Group recognises loss allowances for expected credit losses (ECLs) on loans and advances to customers and any exposures arising from loan commitments. ECLs are a probability-weighted estimate of the present value of credit losses discounted over the expected life of an instrument at its original effective interest rate (EIR). Credit losses for financial assets are the difference between the discounted contractual cash flows, including the amount of committed pipeline lending, which is expected to be drawn down, and the discounted cash flows expected to be received.

The Group considers whether financial assets are credit impaired at each reporting date. A financial asset is credit impaired and therefore stage 3, when one or more events that have a detrimental impact on its estimated future cash flows have occurred. Evidence of credit impairment includes:

- Significant financial difficulty of the borrower.
- Breach of contract such as default or becoming past due.
- The granting of concessions to the borrower that the Group would not otherwise consider.
- It becoming probable that the borrower will enter bankruptcy or another financial reorganisation.

For certain of the Group's subsidiaries which engage in regulated lending, these criteria are aligned to the regulatory definition of credit impaired.

For financial instruments on which credit risk has not increased significantly since initial recognition, the Group measures loss allowances at an amount equal to the 12-month ECL, i.e. the portion of lifetime ECL of those default events expected to arise within 12 months of the reporting date, weighted by probability of that event occurring. For all other financial instruments, loss allowances are measured at an amount equal to the full lifetime ECL, i.e. the lifetime ECL arising from all default events that may occur over the life of the instrument, probability weighted. The latter category of instruments includes those that have objective evidence of impairment at the reporting date.

Besides instruments that become credit impaired on entering default, lifetime ECLs are also used for any that are credit impaired on origination.

If, due to the financial difficulties of the borrower, the terms of a financial asset are renegotiated or modified, or the asset is replaced with a new one, then an assessment is made of whether the asset should be derecognised. A loan to a borrower granted such concessions due to forbearance is evaluated to determine whether it is considered to be credit impaired or to have experienced a significant increase in credit risk. If this is the case a loss allowance will be recognised equivalent to the full lifetime ECL. If there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment, the loss allowance on the new asset will generally be based on a 12-month ECL.

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Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

2. Material accounting policies continued

Interest income is recognised at the effective rate on the gross carrying amount of a financial asset, i.e. before allowance for impairment, except for those assets which are credit impaired, for which interest income is recognised on the carrying amount net of the allowance for impairment.

Loans are written off when the Group expects no further recovery, and the amount of the loss has been determined. For accounts which are in a shortfall position, this is judged to occur when an account is fully provided against, and no payments have been received for six consecutive months. The Group may continue to apply enforcement activities for loans written off and any subsequent recoveries are recognised as impairment gains in the income statement.

Loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amount of financial assets measured at amortised cost and as a provision in the case of loan commitments.

Derivatives held for risk-management purposes and hedge accounting

The Group adopts hedge accounting and accounts for derivative instruments in accordance with IFRS 9.

The Group does not hold derivative financial instruments for trading but may enter into contracts for derivatives to manage exposure to interest-rate risk.

Derivatives are initially recognised at fair value at the date the contract is entered into and subsequently measured at fair value. The timing of recognition of any resulting gain or loss on the derivative depends on the nature of the hedging relationship. The Group will designate such derivatives as hedging instruments of the fair value of recognised assets or liabilities or of future cash flows.

At inception, the Group documents the relationship between the hedging instrument and the hedged item along with its risk-management objectives and strategy. At inception and afterwards on a continuing basis, the Group assesses whether the hedging instrument is effective in offsetting changes in the fair value or cash flows of the hedged item attributable to the hedged risk. Any ineffective portion of changes in fair value of the derivative is recognised immediately in the income statement.

If a hedging relationship ceases to meet the hedge-effectiveness requirements but the risk-management objective remains the same, the Group adjusts the hedge, i.e. it rebalances the relationship, so that it again meets the qualifying criteria. Hedge accounting is discontinued only for that part of the hedged item or hedging instrument that is no longer part of the relationship.

In hedge relationships involving options, the Group designates only the option's intrinsic value. In such cases the time-value component of the option's fair value is deferred in other comprehensive income, as a cost of hedging, over the term of the hedge to the extent that it relates to the hedged item. The hedged items so designated by the Group are related to time periods, and the amount of the original time value of the option that relates to the hedged item is amortised from equity to the statement of comprehensive income, within other income, on a straight-line basis over the term of the hedging relationship.

The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognised through other comprehensive income in the cash flow-hedging reserve. Amounts so recognised are reclassified to the income statement in the periods when the cash flows of the hedged item affect the income statement and in the same line of the income statement as those cash flows.

The Group discontinues hedge accounting when the derivative is terminated or when the hedging relationship ceases to meet the qualifying criteria. Any cumulative amount existing in equity at that time remains until the hedged cash flows affect the income statement when it is reclassified to the income statement.

For designated and qualifying fair value hedges, the change in fair value (and resulting gain or loss) of the hedging instrument is recognised through profit and loss. The gain or loss of the hedged item is also recognised through profit and loss, whilst the carrying value of the hedged item is adjusted on the balance sheet. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

Securitisation

Where the Group securitises its own financial assets, this is achieved via the sale of these assets to a special purpose vehicle (SPV), which in turn issues securities to investors.

SPVs used to raise funds through securitisation transactions are consolidated into the Group's operations in accordance with IFRS 10 *Consolidated Financial Statements* as if they were wholly owned subsidiaries. Financial assets transferred to SPVs under securitisation agreements are not derecognised by the Group because it retains the risks and rewards of ownership, and all financial assets and liabilities related to the SPV continue to be held on the Group's consolidated statement of financial position.

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Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

2. Material accounting policies continued

Investments

Investments in subsidiaries are stated at cost less provision for impairment. Investments are assessed for impairment on at least an annual basis, or as and when impairment triggers are identified.

Climate-related matters

In making the judgements and estimates required for preparation of these 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 currently available. For further information, please refer to the Climate report.

Property, plant and equipment

Property, plant and equipment are shown at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Land and buildings	Buildings over 50 years, straight-line; land not depreciated
Fixtures and fittings	10-15 years straight-line on cost
Motor vehicles	25% reducing balance
Computer equipment	3-5 years straight-line on cost

All items of property, plant and equipment are reviewed for indications of impairment on a regular basis and at each reporting date. If impairment is indicated, the asset's recoverable amount (being the greater of fair value less cost to sell and value in use) is estimated. Value in use is calculated by discounting the future cash flows generated from the continuing use of the asset. If the carrying value of the asset is more than the recoverable amount, an impairment charge is recognised in the income statement.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised net within administrative expenses in the income statement.

Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment allowances. Amortisation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows:

Computer software	3-5 years straight-line on cost
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The estimated useful life of three to five years is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets consist wholly of expenditure relating to computer software incurred in respect of individual projects and are capitalised only if all of the following conditions are met:

- an intangible asset is created that can be separately identified;
- the Group is deemed to have control over the intangible asset;
- it is probable that the intangible asset created will generate future economic benefits; and
- the development cost of the intangible asset can be measured reliably.

This type of expenditure is amortised on a straight-line basis over the expected useful life of the asset.

Where the above conditions for capitalisation are not met, development expenditure is recognised as an expense in the period in which it is incurred.

All intangible assets are reviewed for indications of impairment at least annually. If impairment is indicated, the asset's recoverable amount (being the greater of fair value less cost to sell and value in use) is estimated. Value in use is calculated by discounting the future cash flows generated from the continuing use of the asset. If the carrying value of the asset is more than the recoverable amount, an impairment charge is recognised in the income statement.

Cloud computing arrangements

The Group entered into a number of Software-as-a-Service (SaaS) agreements as part of its system transformation programme. As the SaaS providers retain control over the software, the Group does not meet the criteria for having 'control' over the underlying systems. Accordingly, no intangible asset is recognised, as the definition and recognition criteria under IAS 38 Intangible Assets are not met. Subscription fees under these cloud computing arrangements are expensed in the income statement as the services are received.

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Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

2. Material accounting policies continued

Cloud computing arrangements continued

The costs incurred in the configuration and customisation of the SaaS products do not result in the recognition of an intangible asset. The accounting treatment depends on who performs the work:

- If the Group's employees and/or a third party perform the configuration and customisation, the costs are expensed as incurred.
- If the SaaS provider performs the work, the costs are recorded as a prepayment, and amortised over the term of the SaaS arrangement, as the services are not distinct from the SaaS itself.

In addition, other configuration and customisation activities that result in internally generated, ancillary bespoke software do not give rise to a separately identifiable intangible asset, as the Group does not retain the rights to the intellectual property developed by the SaaS provider.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event, which is reliably measurable and where it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the amount required to settle the obligation at the reporting date and are discounted to present value where the effect is material and hence contains a level of estimation uncertainty. Where provisions are recognised in relation to live loans, they may be settled by the application of credits to customer accounts. Where this is the case, it is the Group's accounting policy to recognise a provision for the expected settlement amounts. At the point of application, the provision is utilised, and the corresponding adjustment applied within loans and advances to customers.

Where matters are less certain, such as when it is possible an obligation exists, or where the outflow of economic resources is possible but not probable, then a contingent liability is disclosed.

There is judgement required to estimate provisions and to provide useful information concerning the nature of the estimation uncertainty contained within these estimates, including the disclosure of a range of possible impacts. There is also judgement required in determining whether contingent liability disclosures are required. As these provisions and contingent liabilities are not material, it is deemed that this judgement does not give rise to a significant risk of material adjustment in carrying amounts of the Group's assets and liabilities in the next financial year.

New and revised standards, amendments, and interpretations not yet effective

a) Adoption of new and revised standards and interpretations during the current reporting period.

During the year ended 30 June 2025, a number of amendments to existing standards and interpretations have been issued by the International Accounting Standards Board (IASB) which became effective during the year and have been adopted by the Group and Company. None of these amendments have a significant impact on the Group or Company.

The most noteworthy development was the amendment to IAS 1 – Non-current Liabilities with Covenants, which introduced new disclosure requirements for non-current borrowings subject to covenants within 12 months of the reporting date. While this did not affect classification, the Group has incorporated the required narrative disclosures in the borrowings note.

b) Future developments

A number of new or revised standards issued by the IASB have not yet come into effect during the year and have not been early adopted by the Group.

The most significant is IFRS 18 – Presentation and Disclosure in Financial Statements, which introduces a revised structure for the statement of profit or loss, mandates new defined subtotals, and enhances disclosure requirements, particularly in relation to management-defined performance measures. While the Group does not anticipate any impact on recognition or measurement, it will assess the implications for presentation and disclosure ahead of the standard's expected application for the financial year ending 30 June 2028.

