Love Finance Limited

Registered Number
8103018
(England and Wales)

Annual Report and Financial Statements
for the Year ended
31 December 2025

Love Finance Limited
Contents

Love Finance Limited
Company Information

Directors	Stuart Buck (appointed 01 April 2025) Kai Hunter (appointed 17 January 2025) Alex O'Malley (appointed 17 January 2025) Jenny Sadler (appointed 17 January 2025) Jack Smith
Company Secretary	Jenny Sadler
Registered Address	36 Great Charles Street Queensway Birmingham B3 3JY
Auditor	Azets Audit Services 6th Floor Bank House Cherry Street Birmingham B2 5AL
Registered Number	08103018 (England and Wales)

Love Finance Limited
Group Strategic Report

The directors present their strategic report for the year ended 31 December 2025.

Principal activity

The principal activity of Love Finance Limited (the 'company') and its subsidiaries (together, the 'group') in the year continued to be the provision of commercial finance solutions.

Business review and key performance indicators

Turnover in the year was £19,469,898 (2024: £9,266,288) and profit for the year was £2,022,342 (2024: £1,046,649).

Turnover and profit doubled in the year reflecting the strategic investment in marketing, operational capacity and digital innovations. Average headcount rose from 59 in 2024 to 104 in 2025, supporting the company's scaling and targeted advertising spend alongside successful implementation of a digital strategy including a refreshed brand, enhanced website. This resulted in stronger lead conversion and maintaince of margins despite the increased cost base.

Principal risks and uncertainties

The Board recognises that effective risk management is fundamental to the achievement of the Group's strategic objectives and long-term success. The Group operates within the financial services environment and is exposed to a range of risks and uncertainties that could affect its financial performance, operational resilience and reputation.

The Board is responsible for overseeing the Group's risk management framework and regularly reviews the principal risks facing the business together with the effectiveness of the controls and mitigation measures in place. The principal risks and uncertainties considered most relevant to the Group are set out below.

Regulatory and Compliance Risk

Failure to comply with applicable laws, regulations or FCA principles could result in regulatory sanctions, financial penalties, operational restrictions and reputational damage.

The Group maintains an FCA compliant internal framework supported by regular staff training and external compliance audits.

Reputational Risk

The Group's reputation is critical to maintaining customer trust, attracting new business and supporting long-term growth. Adverse publicity, customer dissatisfaction, or operational failures could negatively affect the Group's brand and market position.

The Group seeks to protect and enhance its reputation through a people and customer focused culture and growth strategy, strong governance arrangements and continuous improvement in customer experience. Investment in brand development, digital platforms, customer communications and marketing initiatives promote the company's successes and supports positive brand awareness, alongside ongoing employee training to deliver market-leading service in terms of speed and quality as evidenced by over 1,000 five-star reviews on Trustpilot.

Credit and Portfolio Risk

The Group is exposed to the risk of borrower default and deterioration in portfolio performance, which could adversely affect profitability, cash flows and future growth.

This risk is managed through a comprehensive customer due diligence process, active portfolio monitoring and enhanced early arrears management procedures. During the year, the Group continued to invest in its proprietary Loan Management System and strengthened its collections capability through the introduction of dedicated internal resource. The Group's hybrid lending model, combining own-book lending with third-party brokerage, further supports risk diversification and portfolio resilience.

Technology and Information Security Risk

The Group relies on technology platforms and digital infrastructure to support its operations and customer service. Cyber security threats, system failures, data breaches or prolonged service interruptions could result in financial loss, regulatory consequences and reputational harm.

The Group maintains a comprehensive information security framework supported by real-time threat monitoring, managed IT services and regular system reviews. Cyber Essentials certification was achieved during 2025 and the Group intends to pursue Cyber Essentials Plus certification to further enhance its cyber security controls.

Operational Risk

The Group is exposed to operational risks arising from inadequate or failed internal processes, systems, controls or human error. Such events could impact customer service, operational efficiency and financial performance.

The Group seeks to minimise operational risk through process automation, clearly defined procedures and regular performance monitoring. Senior leadership oversight, management information dashboards and periodic operational reviews support the timely identification and management of operational issues.

