# Manolete Partners Plc

Annual Report and Accounts

Year ended

31 March 2025

Company Number: 07660874

# Contents

For the year ended 31 March 2025

# Manolete Partners Plc

Company Information
For the year ended 31 March 2025

**Directors and Advisers**

| | | |
|---|---|---|
| **Directors** | Steven Cooklin | Chief Executive Officer |
| | Mena Halton | Managing Director |
| | Lord Leigh | Non-Executive Chairman |
| | Annie Devoy | Non-Executive Director |
| | Stephen Baister | Non-Executive Director |
| **Company Secretary** | Indigo Corporate Secretary Limited | |
| **Registered Office** | 2-4 Packhorse Road<br>Gerrards Cross<br>Buckinghamshire<br>SL9 7QE | |
| **Company Number** | 07660874 (England and Wales) | |
| **Nominated Adviser and Broker** | Canaccord Genuity Limited<br>88 Wood Street<br>London<br>EC2V 7QR | |
| **Independent Auditor** | Gravita II LLP<br>Aldgate Tower<br>2 Leman Street<br>London<br>E1 8FA | |
| **Solicitors** | Stephenson Harwood LLP<br>1 Finsbury Circus<br>London<br>EC2M 7SH | |
| **Registrars** | Computershare Investor Services PLC<br>The Pavilions<br>Bridgewater Road<br>Bristol<br>BS13 8AE | |
| **Public Relations** | Instinctif Partners Limited<br>131 Finsbury Pavement<br>London<br>EC2A 1NT | |
| **Bankers** | HSBC UK Bank plc<br>8 Canada Square<br>Canary Wharf<br>London<br>E14 5HQ | |
| **Company Website** | www.manolete-partners.com | |

## Who we are

### Our Mission

To transition the insolvency litigation market to the Manolete way: delivering equally for our shareholders, Creditor Estates and business partners.

### Our People

Manolete's committed and highly skilled staff are fundamental to its success.

### Multiple award winners

Manolete is the only Band 1 Insolvency Litigation Funder ranked by the Chambers Guide (2021-2025).

Recognised as a Financial Times Europe Long-Term Growth Champion 2025.

Five-time winner of 'Insolvency Litigation Funder of the Year' at the Turnaround, Restructuring and Insolvency industry awards.

### Financial highlights, FY25

| | | |
|---|---|---|
| Revenue | £30.5m | +16% |
| Gross profit | £10.4m | +3% |
| Gross cash receipts from completed cases | £25.6m | +45% |
| Realised revenue | £29.5m | +22% |
| Total Assets | £74.0m | +3% |

### Operational highlights

| | | |
|---|---|---|
| Live cases in progress (as at 31 March 2025) | 419 | +0% |
| Cases completed in FY25 | 291 | +16% |
| New case investments during FY25 (excluding BBBLP*) | 282 | +2% |
| New case enquiries during FY25 | 896 | +23% |

*Barclays Bounce back loan pilot

**Our business at a glance**

Our team has delivered a substantial increase in numbers of new cases and record completions resulting in a strong year and has been able to position the business for sustained growth in FY26.

- 1,635 lifetime invested cases
- 291 cases completed in FY25
- £25.6m gross settlement cash receipts
- 2.1x money multiple on completed cases ("MoM")
- 13.8 months average duration of completed cases
- 113% lifetime Return on Investment ("RoI")

**Revenue composition**

| | 31 March 2025 £m | % | 31 March 2024 £m | % |
|---|---|---|---|---|
| Realised revenue | 29.5 | 97 | 24.2 | 92 |
| Unrealised revenue | 1.0 | 3 | 2.1 | 8 |
| Revenue | 30.5 | | 26.3 | |

Realised revenue and unrealised revenue is as defined in note 2.5.

**Our Business Model**

**Our assets**
Our team has 15 experienced in-house insolvency lawyers, one of whom is Chief Operating Officer.

Our proprietary network of lawyers has built strong relationships across the UK with Insolvency Practitioners, legal practices and barristers specialising in insolvency, which generates a high level of repeat business.

Our track record shows the financing of 1,635 insolvency cases and completing 1,217 of those in an average duration of 13.8 months over the lifetime of the Company.

**What we do**
We finance the pursuit of claims through litigation and alternative dispute resolution to produce optimal returns for the creditors of insolvent companies and good returns for our shareholders. We also benefit the wider economic community as HMRC is very often the largest creditor and they gain significant returns secured by Manolete's work and Manolete's risk capital.

Most Insolvency Practitioners are understandably risk averse and they usually act with personal liability. Third party litigation finance allows Insolvency Practitioners to de-risk their position yet deliver superior returns to creditors.

We typically work on seven different types of cases, namely: Breach of contract, Transaction at Undervalue, overdrawn Director's loan account, Illegal dividends, Wrongful trading, Preference and Misfeasance.

**Our unique selling point**
We offer Insolvency Practitioners a fast, risk-free and cost-effective means of securing optimal returns for creditors.

**How is sustainable value created?**
By revolutionising the insolvency litigation industry and causing it to turn away from the old model of low and slow returns to creditors using the Conditional Fee Agreement model towards fast wins and optimal returns for creditors using the Manolete financing model.

**Our outputs**
We are focused on generating value for all our stakeholders and are confident that our strategy and business model will enable us to continue delivering on a sustainable basis.

**Our strategy**

A changing and challenging economy brings opportunities.

We have a clear strategy for growth and have substantially grown the number of our new cases signed. We are investing in our in-house legal team in FY26 to ensure the Company has full capacity to manage the increased caseload.

***Our strategic objectives to drive growth***

**Grow the business**

Increase market share; facilitate market transition from old Conditional Fee Agreements to a more efficient Manolete litigation financing model.

**Progress in the year ended 31 March 2025**

Realised revenue increased to £29.5m FY25 from £24.2m FY24, an increase of 22%. Excluding the one-off effect of the Barclays Bounce Back Loan Pilot ("BBBLP"), the number of new case investments in FY25 was 282, 2% higher than FY24's 276. The Company continues to monitor and add in-house legal resources to particularly active UK regions.

**Associated risks**

Risk of dilution of quality cases.

**Risk mitigation**

Continued stringent application of net worth and due diligence procedures on all new enquiries.

**Grow regional presence**

*Grow regional presence to increase enquiries from Insolvency Practitioners and their lawyers.*

**Progress in the year ended 31 March 2025**

Recruitment of full regional network of high quality in-house legal team. All regions of England, Scotland and Wales covered by 15 highly experienced in-house insolvency litigators as well as adding to the support team.

**Associated risks**

Risk of dilution in quality staff and risk of high-quality staff leaving.

**Risk mitigation**

Robust recruitment and quality control procedures plus Remuneration Committee focus on staff incentivisation: salary, bonus and share schemes. The Company has a very low staff churn rate over many years of trading.

***Raise company profile***

Raise Manolete's profile in the insolvency marketplace.

**Progress in the year ended 31 March 2025**

Business development team co-ordinates sponsorship and presentations at leading industry conferences.

Full utilisation of strategic marketing agreements with R3, IPA and ICAEW including relevant Annual and Regional conferences.

**Associated risks**

Potential competition.

**Risk mitigation**

All key strategic marketing agreements are based on contractual three-year agreements. Most events give Manolete exclusive rights as a Litigation Finance Company.

**Build investor understanding**

Raise Manolete's profile in the investment community.

**Progress in the year ended 31 March 2025**

We continue to promote Manolete to retail investors, professional investors and other investment professionals through investor meetings and regular newsletters. Our overriding aim is to educate the investor community in Manolete's specialist insolvency litigation finance model and how it is distinct from our peers in the broader litigation funding industry.

**Associated risks**

Lack of appreciation from investors on the key differences between various funder models.

**Risk mitigation**

CEO present at all investor meetings to ensure consistency and clarity of messaging.

**Our investment case**

The Manolete model is well understood in our target market.

We are committed to developing our investment case to maintain our growth potential.

**Track record of high growth at high return on investment**

- Manolete is the leading player in the UK insolvency litigation financing sector.
- The number of new cases invested in FY25 282 compared to 276 new case investments in FY24, adjusted for the one-off effect of the BBBLP.
- Lifetime ROI of 113% and MoM of 2.1x achieved across 1,217 completed cases.

**Established leading position with key business introducers**

- Manolete is undertaking a pilot scheme with Barclays Bank Plc in respect of the recovery of Bounce Back Loans (BBLs). This is an industry leading programme.
- The Company was named, for the fifth time in succession, as the only company in the insolvency litigation funding sector to be ranked in Band 1 of the legal industry's prestigious Chambers Guide (2021-5).
- Manolete has won the Turnaround Restructuring and Insolvency UK industry award for 'Litigation Funder of the Year' five times.
- Manolete was recognised as a Financial Times Europe Long-Term Growth Champion 2025.
- The most recent assessment of Manolete's market share was a report published in April 2021 by Professor Peter Walton which stated that Manolete had a 67% of the funded segment of the insolvency litigation funding market, however the larger opportunity remains in converting the CFA/ATE model to utilise insolvency market funders.

**Structural change in market providing growth opportunities**

- The Jackson reforms (April 2016) made the old CFA/ATE model much less attractive to Insolvency Practitioners.
- The Small Business Enterprise and Employment Act (2015) enabled third party funders to purchase most Insolvency Act claims – since 1986 third parties have been able to purchase insolvent company claims.
- In 2016, Insolvency Regulators changed SIPP 2 to direct office holders to seek third party funding for claims.
- The Supreme Court ruling known as PACCAR has impacted many Litigation funders but only on funded cases and Manolete buys nearly all of its claims.

**New funds to increase volume and size of investments**

- HSBC funds have enabled Manolete to rapidly build out its UK regional in-house network that covers all leading commercial areas from Edinburgh to Southampton.
- As at 31 March 2025 Manolete had gross cash balances of £0.7m available for investment and working capital.
- HSBC provides Manolete with a £17.5m RCF, £5.0m of the facility remains unutilised as at 31 March 2025. In March 2025 a renewal of the company's RCF facility was agreed for a further 3.25 years with the option to extend by an additional year.

**Entrepreneurial and professional management team with proven history**

- Proven management team where the key executives have operated in the UK insolvency market since 2009.
- Long track record of delivering market leading returns on invested cases with the shortest average durations per case.
- As at 31 March 2025 there were 419 live cases (including cartel cases) giving the Company a well-diversified case portfolio. The cartel cases are competition law cases that relate to a European truck cartel.

**Chairman's Statement**

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

**Overview**

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

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

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

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

**Financial results**

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

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

**Strategy**

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

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

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

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

**Dividend**

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

**Corporate Governance**

The Board of Directors is committed to good corporate governance. We engender a culture of mutual respect at all levels of the company and have established Manolete as a highly trusted brand in the insolvency sector. The Company has adopted the ten principles of the 2023 Version of the Corporate Governance Code as set out by the Quoted Companies Alliance. Our arrangements are further described in our Corporate Governance Statement on pages 28 to 32.

The Audit Committee report on pages 34 to 35 and the Remuneration Committee report on pages 36 to 38 describe the remits and approaches of those committees to fully meeting their governance responsibilities. A statement on corporate governance is also provided on our website (https://investors.manolete-partners.com/company-information/corporate-governance).