Other new or revised standards are not expected to have a significant impact on the Group's or Company's financial statements.

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

3. Significant accounting judgements and key sources of estimation uncertainty

In preparing these 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.

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 13 to the Financial statements.

b) Modifications of financial liabilities

The Group, from time to time, conducts refinancing of funding facilities, which results in amendments to the contractual terms, in particular when refinancing private warehouse facilities. An assessment is undertaken to determine whether the terms of the new agreement are substantially different from the terms of the existing agreement, after considering changes in the cash flows arising from the modified terms and overall risk profile of the instrument. Where terms are substantially different, such modifications result in derecognition of the original loan, and the recognition of a new loan. Any difference between the carrying amount of the derecognised loan and the fair value of the new loan is recognised in the income statement as a gain or loss on derecognition. Where terms are not substantially different, the carrying value of the loan is adjusted to reflect the present value of modified cash flows discounted at the original EIR with any gain or

loss arising from modification recognised immediately in the income statement. There have been no substantial modifications or modification gains or losses under IFRS 9 in the current year or prior year. Further details in respect of the Group's borrowings can be found in Note 18.

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 13 to the Financial statements.

b) Interest income recognition

Interest on loans and advances to customers 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 utilises 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 30 June 2025, the Group had £50.6m (2024: £46.0m) of deferred fees net of commission that are recognised over the expected behavioural life of the loan. A change in the weighted average behavioural life by +/-10% leads to an impact on interest income on loans and advances to customers of £(1.9m) and £2.3m 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 valuation models that use forecast future interest-rate curves, which is subject to estimation uncertainty. Further detail on the estimates in respect of derivatives held for risk management purposes is set out in Note 12 to the Financial statements.

Financial statements continued

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

4. Interest receivable and similar income

	2025	2024
Interest income calculated using the effective interest method		
On loans and advances to customers	851.9	760.1
Other interest and similar income		
On cash and cash equivalents	16.2	16.2
Total interest receivable and similar income	868.1	776.3

Included within interest on loans and advances to customers is £19.0m (2024: £14.7m) relating to discount unwind of stage 3 credit impaired loans.

5. Interest payable and similar charges

	Note	2025	2024
On borrowings calculated using the effective interest rate method		464.0	439.0
On lease liabilities	25	1.4	1.5
On derivatives in qualifying and discontinued hedging relationships		(16.0)	(33.5)
Total interest payable and similar charges		449.4	407.0

6. Administrative expenses

	Note	2025	2024
Staff costs	7	90.6	72.7
Other staff related costs		8.7	7.7
Auditor's remuneration	9	1.4	1.2
Depreciation of property, plant and equipment	16	2.7	2.8
Amortisation of intangible assets	17	5.8	4.3
Charge / (release) of provisions for liabilities and charges	19	2.2	(0.7)
Legal and professional costs		4.8	4.0
IT costs		9.4	8.9
Transformation costs		25.5	6.9
Other administrative costs		6.4	8.3
Total administrative expenses		157.5	116.1

Transformation costs reflect the Group's investment in systems transformation and have been adjusted for in the calculation of underlying metrics as seen within the Alternative performance measures section of the Notes to the Financial statements. As a result of this new category in the administrative expenses note, the prior period comparative has been reclassified to aid comparability with the current period.

7. Staff costs

The average monthly number of employees, including executive directors, was:

	2025 No.	2024 No.
Full time	768	720
Part time	81	66
Average monthly employees	849	786

The aggregate payroll costs included in administrative expenses, including directors' remuneration as detailed in Note 8, was as follows:

	Note	2025	2024
Wages, salaries and bonuses		81.8	63.8
Social security costs		10.7	8.1
Pension	27	2.3	2.1
Staff costs including transformation staff costs		94.8	74.0
Less: staff costs included within transformation costs		(4.2)	(1.3)
Underlying staff costs	6	90.6	72.7

8. Directors' remuneration

	Note	2025	2024
Remuneration		11.7	10.9
Company contribution to personal pension schemes	27	–	–
Total directors' remuneration		11.7	10.9

The remuneration of the highest paid director was £3.7m (2024: £4.4m) with no Company pensions contributions to the highest paid director (2024: no contributions). There have been total Company contributions of £17k in the year (2024: no Company contributions) to defined contribution pension schemes for directors. Details of the pension arrangements operated by the Group are given in note 27. No share options were awarded or exercised in the year.

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9. Auditor's remuneration

	2025	2024
Fees payable for the audit of the Group and Company's accounts	0.4	0.4
Fees payable for the audit of the Company's subsidiaries	0.7	0.5
Audit-related assurance services	0.1	0.1
Other assurance services	0.2	0.2
Total auditor's remuneration	1.4	1.2

10. Taxation

	2025	2024
Current tax		
Corporation tax	45.4	44.1
Adjustment in respect of prior years	–	(0.9)
Total current tax charge	45.4	43.2
Deferred tax		
Origination and reversal of temporary differences	(1.2)	2.0
Adjustment in respect of prior years	(0.1)	(0.4)
Effect of tax rates	–	–
Total deferred tax (release)/charge	(1.3)	1.6
Total taxation	44.1	44.8

Corporation tax is calculated at 25.0% (2024: 25.0%) of the taxable profit for the year.

The differences between the Group tax charge for the year and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2025	2024
Profit before taxation	190.6	194.0
Tax on profit at standard UK corporation tax rate of 25.0% (2024: 25.0%)	47.7	48.5
<i>Effects of:</i>		
Expenses not deductible for tax purposes	0.2	4.7
Income not taxable	–	(3.2)
Other tax repaid	–	(0.1)
Utilisation of trading loss brought forward	(0.1)	–
Group relief ¹	(3.6)	(3.8)
Adjustment in respect of prior years	(0.1)	(1.3)
Group tax charge for year	44.1	44.8

1. The group referred to is a tax group headed by Redhill Famco Limited, the ultimate parent company of Together Financial Services Limited.

The net deferred tax asset at 30 June 2025 and 30 June 2024 has been calculated at a tax rate of 25%.

OECD Pillar Two model rules

Pillar Two has now been introduced into the UK tax system, with legislation effective since 31 December 2023. The Group falls within the scope of the OECD Pillar Two model rules; however, application of these rules does not give rise to additional top-up taxes as the Group's prevailing Effective Tax Rate is above 15%.

Together applies the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

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Notes to the financial statements

Year ended 30 June 2025

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10. Taxation continued

Deferred tax asset

	Accelerated capital allowances	Short-term timing differences	Cashflow hedge reserve	Total
2025 Group				
At beginning of year	(0.4)	6.5	0.1	6.2
Release/(charge) to income statement	0.2	1.1	(0.1)	1.2
Credit to other comprehensive income	–	–	0.8	0.8
Adjustment in respect of prior years	(0.1)	0.2	–	0.1
At end of year	(0.3)	7.8	0.8	8.3

	Accelerated capital allowances	Short-term timing differences	Cashflow hedge reserve	Total
2024 Group				
At beginning of year	(0.6)	8.3	–	7.7
Release/(charge) to income statement	0.3	(2.2)	–	(1.9)
Credit to other comprehensive income	–	–	0.1	0.1
Adjustment in respect of prior years	(0.1)	0.4	–	0.3
At end of year	(0.4)	6.5	0.1	6.2

	Accelerated capital allowances	Short-term timing differences	Total
2025 Company			
At beginning of year	(0.3)	2.3	2.0
Release to income statement	0.2	2.5	2.7
Adjustment in respect of prior years	–	0.1	0.1
At end of year	(0.1)	4.9	4.8

	Accelerated capital allowances	Short-term timing differences	Total
2024 Company			
At beginning of year	(0.6)	2.6	2.0
Release/(charge) to income statement	0.3	(0.6)	(0.3)
Adjustment in respect of prior years	–	0.3	0.3
At end of year	(0.3)	2.3	2.0

11. Cash and cash equivalents

	2025	2024
Unrestricted cash	88.4	84.1
Restricted cash	231.6	252.1
Total cash and cash equivalents	320.0	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, £35.0m (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 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.

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Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

12. Derivatives held for risk management

The Group applies both cash flow and fair value hedge accounting to manage interest rate and fair value risk. Further details on both are included within this note.

Derivative assets and liabilities

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

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Interest-rate swaps – cash flow hedging	3.5	(26.8)	12.9	(4.4)
Interest-rate swaps – fair value hedging	13.1	–	2.7	–
Derivatives held for risk management	16.6	(26.8)	15.6	(4.4)

Fair value hedging

The Group and Company applies fair value hedge accounting to manage exposure to changes in fair value from its senior secured notes. The Group separates the benchmark rate component of its senior secured notes as the hedged item, with this hedged item being included within the Group and Company's borrowings. This component is both separately identifiable and reliably measurable. The associated hedging instrument is an interest rate swap, with the notional amount remaining constant, in line with the hedged item.

The fair value movements of the hedging instrument and hedged item are expected to move inversely to each other, with any ineffectiveness, arising from mismatches in the tenor between the hedged item and the hedging instrument, as well as from credit valuation adjustment charges, to the extent that it occurs, being included within the income statement within 'net fair value gains and losses on derivatives'.

The below shows the notional, fair value, and changes in fair value during the year on the hedged item and the hedging instrument, as well as any hedge ineffectiveness in the year from fair value hedging:

2025 Group and Company		Notional	Fair value at year end	Changes in fair value during the year
Hedged item	Senior secured notes	(950.0)	(13.1)	(10.4)
Hedging instrument	Interest rate swaps	950.0	13.1	10.4
Hedge ineffectiveness				–

2024 Group and Company		Notional	Fair value at year end	Changes in fair value during the year
Hedged item	Senior secured notes	(450.0)	(2.7)	(2.7)
Hedging instrument	Interest rate swaps	450.0	2.7	2.7
Hedge ineffectiveness				–

As seen above, there has been no hedge ineffectiveness from fair value hedging in the current or prior year.

The average fixed rate on swaps under fair value hedging is 7.68%.

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Unless indicated otherwise, all amounts are stated in £m

12. Derivatives held for risk management continued

Cash flow hedging

The Group uses cash flow hedge accounting to mitigate interest rate risk on floating-rate liabilities in certain of its securitisation vehicles that are used to fund fixed rate lending. The hedging instruments are the interest rate swaps entered into, with the hedged item being the variable interest payments on the Group's loan notes which are included within borrowings.

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, which 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.

