

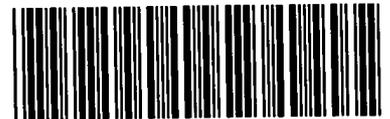
TITAN NO.1 LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

REGISTERED NUMBER: 11606921

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TITAN NO.1 LTD

REGISTERED NUMBER: 11606921

FOR THE YEAR ENDED 31 MARCH 2025

TABLE OF CONTENTS

Company Information	2
Strategic Report	3
Directors' Report	6
Statement of Directors' Responsibilities	8
Independent Auditor's Report to the members of TITAN NO.1 LTD	9
Statement of Comprehensive Income	13
Statement of Financial Position	14
Statement of Changes in Equity	15
Notes to the Financial Statements	16

TITAN NO.1 LTD

REGISTERED NUMBER: 11606921

FOR THE YEAR ENDED 31 MARCH 2025

COMPANY INFORMATION

Directors

L.D.C. Securitisation Director No. 1 Limited

L.D.C. Securitisation Director No. 2 Limited

M.H. Filer

Secretary

Law Debenture Corporate Services Limited

Registered Office

8th Floor

100 Bishopsgate

London EC2N 4AG

Registered Number

11606921

Auditor

BDO LLP

55 Baker Street

London W1U 7EU

STRATEGIC REPORT**FOR THE YEAR ENDED 31 MARCH 2025**

The Directors present their strategic report for TITAN NO.1 LTD (the "Company") for the year ended 31 March 2025.

General company information

The Company was incorporated in England and Wales on 5 October 2018 as a private limited company with the registered number of 11606921.

Principal activities and review of business

The principal activity of the Company is to act as a warehousing vehicle for bridging loans (the "mortgage loans").

On 4 March 2019, the Company entered into a transaction to allow it to finance and acquire the mortgage loans originated by LendInvest Loans Limited and LendInvest Bridge Limited (the "sellers" or "servicers") which are wholly owned by LendInvest plc. The finance obtained is limited recourse in nature and repayment is restricted to the income received by the Company on the underlying mortgage loans acquired and is secured against the assets of the Company with HSBC Corporate Trustee Company (UK) Limited acting as Security Trustee. All payments made by the Company are subject to a payment waterfall as set out in the documents underlying the transaction. HSBC Bank plc act as the facility agent and cash manager under the transaction documents.

As part of the transaction, the Company has entered into a servicing agreement with LendInvest Loans Limited and LendInvest Bridge Limited (the "Servicers") to service and administer the underlying mortgage loans for which they receive a servicing fee.

The Company has also entered into a subordinated loan agreement with LendInvest plc to provide the Company with a secured revolving facility. Repayment is subject to the payment waterfall as set out in the transaction documents.

Legal ownership of the mortgage loans acquired under the transaction fails the recognition criteria of IFRS9: "Financial Instruments", because the sellers retain all the risks and rewards of ownership by being entitled to any residual cash flows after payment of all other expenses under the transaction documents. Accordingly, the beneficial interest in the mortgage loans is recognised as a deemed loan in the Company's financial statements and the mortgage loans remain on the balance sheet of the sellers.

Performance in the year

The Company generated a loss of £244k (2024: £2,931k loss) for the year. Please see Key Performance Indicators section below for more details.

Principal risks and uncertainties

The board has the overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and ensure any limits are adhered to. The Company's activities are reviewed regularly, and potential risks are considered. The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the business's competitiveness and flexibility.

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, interest rate risk.

STRATEGIC REPORT (CONTINUED)**FOR THE YEAR ENDED 31 MARCH 2025*****Credit risk management***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's deemed loan, receivables and cash and cash equivalents held at banks. The Company's maximum exposure to credit risk by class of financial asset is set out in Note 2 to the financial statements.

The major asset of the Company is the deemed loan to the sellers. The recoverability of the deemed loan is linked to the performance of the mortgage loans and therefore, the Directors assess the performance of the mortgage loans for credit risk.