**People**

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

### Board

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

### Outlook

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

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

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

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

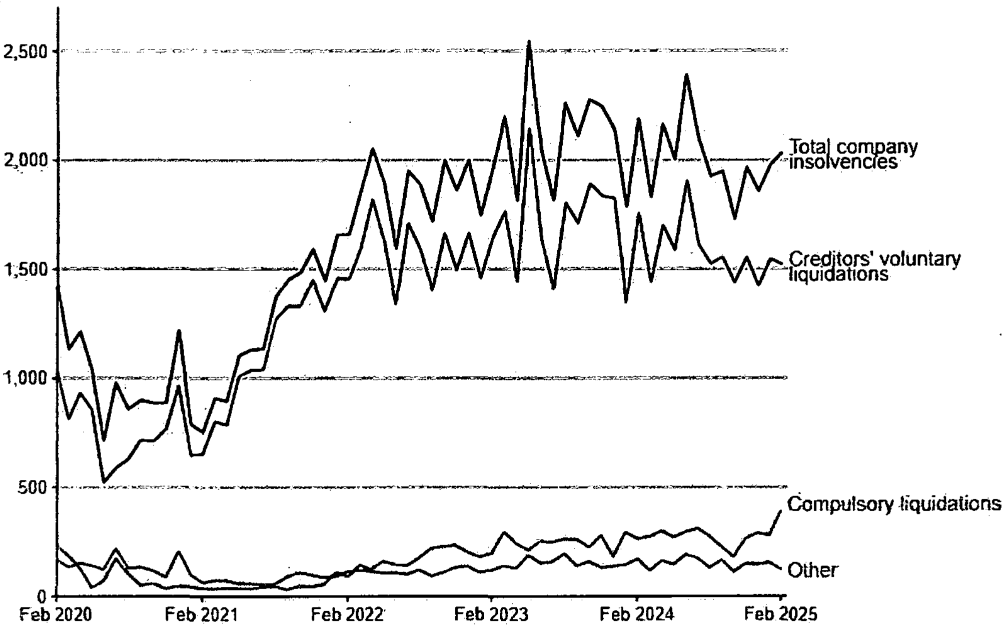
S Cooklin

**Lord Leigh**
Non-Executive Chairman
25 June 2025

**The Status of the UK Insolvency Market**

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

The graph below provides further detail:




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

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

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

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

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

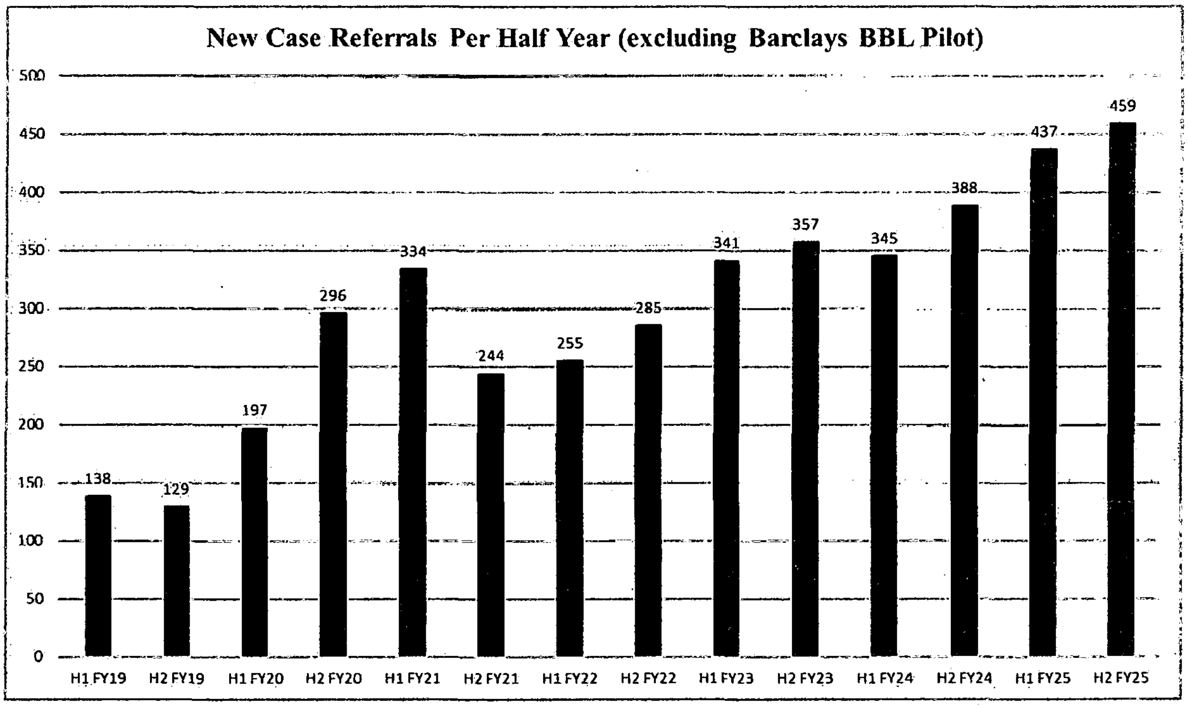
The combination of all the above factors explains the continuing improved performance of the Manolete business (which is focused almost exclusively on the UK insolvency claims market).

**Manolete's Business Performance in FY25**

*New Case Referrals*

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

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



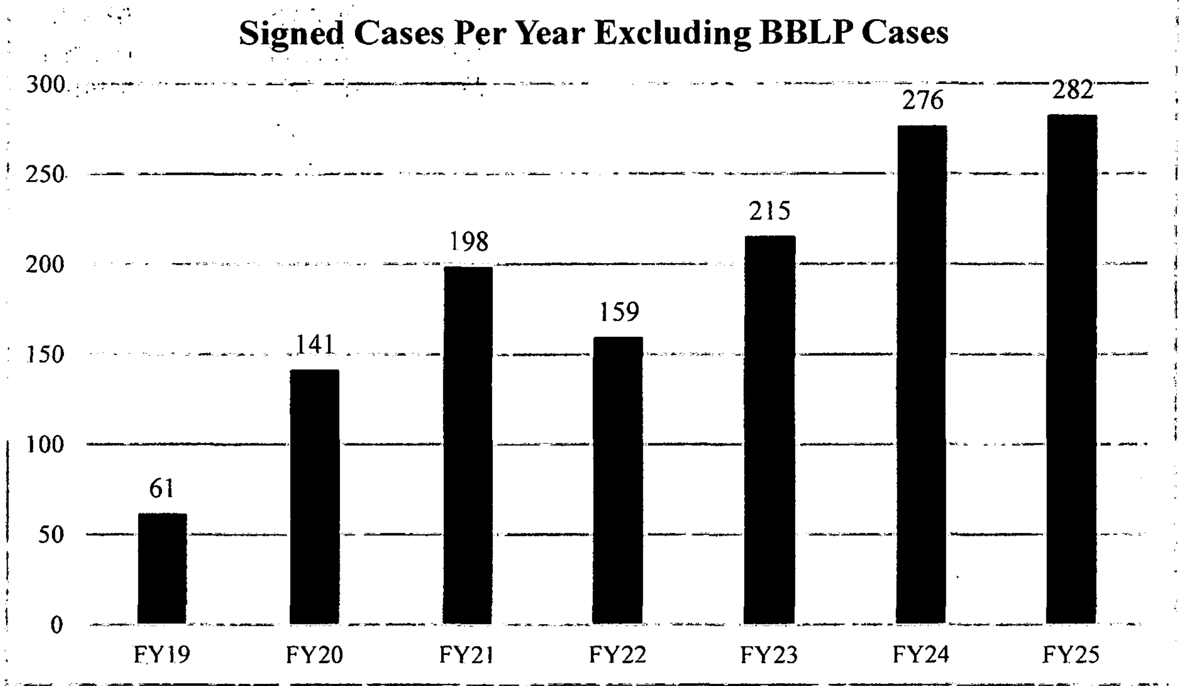

Source: Company information

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

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

*New Case Investments*

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




*Investment Returns*

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

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

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

| Case Vintage | | No. of investments No | No. completed No | % completion % total | No outstanding No | Open case investments £'000 | Closed case investments £'000 | Total invested £'000 | Total recovered £'000 | Total gain £'000 | IP share £'000 | Manolete gain £'000 | Duration completed cases Months | ROI % | MoM % | IRR % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2010 | 2010 | 3 | 3 | 100% | 0 | 0 | 52 | 52 | 28 | (24) | 10 | (35) | 7.0m | (67%) | .3x | 0% |
| 2011 | 2011 | 0 | 0 | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0m | 0% | .0x | 0% |
| 2012 | 2012 | 8 | 8 | 100% | 0 | 0 | 763 | 763 | 2,524 | 1,761 | 580 | 1,181 | 18.0m | 155% | 2.5x | 258% |
| 2013 | 2013 | 10 | 10 | 100% | 0 | 0 | 174 | 174 | 780 | 606 | 316 | 290 | 7.1m | 166% | 2.7x | 281% |
| 2014 | 2014 | 42 | 42 | 100% | 0 | 0 | 594 | 594 | 3,884 | 3,290 | 2,427 | 863 | 10.0m | 145% | 2.5x | 455% |
| 2015 | 2015 | 39 | 39 | 100% | 0 | 0 | 1,404 | 1,404 | 7,029 | 5,625 | 3,290 | 2,335 | 12.8m | 166% | 2.7x | 502% |
| 2016 | 2016 | 38 | 36 | 100% | 0 | 0 | 1,936 | 1,936 | 9,393 | 7,457 | 4,164 | 3,293 | 15.0m | 170% | 2.7x | 180% |
| 2017 | 2017 | 31 | 31 | 100% | 0 | 0 | 1,446 | 1,446 | 4,469 | 3,023 | 1,905 | 1,118 | 14.1m | 77% | 1.8x | 462% |
| 2018 | 2018 | 29 | 29 | 100% | 0 | 0 | 4,039 | 4,039 | 23,717 | 19,678 | 12,971 | 6,707 | 16.8m | 166% | 2.7x | 73% |
| 2019 | 2019 | 59 | 59 | 100% | 0 | 0 | 2,751 | 2,751 | 13,567 | 10,815 | 7,528 | 3,287 | 17.4m | 119% | 2.2x | 88% |
| 2020 | 2020 | 141 | 140 | 99% | 1 | 61 | 8,157 | 8,218 | 20,455 | 12,298 | 7,939 | 4,358 | 18.3m | 53% | 1.5x | 57% |
| 2021 | 2021 | 198 | 191 | 96% | 7 | 557 | 9,404 | 9,961 | 27,349 | 17,946 | 10,702 | 7,243 | 17.4m | 77% | 1.8x | 73% |
| 2022 | 2022 | 159 | 148 | 93% | 11 | 701 | 4,210 | 4,912 | 11,603 | 7,392 | 4,147 | 3,245 | 14.5m | 77% | 1.8x | 116% |
| 2023 | 2023 | 263 | 227 | 86% | 36 | 1,925 | 4,653 | 6,577 | 17,700 | 13,047 | 7,101 | 5,948 | 11.9m | 128% | 2.3x | 507% |
| 2024 | 2024 | 311 | 202 | 65% | 109 | 2,465 | 3,471 | 5,936 | 19,707 | 16,236 | 8,873 | 7,363 | 10.8m | 212% | 3.1x | 890% |
| 2025 | 2025 | 284 | 52 | 18% | 232 | 2,929 | 483 | 3,412 | 4,150 | 3,667 | 1,793 | 1,874 | 5.6m | 388% | 4.9x | 1702% |
| Total (exc. Cartel cases) | | 1,613 | 1,217 | 75.4% | 396 | 8,639 | 43,536 | 52,175 | 166,354 | 122,817 | 73,746 | 49,068 | 13.8m | 113% | 2.1x | 130% |

*(i) The vintages table excludes 22 cartel cases and is net of deductions for bad debt provisions (excluding ECL provisions).*
*(ii) Ongoing cases includes partial realisations.*
*(iii) The large case completion in FY21 is presented net of discounting.*

Note: Vintage table above is unaudited

*Profit and Loss Account Impact*

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

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

*Cashflow and Net Debt*

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

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

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

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

*Industry Recognition*

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

*Current Trading*

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

*People and Stakeholders*

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

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

S Cooklin

**Steven Cooklin**
Chief Executive Officer
25 June 2025

**Finance Statement**

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

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

** Excluding the one-off effect of the BBLP*

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

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

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

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

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

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

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

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

**Administrative expenses**

| | 31 March 2025 £000s | 31 March 2024 £000s | YoY growth % |
|---|---|---|---|
| Wages and salaries | 4,338 | 4,482 | (3%) |
| Bad debt expense | 1,343 | 1,362 | (1%) |
| Professional fees | 718 | 669 | 7% |
| Marketing | 323 | 365 | (12%) |
| Other costs, including office costs | 741 | 766 | (3%) |
| Administrative costs | 7,463 | 7,644 | (2%) |

Administrative expenses stayed in line with the previous year at £7.5m in FY25 (FY24: £7.6m).