Sources of hedge ineffectiveness primarily arise from mismatches in the tenor between the hedged item and the hedging instrument, as well as from credit valuation adjustment (CVA) charges. Any resulting ineffectiveness is recognised in the income statement within 'Net fair value gains and losses on derivatives'.

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; and
- Differences in the expected maturity of the hedged item and the hedging instrument.

The average fixed interest rate on swaps under cash flow hedging is 3.90%.

During the year, the Group transacted a number of swaps which resulted in net fair value losses of £2.3m (30 June 2024: £11.2m losses) due to hedge ineffectiveness and discontinued hedges. The Group's hedging relationships are otherwise generally highly effective, with other changes in the fair value of derivatives largely mirrored in hedging reserves.

The below shows the hedged item, hedging instrument, notional, and net derivative asset / (liability) from cash flow hedging:

2025 Group		Notional	Net derivative assets / (liabilities)
Hedged item	Loan notes	(2,545.8)	
Hedging instrument	Interest rate swaps	2,545.8	(23.3)

2024 Group		Notional	Net derivative assets / (liabilities)
Hedged item	Loan notes	(1,833.6)	
Hedging instrument	Interest rate swaps	1,833.6	8.5

Movement in cash flow derivatives in the year

The below table reconciles the movements in derivatives under cash flow hedging in the year, including the impact of hedge effectiveness on the income statement and other comprehensive income.

Group	2025	2024
Net derivative assets at beginning of the year	8.5	62.2
Effective portion of fair value changes recognised in other comprehensive income	(11.1)	(19.1)
Ineffectiveness recognised in income statement	(2.6)	(9.5)
Changes in fair value for calculating hedge ineffectiveness	(13.7)	(28.6)
Changes on settlement of interest, or its reclassification to interest payable, of continuing cash flow hedging relationships	(18.2)	(29.1)
Payments on purchase of derivatives	(2.8)	5.0
Amounts received on cancellation of derivatives	2.9	(0.7)
Payments on discontinuance of hedging relationships	–	(0.3)
Net derivative assets / (liabilities) at end of the year	(23.3)	8.5

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Unless indicated otherwise, all amounts are stated in £m

12. Derivatives held for risk management continued

Cash flow hedging continued

Movement in cash flow hedging reserve in the year

The below table reconciles the movements in the cash flow hedging reserve during the year:

Group	2025	2024
Cashflow hedging reserve at beginning of the year	4.8	49.4
Effective portion of changes in fair value	(11.1)	(19.1)
Amounts reclassified to income statement	(18.7)	(25.5)
Deferred tax recognised on cashflow hedging reserve	0.8	–
Cashflow hedging reserve at end of the year	(24.2)	4.8

Of the above £(24.2)m cashflow hedging reserve, £(0.6)m relates to discontinued hedging relationships, with the rest relating to continuing hedging relationships.

Amounts reclassified to the income statement of £18.7m (2024: £25.5m) includes £0.4m (2024: £3.6m) in relation to discontinued hedging instruments.

Fair value losses in the year from cash flow hedging

The below table details the impact on the income statement of fair value losses in the year from cash flow hedging:

Group	2025	2024
Hedge ineffectiveness	(2.6)	(9.5)
Amounts released on cancellation of derivatives through income statement	0.3	5.5
Settlement of interest or its reclassification to income statement	–	(7.2)
Fair value losses in the year	(2.3)	(11.2)

Borrowings cash flow hedged by interest-rate swaps

The below table shows the carrying value of hedged items, change in FV for hedge ineffectiveness and the cash flow hedging reserve in relation to cash flow hedging of the hedged item.

2025	CV of liabilities	Changes in FV for hedge ineffectiveness	Cash flow hedging reserve
Continuing cash flow hedging relationships	2,545.8	(11.1)	(24.8)
Discontinued cash flow hedging relationships	–	–	0.6
Total	2,545.8	(11.1)	(24.2)

2024	CV of liabilities	Changes in FV for hedge ineffectiveness	Cash flow hedging reserve
Continuing cash flow hedging relationships	1,833.6	(19.1)	2.8
Discontinued cash flow hedging relationships	–	–	2.0
Total	1,833.6	(19.1)	4.8

Maturity profile of derivatives

The below table shows the contractual maturity of the derivative notional balances.

2025	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Cash flow hedging	–	201.3	344.9	487.6	1,512.0	–	2,545.8
Fair value hedging	–	–	–	450.0	500.0	–	950.0
Total derivative notional	–	201.3	344.9	937.6	2,012.0	–	3,495.8

2024	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Cash flow hedging	–	23.0	153.3	558.0	1,099.3	–	1,833.6
Fair value hedging	–	–	–	–	450.0	–	450.0
Total derivative notional	–	23.0	153.3	558.0	1,549.3	–	2,283.6

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Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

13. Loans and advances to customers

	30 June 2025			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Gross loans and advances to customers	5,879.9	1,322.4	887.5	8,089.8
Loss allowance on loans and advances to customers	(9.7)	(20.5)	(165.3)	(195.5)
Loans and advances to customers	5,870.2	1,301.9	722.2	7,894.3
ECL coverage (%)	0.2	1.6	18.6	2.4

	30 June 2024			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Gross loans and advances to customers	5,768.7	1,057.3	684.3	7,510.3
Loss allowance on loans and advances to customers	(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

Group gross balances of credit impaired loans include £15.3m (2024: £15.4m) of purchased or originated credit impaired (POCI) loans, which are presented net of lifetime ECL impairment provisions of £1.6m (2024: £1.8m).

Measurement of expected credit losses (ECL)

ECL model

The Group calculates its ECL using a statistical model based on 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 payment behaviour. For development loans, PDs are assigned using a risk 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 as the product of PD, LGD and EAD, discounted to the reporting date.

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 loss 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 loss 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 loss 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 subsequently 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.

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Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

13. Loans and advances to customers continued

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. During the year, the Group has made no individually material adjustments to the model.

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. At 30 June 2025, post-model adjustments increased the total loan loss provision by £50.0m (30 June 2024: £40.8m).

Portfolio level post-model adjustments are made for potential risks that may emerge where additional coverage is judged to be appropriate at the time, where it is deemed to be not fully reflected in the ECL model. This includes additional coverage to proactively account for identified risk on subsets of the loan book based on previous performance of similar loans, as well as other identified model limitations, and totals £13.2m at 30 June 2025 (30 June 2024: £10.0m).

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, or where loans are pooled together due to model limitations. 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. The specific loan post-model adjustments total £36.8m at 30 June 2025 (30 June 2024: £30.8m).

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 loss allowance based on a lifetime rather than a 12-month ECL, with these assets being recognised within stage 2. 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 that the asset is moved back to stage 1.

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, the Bank of England's Base Rate ('the 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.

The base case is weighted at 60% (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 some further Bank Rate decreases over the next year, some increases in the unemployment rate, and growth in house prices.

There are two downside scenarios; downside and severe downside weighted at 10% and 10% respectively (30 June 2024: 15% and 10%). The downside scenarios assume faster reductions to the Bank Rate in a recessionary environment, with increasing unemployment and house price falls. The nature of the downside scenario is most closely aligned to the experience during the 2008 global financial crisis, with the severe downside economic scenario representing a severely stressed environment.

There is one upside scenario which is weighted at 20% (30 June 2024: 15%) 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.

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.

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Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

13. Loans and advances to customers continued

Incorporation of forward-looking information continued

Scenarios continued

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.

The most significant assumptions used for the ECL estimate as at 30 June 2025, by economic indicator, until June 2029 are as follows.

Bank Rate (%)	Lowest bank rate	Weighting	Sep 2025	Dec 2025	Mar 2026	Jun 2026	Jun 2027	Jun 2028	Jun 2029
Upside	4.1	20%	4.5	4.9	4.9	5.2	4.8	4.1	4.3
Base	3.5	60%	4.0	3.8	3.5	3.5	3.5	3.5	3.8
Downside	1.8	10%	4.0	3.5	3.0	2.6	1.8	1.8	1.8
Severe downside	1.0	10%	3.9	3.3	2.6	2.1	1.0	1.0	1.0
Weighted average			4.1	3.9	3.6	3.6	3.3	3.2	3.4

Unemployment rate (%)	% peak	Weighting	Sep 2025	Dec 2025	Mar 2026	Jun 2026	Jun 2027	Jun 2028	Jun 2029
Upside	4.6	20%	4.6	4.4	4.3	4.2	3.8	3.6	3.6
Base	4.9	60%	4.8	4.8	4.9	4.9	4.9	4.5	4.2
Downside	6.8	10%	5.2	5.5	5.7	6.0	6.8	6.8	6.6
Severe downside	7.5	10%	5.3	5.6	6.0	6.3	7.3	7.5	7.1
Weighted average			4.8	4.9	4.9	5.0	5.1	4.9	4.6

Annual change in house-price index (%)	Start to trough % change	Weighting	Sep 2025	Dec 2025	Mar 2026	Jun 2026	Jun 2027	Jun 2028	Jun 2029
Upside	n/a ¹	20%	4.4	3.4	4.1	4.6	5.7	6.7	6.4
Base	n/a ¹	60%	3.5	2.3	2.4	2.4	3.5	4.5	6.6
Downside	(9.1)	10%	0.8	(2.3)	(4.0)	(5.9)	(1.6)	(0.6)	6.6
Severe downside	(16.9)	10%	(0.4)	(4.4)	(6.9)	(9.6)	(4.4)	(3.6)	6.5
Weighted average			3.0	1.4	1.2	0.8	2.7	3.6	6.5

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

Bank Rate (%)	Lowest bank rate	Weighting	Sep 2024	Dec 2024	Mar 2025	Jun 2025	Jun 2026	Jun 2027	Jun 2028
Upside	3.9	15%	5.6	5.8	5.8	5.8	5.3	5.0	3.9
Base	3.3	60%	4.9	4.8	4.5	4.3	3.8	3.5	3.3
Downside	1.5	15%	5.6	4.3	3.8	3.3	1.9	1.5	1.5
Severe downside	0.8	10%	5.0	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.