The Company has appointed the Servicers to service the mortgage loans underlying the deemed loan. They manage the Company's exposure to credit losses by assessing a borrowers' ability to repay the mortgage loans, the borrower's risk profile, and their stability during the underwriting process. Impairments are monitored and provided for using various techniques.

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient resources to meet its liabilities when they fall due without incurring unacceptable losses or risking damage to the Company's position. All payments made by the Company are made in strict order using a payment waterfall set out in the transaction documents and the funding raised by the Company is limited recourse in nature which means that it is only obliged to pay amounts falling due to the extent that it has received income from the mortgage loans underlying the deemed loan. A key component of liquidity risk is funding for the purposes of long-term lending. Once the facilities are utilised or the term is reached, the mortgage loans will be refinanced through a securitisation.

The Company's contractual undiscounted cash flows of its financial assets and liabilities is set out in Note 2 to the financial statements.

Interest rate risk management

Interest rate risk exists where assets and liabilities have interest rates set under different bases or which reset at different times.

Interest paid on the Company's loan facilities is at a floating rate whilst interest received on the underlying mortgage loans is at fixed rates. The Company manages risk by matching interest rates for assets and liabilities.

Key performance indicators (KPIs)

The recoverability of the Company's deemed loan is linked to the performance of the underlying mortgage loans and therefore the net interest income and performance of the underlying mortgage loans are key performance indicators. The Company monitors the monthly servicer reports that contain a range of data on the performance of the mortgage loans portfolio including payment arrears, Loan to Value percentages and restructured mortgages.

The Company generated a loss of £244k (2024: £2,931k loss) for the year. The Company achieved a net interest income of £6,629k (2024: £2,832k). Please see note 10 regarding the performance of the underlying mortgage loans.

Future outlook

The Company will continue to acquire mortgage loans until the finance facilities have been fully utilised or the loan facility term has been reached at which point the Company might look to refinance the mortgage loans portfolio.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Capital structure

The capital structure of the Company consists of debt disclosed in note 13 and equity attributable to the share trustee, comprising of issued share capital and retained earnings as disclosed in the Statement of Financial Position. The Company's objectives when managing share capital are to safeguard its ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital. This was considered at the onset of the transaction, therefore, the underlying mortgages are issued to prime borrowers who are expected to have a lower risk of default. The Company is not subject to any external capital requirements except the minimum requirement under the Companies Act 2006. The Company has not breached the minimum requirement.

By order of the Board



Mark Filer

For and on behalf of L.D.C. Securitisation Director No.1 Limited
11 December 2025

DIRECTORS' REPORT**FOR THE YEAR ENDED 31 MARCH 2025**

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

Future outlook

See strategic report.

Principal risks and uncertainties

See strategic report.

Going concern

On the basis of their assessment of the Company's financial position and that of its ultimate controlling party, LendInvest plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future.

The Company was established to enter into a single non-recourse transaction to purchase a portfolio of mortgage loans from subsidiaries of LendInvest plc. As LendInvest plc Group have retained all the risks and rewards of the transaction, the Company has been consolidated into the LendInvest Plc Group. As such, the going concern is linked to the going concern of the LendInvest plc Group and the Directors have reviewed and discussed this with management of the LendInvest Plc Group. The LendInvest Plc Group is considered to be well capitalised and efficiently funded, with sufficient levels of liquidity. The Directors have discussed the Group's capital and liquidity plans, which have been stress tested under a range of severe but plausible scenarios. The forecast indicates that under stressed scenarios the Group continues to operate with sufficient levels of liquidity and capital for at least the next 12 months.

Based on the above, the Directors believe the LendInvest Plc Group has sufficient resources to continue its activities for a period of at least 12 months from the date of approval of the financial statements. Also, the LendInvest Plc Group have the ability and intent to support the Company to the extent that they are required to do so under the transaction documents.

The Company is only liable under the terms of the transaction documents to make payments to the transaction parties to the extent that funds are received and in strict order of payment priority as set out in the transaction documents and there is no-recourse to any party to fund shortfalls in payments.

