United Dominions Trust Limited
Annual Report and Accounts 2025
Registered number: 00184739

Member of Lloyds Banking Group

Strategic report
For the year ended 31 December 2025

The Directors present their Strategic Report and audited financial statements for United Dominions Trust Limited ("the Company") for the year ended 31 December 2025.

Principal activities

The Company provides a range of finance lease products in connection with the financing of motor vehicles and equipment largely to corporate customers.

The Company forms part of Lloyds Banking Group ("the Group").

The Company is funded entirely by other entities within the Group.

Business overview

The Company's result for the year shows a profit before tax of £18,732,000 (2024: £13,896,000). Net interest income has increased to £25,559,000 (2024: £22,182,000). The Company has made an impairment reversal of £1,597,000 (2024: impairment loss of £1,125,000) during the year primarily driven by a net release in provision, due to lower borrowed coverage rates.

On 1 October 2025, the Company received Retail Fleet assets with a carrying value of £155,580,000 from United Dominions Leasing Limited, another subsidiary within Lloyds Banking Group. The transfer was settled through a reduction in amounts owed by United Dominions Leasing Limited and is disclosed as a related-party transaction in accordance with IAS 24. Assets received included net loans and advances to customers, along with other associated balances. As of 1 October 2025, all new Retail Fleet business will be written by the Company.

The Company holds net assets of £26,607,000 (2024 £12,435,000).

Future outlook

The Company has observed an increase of c3.5% in 2025 from new car registrations, marking it as the strongest year for registrations in 5 years. 2026 is expected to see continued growth as we see new entrants into the market for supplying Battery Electric Vehicles ("BEV") and manufacturers continue to work towards the requirements of the Zero Emission Vehicle ("ZEV") mandate. Light Commercial Vehicles ("LCV") registrations showed a 10% decline vs 2024, as the sector continues to experience lower demand.

We have continued to see downward pressure on Battery Electric Vehicles ("BEV") used car prices during 2025. The rising supply especially from new entrants to the market has resulted in high competition and manufacturer discounts for new vehicles which impacts the second hand vehicle market. There has been more stability with regard to non-BEV, with a slight fall towards the end of the year but aligned to seasonal expectations. This was supported by reduced supply of used cars returning to the market, reflecting fewer registrations during the COVID-19 period. Used LCV prices have remained strong, with limited supply contributing to modest price increases throughout the year. Some volatility is expected as the industry transitions to electric vehicles, and management will continue to monitor this closely.

Any adverse changes affecting the UK economy may have direct and indirect credit and operational exposures. Any deterioration in global macroeconomic conditions, including geopolitical events, global health issues, or acts of war or terrorism, or significant cyber attacks (such as the recent incident affecting Jaguar Land Rover) could also have an adverse effect on the Company's results.

Economic environment

The UK economy proved resilient to global challenges in 2025. Although inflation and pay growth resulted in slower interest rate cuts than in the US and Eurozone, real-wages grew and households' spending growth rose. Lower inflation in 2026 is expected to allow further interest rate cuts to support the economy while the government continues to address its deficit. Low private sector indebtedness and high household savings provide resilience and capacity for improving growth.

In a world of heightened economic uncertainty, our purpose of Helping Britain Prosper is ever more important, the Group continues to provide support to those most affected by changes to the economic environment.. Our Group strategy and business model position us well in both constructive and more challenging economies.

Principal risks and uncertainties

The most important risks faced by the Company and the Group are detailed below. External risks may impact the success of delivering against the Group's long-term strategic objectives. They include, but are not limited to, macroeconomic and geopolitical uncertainties and inflation trends which could contribute to the cost of living and associated implications for consumers and businesses.

Risk management is essential to our business model and strategy, helping us to embrace opportunities responsibly and drive sustainable growth for the Group. Our strong risk management culture, underpinned by our enhanced risk management framework (RMF), is vital in safeguarding the Group, colleagues and customers against both existing and emerging risks.

Principal risks and uncertainties (continued)

Operational resilience remains crucial, enabling the Group to prevent, withstand and respond to cybersecurity threats and IT outages, using intelligence and learnings from recent global events.

The Group continues to modernise its technology and strengthen capabilities and ensure the safe, responsible use of models and tools such as artificial intelligence.

During 2025, the Group has continued to make progress in its risk transformation journey, allowing us to further evolve our risk management approach to deliver good outcomes for our customers. This has included the consistent implementation of the RMF requirements for all of the Group's legal entities, business units and functions.

The RMF ensures processes and controls are in place to facilitate robust risk management and effective decision making.

The Group's risk policies are supported by risk toolkits, which set out clear guidance and minimum standards for proactive identification and effective risk management, fostering a strong risk management culture across the Group.

The Group has 10 principal risks, these consist of capital risk, climate risk, compliance risk, conduct risk, credit risk, economic crime risk, liquidity risk, market risk, model risk and operational risk. These risks are reviewed and reported on regularly to the Board in alignment with the enhanced RMF. Further details of these risks and the risk management policy are contained in note 19 of the financial statements.

Capital risk

Capital risk is defined as the risk that an insufficient quantity or quality of capital is held to meet regulatory requirements or to support business strategy, an inefficient level of capital is held or that capital is inefficiently deployed across the Group.

Climate risk

The Group defines climate risk as the risk from the impacts of climate change and the transition to net zero ('inbound risk'), or a result of the Group's response to tackling climate change and supporting the transition to net zero ('outbound risk').

Compliance risk

The risk of financial penalties, regulatory censure, criminal or civil enforcement action or customer detriment as a result of failure to identify, assess, correctly interpret, comply with, or manage regulatory and/or legal requirements.

Conduct risk

The risk of the Group's activities, behaviours, strategy or business planning, having an adverse impact on outcomes for customers, undermining the integrity of the market or distort competition, which could lead to regulatory censure, reputational damage or financial loss.

Credit risk

Credit risk is defined as the risk that parties with whom the Group has contracted fail to meet their financial obligations (on and off Balance sheet). Further information can be found in note 19.1.

Economic crime risk

Economic crime risk is defined as the risk that the Group implements ineffective policies, systems, processes and controls to prevent, detect and respond to the risk of fraud and/or financial crime resulting in increased losses, regulatory censure, fines and/or adverse publicity in the UK or other jurisdictions in which the Group operates.

Liquidity risk

Liquidity Risk is the risk that the Group has insufficient financial resources to meet its commitments when they fall due or can only secure them at excessive cost. Further information can be found in note 19.2.

Market risk

Market risk is defined as the risk that the Group's capital or earnings profile are adversely affected by changes in market rates or prices, including, but not limited to, interest rates, foreign exchange, equity prices and credit spreads. Further information can be found in note 19.3.

Principal risks and uncertainties (continued)

Model risk

Model risk is the potential for adverse consequences from model errors or the inappropriate use of modelled outputs to inform business decisions. Adverse consequences could lead to a deterioration in the prudential position, non-compliance with applicable laws and/or regulations, or damage to the Group's reputation. Model risk can also lead to financial loss, as well as qualitative limitations such as the imposition of restrictions on business activities.

Operational risk

Operational risk is defined as the risk of actual or potential impact to the Group (financial and/or non-financial) resulting from inadequate or failed internal processes, people, and systems or from external events.

Key performance indicators ("KPIs")

The key performance indicators considered for the Company are listed below:

KPI	2025	2024	Analysis
Net interest income (£'000)	**25,559**	22,182	Increase is driven by an increase in average loans and advances to customers, following the transfer of assets from United Dominions Leasing Limited and continued growth.
Profit before tax (£'000)	**18,732**	13,896	Profit before tax has increased by £4.8m as compared to Dec-24. This is mainly driven by improved net interest income and favourable impairment gains in year.
Loans and advances to customers (£'000)	**948,192**	808,620	Increase is mainly due to the transfer of £158m of Loans and advances to customers assets which were transferred from United Dominions Leasing Limited.
ECL ("Expected credit loss") coverage	**0.24%**	0.38%	The decrease in ECL coverage relates to lower borrowed coverage rates from SME business.

Section 172(1) statement

This section (pages 4 to 6) is our Section 172(1) statement for the purposes of the Companies Act 2006, describing how the Directors have had regard to the matters set out in section 172(1) (a) to (f) of the Act when performing their duty to promote the success of the Company under section 172.