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Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

13. Loans and advances to customers continued

Loss allowance movements in the year

The following tables analyse the movement of the loss allowance during the years ended 30 June 2025 and 30 June 2024:

Loss allowance	2025			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Balance at beginning of year	(10.4)	(24.6)	(111.4)	(146.4)
Transfer to a 12-month ECL	(6.4)	6.4	–	–
Transfer to a lifetime ECL not credit impaired	5.6	(7.2)	1.6	–
Transfer to a lifetime ECL credit impaired	0.3	21.7	(22.0)	–
Net ECL remeasurement on stage transfer	4.6	(11.9)	(14.2)	(21.5)
Other changes in credit risk during the year	(6.0)	(11.7)	(53.6)	(71.3)
Impairment of interest income on stage 3 loans	–	–	(19.0)	(19.0)
New financial assets originated	(3.7)	(0.7)	(2.7)	(7.1)
Financial assets derecognised	4.6	6.5	15.2	26.3
Changes in models and risk parameters	1.7	1.0	8.5	11.2
Losses from movements in loss allowance¹	0.7	4.1	(86.2)	(81.4)
Discounting release	–	–	19.0	19.0
Write-offs net of recoveries	–	–	13.3	13.3
Balance at end of year	(9.7)	(20.5)	(165.3)	(195.5)

1. See 'Impairment losses for the year' on the following page for a reconciliation of losses from movements in loss allowance to the income statement charge for the year.

Loss allowance	2024			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Balance at beginning of year	(17.6)	(30.6)	(61.6)	(109.8)
Transfer to a 12-month ECL	(12.9)	12.9	–	–
Transfer to a lifetime ECL not credit impaired	7.2	(8.4)	1.2	–
Transfer to a lifetime ECL credit impaired	0.2	16.2	(16.4)	–
Net ECL remeasurement on stage transfer	6.1	(15.3)	(15.9)	(25.1)
Other changes in credit risk during the year	(0.1)	(8.7)	(33.7)	(42.5)
Impairment of interest income on stage 3 loans	–	–	(14.7)	(14.7)
New financial assets originated	(4.1)	(3.7)	(0.5)	(8.3)
Financial assets derecognised	4.0	8.8	12.0	24.8
Changes in models and risk parameters	6.8	4.2	(1.2)	9.8
Losses from movements in loss allowance¹	7.2	6.0	(69.2)	(56.0)
Discounting release	–	–	14.7	14.7
Write-offs net of recoveries	–	–	4.7	4.7
Balance at end of year	(10.4)	(24.6)	(111.4)	(146.4)

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Unless indicated otherwise, all amounts are stated in £m

13. Loans and advances to customers continued

Loss allowance movements in the year continued

The ECL allowance has increased in the year by £49.1m to £195.5m (2024: increased by £36.6m to £146.4m). This increase in allowance comprises a range of drivers, with the principal being:

- Changes due to accounts moving between stages has increased the provision by £21.5m (30 June 2024: £25.1m), 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 £11.2m (2024: reduction of £9.8m). The main drivers of this change were updates to macroeconomic data based on latest actuals and forecasts, as well as updates to model parameters.
- Movements in post model adjustments in the period have increased the ECL allowance by £9.2m (2024: £13.5m increase) in relation to both portfolio level PMAs and specific loan PMAs.
- The impairment of interest income recognised on stage 3 loans, a charge of £19.0m (2024: £14.7m), was offset by the unwinding of discounting on expected cash flows; a release of £19.0m (2024: £14.7m).
- The remaining net £29.6m increase (2024: £7.8m increase) comprises of increases in ECL during the life of loans, offset where allowances are released on loans which redeem and write-offs of fully impaired balances in the year. This increase has been driven by a growing loan book, some increases in arrears and defaults, changes to probabilities of default assigned to loans, and changes to security values through indexation and revaluations.

Impairment losses for the year

	30 June 2025	30 June 2024
Losses from movements in loss allowance	(81.4)	(56.0)
Amounts released from deferred income	1.8	0.4
Write-offs net of recoveries	4.1	1.5
Charge to the income statement	(75.5)	(54.1)

Impairment losses for the period increased to a charge of £75.5m (2024: charge £54.1m) as shown above. The losses from movements in loss allowance are broken down in the table on the previous page.

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

13. Loans and advances to customers continued

Loans and advances movements in the year

The following tables set out changes in the gross carrying amount of loans and advances to customers that contributed to the changes in the loss allowance:

Movements in loans and advances to customers	2025			Total
	Stage 1	Stage 2	Stage 3 and POCI	
Balance at beginning of year	5,768.7	1,057.3	684.3	7,510.3
Transfer to a 12-month ECL	757.0	(757.0)	–	–
Transfer to a lifetime ECL not credit impaired	(1,703.8)	1,791.5	(87.7)	–
Transfer to a lifetime ECL credit impaired	(25.3)	(479.5)	504.8	–
New financial assets originated	2,963.5	15.3	6.9	2,985.7
Financial assets derecognised including write-offs	(1,880.2)	(305.2)	(220.8)	(2,406.2)
Balance at end of year	5,879.9	1,322.4	887.5	8,089.8

Movements in loans and advances to customers	2024			Total
	Stage 1	Stage 2	Stage 3 and POCI	
Balance at beginning of year	4,575.2	1,459.6	485.2	6,520.0
Transfer to a 12-month ECL	1,158.3	(1,158.3)	–	–
Transfer to a lifetime ECL not credit impaired	(1,432.9)	1,499.5	(66.6)	–
Transfer to a lifetime ECL credit impaired	(17.2)	(418.3)	435.5	–
New financial assets originated	2,742.5	45.4	2.1	2,790.0
Financial assets derecognised including write-offs	(1,257.2)	(370.6)	(171.9)	(1,799.7)
Balance at end of year	5,768.7	1,057.3	684.3	7,510.3

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.

Macroeconomic scenarios

The following table shows unweighted ECL when 100% probability was applied to each scenario as at 30 June 2025 and 30 June 2024.

Scenarios	2025	
	Probability of the scenario	Unweighted ECL
Upside	20%	145.7
Base case	60%	176.7
Downside	10%	269.9
Severe downside	10%	335.6
Weighted average		195.5

Scenarios	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 average		146.4

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.

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Unless indicated otherwise, all amounts are stated in £m

13. Loans and advances to customers continued

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 £30.7m at 30 June 2025 (2024: £25.5m); conversely, a 10% increase would result in a decrease in the impairment allowance of £23.4m at 30 June 2025 (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 £6.8m at 30 June 2025 (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 £6.4m at 30 June 2025 (30 June 2024: £5.6m).

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 loss 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. These were performed at an account level and hence excludes post model adjustments.

Sensitivities	Increase in allowance	
	2025	2024
Measure all loans in stage 1 using a lifetime ECL	19.7	20.2

14. Other assets

Group	2025	2024
Amounts owed by related parties	2.4	2.2
Prepayments and accrued income	8.7	6.9
Other assets	1.8	1.0
Total other assets	12.9	10.1

Company	2025	2024
Amounts owed by related parties	1,107.2	1,202.9
Prepayments and accrued income	7.8	5.8
Other assets	0.4	0.5
Total other assets	1,115.4	1,209.2

Amounts owed by related parties of the Group are mainly in respect of companies in which HN Moser is a director and shareholder, including amounts owed by parent undertakings. Also included within amounts owed by the related parties is £0.5m (2024: £0.4m) in relation to a director's loan. The loan is interest free and repayable on demand.

For the Company, amounts owed by related parties are primarily balances with subsidiary companies and also includes £0.4m (2024: £0.5m) in respect of non-subsidiary companies of which HN Moser is a director and shareholder.

The Company regularly assesses whether there is evidence that financial assets are impaired. The directors do not consider that there has been a significant increase in credit risk; accordingly, any ECL for the amounts owed by subsidiaries is considered to be immaterial.

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15. Investments in subsidiaries

The Company held the following investments in subsidiary undertakings:

	2025	2024
At beginning of year	45.2	35.2
Capital injections	–	10.0
Impairment	(0.1)	–
At end of year	45.1	45.2

The Company has the following subsidiaries, all of which are incorporated in Great Britain and are registered in England and Wales and operate throughout the United Kingdom:

Subsidiary companies' names	Company	2025 Shares and voting rights	2024 Shares and voting rights	Principal activities
Blemain Finance Limited	01185052	100%	100%	Retail lending
Bridging Finance Limited	03166982	100%	100%	Commercial lending
FactFocus Limited	01402330	100%	100%	Property investment
Harpmanor Limited	01954109	100%	100%	Commercial lending
Jerrold Finco PLC	04949914	100%	100%	Raising finance
Spot Finance Limited ¹	01998543	–	100%	Non-trading
Supashow Limited ¹	02544317	–	100%	Non-trading
Together Commercial Finance Limited	02058813	100%	100%	Commercial lending
Together Financial Services (Retail) Ltd ¹	04949929	–	100%	Non-trading
Together Personal Finance Limited	02613335	100%	100%	Retail lending

1. These subsidiaries were voluntarily liquidated during the current year as part of a project to simplify the Group structure. Their financial performance up to the date of liquidation has been included in the consolidated financial statements. There are no other subsidiaries currently in liquidation.

The above are all owned via direct holdings of ordinary share capital. The registered address of all subsidiaries is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. The employee benefit trust, Jerrold Holdings Employee Benefit Trust, is treated as a branch of the Company and therefore its results are included within these Financial statements.

In addition to its subsidiaries, the Group has SPVs that meet the definition of structured entities under IFRS 12. These entities are also consolidated into the Group's financial statements in accordance with IFRS 10 *Consolidated Financial Statements*. Control is established based on the Group's ability to direct the

relevant activities of the SPVs and is exposed to their variable returns, rather than through equity ownership. The results of the following SPV's are consolidated in the Group accounts:

Name	Registered address (see below)
Adalo Asset Backed Securitisation Limited	a
Brooks Asset Backed Securitisation 1 Limited	a
Brooks Asset Backed Securitisation 2 Limited	a
Charles Street Conduit Asset Backed Securitisation 2 Limited	b
Delta Asset Backed Securitisation 2 Limited	a
Highfield Asset Backed Securitisation 1 Limited	c
Kingsway Asset Backed Securitisation Limited	a
Lakeside Asset Backed Securitisation 1 Limited	a
Together Asset Backed Securitisation 2021 – 1ST1 PLC	a
Together Asset Backed Securitisation 2022 – 2ND1 PLC	a
Together Asset Backed Securitisation 2022 – 1ST1 PLC	a
Together Asset Backed Securitisation 2023 – 1ST1 PLC	a
Together Asset Backed Securitisation 2023 – 1ST2 PLC	a
Together Asset Backed Securitisation 2024 – 2ND1 PLC	a
Together Asset Backed Securitisation 2024 – 1ST1 PLC	a
Together Asset Backed Securitisation 2024 – 1ST2 PLC	a
Together Asset Backed Securitisation 2025 – 2ND1 PLC	a
Together Asset Backed Securitisation 2021 – CRE2 PLC	a
Together Asset Backed Securitisation 2022 – CRE-1 PLC	a
Together Asset Backed Securitisation 2023 – CRE-1 PLC	a
Together Asset Backed Securitisation 2025 – CRE-1 PLC	a
Wilmslow Asset Backed Securitisation Limited	a

a – 10th Floor, 5 Churchill Place, London, United Kingdom, E14 5HU

b – 18a Capricorn Centre, Cranes Farm Road, Basildon, Essex, SS14 3JJ

c – 4th Floor, 140 Aldersgate Street, London, United Kingdom, EC1A 4HY

The Group has not provided any financial support to its structured entities beyond its contractual obligations. There are no current intentions to provide such support in the future. The Group does not have any associates or joint ventures.