When the sole purpose that the Company was established for, being the entering into the non-recourse finance transaction for the LendInvest Plc Group, comes to an end, any shortfalls following the sale of any remaining assets will be absorbed by transaction parties in accordance with the priority of payments and the transaction documents and the Company will be wound up on a solvent basis.

Whilst the Company has a shareholder deficit, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing these financial statements due to the limited recourse nature of the funding relating to the sole transaction that the Company was established for.

Results and dividends

The loss for the year ended 31 March 2025 amounted to £244k (2024: £2,931k loss). The Company paid no dividends during the year (2024: Nil) and the Directors do not recommend a final dividend (2024: £nil).

Political and charitable donations

The Company did not make any political or charitable donations during the year (2024: £nil).

Directors' Report (continued)

FOR THE YEAR ENDED 31 MARCH 2025

Directors

The Directors of the Company who were in office during the year and for the period up to the date of signing the financial statements were:

Mark Filer

L.D.C. Securitisation Director No.1 Limited

L.D.C. Securitisation Director No.2 Limited

None of the Directors who held office during the year and up to the date of this report held any beneficial interest in the share capital of the company and nor did they have any material contract or arrangement with the Company.

The Company has no employees (2024: nil).

Directors' indemnities

The Directors are provided by Law Debenture Corporate Services Limited under a Corporate Services Agreement which contains certain indemnities for the Directors which were in place during the year and remain in force at the date of this report. Law Debenture Corporate Services Limited maintains its own insurance for the services it provides.

Disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

BDO LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Signed on behalf of the board:



Mark Filer

For and on behalf of L.D.C. Securitisation Director No.1 Limited
11 December 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES**FOR THE YEAR ENDED 31 MARCH 2025**

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 they have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 - Reduced Disclosure Framework; subject to any material departures disclosed and explained in the financial statements; and
- prepare Company 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 Companies Act 2006. They are also responsible for safeguarding the assets of the Company's and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITAN NO.1 LIMITED**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Titan No.1 Limited ("the Company") for the year ended 31 March 2025 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

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

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITAN NO.1 LIMITED (CONTINUED)

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.

Other Companies Act 2006 reporting

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

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

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

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

- adequate accounting records have not been kept, 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITAN NO.1 LIMITED (CONTINUED)*Extent to which the audit was 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures which are adopted from LendInvest Group policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the Companies Act 2006 and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the General Data Protection Regulation (GDPR).

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance of the LendInvest Group regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures which are adopted from LendInvest Group policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance of the LendInvest Group for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering manual elements of the control environment such as manual journal entries.

Based on our risk assessment, we considered the areas most susceptible to fraud to be manual elements of the control environment.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITAN NO.1 LIMITED (CONTINUED)

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Our responses to significant audit risks were intended to sufficiently address the risk of fraudulent manipulation. In particular, we have reviewed accounting estimates for any potential management bias to check the methods utilised are appropriate; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Signed by:

Nathalie Cheong Yuen Zing

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Nathalie Cheong Yuen Zing (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
11 December 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
	Note	£ '000	£ '000
Interest income calculated using the effective interest rate	5	27,664	28,737
Interest expense and similar charges	6	(21,035)	(25,905)
Net interest income		6,629	2,832
Fee income	8	-	98
Fee expense	8	(5,121)	(2,329)
Net fee expense		(5,121)	(2,231)
Administrative expenses		(454)	(601)
Impairment losses on financial assets	10	(1,298)	(2,931)
Loss from operations before tax		(244)	(2,931)
Tax charge		-	-
Loss for the year		(244)	(2,931)
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(244)	(2,931)

The above amounts relate exclusively to continuing operations.

The notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Note	2025 £ '000	2024 £ '000
ASSETS			
Cash and cash equivalents		7,623	9,577
Trade and other receivables	11	6,651	-
Deemed loan	10	<u>196,162</u>	<u>230,279</u>
TOTAL ASSETS		<u>210,436</u>	<u>239,856</u>
LIABILITIES			
Interest bearing liabilities	13	202,036	242,153
Trade and other payables	12	<u>12,635</u>	<u>1,694</u>
TOTAL LIABILITIES		<u>214,671</u>	<u>243,847</u>
NET LIABILITIES		<u>(4,235)</u>	<u>(3,991)</u>
EQUITY			
Called up share capital	15	-	-
Retained Losses		<u>(4,235)</u>	<u>(3,991)</u>
TOTAL EQUITY		<u>(4,235)</u>	<u>(3,991)</u>

The notes form part of these financial statements.

Approved and authorised for issue by the Directors on 11 December 2025 and signed on the Company's behalf by:



Mark Filer

For and on behalf of L.D.C. Securitisation Director No.1 Limited

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital	Retained Losses	Total
	£000	£000	£000
Balance as at 31 March 2023	-	(1,060)	(1,060)
Total comprehensive loss	-	(2,931)	(2,931)
Balance as at 31 March 2024	-	(3,991)	(3,991)
Total comprehensive loss	-	(244)	(464)
Balance as at 31 March 2025	-	(4,235)	(4,455)

The notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2025****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****General information**

TITAN NO. 1 LTD was incorporated on 5 October 2018 in the United Kingdom under the Companies Act 2006. The address of its registered office is given on page 2. The Company is a special purpose company established to act as a warehousing vehicle to acquire mortgage loans and to procure financing for this activity.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- the requirements of IFRS 15, Revenue from Contract with Customers;
- a statement of cash flows and related notes;
- non-current assets held for sale and discontinued operation net cash flow disclosure;
- disclosure of key management personnel compensation;
- the effect of future accounting standards not adopted;
- The requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered in to with any other company affiliated with LendInvest plc.
- presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period;
- fair value measurement disclosures (other than disclosures required as a result of recording financial instruments at fair value); and
- The requirement to present an opening statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of its financial statements.

Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated. The financial statements are presented in Sterling (£), which is the Company's functional currency.

Basis of accounting

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101), under the historical cost convention and in accordance with the Companies Act 2006.

The Company is a wholly owned subsidiary of LendInvest plc and is included in its consolidated financial statements which are publicly available, this is disclosed in note 16.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 MARCH 2025****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Going concern**

On the basis of their assessment of the Company's financial position and that of its ultimate controlling party, LendInvest plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future.

The Company was established to enter into a single non-recourse transaction to purchase a portfolio of mortgage loans from subsidiaries of LendInvest plc. As LendInvest plc have retained all the risks and rewards of the transaction, the Company has been consolidated into the LendInvest Plc Group. As such, the going concern is linked to the going concern of the LendInvest plc Group and the Directors have reviewed and discussed this with management of the LendInvest Plc Group. The LendInvest Plc Group is considered to be well capitalised and efficiently funded, with sufficient levels of liquidity. The Directors have discussed the Group's capital and liquidity plans, which have been stress tested under a range of severe but plausible scenarios. The forecast indicates that under stressed scenarios the Group continues to operate with sufficient levels of liquidity and capital for at least the next 12 months.

Based on the above, the Directors believe the LendInvest Plc Group has sufficient resources to continue its activities for a period of at least 12 months from the date of approval of the financial statements. Also, the LendInvest Plc Group have the ability and intent to support the Company to the extent that they are required to do so under the transaction documents.

The Company is only liable under the terms of the transaction documents to make payments to the transaction parties to the extent that funds are received and in strict order of payment priority as set out in the transaction documents and there is no-recourse to any party to fund shortfalls in payments.

When the sole purpose that the Company was established for, being the entering into the non-recourse finance transaction for the LendInvest Plc Group, comes to an end, any shortfalls following the sale of any remaining assets will be absorbed by transaction parties in accordance with the priority of payments and the transaction documents and the Company will be wound up on a solvent basis.