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

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

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

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

**Operating profit**

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

**Finance expense**

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

**Profit after tax**

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

**Earnings per share**

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

**Balance sheet – Investment in Cases**

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

Management amend valuations of cases each month end, following discussion on a case-by-case basis with the in-house legal team, to accurately reflect management's view of fair value. In addition, at the interim and final reporting periods, a sample of material valuations are corroborated with the external lawyers working on the case and an independent legal expert, who provide updated legal opinions as to the current status of the case. The

Company does not capitalise any of its internal costs, such as salaries, these are fully expensed to the Statement of Comprehensive Income as incurred.

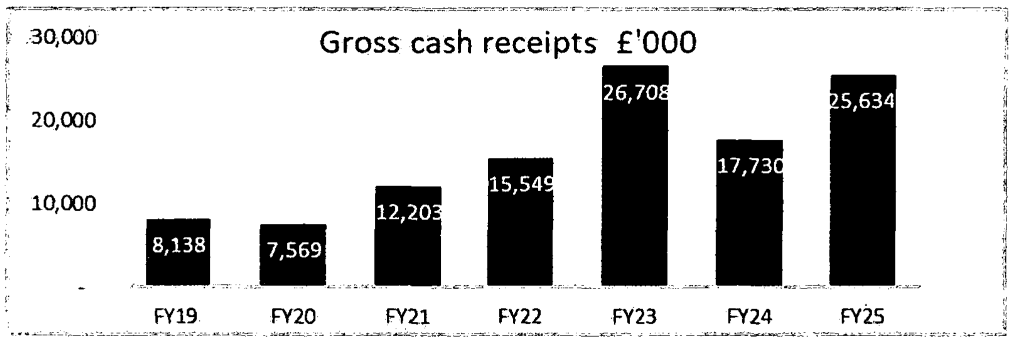
| **Cash Flows** | **31 March 2025** | **31 March 2024** |
|---|---|---|
| | **£000s** | **£000s** |
| Gross cash receipts | 25,634 | 17,730 |
| IP share & legal costs on completed cases | (10,471) | (6,900) |
| **Cashflows from completed cases** | **15,163** | **10,830** |
| Overheads | (5,770) | (5,865)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

**Gross cash receipts**

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

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

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




**Overheads & Corporation Tax (cash)**

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

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

**Investment in cases**

We have continued to invest in existing and new cases with total capital of £6.9m deployed during FY25 (FY24: £6.3m) which has been funded through cash receipts from completed cases.

**Working Capital**

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

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

**Debt Financing**

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

The Company has met all its covenants in FY25.

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

S Cooklin

**Rachel Lindley-Janes**
Head of Finance

25 June 2025

**Strategic Report**

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

**Strategy and Business Model**

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

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

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

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

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

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

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

**Outlook and Current Trading**

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

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

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

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

**Principal risks and uncertainties**

The Board is responsible for developing a comprehensive risk framework and a system of internal controls. We have identified the following as the principal risks and uncertainties the Company faces.

| Risk Activity | Principal Risk | Impact | Mitigation |
|---|---|---|---|
| Market Risk | Inability to continually and successfully attract, select and pursue investments in the UK insolvency litigation market. | Failure to attract enough cases to pay our overheads. | The Company focuses on well-established case selection screening procedures, rigorous internal and external cost controls, and close attention to the adequacy of liquidity in the business to comfortably support our case cost profile at all times. |
| Staff Risk | Over-reliance on key staff and inability to recruit new high-quality staff. | If key staff become unavailable, poor operational decisions could be made. If the right calibre of new staff cannot be recruited, expansion could be limited. | Recruitment of experienced in-house lawyers. Widening delegation across a larger number of personnel. Comprehensive and vigorous recruitment procedures.<br>Drive our business culture to continue to be rooted in collaboration and inclusion, striving for team rather than individual success.<br>Several share option schemes exist which incentivise retention of key staff. |
| Litigation Risk | Unexpected Court decisions in cases proceeding to full trial. | Cases could be lost, or recoveries could be worse than anticipated. Adverse legal costs (the defendant's costs) would become payable by the Company if the case were lost. | Press for early settlement through mediation and without prejudice settlement negotiations. Early abort of cases where unexpected, adverse evidence emerges. On purchased cases (the large majority of the Company's cases) we can abort the case if prospects deteriorate. On funded cases we can terminate funding.<br>The Board reviews all cases that could potentially go forward to trial, to provide guidance in this area. |
| Legal Costs Risk | Legal costs can turn out to be more expensive than anticipated. | Case recoveries are poorer than expected. | Press for early settlement through mediation and without prejudice settlement negotiations. |
| Recovery Risk | It may be difficult to collect agreed settlements or judgments. | The Company will suffer from bad debts. | Rigorous net worth checks on defendants before cases are accepted. Securing charging orders over defendants' properties. |
| Case Risk | Case defects emerge during the litigation process. | The Company will suffer abortive legal and investment costs and incur a P&L write down. This may include adverse costs (paying the defendant's legal costs). | Rigorous legal review before cases are accepted and close supervision of live cases by experienced and competent in-house lawyers. On purchased cases (the very large majority of the Company's cases) we can abort the case if prospects |

| | | | |
|---|---|---|---|
| | | | deteriorate. On funded cases we can terminate funding. The culture of the Company is such that the legal team would bring forward any lower valuations as they became apparent. |
| Cartel Case Risk | Defects emerge in the cartel cases during the litigation process | The Company would suffer abortive legal and investment costs and potentially a P&L write down. | External experts have been employed to review data and advise on the most appropriate legal case throughout. The Fair Value of the Cartel Cases is derived from the external competition law expert firm: Fideres with a Manolete overlay of internal adjustments. Fideres was chosen by the Company after an extensive assessment process. |
| Relationship Risk | Relationships with key sources of enquiries may not be maintained (including important creditors such as banks and HMRC). | The rate of enquiries referred to the Company may slow down. | Active online marketing by business development team and engaging with Insolvency Practitioners and solicitors and creditor groups including HMRC. Attendance and involvement in a wide range of industry events throughout the year. |
| Funding Risk | The growth of our business out-strips the capital we have available to fund cases. | The ability of the Company to accept new cases is limited. | We have a strong capital position through our HSBC facility of £17.5m, of which we have drawn down £12.5m as at 31 March 2025. The Company had cash balances of £0.7m at the year-end 31 March 2025, resulting in a net debt at that date of £11.1m. |
| Interest Rate Risk | Interest rates increase significantly over next two years. | Cost of finance to the company is significantly increased. | Our returns on case completions are much higher than our cost of finance. We can repay loan finance as large case cash completions are received. We could raise additional equity finance as an alternative source of finance. |
| IT Systems Risk | With increased working from home, there is an increased risk of dependence on our IT systems. | There is an increased risk of loss of information that could cause disruption to the business. | Key data is backed up overnight such as accounting data on Sage. The business has a multi-factor authentication and cyber insurance in place. Individual case data is held individually lawyer by lawyer and externally by the third-party solicitor who is appointed to the case. |

**Directors' Duties**

The Directors set out their statement of compliance with s172 (1) of the Companies Act 2006 which should be read in conjunction with the rest of the annual report.

The Directors of the Company have a duty to promote the success of the company. A Director of the company must act in the way they consider, in good faith, to promote the success of the company for the benefit of its members, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the Company's employees
- the need to foster the Company's business relationships with suppliers, customers and others
- the impact of the Company's operations on the community and the environment
- the desirability of the Company to maintain a reputation for high standards of business conduct and
- the need to act fairly between members of the Company.

**Having regard to the likely consequences of any decision in the long term:**
The Directors of the Company have sought to balance the needs of its members with the s172 matters throughout the year and are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls.

The Executive Directors provide regular management reports to the Board, the delivery of the strategy is closely monitored and management is challenged to ensure a disciplined approach is maintained to case selection and oversight, both of which are key to ensuring our investments deliver good returns.

The Board also monitors the actions management is taking to establish and cement the strong relationships within the insolvency sector which will ensure the business is well-placed to benefit from high quality case opportunities.

**Engagement with the Company's employees:**
The Company engages with its employees on a regular basis, as a relatively smaller employer of 29 employees with a flat organisational structure, communication is essential. There are fortnightly one to one meetings with the members of the legal team to discuss ongoing cases, regular one to one meetings with the members of the legal team to discuss valuations on larger cases and off-site team meetings take place quarterly. In May 2022, the Company appointed a new Head of business Development, Andrew Cawkwell, supporting the regional Associate Directors to maximise the referral of new cases to the business - he was subsequently appointed Chief Operating Officer in February 2025.

*Diversity & inclusion*
We believe our employees are central to the success of our business, are committed to their development and providing recognition based on success and achievement. We are an equal opportunities employer and it is our policy to ensure all job applicants and employees are treated fairly and on merit regardless of their race, gender, marital status, age, disability, religious belief or sexual orientation. We recognise the importance of being a diverse and inclusive place to work where everyone has an equal opportunity to build their career and succeed.

We are committed to creating a safe and healthy environment for all employees and contractors. We promote diversity, fairness and respect in our working environment and do not tolerate any improper behaviour or harassment. The Board's remuneration committee reviews all pay levels to ensure all awards and bonuses are given fairly and on merit. We have created strong lines of management accountability and we invest in the development of our employees in taking training courses to enhance their skills and widen their experience.

**The need to foster the Company's business relationships with suppliers, customers, and others:**
The Company's strategy relies to a significant extent on maintaining strong and active relationships with its key stakeholders, which the Board has identified in particular as; Insolvency Practitioners and legal professionals to provide the Company with investment opportunities, financial lenders, regulators and our shareholders.

*Insolvency Practitioners*
We are committed to treating our customers in an open, honest and fair manner (including selling products and services that fulfil their needs and meet the appropriate quality criteria in accordance with regulatory and legal requirements) as well as operating an effective complaints process to address any issues that may arise.

We also ensure the monetary returns are paid to the insolvent estate very promptly once the case is settled. We have built a very strong rapport with hundreds of Insolvency Practitioners who approve of our ethos, our conduct and promise to deliver efficient returns to the estate. Every Insolvency Practitioner we have worked with has returned with additional cases.

Invariably the most substantial creditor is HMRC. We are very mindful of the significance of delivering value to HMRC and have done so in a great many cases, returning millions of pounds to the public finances through HM Treasury. Consequently, we have fostered a strong working relationship with HMRC who see we can achieve much greater and quicker returns.

The Company regularly supports by sponsoring industry events such as conferences to inform Insolvency Practitioners and other industry professionals about Manolete as a potential provider of support in pursuing claims on behalf of creditors and to improve understanding of the model which Manolete operates.