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Unless indicated otherwise, all amounts are stated in £m

16. Property, plant and equipment

2025 Group	Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Right-of-use assets	Total
Cost					
At beginning of year	0.5	12.0	3.1	35.5	51.1
Additions	–	0.9	0.1	–	1.0
Disposals	–	(0.2)	(0.6)	–	(0.8)
At end of year	0.5	12.7	2.6	35.5	51.3
Depreciation					
At beginning of year	–	8.4	1.5	10.9	20.8
Charge for the year	–	1.2	0.4	1.1	2.7
Disposals	–	(0.2)	(0.4)	–	(0.6)
At end of year	–	9.4	1.5	12.0	22.9
Net book value					
At 30 June 2025	0.5	3.3	1.1	23.5	28.4
At 30 June 2024	0.5	3.6	1.6	24.6	30.3

2025 Company	Fixtures, fittings and equipment	Motor vehicles	Right-of-use assets	Total
Cost				
At beginning of year	12.0	3.1	35.5	50.6
Additions	0.9	0.1	–	1.0
Disposals	(0.2)	(0.6)	–	(0.8)
At end of year	12.7	2.6	35.5	50.8
Depreciation				
At beginning of year	8.4	1.5	10.9	20.8
Charge for the year	1.2	0.4	1.1	2.7
Disposals	(0.2)	(0.4)	–	(0.6)
At end of year	9.4	1.5	12.0	22.9
Net book value				
At 30 June 2025	3.3	1.1	23.5	27.9
At 30 June 2024	3.6	1.6	24.6	29.8

2024 Group	Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Right-of-use assets	Total
Cost					
At beginning of year	0.5	11.5	3.0	35.5	50.5
Additions	–	0.5	0.5	–	1.0
Disposals	–	–	(0.4)	–	(0.4)
At end of year	0.5	12.0	3.1	35.5	51.1
Depreciation					
At beginning of year	–	7.1	1.4	9.8	18.3
Charge for the year	–	1.3	0.4	1.1	2.8
Disposals	–	–	(0.3)	–	(0.3)
At end of year	–	8.4	1.5	10.9	20.8
Net book value					
At 30 June 2024	0.5	3.6	1.6	24.6	30.3
At 30 June 2023	0.5	4.4	1.6	25.7	32.2

2024 Company	Fixtures, fittings and equipment	Motor vehicles	Right-of-use assets	Total
Cost				
At beginning of year	11.5	3.0	35.5	50.0
Additions	0.5	0.5	–	1.0
Impairment	–	(0.4)	–	(0.4)
At end of year	12.0	3.1	35.5	50.6
Depreciation				
At beginning of year	7.1	1.4	9.8	18.3
Charge for the year	1.3	0.4	1.1	2.8
Disposals	–	(0.3)	–	(0.3)
At end of year	8.4	1.5	10.9	20.8
Net book value				
At 30 June 2024	3.6	1.6	24.6	29.8
At 30 June 2023	4.4	1.6	25.7	31.7

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17. Intangible assets

Group and Company	Computer software 2025	Computer Software 2024
Cost		
At beginning of year	35.0	28.7
Additions	1.1	6.3
At end of year	36.1	35.0
Amortisation		
At beginning of year	21.8	17.5
Charge for the year	5.8	4.3
At end of year	27.6	21.8
Net book value		
At end of year	8.5	13.2
At beginning of year	13.2	11.2

18. Borrowings

Group	Note	2025	2024
Revolving credit facility		–	–
Loan notes		5,999.7	5,564.7
Subordinated shareholder loans		24.9	22.8
Lease liabilities	25	26.9	28.4
		6,051.5	5,615.9
Senior secured notes		950.0	950.0
Fair value adjustment due to hedging on senior secured notes		13.1	2.7
Senior secured notes at end of year		963.1	952.7
Debt issuance costs		(27.9)	(25.3)
Total borrowings		6,986.7	6,543.3

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Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

18. Borrowings continued

Company	Note	2025	2024
Subordinated shareholder loans		24.9	22.8
Lease liabilities	26	26.9	28.4
		51.8	51.2
Debt issue costs		(0.3)	(0.6)
Total borrowings		51.5	50.6

Interest accrued on the funding facilities is presented within other liabilities. Please refer to Note 20 for further information.

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	53.9	Mar 2028
Brooks ABS 2	2025	Private funding	Amortising	57.8	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	93.2	Oct 2025
Together ABS 6	2022	Public securitisation	Amortising	140.4	May 2026
Together ABS 7	2022	Public securitisation	Amortising	230.1	Jun 2026
Together ABS 8	2023	Public securitisation	Amortising	261.9	Apr 2027
Together ABS 9	2023	Public securitisation	Amortising	284.1	Sep 2027
Together ABS 10	2024	Public securitisation	Amortising	182.0	Jan 2028
Together ABS 11	2024	Public securitisation	Amortising	220.2	May 2028
Together ABS 12	2025	Public securitisation	Amortising	366.3	Sep 2028
Together ABS 13	2025	Public securitisation	Amortising	235.6	Jan 2029
Together CRE2	2021	Public securitisation	Amortising	107.2	Feb 2026
Together CRE3	2022	Public securitisation	Amortising	212.1	Oct 2026
Together CRE4	2023	Public securitisation	Amortising	289.9	Nov 2027
Together CRE5	2025	Public securitisation	Amortising	477.9	Apr 2029
Wilmslow ABS	2025	Private funding	Revolving	387.0	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 year end.

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18. 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 revolving credit facility (RCF) is September 2026, with a total facility size of £138.3m.

The senior secured notes represent borrowings which are a hedged item and subject to fair value hedge accounting. These 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 risk of the senior secured notes. Accordingly, whilst the carrying value of the senior secured notes are £950.0m at year-end, this is subject to a fair value adjustment relating to the hedged risk of £13.1m, resulting in a closing balance of £963.1m at year-end.

Subordinated shareholder loans were originally issued on 2 November 2016, although their maturity extensions in the prior year resulted in the derecognition and re-recognition of subordinated shareholder loans. They are interest-free loans totalling £68.1m, which comprised £25.1m and £43.0m, both due in 2036.

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, £9.5m of which has amortised by 30 June 2025 (30 June 2024: £7.4m). The remainder of the reserve will be amortised over the life of the instruments.

The private loan securitisation facilities are subject to covenants that the Group must comply with within twelve months of the reporting date. Based on the current facts and circumstances, there are no indicators suggesting that the Group will face difficulties in meeting these covenants. Accordingly, the related liabilities continue to be classified as non-current, as the Group expects to remain in compliance with the covenant terms throughout the twelve-month period following the reporting date.

There are also certain obligations that the Company is required to comply with in respect of the SPV entities.

The Group has undertaken the following refinancing activity during and subsequent to the year ended 30 June 2025:

- In August 2024 the Group refinanced its Delta Asset Backed 2 ABS (DABS 2) 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 (TABS 12) raising £429.0m of external funding.
- In November 2024, the Group refinanced its Lakeside Asset Backed Securitisation facility securing an additional £175.0m, resulting in a total facility size of £1,000.0m and extended the maturity date to November 2028.
- In January 2025, the Group separated and upsized its £1,250m Charles Street Asset Backed Securitisation 2 (CABS 2) facility into two revolving warehouse facilities totalling £1,587m; Kingsway Asset Backed Securitisation (KABS) with a facility size of £1,200m and Wilmslow Asset Backed Securitisation (WABS) with a facility size of £387m and extending the maturity dates for both to January 2029.
- In February 2025, the Group issued an RMBS, Together Asset Backed Securitisation 2025 – 2ND 1 (TABS 13), raising £257.7m of external funding.
- In March 2025, the Group issued a further facility, Brooks Asset Backed Securitisation 2 (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 (CRE5) raising £522.2m of external funding.
- In June 2025, the Group issued £500.0m in aggregate principal at a coupon rate of 7.5% in Senior Secured Notes due 2031. The gross proceeds of the Notes were used to redeem £500.0m in aggregate principal amount of the senior secured notes due 2027.

Refer to Note 25 for more details in relation to the lease liabilities.

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

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Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

18. Borrowings continued

Borrowings have the following maturities based on the Group's estimated timing of payments:

As at 30 June 2025:

Group	<1 year	1-2 years	2-5 years	>5 years	Total
Loan notes	1,128.5	704.4	4,166.8	–	5,999.7
Senior secured notes	–	–	458.3	504.8	963.1
Subordinated shareholder loans	–	–	–	24.9	24.9
Lease liabilities	0.7	0.8	2.6	22.8	26.9
	1,129.2	705.2	4,627.7	552.5	7,014.6
Debt-issue costs	(4.2)	(3.7)	(16.5)	(3.5)	(27.9)
Total borrowings	1,125.0	701.5	4,611.2	549.0	6,986.7

As at 30 June 2025:

Company	<1 year	1-2 years	2-5 years	>5 years	Total
Revolving credit facility	–	–	–	–	–
Subordinated shareholder loans	–	–	–	24.9	24.9
Lease liabilities	0.7	0.8	2.6	22.8	26.9
	0.7	0.8	2.6	47.7	51.8
Debt-issue costs	–	–	(0.3)	–	(0.3)
Total borrowings	0.7	0.8	2.3	47.7	51.5

As at 30 June 2024:

Group	<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)
Total borrowings	660.6	3,152.0	2,234.1	496.6	6,543.3

As at 30 June 2024:

Company	<1 year	1-2 years	2-5 years	>5 years	Total
Revolving credit facility	–	–	–	–	–
Subordinated shareholder loans	–	–	–	22.8	22.8
Lease liabilities	1.2	1.1	2.5	23.6	28.4
	1.2	1.1	2.5	46.4	51.2
Debt-issue costs	–	–	(0.6)	–	(0.6)
Total borrowings	1.2	1.1	1.9	46.4	50.6

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Unless indicated otherwise, all amounts are stated in £m

19. Provisions and contingent liabilities

Provisions

Group	Customer provisions	Other provisions	Total
Balance at beginning of year	0.3	2.9	3.2
Charge for the year	0.2	2.0	2.2
Provisions utilised	(0.1)	(0.8)	(0.9)
Balance at end of year	0.4	4.1	4.5

Company	Customer provisions	Other provisions	Total
Balance at beginning of year	–	–	–
Charge for the year	–	0.7	0.7
Provisions utilised	–	–	–
Balance at end of year	–	0.7	0.7

As at 30 June 2025, the Group has recognised provisions of £4.5m (30 June 2024: £3.2m). Estimating the value 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. Group other provisions substantially represent a provision for such legal claims.