Whilst the Company has a shareholder deficit, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing these financial statements due to the limited recourse nature of the funding relating to the sole transaction that the Company was established for.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 MARCH 2025****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Revenue recognition**

Interest income calculated using the effective interest rate Interest on loans and advances made by the company is recognised in the statement of profit and loss using the effective interest rate method. Under the effective interest rate method which includes directly attributable incremental transaction costs and fees including arrangement and broker fees, valuation and solicitor costs, discounts and premiums where appropriate. The EIR basis spreads the interest income over the expected life of each instrument. The EIR is the rate that, at the inception of the instrument, exactly discounts expected future cash payments and receipts through the expected life of the instrument back to the initial carrying amount. When calculating the EIR, the Company estimates cash flows considering all contractual terms of the instrument (for example, prepayment options) but does not consider assets' future credit losses. All revenue recorded in the financial statements is generated in the UK and sourced from transactions relating to underlying mortgage loans.

This also represents income related to bank interest income earned on cash deposits.

Interest expenses and similar charges

Interest expense and similar charges are comprised and recognised as follows:

- Interest expenses incurred on interest bearing liabilities. These are recognised on an accruals basis.
- Non-utilisation fees are incurred on any interest bearing liabilities that are unutilised. These are recognised on an accruals basis.
- Funding line amortisation of initial funding line set up costs. These are recognised evenly over the life of the facility.

Fee expenses

Fee expense represents deferred consideration payable to LendInvest PLC.

Administration expenses

Administration expenses are recognised in the statement of comprehensive income on an accrual basis.

Taxation

The Company is within the permanent regime for taxation of securitisation companies, under which they are taxed by reference to their contractually retained profits (to the extent that they are realised). Taxable profits under the permanent regime will normally equal the contractual profit as defined by the original transaction documentation, being £1k for the year ended 31 March 2025 (2024: £1k). Consequently, neither current tax nor deferred tax will be affected by any fair value gains or losses arising on financial instruments.

Financial instruments*(i) Classification and measurement*

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 MARCH 2025****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Financial instruments (Continued)***Financial assets*

IFRS 9 requires the classification of financial assets to be determined by a contractual cash flows test referred to as Solely Payment of Principal and Interest ("SPPI") and the nature of the underlying financial asset and the business model under which it is being held. Financial assets that fail the SPPI test are measured at fair value through the income statement net of any expected credit losses.

The impairment requirements are applied by reference to the credit quality at initial recognition and borrower repayment timeliness.

Deemed loans

Legal ownership of the residential mortgage loan acquired under the transaction fails the recognition criteria of IFRS9: "Financial Instruments", because the sellers retain all the risks and rewards of ownership by being entitled to any residual cash flows after payment of all other expenses under the transaction documents.

Accordingly, the beneficial interest in the mortgages is recognised as a deemed loan in the Company's financial statements and the mortgages remain on the balance sheet of LendInvest Bridge Limited and LendInvest Loans Limited.

The deemed loans are classified as financial assets measured at amortised cost in accordance with IFRS 9 because their contractual terms give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI). The Company's business model with regards the deemed loans is to hold them to collect their contractual cash flows, rather than selling them to generate cash flows.

The deemed loans initially represent the consideration paid by the Company in respect of the acquisition of the legal ownership of the mortgage loans. They are subsequently adjusted for repayments made by the Sellers to the Company. The deemed loans are measured at amortised cost using the effective interest rate ("EIR") less any provision where the loans are considered to be impaired.

Financial liabilities

Financial liabilities included in trade and other payables and interest bearing liabilities are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

(ii) Derecognition of financial assets and liabilities

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has substantially transferred all risks and rewards of ownership. If substantially all risks and rewards have been neither retained nor transferred the assets continue to be recognised to the extent of the Company's continuing involvement. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2. Financial risk management

The board has the overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and ensure any limits are adhered to. The Company's activities are reviewed regularly and potential risks are considered. The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the business.

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (*CONTINUED*)

FOR THE YEAR ENDED 31 MARCH 2025

2. Financial risk management (*Continued*)*Credit risk management*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's deemed loan and cash and cash equivalents held at banks. The Company's maximum exposure to credit risk by class of financial asset is as follows:

	2025	2024
Assets	£ '000	£ '000
Deemed loan	196,162	230,279
Cash and cash equivalents	7,623	9,577
Trade and other receivables	6,651	-
	<u>210,436</u>	<u>239,856</u>

The major asset of the Company is the deemed loan to the sellers. The recoverability of the deemed loan is linked to the performance of the underlying mortgage loans.