*Legal professionals*
The Company's in house legal team work closely alongside third-party legal professionals to develop our claims from initial assignment or funding through to settlement. The Board seeks to balance the benefits of maintaining strong partnerships with legal professionals alongside the need to obtain value for money for our shareholders.

*Financial lenders*
The Directors are responsible for managing the relationship with HSBC which provides the Company with the £17.5m RCF. The Head of Finance provides regular reports to the Board on these activities to ensure the Company's continued access to debt capital including, monitoring financial covenants and headroom and during the year the renewal of the RCF facility.

The Board carefully considers the Company's cash position and forecasts when making decisions on the Company's dividend policy.

**The impact of the Company's operations on the community and the environment:**
We recognise our business has an impact on the environment. The depletion of natural resources and the threat of climate change have raised concerns about the environment and the potential financial impact on businesses. Sustainable options are increasingly being considered as part of investment choices.

We comply with environmental protection laws, including recycling and waste disposal requirements and seek to minimise any detrimental effects our activities may have on the environment. Wherever possible, employees are strongly encouraged to use the lowest form of carbon-emission transport for the many meetings they attend and to maximise the use of video-conferencing rather than travel. Many of our mediations are now carried out via Zoom or Teams. We are a very low user of paper and advocate the reduction of paper use by all personnel. Our marketing materials (for example, our sector wide monthly newsletter) are online resources wherever possible. If reducing consumption is not a viable option, we use materials derived from renewable or sustainable sources.

**The desirability of the Company maintaining a reputation for high standards of business conduct:**
The Board is highly committed to applying high standards of corporate governance and have endeavoured to ensure it is held to the highest standard. Our Corporate Governance report sets out how we comply with the QCA Corporate Governance Code and our approach to governance on pages 28 to 32.

**The need to act fairly between members of the Company:**
The Board receives feedback on investor views from the following:

- Our meetings with institutional investors and our Annual General Meeting provide important opportunities for dialogue with our shareholders and feedback from those conversations is shared with the Board to ensure all Directors are properly informed of shareholder views.
- The Executive Directors of the Board, Steven Cooklin and Mena Halton, are primarily responsible for shareholder liaison but the Chairman and other Non-Executive Directors may also be contacted by investors where appropriate.
- The Company's broker Canaccord provides feedback on the market and investor views following release of the interim and full year results and the opinions of shareholders is closely monitored through analyst and broker reports. All shareholders have an opportunity to ask questions to the Board throughout the year and the AGM allows shareholders to ask questions and share their views in more depth.

On behalf of the Board,

S Cooklin

**Steven Cooklin**
Chief Executive Officer
25 June 2025

**Our Leadership team**

**Lord Leigh of Hurley, FCA**

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Howard Leigh is a qualified Chartered Accountant. In 1988 he set up Cavendish Corporate Finance LLP where he remains Senior Partner. In 2000, Howard was appointed as the Chairman of the Faculty of Corporate Finance of the Institute of Chartered Accountants in England and Wales (ICAEW). In 2008 he was awarded the Faculty's Outstanding Achievement in Corporate Finance Award. In 2018, Cavendish merged with finnCap and the new group – finnCap Group plc- was listed on the London AIM market. He is the Senior Treasurer of the Conservative party and chairs four charities. In 2013, Howard was elevated to the Peerage as Lord Leigh of Hurley. He joined the Manolete Board in June 2021. Howard is Chair of the Economic Affairs Finance Bill Sub-Committee. Howard is a member of the Remuneration Committee.

**Steven Cooklin, ACA**

CHIEF EXECUTIVE OFFICER

Steven founded the Company in 2009 and is Chief Executive. Steven is a Chartered Accountant having qualified at Coopers and Lybrand in 1991. Steven has over 20 years' experience in corporate finance with National Westminster Bank, Calder Corporate Advisory Ltd and Hill Samuel Investment Bank and is a former Director of HSBC Investment Bank (Corporate Finance Division). Steven is an Associate Member of The Association of Business Recovery Professionals.

**Mena Halton**

MANAGING DIRECTOR

Mena joined Manolete in 2014 and joined the Manolete Board as Managing Director in June 2022. Mena qualified as a solicitor in 1985 and has specialised in contentious insolvency throughout her career. Mena also acts as Manolete's Head of Legal as well as being on the Board. Mena is ranked Band One for insolvency litigation funding in the Chambers and Partners Litigation Support Guide, 2022, 2023, 2024 and 2025. Mena was recently included in The Lawyer Hot 100 and in Who's Who Legal: Thought Leaders – Third Party Funding for 2020 and 2021. Mena is a member of the Insolvency and Companies Court Users' Committee.

**Annie Devoy, ACA**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Annie Devoy was appointed to the Manolete Board in January 2022 as an Independent Non-Executive Director. Annie is a qualified Chartered Accountant. She was a Partner at PwC from 2002 to 2020 and a member of the executive leadership team for PwC's Tax, Legal and People Advisory services business. Previously Annie led PwC's UK Transfer Pricing Network and was part of the firm's Global Transfer Pricing management team. Annie retired from PwC in 2020 and remains a trustee for PwC's legacy Defined Benefit pension funds. Annie chairs the Audit Committee and is also a member of the Remuneration Committee.

**Dr Stephen Baister**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Stephen joined the Company in September 2017 as a senior adviser and was appointed as an independent Non-Executive Director in November 2018. Stephen was appointed as a bankruptcy registrar (Judge) of the High Court in 1996 and as chief bankruptcy registrar in 2004. He retired in 2017. Stephen has also been consultant for Moon Beever LLP since November 2017. He has a PhD in law and was admitted as a solicitor in 1981 and as a licensed Insolvency Practitioner in 1985. Stephen is a member of the Chartered Institute of Linguists, an honorary member of the Insolvency Lawyers Association and honorary Fellow of the Chartered Institute of Credit Management. Stephen chairs the Remuneration Committee and is also a member of the Audit Committee.

### Directors' Report

The Directors present their report with the financial statements of the Company for the year ended 31 March 2025.

### Principal activities

The principal activity of the Company during the period under review was the acquisition and funding of insolvency litigation cases.

The requirements of the business review have been considered within the Strategic Report.

### Results and dividends

An analysis of the Company's performance is contained within the Strategic Report. The Company's income statement is set out on page 45 and shows the results for the year.

In respect of the financial year ended 31 March 2025 a final dividend of nil (FY24: nil) per ordinary share has been recommended by the Directors. No interim dividend was paid during the year.

### Directors

The Directors of the Company during the year and up to the date of approval of the Annual Report:

Lord Leigh of Hurley

Steven Cooklin

Mark Tavener (resigned 7 April 2025)

Stephen Baister

Annie Devoy

Mena Halton

Further details about each of the current Directors, their experience and qualifications can be found on page 25.

### Director's emoluments

Details of the Directors' emoluments, other reward arrangements and contractual terms are provided in the Remuneration Report on pages 36 to 38.

### Financial Instruments

Disclosures in respect of the Company policy regarding financial instruments and risk management are contained in notes 22 and 24 to the financial statements.

### Directors' third-party indemnity provisions

Pursuant to the Company's Articles of Association, the Directors and Officers of the Company benefit from an indemnity which is a qualifying third-party indemnity for the purposes of s. 236 of the Companies Act 2006. The indemnity was in force throughout the financial period and at the date of approval of the financial statements. The Company has also taken the opportunity to purchase Directors' and Officers' Liability Insurance.

### Statement of disclosure to auditors

All of the current Directors have taken all necessary steps to make themselves aware of any information needed by the Company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant information of which the auditors are unaware.

Gravita II LLP has indicated that it will not seek re-appointment as the Company's auditors at the forthcoming Annual General Meeting as, following a business reorganisation, its audit services will be provided by another Gravita entity. A resolution to appoint Gravita Audit II Limited as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

The report of the Directors was approved by the Board on 25 June 2025 and signed on its behalf by:

S Cooklin

**Steven Cooklin**
Chief Executive Officer

**Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report in accordance with applicable laws and regulations.

The Directors have been elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the financial statements in accordance with UK-adopted International Accounting Standards.

The financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether they have been prepared in accordance with UK adopted International Accounting Standards.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Manolete Partners Plc website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Corporate Governance Statement**

As the Company's Independent Non-Executive Chair, I am delighted to report how Manolete is governed and led by its Board of Directors.

The Board is responsible for governance, oversight and leadership of the business. It is supported in these responsibilities by its committees, with operational and strategic delivery being the responsibility of management. However, because of their importance to the Company, there are some things which the Board will not delegate.

A schedule of Matters Reserved for the Board describes the matters that the Board does not delegate; the determination of strategy, various financial issues and controls including changes to share capital, dividends, major contracts and investments, approval of financial statements, risk assessment and management and internal controls.

We endeavour to ensure our governance is effective and appropriate to the current size, nature, resources and prospects of the Company and meets the highest standards. The Board has adopted the Quoted Companies Alliance Corporate Governance Code (the QCA Code or the Code). During FY25, the ten principles of the updated QCA Code 2023 have been applied, as described in the remainder of this statement and on our website.

**Lord Leigh of Hurley, Howard Leigh**

Independent Non-Executive Chairman

25 June 2025

***QCA Code Principles***

**Establish a purpose, strategy and business model which promotes long-term value for shareholders.**

Manolete is the UK's leading insolvency litigation financing company with a business model which leads to swift resolution of cases, generally settled before trial, minimising costs and optimising returns. Our strategy and business model are described on pages 5 to 8 of the 2025 Annual Report and Accounts.

Through regular management reporting, the Board closely monitors delivery of the business model and strategy with a particular focus on ensuring that management's disciplined approach to case selection and management, both of which are key to ensuring our investments deliver good returns for both the company and insolvency estate creditors, is consistently maintained.

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

Manolete's business is founded on principles of fairness and high standards of conduct which support the critical relationships we have developed with Insolvency Practitioners and others for the long-term benefit of the business. By promoting a business model which values and encourages the establishment and maintenance of strong relationships with partners based on our culture of fair dealing, the Board makes clear the behavioural standards required by everyone within the business.

Manolete requires its Directors and colleagues to operate at all times in an honest, professional and ethical manner. This is essential for our reputation as well as building trust and respect with our key stakeholders including customers, business associates, employees, communities and shareholders.

The Company publishes its Environmental, Social and Governance (ESG) Policy which includes details of the standards of conduct we expect to be applied across the Company and in our business dealings. The Company expects all business associates to follow the principles set out in the policy. The Board has also adopted a number of other policies covering anti-bribery and corruption and whistleblowing, for example, which ensure the Manolete team understands the ethical expectations placed upon them and can alert the board to any concerns about wrongdoing that they may have.

**Seek to understand and meet shareholder needs and expectations.**

Our regular meetings with institutional investors provide important opportunities for dialogue with our shareholders and feedback from those conversations is shared with the Board, along with pertinent comments from online investor forums, to ensure all Directors are properly informed of shareholder views. Our Annual General Meeting is also an occasion when shareholders can interact directly with Directors and we look forward to welcoming shareholders to our AGM on 16 September 2025.

At both the interim and year end results and with periodic trading updates, the executive Directors offer a transparent and balanced view to shareholders of the Company's performance and outlook.

The Chief Executive Officer, Steven Cooklin, is primarily responsible for shareholder liaison but the Chairman and other Non-Executive Directors may also be contacted by investors where appropriate. Contact details are provided on our investor website.

**Take into account wider stakeholder interests including social and environmental responsibilities and their implications for long-term success.**

Manolete performs an important role by providing an alternative option for Insolvency Practitioners to pursue claims on behalf, and for the benefit, of creditors. We nurture positive relationships with insolvency industry partners as these will, over the long-term, deliver benefits for the business.