The Company's other provisions relate to estimated future costs from current contractual obligations for ongoing repair and maintenance of the Group's leased office space, which is also included in the Group's other provisions.

Contingent liabilities – fixed and floating charges

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

20. Other liabilities

Group	2025	2024
Trade and other creditors	4.2	4.3
Other taxation and social security	1.9	1.7
Accruals and deferred income	46.7	33.6
Accrued interest on borrowings	32.0	48.2
Total other liabilities	84.8	87.8

Company	2025	2024
Amounts owed to related parties	1,036.4	1,024.3
Trade and other creditors	2.5	2.7
Other taxation and social security	1.9	1.7
Accruals and deferred income	42.6	31.3
Accrued interest on borrowings	1.2	0.4
Total other liabilities	1,084.6	1,060.4

Amounts owed to related parties of the Company are primarily balances with subsidiary companies.

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Unless indicated otherwise, all amounts are stated in £m

21. Share capital

Authorised	2025	2024
10,405,653 A ordinary shares of 50 pence each	5.2	5.2
9,149,912 B ordinary shares of 49.9 pence each	4.6	4.6
921,501 C ordinary shares of 1 penny each	–	–
70,000 D ordinary shares of 1 penny each	–	–
10,000 E ordinary shares of 1 penny each	–	–
Total	9.8	9.8

Issued, allotted and fully paid	2025	2024
10,405,653 A ordinary shares of 50 pence each	5.2	5.2
9,149,912 B ordinary shares of 49.9 pence each	4.6	4.6
921,501 C ordinary shares of 1 penny each	–	–
70,000 D ordinary shares of 1 penny each	–	–
Total	9.8	9.8

A ordinary shares carry voting rights, rights to certain dividends and rights to participate in a distribution (including on winding up) as set out in the articles of association. The holders of B, C, D and E ordinary shares do not have voting rights but do have rights to certain dividends and participation in a distribution (including on winding up) as set out in the articles of association.

11,620 of the D Ordinary shares are held in an employee benefit trust and accounted for as treasury shares.

22. 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; and

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 year-end of financial instruments measured at fair value, analysed into different levels according to the degree to which they are based on observable inputs:

2025	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	–	(26.8)	–	(26.8)	(26.8)

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)

The Group's derivative assets at 30 June 2025 and 2024 were interest-rate swaps; its derivative liabilities at 30 June 2024 were interest-rate swaps. The valuations of these instruments are level 2, being derived from generally accepted valuation models that use forecast future interest-rate curves derived from market data.

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Unless indicated otherwise, all amounts are stated in £m

22. Financial instruments and fair values continued

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:

2025	Level 1	Level 2	Level 3	Fair value	Carrying value
Financial assets					
Loans and advances to customers	–	–	7,905.9	7,905.9	7,894.3
Financial liabilities					
Borrowings	977.5	3,100.7	2,943.7	7,021.9	6,986.7
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 (a 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 2031 is higher than the carrying value as the notes are trading at a premium to their par value as at 30 June 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 30 June 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, but with observable inputs.

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.

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Unless indicated otherwise, all amounts are stated in £m

23. Notes to the statement of cash flows

Group	2025	2024
Adjustments for non-cash items in profit after tax:		
Interest payable	449.4	407.0
Impairment losses	75.5	54.1
Taxation	44.1	44.8
Charges to provisions for liabilities	2.2	(0.7)
Depreciation and amortisation	8.5	7.1
Net losses on financial instruments	2.3	11.2
Loss on disposal of fixed assets	–	0.1
Total	582.0	523.6

	2025	2024
Changes in operating assets and liabilities		
Increase in loans and advances to customers	(605.9)	(1,007.8)
Increase in other operating assets	(6.0)	(4.1)
Increase in other operating liabilities	15.3	2.8
Total	(596.6)	(1,009.1)

Additional information on cash flows from operating activities

Interest income receipts	729.6	659.5
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Company	2025	2024
Adjustments for non-cash items in profit after tax:		
Interest payable	1.8	1.8
Taxation	(2.7)	0.1
Charges to provisions for liabilities	0.7	–
Depreciation and amortisation	8.5	7.1
Net (gains) / losses on financial instruments	(0.2)	0.4
Impairment of investment in subsidiaries	0.1	–
Loss on disposal of fixed assets	–	0.1
Total	8.2	9.5

	2025	2024
Changes in operating assets and liabilities		
Decrease in other operating assets	67.6	138.8
Increase in other operating liabilities	19.8	4.4
Total	87.4	143.2

Additional information on cash flows from operating activities

Interest income receipts	15.8	15.7
Dividends received	1.3	13.0

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Unless indicated otherwise, all amounts are stated in £m

23. Notes to the statement of cash flows continued

Reconciliation of changes in liabilities arising from financing activities

As at 30 June 2025:

Group	At beginning of year	Net cash flows	Lease additions	Interest and unwinds	Fair value movements	At end of year
Revolving credit facility ¹	–	–	–	–	–	–
Loan notes	5,564.7	435.0	–	–	–	5,999.7
Senior secured notes	952.7	–	–	–	10.4	963.1
Subordinated shareholder loans	22.8	–	–	2.1	–	24.9
Lease liabilities	28.4	(3.0)	0.1	1.4	–	26.9
	6,568.6	432.0	0.1	3.5	10.4	7,014.6
Net debt issue costs	(25.3)	(12.7)	–	10.1	–	(27.9)
Total borrowings	6,543.3	419.3	0.1	13.6	10.4	6,986.7

As at 30 June 2025:

Company	At beginning of year	Net cash flows	Lease additions	Interest and unwinds	Fair value movements	At end of year
Revolving credit facility	–	–	–	–	–	–
Subordinated shareholder loans	22.8	–	–	2.1	–	24.9
Lease liabilities	28.4	(3.0)	0.1	1.4	–	26.9
	51.2	(3.0)	0.1	3.5	–	51.8
Net debt issue costs	(0.6)	–	–	0.3	–	(0.3)
Total borrowings	50.6	(3.0)	0.1	3.8	–	51.5

1. The revolving credit facility had cash drawdowns of £170.0m and repayments of £170m in the year, leading to net cash flows of £nil (2024: drawdowns of £120m and repayments of £190m in the year, leading to net cash outflows of £70m).

As at 30 June 2024:

Group	At beginning of year	Net cash flows	Lease additions	Interest and unwinds	Fair value movements	At end of year
Revolving credit facility ¹	70.0	(70.0)	–	–	–	–
Loan notes	4,511.3	1,053.4	–	–	–	5,564.7
Senior secured notes	1,055.2	(105.0)	–	(0.2)	2.7	952.7
Subordinated shareholder loans ¹	33.7	–	–	2.2	(13.1)	22.8
Lease liabilities	29.1	(2.7)	0.6	1.4	–	28.4
	5,699.3	875.7	0.6	3.4	(10.4)	6,568.6
Net debt issue costs	(19.0)	(13.0)	–	6.7	–	(25.3)
Total borrowings	5,680.3	862.7	0.6	10.1	(10.4)	6,543.3

As at 30 June 2024:

Company	At beginning of year	Net cash flows	Lease additions	Interest and unwinds	Fair value movements	At end of year
Revolving credit facility	70.0	(70.0)	–	–	–	–
Subordinated shareholder loans ²	33.7	–	–	2.2	(13.1)	22.8
Lease liabilities	29.1	(2.7)	0.6	1.4	–	28.4
	132.8	(72.7)	0.6	3.6	(13.1)	51.2
Net debt issue costs	(0.9)	–	–	0.3	–	(0.6)
Total borrowings	131.9	(72.7)	0.6	3.9	(13.1)	50.6

2. Two subordinated loans to a related party, Midco2 Limited, totalling £25.1m had their maturity extended in the prior year 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 value due in 2036.

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Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

24. Related party transactions

Relationships

The Company has the following related parties with which it has transactions :

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 year 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. In February 2025, the Group sold a motor vehicle to Bracken Property Company Limited at market value totalling £0.1m.
Charles Street Commercial Investments Limited (CSCIL), Charles Street Capital Limited (CSCL), and Charles Street Finance Holdings Limited (CSFHL)	The Group refers borrowers outside its lending criteria to CSCIL. The Group also performs underwriting, collection and arrears-management activities for CSCIL and CSCL. The Group manages accounts payable on behalf of all these 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 CSCL, 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.

There are intercompany balances due to or from General Allied Properties Limited, Edgworth Developments Limited, August Blake Developments Limited and Sterling Property Co. Limited at the year-end.

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 companies 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 19. 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

Details of the Company's interest in its subsidiaries are listed in Note 15. 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 and group relief for tax 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 period transacted with the Company's subsidiaries as follows:

Entity	Nature of transactions
Waterfold Asset Management Limited	Waterfold Asset Management Limited provides property management services for properties repossessed or placed into LPA receivership by the Group. 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.

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

24. Related party transactions continued

Transactions

The amounts receivable from and payable to related parties by the Group and Company are disclosed in Notes 14 and 20 to the Financial statements. The Group and Company had the following transactions with related parties during the year:

Group	2025		2024	
	Charge/(credit) to income or equity	Paid/ (received)	Charge to income or equity	Paid/ (received)
Lease and insurance costs	2.2	2.2	1.6	1.6
Accounts payable transactions	–	(0.5)	–	0.7
Impairment of related party loans	–	–	(0.3)	–
Sale of loans to related parties ¹	–	(9.3)	–	–
Net settlement of treasury funding	–	0.3	–	–
Sale of motor vehicles to related party ²	–	(0.1)	–	–
Management fee	(0.1)	–	–	–
Related parties of HN Moser	2.1	(7.4)	1.3	2.3
Interest expense	2.1	–	2.3	–
Dividends paid	65.4	65.4	65.7	65.7
Parent companies	67.5	65.4	68.0	65.7
Property management costs	1.3	1.3	1.9	2.0
Related parties of other key management personnel	1.3	1.3	1.9	2.0
Total related parties	70.9	59.3	71.2	70.0

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 market value totalling £0.1m.