The Company has appointed Servicers to service the mortgage loans underlying the deemed loan. They manage the Company's exposure to credit losses by assessing a borrowers' ability to repay the mortgage loans, the borrower's risk profile, and their stability during the underwriting process. Impairments are monitored and provided for using statistical modelling.

The Servicer reports on the performance of the mortgage loans for credit risk on an on-going basis which is reviewed by the Directors in assessing the recoverability of the deemed loan.

The fair value of cash and cash equivalents at 31 March 2025 approximates the carrying value. Credit risk relating to cash and cash equivalents is mitigated as cash and cash equivalents are held with suitably rated counterparties.

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient resources to meet its liabilities when they fall due without incurring unacceptable losses or risking damage to the Company's position. All payments made by the Company are made in strict order using a payment waterfall set out in the transaction documents and the funding raised by the Company is limited recourse in nature which means that it is only obliged to pay amounts falling due to the extent that it has received income from the mortgages underlying the deemed loan

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

2. Financial risk management (Continued)

The tables below analyse the Company's contractual undiscounted cash flows of its financial assets and liabilities:

	Carrying amount	Gross nominal inflow/ (outflow)	Amount due within one year	Amount due between one and five years
2025	£ '000	£ '000	£ '000	£ '000
Financial assets				
Deemed loan	196,162	206,441	205,797	644
Trade and other receivables	6,651	6,651	6,651	-
Cash and cash equivalents	7,623	7,623	7,623	-
	210,436	220,715	220,071	644
Financial liabilities				
Interest bearing liabilities	202,036	228,885	17,701	211,184
Trade and other payables	12,635	12,635	12,635	-
	214,671	241,520	30,336	211,184
2024				
Financial assets				
Deemed loan	230,279	240,568	240,448	120
Cash and cash equivalents	9,577	9,577	9,577	-
	239,856	250,145	250,025	120
Financial liabilities				
Interest bearing liabilities	(242,153)	(256,709)	(256,709)	-
Trade and other payables	(1,694)	(1,694)	(1,694)	-
	(243,847)	(258,403)	(258,403)	-

Interest rate risk management

Interest rate risk exists where assets and liabilities have interest rates set under different bases or which reset at different times.

Interest paid on the Company's loan facilities is at a floating rate whilst interest received on the mortgages underlying the deemed loan are at fixed rates. The Company manages risk by matching interest rates for assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (*CONTINUED*)

FOR THE YEAR ENDED 31 MARCH 2025

3. Critical judgements in applying the company's accounting policies

The preparation of financial statements in accordance with FRS 101 requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies. In the view of the Directors, there are no significant judgements or estimates other than the accounting policies of the business.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Expected credit losses

The Company provides for the expected credit losses in accordance with IFRS 9.

The accounting estimates with the most significant impact on the calculation of impairment loss provisions under IFRS 9 are macroeconomic variables, in particular UK house price inflation and unemployment, and the probability weightings of the macroeconomic scenarios used. The Company has used three macroeconomic scenarios, which are considered to represent a range of possible outcomes over a normal economic cycle, in determining impairment loss provisions:

- a central scenario aligned to the Company's business plan;
- a downside scenario as modelled in the Company's risk management process; and
- an upside scenario representing the impact of modest improvements to assumptions used in the central scenario.

The central scenario represents management's current view of the most likely economic outcome.

Changes to macroeconomic assumptions, as expectations change over time are expected to lead to volatility in impairment loss provisions and may lead to pro-cyclicality in the recognition of impairment provisions.