Our Board sets the tone from the top by establishing Manolete's corporate values which require all colleagues to demonstrate the highest standards of conduct and to operate with fairness, and which are reflected in clear policies. These behaviours also apply to how we treat our employees and suppliers, all of whom are important resources for the business and its long-term success. The Non-Executive Directors periodically attend events with the wider Manolete team which enable them to interact directly with colleagues. These more informal conversations are informative in allowing the Board to assess employee morale, and to build the relationships that enable open conversations with members of the team.

Through our dealings with Insolvency Practitioners and advisers, we are able to understand the extent to which our business model is favoured by many of them over more traditional options available to them to recover funds.

Our approach to minimising our impact on the environment is described in our ESG report on page 33.

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

The principal risks facing the Company are shown on pages 21 to 22 of the 2025 Annual Report and Accounts.

The Board actively monitors risks, including how account is taken of risk in case selection and management and the procedures which underpin these vital elements of the business. With an increasingly diverse and well-resourced in-house team, including a regional network of lawyers, reliance on key individuals is reduced. The Board receives reports on key cases as well as broader case management KPIs and regularly challenges the rationale for considering case valuations to be reasonable. Management's rigorous review processes provide assurance that case judgements are well thought out, evidence-based and not unduly influenced by a single voice.

The Board also reviews and monitors other risks and seeks assurance from the Audit Committee that risks are adequately mitigated. Further detail is available in the Audit Committee's report on pages 34 to 35.

**Establish and maintain the board as a well-functioning, balanced team led by the Chair.**

The Board, led by the Chair and supported by an experienced Company Secretary, brings together Directors who have a wide range of skills, experience and expertise. They work effectively as a team to govern the Company. Meetings are well-structured, with appropriate and timely information provided to enable adequate preparation. Discussions are conducted in an open and transparent manner and all Directors feel free to express their views and challenge management, both in formal meetings and on other occasions.

The Board is conscious of the need for appropriate succession planning and keeps such matters under review.

The time commitment required of Directors, the number of meetings held, and meeting attendance are described on page 32. Directors' biographical details are provided on page 25.

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

Our corporate governance practices are aligned with the QCA Code and are considered by the Board to be appropriate to the business, its size, challenges and resources. They are kept under review and continue to evolve.

The roles of the Chair, who is responsible for leading the Board and governance arrangements, and the Chief Executive Officer, who is responsible for implementing strategy and managing the business on a day-to-day basis, are distinct and well understood.

The three independent Non-Executive Directors each have a range of skills and experience which, collectively with the Executive Directors, enable strong oversight and leadership of the business. On page 25 of the 2025 Annual Report and Accounts the attributes of each Director are outlined more fully.

Since appointment, each Non-Executive Director has taken steps to develop their understanding of the business and its processes. This has included detailed questioning at Board and committee meetings, time spent with individual members of staff and wider colleague events, as well as attendance at investment committee meetings. They receive regulatory updates at each Board meeting and briefings on changes to accounting requirements, as well as participating in annual AIM Rules trainings with the Nominated Adviser ('NOMAD').

The Board and its Committees are supported by an experienced independent Company Secretary, Bernadette Young, FCG of Indigo: Independent Governance, who provides advice and guidance on corporate governance best practice, board processes and regulatory compliance.

These and other development activities will continue.

The Board has Remuneration and Audit Committees, each of which has written terms of reference which are *available on the Company's website. The committees are comprised of the Non-executive Directors. The Board* is satisfied that the committees discharge their responsibilities appropriately. Neither committee needed to obtain legal advice on any significant matter during the period.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

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

During 2025 the Board undertook an internal evaluation exercise, conducted by the Company's independent Company Secretary, Indigo: Independent Governance, which comprised a questionnaire examining a comprehensive suite of elements which contribute to board effectiveness.

Each Director contributed their views, with the results compiled into a formal report which was then discussed by the Board at the March 2025 meeting. Overall, it was concluded that the Board and its Committees were working effectively, and that Board composition was appropriate to the skills, knowledge and experience needed to robustly govern the business. However, the Board embraces a culture of continuous improvement and, as part of the review, identified director induction and training, and stakeholder engagement as two areas where some enhancements to current practice could be considered.

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

The purpose and aim of the Company's remuneration policy is to ensure senior executives are appropriately rewarded for the contributions they make to the business, while aligning their interests with delivery of the Company's strategic objectives and performance targets in a way which does not expose the business to unacceptable risk. This policy applies to the reward of both existing directors and any directors who may be recruited in the future.

As well as basic salary, Executive Directors benefit from pension contributions, an annual performance-related bonus, private health insurance and long-term performance share awards. Executive Directors are invited to participate in a share-based incentive plan.

To enable the whole team to share in the success of the business and to align their interests with those of shareholders, the Company, at the discretion of the Remuneration Committee, invites all eligible colleagues to participate in the Company's share option plan ('CSOP').

Fuller details about the Directors' remuneration are provided on page 37.

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

The Board maintains regular communication with shareholders through information released to the market, its investor meetings and AGM. The Company website has an investor section giving shareholders and others direct access to business information and Company reports. Contact details are also published on the website for the Company Secretary and Investor Relations.

The business also fosters other key relationships, in particular with the insolvency practice community. It regularly supports industry events such as conferences and issues a regular bulletin, in order to inform Insolvency Practitioners and other industry professionals about Manolete as a potential provider of support in pursuing claims on behalf of creditors and to improve understanding of the model which Manolete operates.

The team has a positive relationship with the Insolvency Service and works constructively with the Official Receiver. HMRC is a major creditor in many cases and Manolete's work achieves recovery of funds that benefit the public purse.

Colleagues are a critical group of stakeholders for the business. Only with their skill, knowledge and dedication, can Manolete deliver positive returns for shareholders. As a regionally spread team, opportunities are regularly created for colleagues to come together, to share experience and expertise and to interact socially. These, and the Company's policy of transparent communication, are essential to the culture of collaboration which the business fosters.

**Directors' Time Commitments**

The time commitment of our Non-Executive Directors is clearly set out in their Letters of Appointment. Non-Executive Directors are required to devote as much time as needed to carry out their duties effectively but, as a guide, their Letters of Appointment state this is expected to be three days per month.

In the period from 1 April 2024 to 31 March 2025, the Directors' attendance at Board and Committee meetings was as shown below.

| | Scheduled Board Meetings (6) | Scheduled Audit Committee (3) | Scheduled Remuneration Committee (3) |
|---|---|---|---|
| Lord Leigh of Hurley | 6/6 | | 3/3 |
| Steven Cooklin | 6/6 | | |
| Annie Devoy | 6/6 | 3/3 | 3/3 |
| Stephen Baister | 6/6 | 3/3 | 3/3 |
| Mark Tavener | 6/6 | | |
| Mena Halton | 6/6 | | |

In addition to the scheduled meetings held during the year, a number of other meetings were held at short notice to address certain matters outside of the usual meeting cycle.

## Environmental, Social and Governance (ESG) Policy

Manolete Partners' primary business ethos is one of giving justice to creditors. It forms the cornerstone of our commitment to a fair and responsible Environmental, Social and Governance policy. Our ESG policy is set out fully on our Investor website, but some of the key elements are also summarised here.

### Access to justice

Manolete has innovated a new business model and approach to insolvency litigation. Manolete settles cases, in the main much more rapidly than other litigation funders in the insolvency sector, allowing for a higher proportion of returns to be given back to the creditors. We ensure the monetary returns are paid to the insolvent estate very promptly once the case is settled. We have built a very strong rapport with hundreds of Insolvency Practitioners who approve of our ethos, our conduct and promise to deliver efficient returns to the estate. Invariably the most substantial creditor is HMRC – through its work, Manolete returns millions of pounds to the public finances.

### Governance

Details of Manolete's corporate governance code and how we apply are provided above and can be found at: investors.manolete-partners.com/company-information/corporate-goverance

### Our Conduct

The Manolete Board requires the highest standards of corporate governance, operational excellence and financial reporting throughout the Company and from all directors and employees. In turn this demands that the Company, its Directors and its employees operate in an honest, professional and ethical manner which is essential for our reputation as well as building trust and respect with our key stakeholders, including customers, business associates, employees, communities and shareholders.

Our ESG policy contains the fundamental business principles that set these standards and guides our conduct across the Company and in our business dealings. We trade lawfully and properly at all times and, as a minimum, comply with all laws and regulations. We do not tolerate any form of bribery in our business and the Company has in place an anti-bribery and corruption policy reflecting the standards that we expect of our staff.

### Diversity and inclusion

We believe our employees are central to the success of our business. The Company is committed to their development and providing recognition based on success and achievement. We are an equal opportunities employer and it is our policy to ensure all job applicants and employees are treated fairly and on merit regardless of their race, gender, marital status, age, disability, religious belief, sexual orientation or other diversity factors. We have created strong lines of management accountability and many of our team benefit from flexible working arrangements. The Board's remuneration committee reviews all pay levels to ensure all awards and bonuses are given fairly and on merit. We are a gender balanced business, with 14 of the 29 staff as at 31 March 2025 being female. We have one male and one female Executive Director and one of the three Non-Executive Directors is a woman.

### Environmental

We comply with environmental protection laws, including recycling and waste disposal requirements. Many of our mediations are now carried out via Zoom or Teams. Our marketing materials are online resources wherever possible.

### Information

We provide accurate and timely information to external stakeholders in compliance with relevant laws and regulations. We give regular presentations to investors and make every attempt to share as much relevant data with them as possible to ensure the company's financial position is clear to the market.

The Company takes all necessary steps to protect the personal information it holds and to comply with its data protection obligations.

### Crime prevention

We have measures in place for detecting, preventing, reporting, investigating and prosecuting suspected fraud and financial crime. We have effective anti-fraud and anti-money laundering systems and controls as well as an anti-bribery and corruption policy in place in addition to effective claims management and counter-fraud capabilities.

**Audit Committee Report**

*Audit Committee Remit and membership*
To assist it in its review of financial statements, financial controls and risk management arrangements, the Board has established terms of reference constituting the Audit Committee which are available on the Manolete website.

The Committee is chaired by an Independent Non-Executive Director, Annie Devoy. Annie is a member of the Institute of Chartered Accountants in England and Wales and has recent, relevant financial experience. Stephen Baister, who is also an Independent Non-Executive Director, is the other member of the Committee.

In this financial year, the Committee met on three occasions, including to review and approve a recommendation to the Board on the results for the prior year, FY24; and to review and approve the interim results in respect of FY25. The Committee met with the Auditors in the absence of management.

*Review of Financial Statements*
During the year the Committee reviewed the interim statements and, since the year end, it has reviewed the full year financial statements. The purpose of these reviews is, amongst other things, to provide assurance to the Board on the integrity of the financial statements, the appropriateness of the accounting policies adopted, and judgements made, and the adequacy of the financial and other controls in place within the business.

In arriving at its recommendations to the Board, the Committee took account of the views of the Auditor, as set out in a formal report to the Committee reviewed with the Auditor, including discussions held in the absence of management. The Committee considered the accounting policies adopted and sought assurance from the Auditor and management that those policies were appropriate.

The Audit Committee noted that the Auditor had identified five key audit risks, namely: realised revenue recognition, valuation of investments (unrealised revenue), going concern, recoverability of receivables, and share option accounting.

The Committee understands the procedures by which realised revenue is recognised, and which ensure the legal and contractual requirements which underpin recognition are appropriate and consistently undertaken.