As a wholly owned subsidiary of the Group, the Company operates within the wider Group governance framework and follows many of the related processes and practices concerning stakeholder engagement, responsible business activities and long-term decision-making.

The Directors remain mindful in all their deliberations of the long-term consequences of their decisions, as well as the importance of the Company maintaining a reputation for high standards of business conduct and the Board engaging with, and taking account of the interests of, stakeholders.

Stakeholder Engagement

The Board recognises the fundamental importance of engaging with its stakeholders, gaining a deeper understanding of their views, and the importance of this understanding in informing their discussions and decision-making. During the year, key stakeholders included customers & clients, shareholders, communities & environment, regulators and suppliers.

Section 172(1) statement (continued)

Our Stakeholders

Customers and clients

The Directors ensure the Company works toward achieving fair customer outcomes by focusing on customer value and by treating customers fairly. The Directors, informed by customer engagement activity across the Company, have worked to agree customer plans, regularly reviewing customer behaviour, customer pricing and repayment of customer loans, to understand areas where improvements can be made.

The Company continues to participate in transport-related business initiatives. In response to customer feedback, this includes continued investment in enhancing the customer journey and proposition for our strategic partners and dealer-introduced customers, and a longer-term project to move onto a new lending platform.

Shareholders

The Company is a wholly owned subsidiary of Lloyds Banking Group plc. The Directors ensure that the strategy, priorities, processes and practices of the Company are fully aligned where required to those of the Group, ensuring that the interests of the Group as the Company's ultimate parent company are duly acknowledged. Further information in respect of the relationship of Lloyds Banking Group plc with its shareholders is included within the Lloyds Banking Group plc Annual Report and Accounts for 2025, available on the Lloyds Banking Group website.

Communities and environment

The Company continues to support the Group's community and environment related initiatives, including Helping Britain Prosper, by considering and responding to the Group's related stakeholder engagement, and actively managing its current book of hire purchase products and other loans in a manner which responds to relevant feedback. The Company is an active participant in broader transport-related business initiatives, including supporting the transition to electric vehicles through developing and growing relationships with key strategic Electric Vehicle Original Equipment Manufacturers.

Regulators

The Company provides quarterly updates to relevant regulators including disclosures on its capital position. Regulatory relationships continue to be important, and are managed to ensure proactive engagement across key regulatory changes and areas of focus.

Suppliers

The Directors ensure the Company, as part of the Group, follows the Group's supplier oversight model. This model assesses supplier activity against a set of risks that this activity poses. The Company as part of the Group's Transport business works with the Group's Consumer Lending Chief Operating Office to understand and agree a supplier risk oversight routine; one which regularly reviews and shares supplier performance and considers risks and mitigations across resiliency of service provision, supplier conduct in delivering customer treatment, alongside data handling and cyber risk oversight. This oversight extends to ensuring the Company pays its suppliers in a timely manner, to help our supplier base prosper. This framework is currently focussed on those suppliers considered to present the highest risk, and the work to understand and mitigate the risk profile of the current supplier base is continual.

Key Decisions

Considering stakeholder interests is key to decision-making by the Board. To better understand their interests, the Board receives feedback from stakeholders through engagement both inside and outside of the Board room. Senior management supports Board decision-making by addressing stakeholder implications in proposals submitted to the Board for consideration and providing the Board with details of stakeholder interactions.

An example of a Board decision outlined below illustrates this in practice.

Empowering customers through technology and innovation

Customers & Clients, Communities & Environment, Shareholders and Suppliers

Section 172(1) statement (continued)

Our Stakeholders (continued)

Board considerations:

The transfer of the Retail Fleet business from United Dominions Leasing Limited to the Company on 1 October 2025 was undertaken following a Group decision to unwind a historic agency arrangement under which the Fleet business was operated by the Company but recognised on the balance sheet of United Dominions Leasing Limited. This transfer aligned the legal ownership of the underlying assets and liabilities with the entity that manages and controls the business, thereby ensuring that financial reporting reflects the economic substance of the transaction.As a result, the transaction improved transparency for stakeholders by removing the mismatch between operational activity and financial reporting, enhanced the clarity of entity-level performance, and simplified the Group's legal entity structure. The transfer also supports ongoing legal entity rationalisation initiatives and contributes to more proportionate governance by reducing the scale and complexity of UDL as a residual entity.

Overall, the transaction is considered to be in the best interests of stakeholders as it provides a more faithful representation of the underlying business activities, improves comparability and understanding of reported financial results, and strengthens the alignment between legal structure, operational management, and financial reporting.

Future focus:

The Board is committed to supporting developments that deliver market-leading digital experiences and deliver improved customer experiences.

General

The Directors do not consider there to be any further material issues which need to be included in the Strategic Report.

Approved by the Board of Directors and signed on its behalf by:

Nick Williams

N Williams
Director
3 July 2026

The Directors present their Annual Report and Accounts for the year ended 31 December 2025.

General information

The Company is a private company limited by shares, incorporated, registered and domiciled in England and Wales, United Kingdom (registered number: 00184739).

Registered office

The Company's registered office is 25 Gresham Street, London, EC2V 7HN.

Employees

The Company has no direct employees (2024: nil). All staff are employed by other companies within the Group and where necessary, the relevant staff costs are recharged to the Company. Full details of policies relating to disabled persons, together with details of actions taken regarding the provision of information to employees, their consultation and involvement, are shown in the Lloyds Banking Group plc Annual Report and Accounts for 2025, which does not form part of this report, and is available on the Lloyds Banking Group plc website: https://www.lloydsbankinggroup.com/investors/financial-downloads.html.

Dividends

No dividends were paid or proposed during the year (2024: interim dividend of £25,900,000).

Events after the reporting date

On 3 July 2026, the Directors approved a dividend of [£17,200,000]. This dividend has not been recognised as a liability at the Balance sheet date.

Going concern

The Directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to have access to adequate liquidity and capital resources for at least 12 months from the date of approval of the accounts and, accordingly, the financial statements have been prepared on a going concern basis.

The Company is covered by the letter of support from Lloyds Banking Group dated 13 February 2026, which confirms that Lloyds Banking Group will support the Company in meeting its financial liabilities as they fall due.

As a result, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Further details regarding the adoption of the going concern basis can be found in note 1.1 to the financial statements.

Streamlined Energy and Carbon Reporting

The Company has taken an exemption from Streamlined Energy and Carbon Reporting ("SECR"), in its own Directors' report as it is included within the Group SECR report given in the Lloyds Banking Group plc 2025 Annual Report and Accounts, available on the Lloyds Banking Group plc website.

Directors

The current Directors of the Company are shown below.

P L Hyne

N A Williams

No changes have taken place between the beginning of the reporting period and the approval of the Annual Report and Accounts.

Company Secretary

The Company Secretary is D D Hennessey.

The following changes have taken place between the beginning of the reporting period and the approval of the Annual Report and Accounts.

Company Secretary (continued)

R Beattie	(resigned 9 March 2026)
D D Hennessey	(appointed 9 March 2026)

Information included in the Strategic report

The disclosures for future outlook, principal risks and uncertainties, and key performance indicators that would otherwise be required to be disclosed in the Directors' Report can be found in the Strategic Report on pages 2 to 6.

Statement of engagement with employees and other stakeholders

A statement of engagement with our stakeholders is included in the Strategic report on pages 2 to 6.

Corporate Governance Statement

In accordance with the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018) (the "Regulations"), for the year ended 31 December 2025, the Company has in its corporate governance arrangements applied the Wates Corporate Governance Principles for Large Private Companies (the "Principles"), which are available at frc.org.uk. The following section explains the Company's approach to corporate governance, and its application of the Principles.

Principle One – Purpose and Leadership

The Board is collectively responsible for the long term success of the Company. It achieves this by agreeing the Company's strategy, within the wider strategy of the Group, and overseeing delivery against it. The Company's strategy is discussed further in the Strategic Report on pages 2 to 6 of these financial statements. The Board also assumes responsibility for the management of the culture, values and wider standards of the Company, within the equivalent standards set by the Group. The Board's understanding of stakeholders' interests is central to these responsibilities and informs key aspects of Board decision making, as discussed within the statement on pages 4 to 6.