Included within other assets are amounts owed by related parties of the Group of £2.4m (30 June 2024: £2.2m), 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 (30 June 2024: £0.4m). The loan is interest free and repayable on demand.

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Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

24. Related party transactions continued

Transactions continued

Company	2025		2024	
	Charge/(credit) to income or equity	Paid/ (received)	Charge/(credit) to income or equity	Paid/ (received)
Interest expense	2.1	–	2.3	–
Dividends paid	65.4	65.4	65.7	65.7
Parent companies	67.5	65.4	68.0	65.7
Lease and insurance costs	2.2	2.2	1.6	1.6
Accounts payable transactions	–	(0.5)	–	0.7
Impairment of related party loans	–	–	(0.3)	–
Net settlement of treasury funding	–	0.3	–	–
Sale of motor vehicles to related party ¹	–	(0.1)	–	–
Related parties of HN Moser	2.2	1.9	1.3	2.3
Interest recharges	(16.9)	–	(13.9)	–
Dividends received	(1.3)	(1.3)	(13.0)	(13.0)
Net provision of treasury funding	–	(92.2)	–	(162.8)
Subsidiary companies	(18.2)	(93.5)	(26.9)	(175.8)
Total related parties	51.5	(26.2)	42.4	(107.8)

1. In February 2025, the Company sold a motor vehicle to Bracken Property Company Limited at market value totalling £0.1m.

Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

25. Leases

The table below sets out the amounts recognised in the income statement in respect of the Group's and Company's right-of-use assets and lease liabilities during the year ended 30 June 2025 and year ended 30 June 2024:

2025	Administrative expenses £m	Interest expense £m	Total £m
Depreciation expense of right-of-use assets	1.1	–	1.1
Interest expense on lease liabilities	–	1.4	1.4
Total recognised in the income statement	1.1	1.4	2.5

2024	Administrative expenses £m	Interest expense £m	Total £m
Depreciation expense of right-of-use assets	1.1	–	1.1
Interest expense on lease liabilities	–	1.5	1.5
Total recognised in the income statement	1.1	1.5	2.6

The below table sets out the carrying amounts of the Group's and Company's right-of-use assets and lease liabilities and the movements during the years ended 30 June 2025 and 30 June 2024.

	2025		2024	
	Right-of-use assets – leasehold property £m	Lease liabilities £m	Right-of-use assets – leasehold property £m	Lease liabilities £m
As at beginning of year	24.6	(28.4)	25.7	(29.1)
Additions	–	(0.1)	–	(0.6)
Depreciation expense	(1.1)	–	(1.1)	–
Interest expense on lease liabilities	–	(1.4)	–	(1.4)
Payments	–	3.0	–	2.7
As at end of year	23.5	(26.9)	24.6	(28.4)

The analysis of lease liabilities includes hire-purchase obligations for motor vehicles. The Group had total cash outflows for leases of £3.0m during the year ended 30 June 2025 (2024: £2.7m).

26. Pension arrangements

During the year the Group contributed to employees' personal pension plans. The total cost for the year amounted to £2.3m (2024: £2.1m).

27. Share-based payments

Senior management has previously been granted D shares. The ability to dispose of such shares and execute such options is conditional on sale of shares held by other shareholders amounting to 25% or more of the Company's share capital on a cumulative basis. The value of these shares is dependent upon the value of the Company at the time of granting and is not reassessed. Awards are treated as equity settled and are satisfied by the same entity where the obligation rests at the point awards are realised.

Share-based payment expenses for the year amounted to £nil (2024: £nil).

28. 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.

As 30 June 2025, the Group had undrawn commitments to lend of £149.9m (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. ECL on commitments is included within the Group's loan loss allowance balance.

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Notes to the financial statements

Year ended 30 June 2025

Unless indicated otherwise, all amounts are stated in £m

29. Ultimate parent company

The largest group of which Together Financial Services Limited is a member, and for which group financial statements will be drawn up, is that headed by Redhill Famco Limited, the Company's ultimate parent company. The immediate parent company of Together Financial Services Limited is Bracken Midco2 Limited.

The registered office of Redhill Famco Limited and Bracken Midco2 Limited is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW.

30. Events after the reporting date

There have been no significant events after the reporting date.

Glossary

2031 senior secured notes (SSNs 2031)	£500.0m senior secured notes issued by a subsidiary of the Group, Jerrold Finco PLC.
2030 senior secured notes (SSNs 2030)	£450.0m senior secured notes issued by a subsidiary of the Group, Jerrold Finco PLC.
ADALO ABS	ADALO Asset Backed Securitisation Limited – £150m development finance facility with a maturity date of 2028.
Bank Rate	Bank of England Bank Rate, also known as Base Rate.
Brooks ABS	Brooks Asset Backed Securitisation 1 Limited – this is an amortising facility, with a contractual maturity to March 2028.
Brooks ABS 2	Brooks Asset Backed Securitisation 2 Limited – this is an amortising facility, with a contractual maturity to March 2029.
BTL	Buy to Let.
Capital risk	The risk that the Group fails to hold adequate capital buffers and to appropriately manage the Group's capital base.
Cash receipts	Cash receipts are cash inflows into the Group from receipts relating to loans and advances to customers, as well as interest income on cash and cash equivalents.
Company	Together Financial Services Limited, a private company, limited by shares, and registered in England (company number: 02939389).
Compliance risk	The risk arising from the failure to comply with existing or new legislation or regulations in the markets within which the Group operates.
Conduct risk	The risk arising from business activities that fail to deliver appropriate and consistent outcomes to customers and stakeholders.
CMBS	Commercial-mortgage-backed securitisation.
Credit risk	The risk arising as result of default by customers or counterparties due to failure to honour obligations when they fall due.
Delta ABS 2	Delta Asset Backed Securitisation 2 Limited – £600m facility with a maturity date of December 2028. In August 2024, the Group refinanced its DABS facility increasing the facility size from £400m to £600m.
Development loans	Development loans are loans that we extend to finance the development of land or property primarily into residential units with repayments typically being made out of the sale of the units.

EBITDA	Earnings before interest, tax, depreciation and amortisation. The calculation of this is shown in the following section on alternative performance measures.
Expected credit loss (ECL)	ECLs are a probability-weighted estimate of the present value of credit losses discounted over the expected life of an instrument at its original effective interest rate. Calculated using a statistical model based on probability of default, loss given default and exposure at default.
EIR	Effective interest rate, i.e. the rate that, at inception of the instrument, discounts its estimated future cash payments or receipts to the gross carrying amount, in the case of financial assets, or to the amortised cost in the case of financial liabilities.
Enterprise risk management framework (ERMF)	This provides the requisite organisational arrangements and foundation for managing risks in a consistent and structured manner.
Fair value	The amount at which an asset could be exchanged, or a liability settled, between willing parties in an arm's length transaction.
Financial Conduct Authority (FCA)	The FCA is the conduct regulator for financial services firms and financial markets in the UK.
Forbearance	A concession that is made on the contractual terms of a loan or mortgage in response to a borrower's financial difficulties.
Funding risk	Funding risk is the risk of being unable to access funding markets or to only be able to do so 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.
Highfield ABS	Highfield Asset Backed Securitisation 1 Limited – £725m facility size with a maturity date of December 2027.
IFRS	International Financial Reporting Standards.
Kingsway ABS	Kingsway Asset Backed Securitisation Limited – £1,200m facility size with an initial maturity date of January 2029.
Lakeside ABS	Lakeside Asset Backed Securitisation 1 Limited – £1,000m facility with a maturity date of April 2026. In November, the Group upsized the facility to from £825.0m to £1,000.0m and extended the maturity date to November 2028.
Liquidity risk	Liquidity risk is the risk that the Group is unable to maintain sufficient accessible liquid financial resources to meet the Group's financial obligations as they fall due.
Loan book	This refers to the gross loans and advances to customers, i.e. before impairment allowances.

Financial statements continued

Glossary

Loan origination	The process of creating a loan(s) or mortgage(s).
Loss given default (LGD)	An estimate of the likely loss, as a percentage of the loan amount, in the event of a default.
LPA	Law of Property Act. The act provides a means by which a secured lender can gain control of a freehold property against a defaulting borrower.
Loan to value (LTV)	<p>The ratio of the carrying amount of a mortgage loan to the appraised value of the property securing the loan. The carrying amount is calculated as the aggregate of:</p> <ol style="list-style-type: none"> the principal amount of a mortgage loan, any higher-ranking-charge mortgage loans secured on the same property, the accrued interest and fees thereon, less allowances for impairments, and other accounting adjustments (including adjustments to recognise income at the effective interest rate). <p>The appraised value is typically:</p> <ol style="list-style-type: none"> the assessed value of real property in the opinion of a qualified appraiser or valuer, or derived from an automated valuation model during the mortgage origination process, or the revised valuation of the property if a later valuation has been undertaken.
Market risk	The risk arising from the Group's exposure to movements in market values, including movements in interest rates.
Net loan book	This refers to the net loans and advances to customers, i.e. loans and advances to customers after impairment allowances.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.
PIK toggle notes	A PIK toggle note is a bond in which the issuer has the option, subject to certain conditions being met, to pay interest in the form of payment-in-kind (PIK) as opposed to cash interest.
Probability of default (PD)	An estimate of the likelihood of default over a given time horizon, estimated at a point in time.
Repossession and LPA receivership	Repossession and LPA receivership are properties in respect of which a court order has been actioned by a charge holder of the security or in respect of which the borrower has surrendered ownership of the property. LPA receivership is typically used to

	exercise security over property used for commercial-purpose loans to enable us subsequently to sell the property (LPA sales).
Revolving credit facility (RCF)	Syndicated revolving credit loan facility of £138.3m with a maturity date of September 2026.
RMBS	Residential mortgage-backed securitisation.
Senior Borrower Group (SBG)	The Company and its subsidiaries, not including its securitisation vehicles listed in Note 15 to the Financial statements.
Senior management	The Executive Committee members, not including NEDs, and Executive Direct Reports (EDRs).
Shareholder funds	Equity and subordinated shareholder loans and notes. The calculation of this is shown in the section on alternative performance measures.
Strategic risk	The risk of failure to achieve objectives that impact the long-term interest of stakeholders.
TCFD	Task Force on Climate-related Financial Disclosures.
The Group	Together Financial Services Limited and its subsidiaries.
The tax group	This is the Redhill corporation tax group, which is Redhill Famco Limited, the ultimate parent company of Together Financial Services Limited, together with its subsidiaries, excluding the securitisation vehicles.
Together ABS 5	Together Asset Backed Securitisation 2021 – 1ST1 PLC – this is an amortising RMBS facility with a contractual maturity of July 2063 and an option to call the facility in October 2025.
Together ABS 6	Together Asset Backed Securitisation 2022 – 2ND1 PLC – this is an amortising RMBS facility with a contractual maturity of February 2054 and an option to call the facility in May 2026.
Together ABS 7	Together Asset Backed Securitisation 2022 – 1ST1 PLC – this is an amortising RMBS facility with a contractual maturity of June 2066 and an option to call the facility in June 2026.
Together ABS 8	Together Asset Backed Securitisation 2023 – 1ST1 PLC – this is an amortising RMBS facility with a contractual maturity of January 2067 and an option to call the facility in April 2027.
Together ABS 9	Together Asset Backed Securitisation 2023 – 1ST2 PLC – this is an amortising RMBS facility with a contractual maturity of April 2065 and an option to call the facility in September 2027.