For the year ended 31 March 2025, management considers that the significant uncertainty that led to the increased downside weighting is adequately represented in the macroeconomic data and has reverted the scenario weightings to those provided by the macroeconomic data source across both Buy-to-Let and short-term expected credit loss (ECL) models as follows:

– 40%/40%/20% to the central, downside and upside scenarios

This weighting is the same for the period ended 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS (*CONTINUED*)

FOR THE YEAR ENDED 31 MARCH 2025

4. Interest income calculated using the effective interest rate method

	2025	2024
	£000	£000
On deemed loan	27,021	28,138
On cash deposits	643	599
	<u>27,664</u>	<u>28,737</u>

5. Interest expense and similar charges

	2025	2024
	£ '000	£ '000
On amounts due to funding partners	20,653	25,209
Loan issue costs	382	696
	<u>21,035</u>	<u>25,905</u>

6. Profit from operations

Audit fees of £12,750 (2024: £12,500) were charged to the Company. The Company employed no employees during the year (2024: none).

7. Net fee expense

	2025	2024
	£ '000	£ '000
Intermediary fees	(5,023)	(2,329)
Miscellaneous fees	(98)	98
	<u>(5,121)</u>	<u>(2,231)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

8. Taxation

	2025 £ '000	2024 £ '000
Tax expense	-	-
Current tax	-	-
Total tax charge	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the current period

	2025 £ '000	2024 £ '000
Loss on ordinary activities before tax	(244)	(2,931)
Current tax charge at 25% (2024: 25%)	(61)	(733)
Effects of:		
Accounting loss not taxed in accordance with SI 2006/3296	<u>61</u>	<u>733</u>
Borrower profit taxed in accordance with SI 2006/3296	<u>1</u>	<u>1</u>

The charge above has been calculated in accordance with the permanent regime for taxation of securitization companies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9. Deemed loan

	2025 £ '000	2024 £ '000
Deemed loan	201,456	234,275
ECL provision	(5,294)	(3,996)
	<u>196,162</u>	<u>230,279</u>

The company has provided security to its loan facility providers by granting charges over its rights to receive principal and interest on the mortgages underlying the deemed loan. The interest on the loan deemed is linked to the interest on the underlying mortgage portfolios which contain fixed rate loans.

Reconciliation of ECL provision	2025 £ '000	2024 £ '000
At the start of the year	(3,996)	(1,065)
Provisions made during the year	(2,101)	(2,964)
Utilised in the year	803	33
Under IFRS 9 at 31 March 2025	<u>(5,294)</u>	<u>(3,996)</u>

1The ECL provision of £5,294k (2024: £3,996k) is stated including the expected credit losses incurred on the interest income recognised on stage 3 loans and advances. The net ECL impact on the statement of profit and loss is £1,298k (2024: £2,931k).

Analysis of loans and advances by stage

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000	2024 £'000
Gross deemed loan	90,381	72,714	38,361	201,456	234,275
ECL	(83)	(187)	(5,024)	(5,294)	(3,996)
Deemed loan	<u>90,298</u>	<u>72,527</u>	<u>33,337</u>	<u>196,162</u>	<u>230,279</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9. Deemed loan (continued)

Movement analysis of loans by stage

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000	2024 £'000
As at 1 April 2024	151,429	53,540	25,310	230,279	225,568
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	(14,478)	14,478	-	-	-
Transfer to stage 3	(25,374)	(12,457)	37,831	-	-
New financial assets originated	147,500	-	-	147,500	174,236
New financial assets originated and transferred to stage 2 & stage 3	(57,671)	57,048	623	-	-
Financial assets which have repaid	(111,267)	(39,219)	(16,341)	(166,827)	(142,695)
Balance movements in loans	159	(863)	(14,086)	(14,790)	(26,830)
Total movement in loans	(61,131)	18,987	8,027	(34,117)	4,711
As at 31 March 2025	90,298	72,527	33,337	196,162	230,279

Movement analysis of ECL by stage

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000	2024 £'000
As at 1 April 2024	75	55	3,866	3,996	1,065
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	(7)	7	-	-	-
Transfer to stage 3	(8)	(9)	17	-	-
New financial assets originated	265	-	-	265	140
New financial assets originated and transferred to stage 2 & stage 3	(182)	162	20	-	-
Financial assets which have repaid	(61)	(45)	(1,490)	(1,596)	(640)
Changes in models/risk parameters	1	17	2,614	2,632	2,034
Adjustment for interest on impaired loans	-	-	800	800	1,430
Write offs	-	-	(803)	(803)	(33)
Total movement in ECL	8	132	1,158	1,298	2,931
As at 31 March 2025	83	187	5,024	5,294	3,996