Acknowledging the needs of all stakeholders is fundamental to the way the Company operates, as is maintaining the highest standards of business conduct, which is a vital part of the corporate culture. The Company's approach is further influenced by our ambition to provide not only outstanding service to our customers, but also responding to the UK's social and economic issues. To this end, the Board plays a lead role in establishing, promoting, and monitoring the Company's corporate culture and values. The Company's corporate culture and values align to those of Lloyds Banking Group, which are discussed in more detail within the Strategic and Directors' Reports of the Lloyds Banking Group plc Annual Report and Accounts for 2025.

Principle Two – Board Composition

The Company is led by a Board comprising the Executive Directors which can be found on page 7 to 8 of this report.. The Board reviews its size and composition regularly and is committed to ensuring it has the right balance of skills and experience. The Board considers its current size and composition is appropriate to the Company's circumstances. New appointments are made on merit, taking account of the specific skills and experience, independence and knowledge needed to ensure a rounded board and the diversity benefits each candidate can bring overall.

The Board undertakes an annual review of its effectiveness, which provides an opportunity to consider ways of identifying greater efficiencies, ways to maximise strengths and highlights areas of further development.

Principle Three – Director Responsibilities

The Directors assume ultimate responsibility for the affairs of the Company, and along with senior management are committed to maintaining a robust control framework as the foundation for the delivery of good governance, including the effective management of delegation though related Group processes. Policies are also in place in relation to potential conflicts of interest which may arise. The Chair of the Board assumes responsibility with support from the Company Secretary for the provision to each meeting of accurate and timely information.

Principle Four – Opportunity and Risk

The Board oversees the development and implementation of the Company's strategy, within the context of the Group. The Board is also responsible for the long term sustainable success of the Company, generating value for its shareholder and ensuring a positive contribution to society. The Board agrees the Company's culture, purpose, values and strategy, within that of the Group, and agrees the related standards of the Company, again within the relevant standards of the Group.

Strong risk management is central to the strategy of the Company, which along with a robust risk control framework acts as the foundation for the delivery of effective management of risk. The Board ensures the Company manages risk effectively. Board level

Corporate Governance Statement (continued)

Principle Four – Opportunity and Risk (continued)

engagement coupled with the direct involvement of senior management in risk issues ensures that escalated issues are promptly addressed, and remediation plans are initiated where required. The Company's risk appetite, principles, policies, procedures, controls and reporting are managed in conjunction with those of the Group, and as such are regularly reviewed to ensure they remain fully in line with regulations, law, corporate governance and industry best practice. The Company's principal risks are discussed further on pages 2 to 4.

Principle Five – Remuneration

The Remuneration Committee of the Group assumes responsibility for the approach to remuneration for certain subsidiaries, including that of the Company. This includes reviewing and making recommendations to the Group Board on remuneration policy. The activities of the Remuneration Committees extend to matters of remuneration relevant to subsidiaries of the Company, where such subsidiary does not have its own remuneration committee.

Whilst the Company has no direct employees (2024: no direct employees), all staff are employed by an intermediate parent undertaking, Lloyds Bank Asset Finance Limited, and any employee related charges form part of the management fee.

Principle Six – Stakeholders

The Company as part of the Group operates under the Group's wider approach to responsible business, which acknowledges that the Company has a responsibility to help address the economic, social and environmental challenges which the UK faces, and as part of this understand the needs of the Company's external stakeholders, including in the development and implementation of strategy. During the year the Directors took decisions with the Company's purpose and specific stakeholder interest in mind, which is discussed further on pages 7 to 8. In 2025 the Group board's Responsible Business Committee provided further oversight and support of the Group's and the Company's plans for embedding responsible business in the Company's core purpose. The approach of the Board in respect of its key stakeholders is described further in a separate statement made in compliance with the Regulations on pages 7 to 8.

Directors' indemnities

Lloyds Banking Group plc has granted to the Directors of the Company a deed of indemnity which constitutes 'qualifying third party indemnity provisions' for the purposes of the Act. The deed was in force during the whole of the financial year and at the date of approval of the financial statements or from the date of appointment in respect of the Directors who joined the board of the Company during the financial year. Directors no longer in office but who served on the board of the Company at any time in the financial year had the benefit of this deed of indemnity during that period of service.

The deed for existing Directors is available for inspection at the registered office of Lloyds Banking Group plc. In addition, the Group has in place appropriate directors and officers liability insurance cover which was in place throughout the financial year.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' and Strategic Reports and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Company's financial statements in accordance with international accounting standards in conformity with the requirements of the Act. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 the financial statements comply with international accounting standards in conformity with the requirements of the Act, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that 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 that the financial statements comply with the Act. 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.

Directors' confirmations

Each of the Directors, as listed in the Directors' report, confirm to the best of their knowledge that:

- the Company financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

- the Strategic Report and the Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risk and uncertainties that it faces.

Auditor and disclosure of information to auditor

In accordance with Section 418 of the Act, in the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

- The Director has taken all the steps that they ought to have taken as a Director in order to make themself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Deloitte LLP is deemed to be re-appointed as auditor under section 487(2) of the Act.

Approved by the Board of Directors and signed on its behalf by:

Nick Williams

N Williams
Director
3 July 2026

Statement of comprehensive income
For the year ended 31 December 2025

	Note	**2025**	2024
		£'000	£'000
Interest income		**61,683**	58,257
Interest expense		**(36,124)**	(36,075)
Net interest income	3	**25,559**	22,182
Other operating income	4	**21**	164
Credit impairment gains/(losses)	5	**1,597**	(1,125)
Other operating expenses	6	**(8,445)**	(7,325)
Profit before tax		**18,732**	13,896
Taxation	9	**(4,560)**	(3,476)
Profit for the year, being total comprehensive income		**14,172**	10,420

The accompanying notes are an integral part of these financial statements.

Balance sheet
As at 31 December 2025

	Note	**2025**	2024
		£'000	£'000
ASSETS			
Cash and cash equivalents		**18,250**	—
Trade and other receivables	11	**6,630**	39,613
Loans and advances to customers	12	**948,192**	808,620
Current tax Asset		**477**	—
Deferred tax asset	13	**—**	346
Total assets		**973,549**	848,579
LIABILITIES			
Borrowed funds	14	**938,463**	831,930
Trade and other payables	15	**3,004**	67
Provision for liabilities and charges	16	**784**	738
Current tax liability		**—**	3,409
Deferred tax liability	13	**4,691**	—
Total liabilities		**946,942**	836,144
EQUITY			
Share capital	17	**—**	—
Retained earnings		**26,607**	12,435
Total equity		**26,607**	12,435
Total equity and liabilities		**973,549**	848,579

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and were signed on its behalf by:

Nick Williams

N Williams
Director
3 July 2026

Statement of changes in equity
For the year ended 31 December 2025

	Note	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2024		—	27,915	27,915
Profit for the year being total comprehensive income		—	10,420	10,420
Dividends paid to equity holders of the Company	10	—	(25,900)	(25,900)
At 31 December 2024		—	12,435	12,435
Profit for the year being total comprehensive income		**—**	**14,172**	**14,172**
At 31 December 2025		**—**	**26,607**	**26,607**

The accompanying notes are an integral part of these financial statements.

Cash flow statement
For the year ended 31 December 2025

	Note	2025	2024
		£'000	£'000
Net cash used in operating activities			
Profit before tax		**18,732**	13,896
Adjustments for:			
- Interest expense	3	**36,124**	36,075
- Net increase in Provision for liabilities and charges	16	**46**	286
Changes in operating assets and liabilities:			
*- Net decrease/(increase) in Loans and advances to customers	12	**16,428**	(143,059)
- Net (increase)/decrease in Other debtors	11	**(3,676)**	92
- Net increase in Trade and other payables	15	**2,937**	39
Cash (used in) operations		**70,591**	(92,671)
Tax paid		**(3,409)**	(1,865)
Net cash (used in) operating activities		**67,182**	(94,536)
Cash flows generated from financing activities			
Increase in net borrowings with Group undertakings	11 & 14	**(12,808)**	156,511
Dividends paid	10	**—**	(25,900)
Interest paid	3	**(36,124)**	(36,075)
Net cash generated from financing activities		**(48,932)**	94,536
Change in Cash and cash equivalents		**18,250**	—
Cash and cash equivalents at beginning of year		**—**	—
Cash and cash equivalents at end of year		**18,250**	—

* The net increase in Loans and advances in 2025 includes £156,000,000 of Loans and advances were transferred from United Dominions Leasing Limited to the Company. The transfer was effected through intercompany balance, with no cash consideration.