The Committee observed, notwithstanding the fact that management judgement was carefully exercised in agreeing current case valuations, a degree of uncertainty necessarily exists in such valuations as the outcome of cases cannot be guaranteed. The Committee was assured of the rigorous processes which are used by management to arrive at individual case valuations to ensure that valuations are adjusted as and whenever management's understanding of the likely outcome of a case change. Accordingly, the Committee was satisfied the judgements used were reasonable and the risk of either over- or under-statement of investment valuations and the associated revenue recognition was minimised as far as possible. The Committee drew comfort from the regular monitoring of case valuations that takes place in the business via communication with the legal team. While this process has worked well in the past, we are continuously looking to improve our processes to achieve the most accurate month to month valuations.

The Committee noted the positive outcome of discussions with HSBC regarding the current funding facility. In addition, the strong cash generation by the business supports the Committee's confidence regarding the continuing robust performance of the business as a going concern.

The Committee also considered the recoverability of receivables, noting that case recoveries can be impacted by a number of factors and can also change over time. A constant check is maintained on the underlying assets believed to be available to settle awards made via the in-house Net Worth team. Although security over assets is not universally sought, charges over property and injunctions over disposal are used to limit risk on a case-by-case basis. In addition, it is recognised that a full assessment of all respondents' assets is not possible but that recoverability is, where possible calculated on the basis of known assets only, thereby further limiting recovery risk.

The Committee examined the basis on which the Company's bad debt provision had been calculated and noted the application of IFRS 9 in respect of expected credit losses; it also considered the position in the light of work carried out by the Auditor. Having considered management's explanations on processes and controls, the

Committee was satisfied the judgements and estimates used to assess the recoverability of receivables were reasonable.

The Committee noted that, under the three share option schemes operated by the business, there is increased share-based reward potential for both the Executive Directors and staff. The Committee is aware that expert advice is sought and followed, and that the required modelling and administration is undertaken to ensure the schemes are properly implemented and accurately reported in the financial statements.

Through discussion of the audit strategy, audit scope, audit findings, financial controls and management responses, the Audit Committee satisfied itself the risks identified through the audit, including the key audit risks, had been properly addressed.

*Risk Management*
The Committee has responsibility for reviewing the risk register and for satisfying itself risk identification and management processes, including the Company's financial and other controls, are robust and sufficient to keep the risks faced by the business within the level which can be tolerated by the business and which fit with the Board's appetite for risk.

The Committee also reviewed, and agreed to recommend to the Board for approval, the summary of principal risks set out on pages 21 to 22.

*Auditor appointment, independence and fees*
Independent audit is an important source of assurance for investors and other stakeholders. The Committee is cognisant of the need to ensure the Auditor remains independent and objective in auditing the Company's financial statements. The change of audit firm in May 2024 has ensured the Auditor remains fully independent and objective.

The Committee considered the assurances provided by the Auditor with regards to independence, including processes to ensure that the Audit partner, manager and other team members are independent as well as the firm as a whole. The Committee was also satisfied that there were no other factors likely to impair the Auditor's objectivity.

*Ethical Policies*
High standards of conduct are a central part of the Company's ethos. In particular, the Board is committed to setting and leading a culture based on fairness to all those with whom the Company engages.

The Board has adopted a number of ethical policies, including an anti-bribery and corruption policy and a whistleblowing policy. The Committee reviews these arrangements annually and also requires management to report to it, at least once a year, on the implementation of those policies and on any incidents arising under them which may occur from time to time. No such incidents were reported to the Committee during the year ended 31 March 2025 or since.

**Remuneration Committee**

The disclosures below are provided on a voluntary basis. They summarise the Company's senior remuneration policies and practices.

**Remuneration Committee Composition and Function**

The Remuneration Committee comprises the Company's independent Non-Executive Directors: Stephen Baister, who also chairs the Committee, Lord Leigh of Hurley and Annie Devoy.

The Committee's role is to ensure the Company's remuneration practices are appropriate to the business and its strategic objectives. The Committee oversees the various elements of the Executive Directors' pay and benefits, as well as the other terms to which Directors are subject. The Remuneration Committee's terms of reference are available on the Company's investor website.

In the year ended 31 March 2025, the Committee held scheduled meetings on three occasions to review its terms of reference, consider increases in basic pay effective from the start of the new financial year and to plan its approach to performance-related benefits and make awards of performance-related bonuses and share incentives.

The Committee considers seeking support from external advisers, as necessary.

**Remuneration Policy**

The success of the business and delivery of long-term value to our shareholders rely on the services and expertise of our high calibre team. An effective remuneration policy is an important element of the Company's ability to attract and retain individuals who can contribute to Manolete's success.

The purpose and aim of the Company's remuneration policy is to ensure senior executives are appropriately rewarded for the contributions they make to the business, while aligning their interests with delivery of the Company's strategic objectives and performance targets in a way which does not expose the business to unacceptable risk. This policy applies to the reward of both existing Directors and any Directors who may be recruited in the future.

As well as basic salary, Executive Directors benefit from pension contributions, an annual performance-related bonus, private health insurance and long-term performance share awards. Executive Directors are invited to participate in a performance related CSOP. To enable the whole team to share in the success of the business and to align their interests with those of shareholders, the Company, at the discretion of the Remuneration Committee, invites all staff who are eligible, to participate in the CSOP.

**Annual Bonus**

Cash bonuses are paid to Directors and other team members, dependent upon performance. The Remuneration Committee has decided to maintain the payment of cash bonuses in FY25.

**Company Share Schemes**

The Board has adopted the Manolete Partners Company Share Option Plan (CSOP) to enable conditional share awards to be granted, which may be subject to achievement of performance criteria. Typically, such targets are measured over a three-year performance period. No CSOPs were granted to Executive Directors in FY25.

In subsequent financial years it is anticipated that the Remuneration Committee will make further CSOP awards, details of which will be disclosed at the time of grant. More information on the CSOP can be found in note 20 to the financial statements.

In FY25, long-term incentive plans (LTIP) were granted to all Executive Directors, the share options available under the LTIP scheme for the Executive Directors are detailed in the table below. This LTIP plan does not vest for the Executive Directors until after a three-year period and is subject to challenging Company performance targets being met over this period. The scheme was designed with the advice of external advisers.

During the year to 31 March 2025, options were granted to the Executive Directors as set out in the table below.

| Executive Director | Class | Number of shares under option | Exercise price £ |
|---|---|---|---|
| Steven Cooklin | LTIP | 200,000 | 0.004 |
| Mark Tavener | LTIP | 200,000 | 0.004 |
| Mena Halton | LTIP | 200,000 | 0.004 |

The following options were held under varying scheme by the Executive Directors as at 31 March 2025:

| Executive Director | Class | Grant date | Vesting date | Number of shares under option | Exercise price £ |
|---|---|---|---|---|---|
| Steven Cooklin | CSOP | 08/07/2019 | 08/07/2022 | 6,741 | 4.450 |
| | LTIP | 29/07/2022 | 29/07/2025 | 116,600 | 0.004 |
| | LTIP | 18/07/2023 | 18/07/2026 | 223,657 | 0.004 |
| | LTIP | 18/09/2024 | 18/09/2027 | 200,000 | 0.004 |
| **Total** | | | | **546,998** | |
| Mark Tavener | LTIP | 29/07/2022 | 29/07/2025 | 116,600 | 0.004 |
| | RSA | 29/07/2022 | 29/07/2023 | 16,058 | 0.004 |
| | LTIP | 18/07/2023 | 18/07/2026 | 87,709 | 0.004 |
| | LTIP | 18/09/2024 | 18/09/2027 | 200,000 | 0.004 |
| **Total** | | | | **420, 367** | |
| Mena Halton | CSOP | 08/07/2019 | 08/07/2022 | 6,741 | 4.450 |
| | Unapproved | 09/12/2019 | 09/12/2022 | 129,188 | 4.300 |
| | LTIP | 29/07/2022 | 29/07/2025 | 116,600 | 0.004 |
| | LTIP | 18/07/2023 | 18/07/2026 | 164,221 | 0.004 |
| | LTIP | 18/09/2024 | 18/09/2027 | 200,000 | 0.004 |
| **Total** | | | | **616,750** | |

More information on share schemes can be found in note 20 to the financial statements.

**Non-Executive Directors**

Remuneration of the Non-Executive Directors is determined by the Board as a whole, with the relevant Non-Executive Director taking no part in the discussions or decision in relation to their own fees. The Non-Executive Directors are not entitled to annual bonuses or employee benefits. Each of the Non-Executive Directors has a letter of appointment stating, among other things, annual fees, the time commitment expected for the role and the appointment may be terminated by either party giving three months' prior written notice.

**Directors' Remuneration**

The table below summarises the remuneration for each Director in the financial year.

| Year ended 31 March 2025 | Salary | Pension | Benefits* | Total fixed pay | Bonus | Total variable pay | Total pay |
|---|---|---|---|---|---|---|---|
| **Non-Executive Chairman** | | | | | | | |
| Lord Leigh of Hurley | 75,000 | - | - | 75,000 | - | - | 75,000 |
| **Executive Directors** | | | | | | | |
| Steven Cooklin | 493,914 | 5,000 | 6,414 | 505,328 | 70,000 | 70,000 | 575,328 |
| Mark Tavener | 194,368 | 7,775 | 2,046 | 204,189 | - | - | 204,189 |
| Mena Halton | 366,882 | 5,000 | 3,639 | 375,521 | 85,000 | 85,000 | 460,521 |
| **Non-Executive Directors** | | | | | | | |
| Stephen Baister | 50,000 | - | - | 50,000 | - | - | 50,000 |
| Annie Devoy | 50,000 | - | - | 50,000 | - | - | 50,000 |
| **Total Directors' remuneration** | **1,230,164** | **17,775** | **12,099** | **1,260,038** | **155,000** | **155,000** | **1,415,038** |

| Year ended 31 March 2024 | Salary | Pension | Benefits* | Total fixed pay | Bonus | Total variable pay | Total pay |
|---|---|---|---|---|---|---|---|
| **Non-Executive Chairman** | | | | | | | |
| Lord Leigh of Hurley | 75,000 | - | - | 75,000 | - | - | 75,000 |
| **Executive Directors** | | | | | | | |
| Steven Cooklin | 478,985 | 5,000 | 6,414 | 490,399 | 55,000 | 55,000 | 545,399 |
| Mark Tavener | 187,839 | 7,514 | 2,046 | 197,399 | 45,000 | 45,000 | 242,399 |
| Mena Halton | 351,698 | 5,000 | 3,639 | 360,337 | 74,000 | 74,000 | 434,337 |
| **Non-Executive Directors** | | | | | | | |
| Stephen Baister | 50,000 | - | - | 50,000 | - | - | 50,000 |
| Annie Devoy | 50,000 | - | - | 50,000 | - | - | 50,000 |
| **Total Directors' remuneration** | **1,193,522** | **17,514** | **12,099** | **1,223,135** | **174,000** | **174,000** | **1,397,135** |

*Benefits refers to private medical insurance.

**Directors' Interests (as at 31 March 2025)**

As at 31 March 2025, the interests of the Directors in ordinary shares, excluding options granted under the Company share schemes, which have not yet been exercised which are disclosed above, are as disclosed below. These include the interests of the Directors in ordinary shares held in their own name or in which they have a beneficial interest. Although the Non-Executive Directors hold shares, their holdings are at a level which does not impinge their independence.

| | Ordinary shares | % of issued share capital |
|---|---|---|
| **Non- Executive Directors** | | |
| Stephen Baister | 26,667 | 0.06 |
| Lord Leigh of Hurley | 148,000 | 0.34 |
| Annie Devoy | 5,000 | 0.01 |
| **Executive Directors** | | |
| Steven Cooklin | 4,342,199 | 9.92 |
| Mark Tavener | 500 | 0.00 |
| Mena Halton[1] | 561,244 | 1.28 |

1 of which 290,353 shares are held by a spouse.