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9. Deemed loan (continued)

As at 31 March 2025	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Risk Grades 1 - 5	82,821	39,234	-	122,055
Risk Grades 6 - 9	7,414	33,481	-	40,895
Default	-	-	38,506	38,506
Total	90,235	72,715	38,506	201,456

As at 31 March 2024	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Risk Grades 1 - 5	151,504	50,671	-	202,175
Risk Grades 6 - 9	-	2,924	-	2,924
Default	-	-	29,176	29,176
Total	151,504	53,595	29,176	234,275

10. Trade and other receivables

	2025 £ '000	2024 £ '000
Amounts owed from related parties	6,637	-
Other debtors	14	-
	6,651	-

11. Trade and other payables

	2025 £ '000	2024 £ '000
Amounts owed to related parties	12,604	1,653
Accruals	31	41
	12,635	1,694

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

12. Interest bearing liabilities

	2025	2024
	£ '000	£ '000
Interest bearing liabilities due after one year but less than five years	201,588	-
Interest bearing liabilities due within one year	<u>448</u>	<u>242,153</u>
	<u>202,036</u>	<u>242,153</u>

Interest is payable on the 15th day of each month. The facilities are secured on the mortgage loans underlying the deemed loan and any other collateral security relating to those mortgage loans.

The finance obtained is limited recourse in nature and repayment is restricted to the income received by the Company on the underlying residential mortgage loans acquired and is subject to a payment waterfall under the transaction documents.

13. Financial Instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are: the deemed loan, cash and cash equivalents, receivables, interest bearing liabilities and trade and other payables.

(a) Carrying amount of financial instruments

A summary of the financial instruments held is provided below:

	2025	2024
	£ '000	£ '000
Financial asset: amortised cost		
Deemed loan	196,162	230,279
Trade and other receivables	6,431	-
Cash and cash equivalents	<u>7,623</u>	<u>9,577</u>
	<u>210,216</u>	<u>239,856</u>
Financial liabilities at amortised cost		
Interest bearing liabilities	202,036	242,153
Trade and other payables	<u>12,635</u>	<u>1,694</u>
	<u>214,671</u>	<u>243,847</u>

14. Share capital

	31 March 2025	31 March 2024
	£	£
Issued 1 ordinary Share of £1 each – fully paid	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

15. Related party transactions

Law Debenture Corporate Services Limited ("Law Deb") charges a management fee for the provision of a range of services including provision of the Directors (Mark Filer, L.D.C. Securitisation Director No. 1 Limited and L.D.C. Securitisation Director No. 2 Limited). During the year, the corporate service fee amounted to £15k (2024: £17k).

LendInvest Plc is the ultimate controlling party of the Company. LendInvest Bridge Limited and LendInvest Loans Limited are the originators and servicers of the underlying mortgage loans.

The Company has taken the exemption allowed under FRS 101 from disclosing related party transaction entered into with any other entities within the LendInvest plc group

16. Ultimate controlling party

The entire issued share capital of the Company is held by The Law Debenture Intermediary Corporation plc, as share trustee, under a declaration of trust for discretionary charitable purposes.

In the opinion of the Directors, LendInvest Loans Holdings Limited is the controlling party of the Company and LendInvest plc is the ultimate controlling party of the Company. As such, the results of the Company are included in the consolidated financial statements of LendInvest Group. Copies of these can be obtained from LendInvest plc, 4-8 Maple Street, London, England, W1T 5HD.

17. Events after the reporting date

On July 14th 2025 TITAN NO.1 LTD renegotiated its senior funding resulting in the exit of one senior lender, with the remaining two senior lenders extending their existing funding deal. At the same time Lendinvest BTL Limited also joined the vehicle as an option to be seller and servicer in the future.