Cash and cash equivalents comprise only cash at bank. The Company holds no other short-term liquid investments.

The Company does not hold any cash or cash equivalent balances that are restricted or not available for use by the wider Group.

The accompanying notes are an integral part of these financial statements.

Note 1. Material accounting policies

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

Note 1.1. Basis of preparation

The financial statements of the Company have been prepared in accordance with United Kingdom adopted international accounting standards and in conformity with the requirements of the Act .

The financial information has been prepared under the historical cost convention.

In the preparation of these financial statements the Balance sheet has been arranged in order of liquidity.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in pounds sterling, which is the Company's functional and presentational currency.

The IASB has issued an amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates, effective 1 January 2025. This amendment has not had a significant impact on the Company.

Details of those pronouncements which will be relevant to the Company but which were not effective at 31 December 2025 and which have not been applied in preparing these financial statements are given in note 23.

The Directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to have access to adequate liquidity and capital resources for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

Note 1.2. Income recognition

Interest income and expense from financial assets and liabilities

Interest income and expense are recognised in the Statement of comprehensive income for all interest bearing financial instruments, including loans and advances, using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense to a period of account. The effective interest rate is the rate that discounts the estimated future cash payments or receipts over the expected life of the instrument to the gross carrying amount of the financial asset (before accounting for expected credit losses) or the amortised cost of the financial liability.

Once a financial asset or a group of similar financial assets has become credit impaired, interest income is recognised on the net lending balance (after deducting the allowance for expected credit losses) using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Lease classification

Lease agreements are classified as finance leases if the lease agreements transfer substantially all of the risks and rewards of ownership to the lessee; all other leases are classified as operating leases. When assets are leased under a finance lease, the net present value of the lease payments plus any guaranteed residual value payments, where applicable, is recognised as a receivable within loans and advances to customers. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance lease income.

Finance lease income

Finance lease income is recognised over the lease term using the net investment method so as to reflect a constant periodic rate of return on the Company’s net investment in the lease. Initial direct incremental costs attributed to negotiating and arranging the lease are included in the initial measurement of the finance lease receivable thus reducing the amount of income recognised over the lease term.

When calculating the effective interest rate, the future cash flows are estimated after considering all the contractual terms of the agreement but not future credit losses. The calculation includes all amounts received or paid by the Company that are an integral part of the overall return such as acceptance and, where relevant, early settlement fees as well as direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument and all other premiums or discounts.

Note 1.3. Financial assets and liabilities

Financial assets comprise Amounts due from Group undertakings, Trade and other receivables and Loans and advances to customers and Cash and cash equivalents. Financial liabilities comprise Amounts due to Group undertakings, Borrowed funds and Trade and other payables.

On initial recognition, all financial assets are classified and measured at amortised cost. All financial liabilities are measured at amortised cost. The Company initially recognises financial assets and liabilities when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual right to receive cash flows from those assets has expired or when the Company has transferred its contractual right to receive the cash flows from the assets and either: substantially all of the risks and rewards of ownership have been transferred; or the Company has neither retained nor transferred substantially all of the risks and rewards, but has transferred control. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Note 1.4. Impairment to financial assets

i. Credit Impairment losses

The impairment charge in the Statement of comprehensive income includes the change in expected credit losses ("ECL") over the year including those arising from fraud. ECL are recognised for Loans and advances to customers and other financial assets held at amortised cost, together with any loan commitments. ECL are calculated as an unbiased and probability-weighted estimate using an appropriate probability of default ("PD"), adjusted to take into account a range of possible future economic scenarios, and applying this to the estimated exposure of the Company at the point of default after taking into account the value of any repayments and including the impact of discounting using the effective interest rate.

At initial recognition, allowance (or provision in the case of some loan commitments) is made for ECL resulting from default events that are possible within the next 12 months (12-month ECL). In the event of a significant increase in credit risk ("SICR"), allowance (or provision) is made for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). Financial assets where 12-month ECL are recognised are considered to be Stage 1; financial assets which are considered to have experienced a significant increase in credit risk are in Stage 2; and financial assets which have defaulted or are otherwise considered to be credit impaired are allocated to Stage 3.

Unless identified at an earlier stage, the credit risk of financial assets is deemed to have increased significantly when more than 30 days past due. Where the credit risk subsequently improves such that it no longer represents a significant increase in credit risk since initial recognition, the asset is transferred back to Stage 1.

Assets are transferred to Stage 3 when they have defaulted or are otherwise considered to be credit impaired. Default is considered to have occurred when there is evidence that the customer is experiencing financial difficulty which is likely to affect significantly the ability to repay the amount due. Unless identified at an earlier stage, default is deemed to have occurred when a payment is 90 days past due. A Stage 3 asset that is no longer credit-impaired is transferred back to Stage 2 as no general probation period is applied to assets in Stage 3.

In certain circumstances, the Company will renegotiate the original terms of a customer's loan, either as part of an ongoing customer relationship or in response to adverse changes in the circumstances of the borrower. In the latter circumstances, the loan will remain classified as either Stage 2 or Stage 3 until the credit risk has improved such that it no longer represents a significant increase since origination (for a return to Stage 1), or the loan is no longer credit impaired (for a return to Stage 2). On renegotiation the gross carrying amount of the loan is recalculated as the present value of the renegotiated or modified contractual cash flows, which are discounted at the original effective interest rate. Renegotiation may also lead to the loan and associated allowance being derecognised and a new loan being recognised initially at fair value.

A loan or advance is normally written off, either partially or in full, against the related allowance when the proceeds from realising any available security have been received or there is no realistic prospect of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of credit impairment losses recorded in the Statement of comprehensive income. The write-off takes place only once an extensive set of collections processes have been completed, or the status of the account reaches a point where policy dictates that continuing concessions are no longer appropriate.

ii. Allowance of credit impairment losses

The calculation of the Company's ECL allowance under IFRS 9 requires the Company to make a number of judgements, assumptions and estimates. The most significant are set out below:

Definition of default

The PD of an exposure, both over a 12 month period and over its lifetime, is a key input to the measurement of the ECL allowance. Default has occurred when there is evidence that the customer is experiencing significant financial difficulty which is likely to affect the ability to repay amounts due. Unless identified at an earlier stage, default is deemed to have occurred when a payment is 90 days past due.

Note 1. Material accounting policies (continued)

Note 1.4. Impairment to financial assets (continued)

Significant increase in credit risk

The Company uses both quantitative and qualitative indicators to determine whether there has been a SICR for an asset. A doubling of PD with a minimum increase in PD of 1 per cent since origination and a resulting change in the underlying grade is treated as a SICR. All financial assets are assumed to have suffered a SICR if they are more than 30 days past due. The setting of precise trigger points combined with risk indicators requires judgement. The use of different trigger points may have a material impact upon the size of the ECL allowance.

Application of judgement in adjustments to modelled ECL

Impairment models fall within the Company's model risk framework with model monitoring, periodic validation and back testing performed on model components, such as probability of default. Limitations in the Company's impairment models or data inputs may be identified through the ongoing assessment and validation of the output of the models, which may require appropriate judgemental adjustments to the ECL. These adjustments are determined by considering the particular attributes of exposures which have not been adequately captured by the impairment models and range from changes to model inputs and parameters (in-model adjustments), at account level, through to more qualitative post model adjustments.

Generation of Multiple Economic Scenarios ("MES")

The estimate of ECL is required to be based on an unbiased expectation of future economic scenarios. The approach used to generate the range of future economic scenarios depends on the methodology and judgements adopted. The Company's approach is to start from a defined base case scenario, used for planning purposes, and to generate alternative economic scenarios around this base case. The base case scenario is a conditional forecast underpinned by a number of conditioning assumptions that reflect the Company's best view of key future developments. If circumstances appear likely to materially deviate from the conditioning assumptions, then the base case scenario is updated.