**Opinion**

We have audited the financial statements of Manolete Partners Plc ('the Company') for the year ended 31 March 2025 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards (IFRS); and
- 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Our approach to the audit**
We performed a full scope audit of the Company's financial statements.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement.

*Key audit matters*
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Valuation of investments**<br><br>At 31 March 2025 the Company held investments in insolvency litigation cases of £41.4m (2024: £40.2m). The investments are presented in the Statement of Financial Position at fair value. Under the Company's accounting policy, investments are revalued at each reporting date with movements in fair value recognised in profit or loss.<br><br>Management determine case valuations by reference to a discounted cash flow model on a case-by-case basis reflecting the circumstances and stage of progress of each case. Therefore the valuation of investments is subject to significant judgement. | Our audit procedures included:<br><br>- Discussing with management, and performing a walkthrough of, the internal processes which are undertaken to determine case valuations.<br><br>- Selecting a sample of case investments, challenging in-house solicitors on their determination of inputs and agreeing key judgements to supporting documentation.<br><br>- Testing a sample of cases to purchase agreements and confirming that Manolete's |

| | |
|---|---|
| The key factors which are applied by management in the determination of a fair value for a particular case are:<br><br>a) Manolete's contractual share of any proceeds;<br>b) The costs incurred to date and projected future costs;<br>c) The extent of upfront payments made to insolvency practitioners on the initial purchase of a case;<br>d) The expected proceeds from the case, whether achieved through mediation or trial.<br><br>Estimation of the expected proceeds from the case, whether by court judgement or settlement agreement, is subject to significant judgement.<br><br>Whilst Manolete seek to purchase, or fund, cases with strong prospects of recovery, there is no certainty that any case will ultimately settle in favour of Manolete. Management have described this significant judgement in Notes 3.<br><br>Valuations are initially prepared by Manolete's internal team of qualified solicitors. Management then also procure legal opinions for a sample of higher value cases. Case valuations are updated monthly throughout the year, and the Board review the largest movements in valuations in a given month.<br><br>Investments include 22 cases which are collectively valued at £15.4m (2024: £15.1m) which relate to insolvent or recently dissolved companies which had purchased trucks from manufacturers later found to have acted contrary to antitrust law by price fixing (the "Cartel cases"). Management determined the valuation of these cases on a collective basis by reference to a valuation report prepared by an external expert and the application of recent court judgements in claims brought by other companies which incurred damages as a result of this cartel activity. Such judgements include the rate of overcharge and the rate of interest that can be recovered.<br><br>Movements in the fair value of investments are recorded as unrealised revenue. Unrealised revenue recognised in the year to 31 March 2025 in respect of fair value movements, net of realisations, was £1.0m (2024: fair value loss of £2.1m).<br><br>The valuation of investments is considered a Key Audit Matter in light of the significance of the valuation of assets to the Statement of Financial Position and due to the significance and complexity of the assumptions applied by management in deriving valuations. | share of profit in valuation models agrees to the terms of those purchase agreements.<br><br>- Reviewing the ultimate outcomes of cases held as investments at 31 March 2024 and understanding any material differences between valuation and ultimate settlement value.<br><br>- Reviewing the extent of case settlements in the period after the year end and understanding any material differences between valuation and final settlement value.<br><br>- Involving an independent insolvency judge as an auditor's expert to review and comment on a sample of material investment valuations.<br><br>- Reviewing the court judgements in the Royal Mail and BT cases and understanding how those judgements were applied in the valuation of Cartel cases.<br><br>- Reviewing the consistency of the opinion of management experts with the underlying valuation models.<br><br>- Reviewing the accuracy of disclosures in respect of valuations.<br><br>We concluded that the basis for the Directors' investment valuations were reasonable. |
| **Recoverability of trade receivables**<br><br>At 31 March 2025 the Company held gross trade receivables of £35.0m (2024: £32.9m) representing amounts due from the conclusion of cases through settlements or court judgements. Against these gross receivables, credit loss provisions of £6.4m (2024: £6.3m) were raised. Net trade receivables included in | Our audit procedures included:<br><br>- Obtaining a breakdown of trade receivables and ensuring it agrees to the financial statements and is correctly extracted from underlying accounting records. |

| | |
|---|---|
| the Statement of Financial Position are £28.6m (2024: £26.6m).<br><br>The majority of payments terms upon settlement result in the recognition of a current receivable, however a small number of larger cases include payment terms extending beyond 12 months.<br><br>The recoverability of trade receivables is subject to significant judgement by management in assessing the degree of exposure to credit risk and hence the suitable credit loss provision. Management have described this significant judgement in Note 3.<br><br>The recoverability of trade receivables is considered a Key Audit Matter in light of the significance of the carrying value of trade receivables in the Statement of Financial Position and the significance of the judgements applied by management in assessing credit risk. | - Agreeing a sample of receivables to signed settlement agreements or court judgements to ensure that the Company has the right to receive cash.<br><br>- Performing a walkthrough of the process under which settled cases move from investments into receivables and then into cash upon recovery.<br><br>- Testing a sample of trade receivables to subsequent cash collection.<br><br>- Where, within our sample, payment was overdue, challenging management on the assessment performed to support the ability of the debtor to pay including by reference to any credit enhancements such as security over property.<br><br>- Challenging management's credit loss provisioning methodology, including the segmentation of receivables based on risk characteristics, use of historical default rates and the appropriateness of forward looking assumptions applied under IFRS 9.<br><br>- Reviewing the accuracy of classification between current and non-current receivables.<br><br>- Reviewing the accuracy of disclosures in respect of receivables and credit risk.<br><br>We concluded that management's presentation of receivables is determined on a reasonable basis. |

**Our application of materiality**
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

| | **Company** |
|---|---|
| Overall materiality | £370,000 (2024: £320,000) |
| How we determined it | Based on 1.25% of revenue (2024:1.25% of revenue) |
| Rationale for benchmark used | Revenue reflects the value of settled cases in the year as well as movement in the fair value of unrealised cases and therefore is a key metric used in assessing the performance of the Company. |

We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set at £222,000 (2024: £192,000).

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £18,500 (2024: £16,000) as well as misstatements below this amount that, in our view, warranted reporting for qualitative reasons.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a detailed review of the Company's forecasts in comparison to cash balances held at the date of these financial statements and actual expenses in the recent period to assess the reasonability of the forecasts presented.
We have also performed a sensitivity analysis to conclude on the degree to which cash generation from the collection of debts will be able to sustain the Company for at least a further twelve months from the date of approval of these financial statements.

We have also considered the likelihood that covenants will be met in the forecast period, including in a downside scenario, and performed a wider review of the expected economic environment in the forecast period.

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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 the 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 27, 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 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 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.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**The extent to which the audit was considered capable of detecting irregularities including fraud**
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company including Insolvency Act 1986, UK taxation legislation, AIM Rules and the Companies Act 2006.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the Company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
    - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
    - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
    - agreeing financial statement disclosures to underlying supporting documentation;
    - reading the minutes of meetings of those charged with governance;
    - enquiring of management as to actual and potential litigation and claims;
    - reviewing the available correspondence with HMRC and the Company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Use of this 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.

JRBrewer

**Joseph Brewer**
Senior Statutory Auditor
For and on behalf of
Gravita II LLP (Statutory Auditors)
Aldgate Tower
2 Leman Street
London
E1 8FA

25 June 2025

## Manolete Partners PLC
Statement of Comprehensive Income
For the year ended 31 March 2025

| | Note | 31 March 2025 £'000s | 31 March 2024 £'000s |
|---|---|---|---|
| **Revenue** | 4 | 30,481 | 26,295 |
| Cost of sales | | (20,050) | (16,150) |
| **Gross profit** | | **10,431** | **10,145** |
| Administrative expenses | 8 | (7,463) | (7,644) |
| **Operating profit** | 6 | **2,968** | **2,501** |
| Finance income | 9 | 22 | 16 |
| Finance expense | 9 | (1,643) | (1,479) |
| **Profit before tax** | | **1,347** | **1,038** |
| Taxation | 10 | (454) | (105) |
| **Profit and total comprehensive income for the year** | | **893** | **933** |
| **Earnings per share** | | | |
| Basic (pence per share) | 11 | 2.04p | 2.11p |
| Diluted (pence per share) | 11 | 2.01p | 2.07p |

The above results were derived from continuing operations.

The notes on pages 49 to 73 form part of these financial statements.

**Manolete Partners PLC**
Statement of Financial Position
As at 31 March 2025

| **Company Number: 07660874** | **Note** | **31 March 2025 £'000s** | **31 March 2024 £'000s** |
|---|---|---|---|
| **Non-current assets** | | | |
| Investments | 12 | 11,340 | 11,293 |
| Trade and other receivables | 13 | 12,190 | 14,203 |
| Deferred tax asset | 16 | 278 | 938 |
| Total non-current assets | | 23,808 | 26,434 |
| **Current assets** | | | |
| Investments | 12 | 30,110 | 28,903 |
| Trade and other receivables | 13 | 19,372 | 15,077 |
| Cash and cash equivalents | 14 | 692 | 1,452 |
| Total current assets | | 50,174 | 45,432 |
| **Total assets** | | 73,982 | 71,866 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 18 | 175 | 175 |
| Share premium | 19 | 157 | 157 |
| Share based payment reserve | 19 | 1,153 | 1,076 |
| Retained earnings | 19 | 39,956 | 39,063 |
| Total equity | | 41,441 | 40,471 |
| **Non-current liabilities** | | | |
| Trade and other payables | 15 | 7,584 | 8,434 |
| Borrowings | 17 | 11,762 | 13,726 |
| Total non-current liabilities | | 19,346 | 22,160 |
| **Current liabilities** | | | |
| Trade and other payables | 15 | 13.195 | 9,235 |
| Total current liabilities | | 13,195 | 9,235 |
| Total liabilities | | 32,541 | 31,395 |
| **Total equity and liabilities** | | 73,982 | 71,866 |

The notes on pages 49 to 73 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 25 June 2025.

S Cooklin

**Steven Cooklin**
Chief Executive Officer

# Manolete Partners Plc

Statement of Changes in Equity
For the year ended 31 March 2025

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

The notes on pages 49 to 73 form part of these financial statements.

## Manolete Partners Plc
Statement of Cash Flows
For the year ended 31 March 2025

| | Note | 31 March 2025 £'000s | 31 March 2024 £'000s |
|---|---|---|---|
| Profit before tax | | 1,347 | 1,038 |
| *Adjustments for non-cash items:* | 23 | 7,515 | 4,420 |
| **Operating cashflows before movements in working capital** | | **8,862** | **5,458** |
| *Changes in working capital:* | | | |
| Net increase in trade and other receivables | | (2,283) | (4,901) |
| Net increase in trade and other payables | | 2,814 | 4,408 |
| **Net cash generated from operations before corporation tax and investments** | | **9,393** | **4,965** |
| Investment in cases | 12 | (6,865) | (6,355) |
| **Net cash generated from/(used in) operating activities** | | **2,528** | **(1,390)** |
| ***Cash flows from investing activities*** | | | |
| Finance income received | 9 | 22 | 16 |
| **Net cash generated from investing activities** | | **22** | **16** |
| ***Cash flows from financing activities*** | | | |
| Proceeds from borrowings | 17 | 500 | 3,250 |
| Repayments of borrowings | | (1,750) | - |
| Interest paid | | (1,330) | (1,060) |
| Loan arrangement fees | | (730) | - |
| **Net cash generated (used in)/from financing activities** | | **(3,310)** | **2,190** |
| **Net (decrease)/increase in cash and cash equivalents** | | (760) | 816 |
| Cash and cash equivalents at the beginning of the year | | 1,452 | 636 |
| **Cash and cash equivalents at the end of the year** | | **692** | 1,452 |

The notes on pages 49 to 73 form part of these financial statements.