Glossary

Together ABS 10	Together Asset Backed Securitisation 2024 – 2ND1 PLC – this is an amortising RMBS facility with a contractual maturity of August 2055 and an option to call the facility in January 2028.
Together ABS 11	Together Asset Backed Securitisation 2024 – 1ST1 PLC – this is an amortising RMBS facility with a contractual maturity of August 2064 and an option to call the facility in May 2028.
Together ABS 12	Together Asset Backed Securitisation 2024 – 1ST2 PLC – this is an amortising RMBS facility with a contractual maturity of October 2065 and an option to call the facility in September 2028.
Together ABS 13	Together Asset Backed Securitisation 2025 – 2ND1 PLC – this is an amortising RMBS facility with a contractual maturity of September 2056 and an option to call the facility in January 2029.
Together CRE 2	Together Asset Backed Securitisation 2021 – CRE2 PLC – this is an amortising facility with a contractual maturity of August 2052 and an option to call the facility in February 2026.
Together CRE 3	Together Asset Backed Securitisation 2022 – CRE1 PLC – this is an amortising facility with a contractual maturity of April 2054 and an option to call the facility in October 2026.
Together CRE 4	Together Asset Backed Securitisation 2023 – CRE1 PLC – this is an amortising facility with a contractual maturity of July 2055 and an option to call the facility in November 2027.
Together CRE 5	Together Asset Backed Securitisation 2025 – CRE1 PLC – this is an amortising facility with a contractual maturity of January 2057 and an option to call the facility in April 2029.
Underlying profit before tax	Underlying profit before tax (PBT) is the Group's statutory profit before tax adjusted for one-off non-underlying items. In 2025, underlying PBT excludes costs related to the Group's transformation programme of £25.5m.
Underlying profit after tax	Underlying profit after tax (PAT) is the Group's statutory profit after tax adjusted for one-off non-underlying items. In 2025, underlying PAT excludes costs related to the Group's transformation programme of £25.5m.
Wilmslow ABS	Wilmslow Asset Backed Securitisation Limited – £387.0m facility size with an initial maturity date of January 2029.

Weighted average LTV of originations	The average LTV on originations is calculated on a weighted-average basis, by multiplying each LTV by the respective principal loan amount and then dividing the sum of the weighted LTVs by the total of principal amounts excluding further advances.
Weighted average indexed LTV of portfolio	Indexation is applied to the values of properties securing loans within our portfolio on a quarterly basis. The value of the properties securing our loans are adjusted for movements in property prices since the latest appraised valuation in accordance with the relevant regional property indices. The weighted average indexed LTV of our loan portfolio is subsequently calculated by multiplying each indexed LTV by the respective loan amount and then dividing the sum of the weighted indexed LTVs by the total amount of loans.

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Alternative performance measures

In the reporting of financial information, we use certain measures that are not required under the UK adopted International Accounting Standards under which we report. These measures are consistent with some of those used by management to assess underlying performance. In addition, a number of non-IAS metrics are calculated which we consider to be helpful in understanding the performance of the Group.

These alternative performance measures have been defined below:

Cost of risk

Impairment charge expressed as a percentage of the average of the opening and closing gross loans and advances to customers.

	2025 £m	2024 £m
Impairment charge	75.5	54.1
Average net loans and advances to customers	7,629.1	6,887.1
Cost of risk	0.99%	0.79%

Cost-to-income ratio

Administrative expenses including depreciation and amortisation divided by operating income.

	2025 £m	2024 £m
Administrative expenses	157.5	116.1
Operating income	423.6	364.2
Cost-to-income ratio	37.2%	31.9%

Underlying cost-to-income ratio

Administrative expenses including depreciation and amortisation divided by operating income but excluding the effects of transformation costs.

	2025 £m	2024 £m
Administrative expenses	157.5	116.1
Less transformation costs	(25.5)	(6.9)
Administrative expenses excluding non-underlying items	132.0	109.2
Operating income	423.6	364.2
Operating income excluding non-underlying items	423.6	364.2
Underlying cost-to-income ratio	31.2%	30.0%

Earnings before interest, tax, depreciation and amortisation (EBITDA)

Profit before taxation adding back interest payable and similar charges and depreciation and amortisation.

	2025 £m	2024 £m
Profit before tax	190.6	194.0
Add back:		
Interest payable and similar charges	449.4	407.0
Depreciation and amortisation	8.5	7.1
EBITDA	648.5	608.1

Alternative performance measures

Underlying earnings before interest, tax, depreciation and amortisation (Underlying EBITDA)

EBITDA has been adjusted for the effects of transformation costs.

	2025 £m	2024 £m
EBITDA	648.5	608.1
Add back:		
Transformation costs	25.5	6.9
Underlying EBITDA	674.0	615.0

Interest-cover ratio

The ratio of EBITDA to interest payable and similar charges.

	2025 £m	2024 £m
EBITDA	648.5	608.1
Interest payable and similar charges	449.4	407.0
Interest-cover ratio	1.44:1	1.49:1

Underlying interest-cover ratio

The ratio of underlying EBITDA to interest payable and similar charges.

	2025 £m	2024 £m
Underlying EBITDA	674.0	615.0
Interest payable and similar charges	449.4	407.0
Underlying interest-cover ratio	1.50:1	1.51:1

Net debt gearing

Net debt expressed as a percentage of loans and advances to customers. Net debt consists of certain borrowings facilities excluding debt issuance costs, premiums and hedging fair value adjustments, less cash and cash equivalents.

	2025 £m	2024 £m
Loan notes	5,999.7	5,567.3
Senior secured notes	963.1	950.0
Less fair value adjustment due to hedging on senior secured notes	(13.1)	(2.7)
Less cash and cash equivalents	(320.0)	(336.2)
Net debt	6,629.7	6,178.4
Loans and advances to customers	7,894.3	7,363.9
Net debt gearing	84.0%	83.9%

Net interest margin (NIM)

Net interest income as a percentage of the average of the opening and closing net loans and advances to customers.

	2025 £m	2024 £m
Net interest income	418.7	369.3
Average loans and advances to customers	7,629.1	6,887.1
Net interest margin (NIM)	5.5%	5.4%

Financial statements continued

Alternative performance measures

Key performance indicator

Calculated as the Group's statutory profit before tax adjusted for one-off non-underlying items.

	2025 £m	2024 £m
Profit before tax	190.6	194.0
Add back:		
Transformation costs	25.5	6.9
Underlying profit before tax	216.1	200.9
Operating profit	266.1	248.1
Add back:		
Transformation costs	25.5	6.9
Underlying operating profit	291.6	255.0

Return on equity (ROE)

Calculated as the return to shareholder funds expressed as a percentage of the average of the opening and closing shareholder funds (which are defined later in this section). The return to shareholder funds is profit after tax adding back shareholder-loan interest net of associated tax at the effective tax rate.

	2025 £m	2024 £m
Profit after tax	146.5	149.2
Add back shareholder-loan interest	2.1	2.3
Less tax on shareholder-loan interest	(0.5)	(0.5)
Total return to shareholder funds	148.1	151.0
Average shareholder funds	1,188.0	1,140.4
Return on equity	12.5%	13.2%

Charitable deployment

Charitable deployment during the year is made up of the Company donations included within the Directors Report, plus other charitable amounts including colleague donations and the cost of volunteering time.

	2025 £k	2024 £k
Company donations	766.8	798.8
Colleague fundraising	51.9	53.9
Colleague volunteering	49.7	68.6
Charity activities and events	83.8	57.2
Charitable deployment	952.2	978.5

Underlying return on equity (underlying ROE)

Calculated as total return to the shareholder, adjusted for non-underlying items and their associated tax, expressed as a percentage of the average of the opening and closing shareholder funds.

	2025 £m	2024 £m
Total return to shareholder funds	148.1	151.0
Add back non-underlying items:		
Transformation costs	25.5	6.9
	25.5	6.9
Less tax on non-underlying items using effective tax rate	(5.9)	(1.6)
	19.6	5.3
Underlying return to shareholder funds	167.7	156.3
Underlying average shareholder funds	1,188.0	1,140.4
Underlying debt gearing	14.1%	13.7%

Alternative performance measures

Cost-to-asset ratio

Administrative expenses expressed as a percentage of the average of the opening and closing total assets.

	2025 £m	2024 £m
Administrative expenses	157.5	116.2
Average total assets	8,033.4	7,316.3
Cost-to-asset ratio	1.96%	1.59%

Underlying cost-to-asset ratio

Administrative expenses, excluding non-underlying items, divided by the average of the opening and closing total assets.

	2025 £m	2024 £m
Administrative expenses	157.5	116.2
Less transformation costs	(25.5)	(6.9)
Adjusted administrative expenses	132.0	109.3
Average total assets	8,033.4	7,316.3
Underlying cost-to-asset ratio	1.64%	1.49%

Shareholder funds

This is equity plus subordinated shareholder loans.

	2025 £m	2024 £m
Equity	1,188.5	1,136.4
Shareholder loans	24.9	22.8
Total shareholder funds	1,213.4	1,159.2
Add back shareholder loan interest (net of tax)	1.7	1.7
Adjusted shareholder funds	1,215.1	1,160.9
Average shareholder funds	1,188.0	1,140.4

Financial statements continued

Further information

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