The base case scenario is central to a range of future economic scenarios generated by simulation of an economic model, for which the same conditioning assumptions apply as in the base case scenario. These scenarios are ranked by using estimated relationships with industry-wide historical loss data. With the base case already pre-defined, three other scenarios are identified as averages of constituent scenarios located around the 15th, 75th and 95th percentiles of the distribution. The full distribution is therefore summarised by a practical number of scenarios to run through ECL models representing an upside, the base case, and a downside scenario weighted at 30 per cent each, together with a severe downside scenario weighted at 10 per cent. The scenario weights represent the distribution of economic scenarios and not subjective views on likelihood. The inclusion of a severe downside scenario with a smaller weighting ensures that the non-linearity of losses in the tail of the distribution is adequately captured.

Base Case and MES Economic Assumptions

The Company's base case economic scenario has been updated to reflect global developments and changes in domestic economic policy. The Company's updated base case scenario has the following conditioning assumptions. First, developments in global conflicts, technology or financial sector issues do not cause a significant degree of financial market volatility. Second, the US effective tariff rate is maintained at levels prevailing at the Balance sheet date pending a switch to a sector-based tariff framework. Third, the UK's macroeconomic framework for monetary and fiscal policy remains in place, alongside broader continuity on other areas of government policy.

Based on these assumptions and incorporating the economic data published for the third quarter of 2025, the Company's base case scenario is for a slow expansion in gross domestic product ("GDP") and a further rise in the unemployment rate alongside small gains in residential and commercial property prices. With underlying inflationary pressures expected to recede, modest further reductions in UK Bank Rate are expected to continue in 2026. Risks around this base case economic view lie in both directions and are largely captured by the generation of alternative economic scenarios.

The Company has taken into account the latest available information at the reporting date in defining its base case scenario and generating alternative economic scenarios. The scenarios include forecasts for key variables as at the fourth quarter of 2025. Actual data for this period, or restatements of past data, may have since emerged prior to publication and have not been included.

Note 1.5. Taxation, including deferred income taxes

Tax expense comprises current and deferred tax. Current and deferred tax are charged or credited in the Statement of comprehensive income except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the Statement of comprehensive income (either in other comprehensive income, directly in equity, or through a business combination), in which case the tax appears in the same statement as the transaction that gave rise to it.

Current tax is the amount of corporate income taxes expected to be payable or recoverable based on the profit for the period as adjusted for items that are not taxable or not deductible, and is calculated using tax rates and laws that were enacted or substantively enacted at the Balance sheet date.

Current tax includes amounts provided in respect of uncertain tax positions when management expects that, upon examination of the uncertainty by His Majesty's Revenue and Customs ("HMRC") or other relevant tax authority, it is more likely than not that an economic outflow will occur. Provisions reflect management's best estimate of the ultimate liability based on their interpretation of tax law, precedent and guidance, informed by external tax advice as necessary. Changes in facts and circumstances underlying these provisions are reassessed at each Balance sheet date, and the provisions are re-measured as required to reflect current information.

Note 1. Material accounting policies (continued)

Note 1.5. Taxation, including deferred income taxes (continued)

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Balance sheet. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the Balance sheet date, and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences but not recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint arrangements where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax liabilities are not recognised on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised, and are reviewed at each Balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. In certain cases where forecast profits are not expected to be sufficient to support the recognition of a deferred tax asset on a standalone entity basis, further consideration has been given to the availability of UK group relief with connected companies to support the recognition.

Deferred tax assets and liabilities are not recognised in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination. Deferred tax is not discounted.

The Company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes currently required by IAS12 Income Taxes.

Note 1.6. Provision for liabilities, charges and contingent liabilities

Provisions are recognised in respect of present obligations arising from past events where it is probable that outflows of resources will be required to settle the obligations and they can be reliably estimated.

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or those present obligations where the outflows of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote

Note 1.7. Dividends paid

Dividends on ordinary shares are recognised through equity in the period in which they are paid.

Note 1.8. Cash and cash equivalents

For the purposes of the Balance sheet and Cash Flow Statement, Cash and cash equivalents comprise balances with less than three months' original maturity.

Note 2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

i. Key sources of estimation uncertainty

The following is the key source of estimation uncertainty that the Directors have made in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in the financial statements:

Note 2. Critical accounting judgements and key sources of estimation uncertainty (continued)

ECL sensitivity to economic assumptions

The table below shows the Company's ECL for the probability-weighted, upside, base case, downside and severe downside scenarios. The stage allocation for an asset is based on the overall scenario probability-weighted probability of default and hence the staging of assets is constant across all the scenarios. Judgemental adjustments applied through changes to model inputs, or more qualitative post model adjustments, are apportioned across the scenarios in proportion to modelled ECL where this better reflects the sensitivity of these adjustments to each scenario. The probability-weighted view shows the extent to which a higher ECL allowance has been recognised to take account of multiple economic scenarios relative to the base case.

	Probability-weighted	**Upside**	**Base**	**Downside**	**Severe downside**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
2025	**3,053**	**2,983**	**3,039**	**3,071**	**3,252**
2024	3,791	3,547	3,775	3,918	4,189

ii. Critical accounting judgements

In the course of preparing these financial statements, no critical judgements have been made in the process of applying the Company's accounting policies.

Note 3. Net interest income

	2025	2024
	£'000	£'000
Interest income		
From finance lease and hire purchase contracts	**59,117**	57,098
Group interest income (see note 18)	**2,566**	1,159
	61,683	58,257
Interest expense		
Group interest expense (see note 18)	**(36,124)**	(36,075)
Net interest income	**25,559**	22,182

Note 4. Other operating income

	2025	2024
	£'000	£'000
Other operating income	**21**	164
	21	164

Note 5. Credit impairment gains/(losses)

	Stage 1	**Stage 2**	**Stage 3**	**Total**
31 December 2025	**£'000**	**£'000**	**£'000**	**£'000**
Loans and advances to customers	**1,276**	**—**	**(84)**	**1,192**
Commitments to lend	**406**	**(1)**	**—**	**405**
	1,682	**(1)**	**(84)**	**1,597**

	Stage 1	Stage 2	Stage 3	Total
31 December 2024	£'000	£'000	£'000	£'000
Loans and advances to customers	(768)	—	(71)	(839)
Commitments to lend	(286)	—	—	(286)
	(1,054)	—	(71)	(1,125)

Note 6. Other operating expenses

	2025	2024
	£'000	£'000
Management charges payable (see note 18)	8,295	7,233
Other expenses	150	92
	8,445	7,325

Management charges payable relate to new business written in the year, and are payable to Black Horse Limited.

Fees payable to the Company's auditors for the audit of the financial statements of £59,822 (2024: £58,477) have been borne by a fellow Group undertaking and are not recharged to the Company, no non-audit services were provided to the Company by auditors. Accounting and administration services are provided by a fellow Group undertaking and are recharged to the Company.

Note 7. Staff costs

The Company does not have any employees during the year (2024: nil)

Note 8. Directors' emoluments

The Directors' emoluments payable for services provided to the Company are set out below:

	2025	2024
	£'000	£'000
Aggregate emoluments	105	89
Aggregate post-employment benefits	6	4
	111	93
Highest paid Director:		
Aggregate emoluments	60	69

The amounts reported above are an allocation of a proportion of the Directors' total remuneration insofar as it relates to qualifying services for their role as a Director of the Company and have been borne by a fellow Group undertaking .

During the year, retirement benefits were accruing to two Directors (2024: two) in respect of defined contribution schemes. No Directors (2024: one) accrued benefits under a defined benefit scheme. Two Directors (2024: two) received shares in Lloyds Banking Group plc under long term incentive plans during the year. No Directors leased or purchased a vehicle from the company. No Directors (2024: none) exercised share options.

Note 9. Taxation

a) Analysis of expense for the year

	2025	2024
	£'000	£'000
UK corporation tax:		
- Current tax on taxable profit/(loss) for the year	(477)	3,408
Current tax credit	(477)	3,408
UK deferred tax:		
- Origination and reversal of timing differences	5,037	68
- Impact of deferred tax rate change	—	—
Deferred tax expense (see note 13)	5,037	68
Tax expense	4,560	3,476

Corporation tax is calculated at a rate of 25.00% (2024: 25.00%) of the taxable profit for the year.