### 1. Company information

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

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

### 2. Summary of significant accounting policies

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

### 2.1 Basis of preparation

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

*Measurement bases*

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

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

### 2.2 Going concern

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

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

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

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

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

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

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

### 2.3 Functional and presentation currency

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

### 2.4 New standards, amendments and interpretations

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

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

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

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

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

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

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

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

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

*Not yet endorsed by the UK Endorsement Board.

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

### 2.5 Revenue recognition

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

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

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

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

### 2.5 Revenue recognition (continued)

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

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

### 2.6 Finance expense and income

*Finance expense*

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

*Finance income*

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

### 2.7 Employee benefits: Pension obligations

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

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

### 2.8 Financial assets

*Classification*

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

*Financial assets at amortised cost*

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

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

*Impairment of financial assets*

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

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

**2.8 Financial assets (continued)**

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

*Investments*

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

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

*Valuation of investments*

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

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

**2.9 Financial liabilities**

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

*Borrowings*

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

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

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

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

### 2.9 Financial liabilities (continued)

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

*Trade and other payables*

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

*Contract liabilities*

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

### 2.10 Share capital

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

### 2.11 Income tax

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

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

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

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

### 2.12 Share-based payments

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

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

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

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

## 3. Significant judgements and estimates

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

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

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

**Valuation of investments**

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

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

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

The Company undertakes the following steps:

• On a weekly basis, the internal legal team report developments into the Investment Committee on a case-by-case basis in writing. Full reviews then take place on a monthly basis to review progress on all live cases, on a case-by-case basis.

• On a monthly basis, the directors adjust case fair values depending upon objective case developments, for instance: an offer to settle, mediation agreed, positive or negative legal advice. These adjustments to fair value may be an increase or decrease in value or no change required;

• At reporting period ends, a sample of open case investments for which written assessments are obtained from external solicitors or primary counsel working on the case on behalf of the Company.

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

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

**1. Judgements:**

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

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

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

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

**2. Estimates:**

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

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

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

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

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

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

**Approach to cartel case valuation:**

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

**Recoverability of trade receivables**

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

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

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

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

**Recoverability of deferred tax asset on unutilised tax losses**

The Company has recognised a deferred tax asset of £278k (FY24: £938k) in respect of estimated unutilised trading losses and temporary differences on share options, which are available to carry forward against future taxable profits. Management have considered whether, in their judgement, it is probable (i.e. more likely than not) that sufficient taxable profits will be generated such that an asset can be recognised. During the year the Company reported a profit before tax of £1.3m which the asset has been utilised against. The Board consider that the performance in FY24 and FY25 reflects a recovery from the effects of temporary Covid-related business support measures and therefore, having considered the Company's projections used for going concern assessments, that it is probable that taxable profits will be available against which to utilise the full £0.7m of available unutilised losses.

## 4. Segmental reporting

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

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

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

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

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

### 4. Segmental reporting (continued)

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

### 5. Directors and employees

Staff costs for the Company during the year:

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

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

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

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

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

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

| | 31 March 2025 £000s | 31 March 2024 £000s |
|---|---|---|
| **Highest paid director:** | | |
| Short term employee benefits | 575 | 545 |
| Share based payments | 113 | 103 |
| | 688 | 648 |

### 5. Directors and employees *(continued)*

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

### 6. Operating profit

Is stated after charging:

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

### 7. Auditor remuneration

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

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

### 8. *Analysis of expenses by nature*

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

The breakdown by nature of administrative expenses is as follows:

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

## 9. Finance income and finance expense

| | 31 March 2025 £000s | 31 March 2024 £000s |
|---|---|---|
| Bank interest | 22 | 16 |
| *Total finance income* | 22 | 16 |

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

## 10. Taxation

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

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

| | 31 March 2025 £000s | 31 March 2024 £000s |
|---|---|---|
| Profit on ordinary activities before tax | 1,347 | 1,038 |
| Profit on ordinary activities multiplied by the rate of corporation tax in the UK as above | 337 | 259 |
| Effects of: | | |
| Expenses not deductible | 93 | 105 |
| Adjustments to current tax in respect of previous periods | - | 735 |
| Deferred tax charged directly to equity | (206) | 41 |
| Temporary differences not recognised in the computation | - | (71) |
| Brought forward losses utilised in the year | (430) | (364) |
| Movement in temporary difference | 660 | - |
| Recognition of deferred tax asset not previously recognised | - | (600) |
| Total taxation charge | 454 | 105 |

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

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

## 11. Earnings per share

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

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

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

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

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

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

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

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

## 12. Investments

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

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

### 12. Investments (continued)

| | 31 March 2025 £000s | 31 March 2024 £000s |
|---|---|---|
| Current | 30,110 | 28,903 |
| Non-current | 11,340 | 11,293 |
| As at 31 March 2025 | 41,450 | 40,196 |

### Analysis of fair value movements

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

### 13. Trade and other receivables

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

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

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

### 13. Trade and other receivables (continued)

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

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

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

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

### 14. Cash and cash equivalents

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

All bank balances are denominated in pounds sterling.

### 15. Trade and other payables

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

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

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

### 15. Trade and other payables (continued)

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

### 16. Deferred tax asset

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

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

Deferred tax assets are recognised in respect of:

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

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

### 17. Borrowings

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

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

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

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

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

Interest is charged on any utilised funds.

### 17. Borrowings (continued)

*Reconciliation of liabilities arising from financing activities:*

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

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

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

### 18. Share capital

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

*Voting rights*

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

*Dividends*

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

### 19. Reserves

*Share capital*

Includes the Company's nominal share capital.

*Share premium*

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

*Share based payment reserve*

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

*Retained earnings*

Includes all current and prior periods retained profits and losses.

## 20. Share options

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

*CSOP Share Scheme*

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

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

*Year ended 31st March 2025*

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

*Year ended 31st March 2024*

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

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

| | Number of share options | | Weighted average remaining contractual life (months) | |
|---|---|---|---|---|
| Exercise price range | FY25 | FY24 | FY25 | FY24 |
| £0.98 - £1.99 | 493,254 | 370,806 | 67 | 63 |
| £2.00 - £3.99 | 34,950 | 34,950 | 92 | 68 |
| £4.00 - £4.65 | 261,098 | 274,921 | 56 | 104 |
| | **789,302** | **680,677** | **64** | **67** |

## 20. Share options (continued)

| | Number of share options | | Average exercise price £ | |
|---|---|---|---|---|
| | **FY25** | **FY24** | **FY25** | **FY24** |
| CSOP Options | 277,563 | 168,938 | 2.05 | 3.01 |
| Unapproved Options | 511,739 | 511,739 | 2.32 | 2.32 |
| **Total** | **789,302** | **680,677** | **2.23** | **2.50** |

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

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

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

*Year ended 31st March 2025*

| Grant date | Vesting Date | Exercise price £ | Balance brought forward | Granted during the year | Exercised during the year | Lapsed/ forfeited | Balance carried forward |
|---|---|---|---|---|---|---|---|
| 30/09/2020 | 30/03/2022 | 0.004 | 53,333 | - | - | (53,333) | - |
| 30/09/2020 | 30/09/2023 | 0.004 | 321,334 | - | - | (321,334) | - |
| 02/12/2021 | 02/12/2024 | 0.004 | 357,806 | - | - | (357,806) | - |
| 29/07/2022 | 29/07/2025 | 0.004 | 349,800 | - | - | - | 349,800 |
| 29/07/2022 | 29/07/2023 | 0.004 | 16,054 | - | - | - | 16,054 |
| 18/07/2023 | 18/07/2026 | 0.004 | 475,914 | - | - | - | 475,587 |
| 18/09/2024 | 18/09/2027 | 0.004 | - | 600,000 | - | - | 600,000 |
| | | | **1,573,914** | 600,000 | - | (732,473) | **1,441,441** |
| Exercisable at the end of the year | | | | | | | - |
| Weighted average exercise price | | | 0.004 | 0.004 | - | 0.004 | 1,441,441 |

*Year ended 31st March 2024*

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

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

## 20. Share options (continued)

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

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

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

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

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

*Year ended 31st March 2025*

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

*Year ended 31st March 2024*

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

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

## 21. Retirement benefits

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

## 22. Financial instruments – classification and measurement

*Financial assets*

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

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

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

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

*Financial liabilities*

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

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

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

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

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

## 23. Cashflow information

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

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

*(B) Net debt*

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

## 24. Financial instruments – risk management

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

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

*Interest rate risk*

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

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

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

### 24. Financial instruments – risk management (continued)

*Sensitivity to variable interest rates*

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

*Liquidity risk*

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

Unused borrowing facilities at the reporting date:

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

The following table details the Company's remaining contractual maturity for the Company's financial liabilities with agreed maturity periods. The table is presented based on the undiscounted cashflows of the financial liabilities based on the earliest date on which the Company can be required to pay which may differ from the carrying liabilities at the reporting date.

Bank covenants were met during FY25.

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

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

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

### 24. Financial instruments – risk management (continued)

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

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

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

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

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

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

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

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

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

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

## 24. Financial instruments – risk management (continued)

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

| | 31 March 2025 £000s | 31 March 2024 £000s |
|---|---|---|
| Settlement agreements | 22,681 | 23,805 |
| Judgements | 7,248 | 4,629 |
| Specific provisions | 5,043 | 4,507 |
| Gross carrying amount | 34,972 | 32,941 |
| Loss allowance | (6,363) | (6,345) |
| Trade receivables carrying amount | 28,609 | 26,596 |

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

| Past due at 31 March 2025 | Current £000s | 0-1 months £000s | 1-3 months £000s | 3-6 months £000s | 6-12 months £000s | >12 months £000s | Total £000s |
|---|---|---|---|---|---|---|---|
| **Gross receivables** | | | | | | | |
| Settlement agreements | 17,736 | 657 | 297 | 214 | 2,048 | 2,998 | 23,950 |
| Judgements | 2,206 | 138 | 2,158 | 496 | 947 | 5,077 | 11,022 |
| Total | 19,942 | 795 | 2,455 | 710 | 2,995 | 8,075 | 34,972 |
| **Loss allowance** | | | | | | | |
| Settlement agreements - ECL | (253) | (19) | (37) | (32) | (44) | (241) | (626) |
| Judgements - ECL | (311) | (64) | (5) | (77) | - | (238) | (695) |
| Settlement agreements - Specific provisions | (117) | (7) | (15) | (22) | (422) | (687) | (1,270) |
| Judgements - Specific provisions | (64) | (2) | (6) | (8) | (317) | (3,376) | (3,773) |
| Total | (745) | (92) | (63) | (139) | (783) | (4,542) | (6,364) |
| **Expected loss rate %** | | | | | | | |
| Settlement agreements | 2% | 5% | 13% | 16% | 23% | 39% | 20% |
| Judgements* | 34% | 47% | 47% | 49% | 57% | 58% | 50% |
| Total | 4% | 11% | 3% | 19% | 26% | 56% | 18% |

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

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

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

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

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

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

## 24. Financial instruments – risk management (continued)

*Investment risk*

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

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

*Currency risk*

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

## 25. Related party transactions

Director and key management remuneration is disclosed in Note 5.

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

## 26. Ultimate controlling party

The Company has no ultimate controlling party.