Note 9. Taxation (continued)

b) Factors affecting the tax expense for the year

A reconciliation of the expense that would result from applying the standard UK corporation tax rate to the Profit before tax to the actual tax expense for the year is given below:

	2025 £'000	2024 £'000
Profit before tax	**18,732**	13,896
Tax expense thereon at UK corporation tax rate of 25.00% (2024: 25.00%)	**4,683**	3,474
Factors affecting expense:		
- Disallowed and non-taxable items	**—**	2
-Temporary differences not recognised	**(123)**	—
Tax expense on profit on ordinary activities	**4,560**	3,476
Effective rate	**24.34%**	25.01%

The Company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes currently required by IAS12 Income Taxes. No provision for Pillar 2 current tax is required in respect of this period.

Note 10. Dividends

The Company did not pay a dividend during the year (2024: £25,900,000).

Note 11. Trade and other receivables

	2025 £'000	2024 £'000
Amounts due from Group undertakings (see note 18)	**2,823**	39,482
Other debtors	**3,807**	131
	6,630	39,613

Amounts due from United Dominions Leasing Limited of £2,823,000 (2024: £39,482,000) are interest bearing based on the Sterling Overnight Interbank Average rate ("SONIA") and are repayable on demand. All amounts due from Group undertakings are included within stage 1 for IFRS 9 purposes.

Note 12. Loans and advances to customers

Note 12.1. Loans and advances to customers - maturity

	2025 £'000	2024 £'000
Advances under finance lease and hire purchase contracts	**950,461**	811,673
Less: allowances for Credit losses on loans and advances	**(2,269)**	(3,053)
Net loans and advances to customers	**948,192**	808,620
of which:		
Due within one year	**542,791**	491,811
Due after one year	**405,401**	316,809
Net loans and advances to customers	**948,192**	808,620

Note 12. Loans and advances to customers (continued)

Note 12.2. Loans and advances to customers - movement over time

Advances under finance lease and hire purchase contracts of £272,388,000 (2024: £311,210,000) are interest-bearing at variable rates, and £678,073,000 (2024: £500,463,000) are interest-bearing at fixed rates,

Loans and advances to customers include finance lease and hire purchase receivables:

	2025	2024
	£'000	£'000
Gross investment in finance lease and hire purchase contracts receivable:		
- no later than one year	582,323	523,857
- later than one year and no later than two years	267,416	237,023
- later than two years and no later than three years	105,815	71,590
- later than three years and no later than four years	45,439	15,621
- later than four years and no later than five years	8,293	2,978
- later than five years	147	14
	1,009,433	851,083
Unearned future finance income on finance lease and hire purchase contracts	(58,972)	(39,410)
Net investment in finance lease and hire purchase contracts	950,461	811,673

The net investment in finance lease and hire purchase contracts may be analysed as follows:

	2025	2024
	£'000	£'000
- no later than one year	545,053	494,865
- later than one year and no later than two years	253,458	229,439
- later than two years and no later than three years	100,124	69,481
- later than three years and no later than four years	43,625	14,995
- later than four years and no later than five years	8,055	2,879
- later than five years	146	14
	950,461	811,673

The Company provides a range of finance lease products in connection with the financing of motor vehicles and equipment. The leases typically run for periods of between 1 and 5 years. The unguaranteed residual value is £nil (2024: £nil).

During the year, no contingent rentals in respect of finance leases were recognised in the Statement of comprehensive income (2024: £nil)

Further analysis of Loans and advances to customers is provided in note 19.

	Stage 1	Stage 2	Stage 3	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2025	811,439	2	232	811,673
Transfers to Stage 2	—	—	—	—
Net increase/(decrease) in loans and advances to customers	(17,281)	2	79	(17,200)
Transfers (to) / from other reporting units	155,907	159	5	156,071
Financial assets that have been written off during the year	—	—	(83)	(83)
Gross loans and advances to customers at 31 December 2025	950,065	163	233	950,461
Less: allowances for Credit losses on loans and advances	(2,054)	(7)	(208)	(2,269)
Net loans and advances to customers at 31 December 2025	948,011	156	25	948,192

Note 12. Loans and advances to customers (continued)

Note 12.2. Loans and advances to customers - movement over time

On 1 October 2025, the Company received Retail Fleet assets with a carrying value of £155,580,000 (see Business overview) from United Dominions Leasing Limited, another subsidiary within Lloyds Banking Group. This is the net result of £156,071,000 of gross loans transferred and £491,000 of associated ECL/allowances (see Note 19.1).

	Stage 1	Stage 2	Stage 3	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2024	667,394	–	412	667,806
Transfers to Stage 2	(7)	7	–	–
Net increase/(decrease) in loans and advances to customers	144,052	(5)	(149)	143,898
Financial assets that have been written off during the year	–	–	(31)	(31)
Gross loans and advances to customers at 31 December 2024	811,439	2	232	811,673
Less: allowances for Credit losses on loans and advances	(2,846)	–	(207)	(3,053)
Net loans and advances to customers at 31 December 2024	808,593	2	25	808,620

Note 13. Deferred tax liability

The movement in the deferred tax is as follows:

	2025	2024
	£'000	£'000
Brought forward	**346**	414
Expense for the year (see note 9)	**(5,037)**	(68)
As at 31 December	**(4,691)**	346

The deferred tax expense in the Statement of comprehensive income comprises the following temporary differences:

	2025	2024
	£'000	£'000
Accelerated capital allowances	**(5,052)**	(82)
Other temporary differences	15	14
Total expense for the year	**(5,037)**	(68)

Deferred tax liability comprises:

	2025	2024
	£'000	£'000
Accelerated capital allowances	**(4,662)**	390
Other temporary differences	**(29)**	(44)
As at 31 December	**(4,691)**	346

Note 14. Borrowed funds

	2025	2024
	£'000	£'000
Amounts due to Group undertakings (see note 18)	**938,463**	831,930

Amounts due to Lloyds Bank plc of £934,705,000 (2024: £126,146,000) and Black Horse Finance Holdings Limited of £nil (2024: £690,806,000) are interest-bearing based on SONIA and repayable on demand, although there is no expectation that such a demand would be made. Amounts due to Black Horse Limited of £3,758,000 (2024: £14,978,000) are not interest-bearing and are repayable on demand.

Note 15. Trade and other payables

	2025 £'000	2024 £'000
Trade and other payables	**3,004**	67

Trade and other payables represent amounts owed to suppliers and other counterparties for goods and services received before the reporting date. These balances are typically settled in cash in accordance with agreed payment terms.

Note 16. Provision for liabilities and charges

	Undrawn loan commitments £'000
At January 2024	452
Charge for the year	286
At December 2024	738
Credit for the year	(405)
Transfers from other reporting units	451
December 2025	**784**

Undrawn loan commitment provision relates to the expected loss on the loan commitments that the Company has made to its customers for undrawn balances at the year-end. The undrawn loan commitments provision of £784,000 (2024: £738,000) includes £780,000 (2024: £738,000) categorised as Stage 1, and £4,000 (2024: nil) categorised as Stage 2 as per the expected loss methodology under IFRS 9.

Note 17. Share capital

	2025 £'000	2024 £'000
Allotted, issued and fully paid		
1 ordinary share of £1 each (2024: 1 ordinary share of £1 each)	**–**	–

All ordinary shares are owned by Black Horse Finance Holdings Limited.

All ordinary shares rank pari passu in all respects including the right to receive all dividends and other distributions declared, made or paid on the ordinary share capital of the Company.

Note 18. Related party transactions

A number of transactions are entered into with related parties in the normal course of business. These include loan, fee and lease transactions.

During the year, the Company received assets with a carrying value of £155,580,000 from United Dominions Leasing Limited. The transaction was undertaken at carrying value and settled through a reduction in amounts owed by group undertakings.

A summary of the outstanding balances at the year end and the related income and expense for the year is set out below.

	2025	2024
	£'000	£'000
Amounts due from Group undertakings		
United Dominions Leasing Limited (see note 11)	**2,823**	39,482
Amounts due to Group undertakings		
Black Horse Finance Holdings Limited	**–**	690,806
Lloyds Bank plc	**934,705**	126,146
Black Horse Limited	**3,758**	14,978
Total Amounts due to Group undertakings (see note 14)	**938,463**	831,930
Interest income		
United Dominions Leasing Limited (see note 3)	**2,566**	1,159
Interest expense		
Black Horse Finance Holdings Limited	**32,215**	29,850
Lloyds Bank plc	**3,909**	6,225
Total Interest expense (see note 3)	**36,124**	36,075
Management charges payable		
Black Horse Limited (see note 6)	**8,295**	7,233

The above balances are unsecured in nature and are expected to be settled in cash or by cash equivalents. Transactions in the year are those reflected through the Statement of comprehensive income.

On 1 October 2025, the Company received Retail Fleet assets with a carrying value of £155,580,000 from United Dominions Leasing Limited, a fellow subsidiary within Lloyds Banking Group.

The transfer was settled through a reduction of £175,608,000 in amounts owed to United Dominions Leasing Limited and is disclosed above in accordance with IAS 24 Related Party Disclosures. The transaction also contributed to the increase in amounts due to Lloyds Bank plc during the year, reflecting the funding associated with the transferred portfolio.

The assets received comprised £155,580,000 of net loans and advances to customers and £20,479,000 relating to an intercompany asset with Black Horse Limited, partially offset by £451,000 of assumed liabilities.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is determined to be the Company's Directors and members of the Lloyds Banking Group plc Board. Members of the Lloyds Banking Group plc Board are employed by other companies within the Lloyds Banking Group and consider that their services to the Company are incidental to their other responsibilities within the Group. Other than as set out below, there were no transactions between the Company and key management personnel during the current or preceding year.

Key management personnel emoluments

	2025	2024
	£'000	£'000
Salaries and short term employee benefits	**120**	101
Post employment benefits	**5**	3
	125	104

The amounts reported above are an allocation of a proportion of the Directors' total remuneration insofar as it relates to qualifying services for their role as a Director of the Company and have been borne by a fellow Group undertaking.

Note 19. Financial risk management

The Company's operations expose it to credit risk, liquidity risk, interest rate risk and business risk; it is not exposed to any significant market risk or foreign exchange risk. Responsibility for the control of overall risk lies with the Board of Directors, operating within a management framework established by the Retail Division, and the ultimate parent, Lloyds Banking Group plc. The interest rate and liquidity risk faced by the Company is in substance managed and borne by other group undertakings which fund the Company and credit risk is carefully monitored by the Retail Division's credit committee and credit functions. Market risk is managed by the Company through the terms negotiated in commercial agreements and management regularly reviewing its portfolio of leases for impairment. Business risk is managed through regular reporting and oversight. A description of the Company's financial assets/liabilities and associated accounting is provided in note 1.

Note 19.1. Credit risk

Credit risk management

Credit risk is the risk that parties with whom the Company has contracted fail to meet their financial obligations (both on and off Balance sheet). Credit risk appetite is set at Board level and is described and reported through a suite of metrics devised from a combination of accounting and credit portfolio performance measures, which include the use of various credit risk rating systems as inputs and assess credit risk at a counterparty level.

For loans and advances, the Company can experience potential losses from both amounts lent and commitments to extend credit to a customer.

Amounts due from other group undertakings are held with other companies within the Group. The credit risk associated with these financial assets is not considered to be significant as these balances are supported by the Group Letter of support.

Credit risk mitigation

Prudent credit principles, risk policies and appetite statements: The independent Risk division sets out the credit principles, credit risk policies and credit risk appetite statements. Credit principles, risk policies and appetite statements are subject to regular review and governance, with any changes subject to an approval process.

Stress testing: The Company's credit portfolios are subject to regular stress testing.

Limitations on concentration risk: there are portfolio controls on certain industries, sectors and products to reflect risk appetite as well as individual, customer and bank limit risk tolerances. Credit policies, appetite statements and mandates are aligned to the Group's risk appetite and restrict exposure to higher risk countries and potentially vulnerable sectors and asset classes. Exposures are monitored to prevent both an excessive concentration of risk and single name concentrations. These concentration risk controls are not necessarily in the form of a maximum limit on exposure, but may instead require new business in concentrated sectors to fulfil additional minimum policy and/or guideline requirements.

Individual credit assessment: with the exception of small exposures to small to medium-sized enterprises ("SME") customers where certain relationship managers have limited delegated credit approval authority, credit risk in retail customer portfolios is subject to approval by the independent Risk division, which considers the strengths and weaknesses of individual transactions, the balance of risk and reward, and how credit risk aligns to the Group and divisional risk appetite. Exposure to individual counterparties, groups of counterparties or customer risk segments is controlled through a tiered hierarchy of credit authority delegations and risk-based credit limit guidances per client group for larger exposures. Approval requirements for each decision are based on a number of factors including, but not limited to, the transaction amount, the customer's aggregate facilities, any risk mitigation in place, credit policy, risk appetite, credit risk ratings and the nature and term of the risk.

Maximum credit exposure

The maximum credit risk exposure of the Company in the event of other parties failing to perform their obligations are detailed below.

	2025	2024
	£'000	£'000
Cash and cash equivalents	**18,250,000**	—
Total Trade and other receivables	**6,630,000**	39,613,000
Loans and advances to customers	**948,192,000**	808,620,000
	973,072,000	848,233,000

Note 19. Financial risk management (continued)

Note 19.1. Credit risk (continued)

Loans and advances to customers - credit concentration

The Company lends predominantly to wholesale customers (being motor traders and corporate customers) geographically located in the United Kingdom.

Loans and advances to customers - gross carrying amount

The analysis of lending has been prepared by applying the Group's rating scales to the Company's impairment model. The internal credit rating systems are set out below. The Group's PD's, that have been applied, include forward-looking information and are based on 12 month values, with the exception of credit impaired.

		Gross loans and advances to customers - Loan Quality			
At 31 December 2025		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	PD Range	**£'000**	**£'000**	**£'000**	**£'000**
CMS 1-10	0.00-0.50%	**174,833**	**—**	**—**	**174,833**
CMS 11-14	0.51-3.00%	**724,576**	**—**	**—**	**724,576**
CMS 15-18	3.01-20.00%	**50,656**	**160**	**—**	**50,816**
CMS 19	20.01-99.99%	**—**	**3**	**—**	**3**
CMS 20-23	100%	**—**	**—**	**233**	**233**
		950,065	**163**	**233**	**950,461**

		Gross loans and advances to customers - Loan Quality			
At 31 December 2024		Stage 1	Stage 2	Stage 3	Total
	PD Range	£'000	£'000	£'000	£'000
CMS 1-10	0.00-0.50%	32,751	—	—	32,751
CMS 11-14	0.51-3.00%	768,410	—	—	768,410
CMS 15-18	3.01-20.00%	8,757	—	—	8,757
CMS 19	20.01-99.99%	1,521	2	—	1,523
CMS 20-23	100%	—	—	232	232
		811,439	2	232	811,673

Commitments to lend

		Gross loans and advances to customers - Loan Commitments			
At 31 December 2025		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	PD Range	**£'000**	**£'000**	**£'000**	**£'000**
CMS 1-10	0.00-0.50%	**174,965**	**—**	**—**	**174,965**
CMS 11-14	0.51-3.00%	**255,840**	**—**	**—**	**255,840**
CMS 15-18	3.01-20.00%	**22,199**	**69**	**—**	**22,268**
		453,004	**69**	**—**	**453,073**

		Gross loans and advances to customers - Loan Commitments			
At 31 December 2024		Stage 1	Stage 2	Stage 3	Total
	PD Range	£'000	£'000	£'000	£'000
CMS 1-10	0.00-0.50%	12,361	—	—	12,361
CMS 11-14	0.51-3.00%	233,888	—	—	233,888
CMS 15-18	3.01-20.00%	1,570	—	—	1,570
		247,819	—	—	247,819

Commitments to lend consist of undrawn formal standby facilities, credit facilities and other commitments to lend.

Note 19. Financial risk management (continued)

Note 19.1. Credit risk (continued)

Analysis of movement in the allowance for impairment losses by stage

In respect of drawn balances	**Stage 1 £'000**	**Stage 2 £'000**	**Stage 3 £'000**	**Total £'000**
At 1 January 2025	**2,846**	**—**	**207**	**3,053**
Additions/(repayments)	**(869)**	**—**	**(2)**	**(871)**
Other items charged to Statement of Comprehensive Income	**(407)**	**—**	**86**	**(321)**
(Credit)/charge for the year (see note 5)	**(1,276)**	**—**	**84**	**(1,192)**
Transfers (to) / from other reporting units	**484**	**7**	**—**	**491**
Financial assets that have been written off during the year	**—**	**—**	**(83)**	**(83)**
At 31 December 2025	**2,054**	**7**	**208**	**2,269**

In respect of drawn balances	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
At 1 January 2024	2,078	—	167	2,245
Additions/(repayments)	682	—	(65)	617
Other items charged to Statement of Comprehensive Income	86	—	136	222
Charge for the year (see note 5)	768	—	71	839
Financial assets that have been written off during the year	—		(31)	(31)
At 31 December 2024	2,846	—	207	3,053

The criteria used to determine that there is objective evidence of an impairment is disclosed in more detail in note 1.4.

Note that the transfers from other reporting units is driven by the transfer of the Retail business from United Dominions Limited to the Company on 1 October 2025.

Note 19.2. Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due. To manage this risk extensive borrowing facilities are available from within the Group.

Liquidity risks are managed as part of the Group by an intermediate parent company, Lloyds Bank plc, in consultation with the Board of Directors. Monthly reviews of funding positions are undertaken to anticipate any shortfalls.

The Company is funded entirely by companies within the Group. Such funding is repayable on demand, although there is no expectation that such a demand would be made. All other financial liabilities are repayable on demand.

Note 19.3. Interest rate risk

Interest rate risk is the risk of financial loss as a result of adverse movements in interest rates, and arises largely because of timing differences between the repricing of financial assets and liabilities. Interest rate risk is managed at a divisional level, however the Company is exposed to interest rate fluctuations on its borrowings due to factors outside the Company, and as a result a sensitivity analysis has been prepared to illustrate the impact of a change in the rates.

Interest rate risk - sensitivity analysis

The sensitivity analysis is based on the Company's Amounts due to and from group undertakings, and Loans and advances to customers. It takes account of movement in the SONIA rate which is the basis for the interest rate on these balances. A 0.97% (2024: 0.49%) increase or decrease is used to assess the possible change in interest income and expense. This rate is appropriate as this is the actual movement in the SONIA rate across the year.

If the SONIA increased by 0.97% (2024: 0.49%) and all other variables remain constant this would increase interest expense on Amounts due to group undertakings by £8,399,000 (2024: £3,463,000). If SONIA decreased by 0.97% (2024: 0.49%) and all other variables remain constant this would decrease interest expense on Amounts due to group undertakings by £(8,399,000) (2024: £(3,463,000)).

Note 19. Financial risk management (continued)

Note 19.3. Interest rate risk (continued)

If SONIA increased by 0.97% (2024: 0.49%) and all other variables remain constant this would increase interest income on Amounts due from group undertakings by £600,000 (2024: £112,000). If SONIA decreased by 0.97% (2024: 0.49%) and all other variables remain constant this would decrease interest expense on Amounts due to group undertakings by £600,000 (2024: £112,000).

If SONIA increased by 0.97% (2024: 0.49%) and all other variables remain constant this would increase interest income on variable rate Loans and advances to customers by £2,713,000 (2024: £1,430,000). If SONIA decreased by 0.97% (2024: 0.49%) and all other variables remain constant this would decrease interest income on variable rate Loans and advances to customers by £2,713,000 (2024: £1,430,000).

Note 19.4. Business risk

Business risk is the risk that the Company's earnings are adversely impacted by a suboptimal business strategy or the suboptimal implementation of the strategy. In assessing business risk consideration is given to internal and external factors such as products, funding, resource capability and economic, political and regulatory factors.

Through regular reports and oversight business risk is managed by corrective actions to plans and reductions in exposures where necessary.

Note 19.5. Financial strategy

The Company does not trade in financial instruments, nor does it use derivatives.

Note 19.6. Fair values of financial assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair values of Loans and advances to customers are considered to be level 3 in the valuation hierarchy as their fair value is estimated by discounting anticipated cash flows (including interest at contractual rates) at market rates for similar loans prevailing at the Balance sheet date.

The aggregated fair value of Loans and advances to customers is approximately £919,358,000 (2024: £773,130,000).

Note 20. Capital disclosures

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern whilst not holding an excessive level of capital relative to the level of risk.

The Board of Directors manages the Company's capital in line with policy set by the Company's ultimate parent. The policy guides the Board of Directors to consider changes in economic conditions and the risk characteristics of the Company's Balance sheet when determining the amount of capital the Company should have. In order to adjust the Company's capital the Board of Directors may adjust the amount of dividends to be paid to shareholders or issue new shares. It can also take actions to adjust the risk characteristics of the Company's Balance sheet, for example by selling assets.

The Company's capital includes all components of its equity, movements in which appear in the Statement of changes in equity. The Company is funded by its fellow Group undertakings and does not raise capital or funding from sources external to the Group.

Note 21. Contingent liabilities and capital commitments

There were no contracted capital commitments at the Balance sheet date (2024: £nil).

The Group has an open matter in relation to a claim for group relief of losses incurred in its former Irish banking subsidiary, which ceased trading on 31 December 2010. In 2020, HMRC concluded its enquiry into the matter and issued a closure notice denying the group relief claim. The Group appealed to the First Tier Tax Tribunal. The hearing took place in May 2023. In January 2025, the First Tier Tribunal concluded in favour of HMRC. The Group believes it has applied the rules correctly and that the claim for group relief is correct. Having reviewed the Tribunal's conclusions and having taken appropriate advice the Group has appealed to the Upper Tier Tax Tribunal, and does not consider this to be a case where an additional tax liability will ultimately fall due. If the final determination of the matter by the judicial process is that HMRC's position is correct, management believes that this would result in an increase in the Company's current tax liabilities of approximately £1,958,000 (including interest). The appeal has been listed for hearing in March 2027, however final conclusion of the judicial process may not be for several years.

Note 22. Events after the reporting date

On 3 July 2026, the Directors approved a dividend of [£17,200,000]. This dividend has not been recognised as a liability at the Balance sheet date.

Note 23. Future developments

There are a number of new accounting pronouncements issued by the IASB with an effective date of 1 January 2027, including IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements. While many of the existing requirements of IAS 1 Presentation of Financial Statements are retained, IFRS 18 Presentation and Disclosure in Financial Statements introduces additional disclosure obligations in relation to the structure of the income statement, management-defined performance measures, and the aggregation and disaggregation of financial information.

IFRS 18 will have no impact on the Company's net profit as it impacts neither recognition nor measurement. The new standard will impact the presentation of the Company's results as it requires that operating, investing and financing activities are presented separately. There will also be a change in the Group's cash flow statement as IFRS 18 requires that the first line of the cash flow statement is operating profit rather than profit before tax.

IFRS 19 Subsidiaries without Public Accountability: Disclosures is being assessed and is not expected to have a significant impact on the Company.

The IASB has issued its annual improvements and a number of minor amendments to IFRS Accounting Standards effective date on or after 1 January 2026, including Amendments to IFRS 9 Financial Instruments and Amendments to IFRS 7 Financial Instruments Disclosure. These improvements and amendments are not expected to have a significant impact on the Company.

Note 24. Ultimate parent undertaking and controlling party

The immediate parent company is Black Horse Finance Holdings Limited (incorporated in England and Wales). The company regarded by the Directors as the ultimate parent company and controlling party is Lloyds Banking Group plc (incorporated in Scotland), which is also the parent undertaking of the largest Group of undertakings for which Group financial statements are drawn up and of which the Company is a member. Lloyds Bank plc is the parent undertaking of the smallest such Group of undertakings. Copies of the financial statements of both companies may be obtained from Group Secretariat, Lloyds Banking Group, 33 Old Broad Street, London, EC2N 1HZ. Lloyds Banking Group plc's financial statements may be downloaded via https://www.lloydsbankinggroup.com/investors/financial-downloads.html.

Independent auditor's report to the members of United Dominions Trust Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of United Dominions Trust Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom adopted international accounting standards.

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included UK Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. This included Financial Conduct Authority (FCA) regulation.

We discussed among the audit engagement team including relevant internal specialists such as tax, IT, and credit specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

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 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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in respect of these matters.

Use of our report

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

Mark Taylor

Mark Taylor, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom

3 July 2026