Competition and Market Risk

The market for SME finance remains highly competitive, with pressure on customer acquisition, pricing and market share from both established lenders and new entrants.

The Group seeks to differentiate itself through its hybrid lending model, optimising and offering competitive funding solutions for customers. Continued investment in customer experience, digital capabilities, brand development and market-leading service in terms of speed and quality supports customer acquisition and retention while strengthening the Group's market position.

Talent Retention and Acquisition Risk

The Group's continued growth and success depend on its ability to attract, develop and retain suitably skilled employees. Increased competition for talent and attrition rates could impact operational performance and strategic delivery.

The Group seeks to maintain an attractive employment proposition through competitive remuneration, professional development opportunities and a strong organisational culture. Employee engagement and satisfaction are regularly monitored and reviewed to support retention and recruitment objectives.

Supply Chain and Third-Party Dependency Risk

The Group relies on a number of third-party providers and funding partners to support its operations and growth. Failure of a key supplier, service provider or funding partner could disrupt business operations or restrict access to capital.

This risk is mitigated through diversification of funding relationships and the Group's hybrid funding model, which reduces reliance on any single source of funding or operational support.

Liquidity and Funding Risk

The Group requires sufficient liquidity and access to funding to support lending activities and meet its financial obligations as they fall due. Adverse market conditions or reduced availability of funding could constrain future growth.

The Group maintains relationships with multiple funding providers and undertakes regular cash flow forecasting and liquidity monitoring. During the year the group established Love Finance SPV1 Limited to facilitate new sources of external funding. The Funding requirements are reviewed frequently by management to ensure adequate resources are available to support current and planned operations. The Group's hybrid lending model, combining own-book lending with third-party capital, further supports risk diversification and portfolio resilience.

Customer and Distribution Channel Dependency

A significant reliance on a limited number of customer acquisition channels or intermediary relationships could adversely affect future growth should those channels become less effective or unavailable.

The Group mitigates this risk through targeted marketing and advertising activity and direct customer acquisition strategies, reducing dependence on individual brokers or referral sources and maintaining direct access to its target market.

Strategy and Governance Risk

Failure to execute the Group's strategy effectively, or weaknesses in governance arrangements, could adversely impact business performance and stakeholder confidence.

The Group has strengthened its governance framework through the introduction of an enhanced Board structure with clearly defined responsibilities, formal strategic planning processes and regular monitoring of key performance indicators. Strategic objectives and performance are reviewed regularly by the Board and senior management.

By order of the board:

Jack Smith
Director
29 July 2026

Love Finance Limited
Directors' Report

The directors present their report and the financial statements of the group and company for the year ended 31 December 2025.

The following directors served during the year and up to the date of signing of the financial statements:

Stuart Buck (appointed 01 April 2025)

Kai Hunter (appointed 17 January 2025)

Alex O'Malley (appointed 17 January 2025)

Jenny Sadler (appointed 17 January 2025)

Jack Smith

Sally West (appointed 17 January 2025, resigned 29 May 2025)

Going concern

After reviewing the group and company's forecasts and projections, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. The group and company therefore continues to adopt the going concern basis of accounting in preparing its financial statements.

Group profit for the year was £2,022,342 (2024: £1,046,649) and net assets at the year end of £3,079,819 (2024: £1,561,477).

Dividends

A dividend of £504,000 was declared and paid during the year (2024: £390,000).

The directors do not recommend a final dividend for the year ended 31 December 2025.

Independent auditors

The auditors, Azets Audit Services Limited, have expressed their willingness to continue in office, pursuant to section 487(2) of the Companies Act 2006, Azets Audit Services Limited, subject to any resolution to the contrary, are deemed to have been re-appointed as auditor of the Company.

Statement of Directors Responsibilities

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 year. Under that law, the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Statement of Directors Responsibilities (continued)

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 the profit or loss for the period. In preparing these financial statements, the directors are required to:

• select suitable accounting policies and apply them consistently;

• make judgements and accounting estimates that are reasonable and prudent;

• state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

• 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 Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of corporate 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.

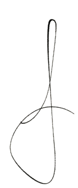
Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

• so far as each director is aware, there is no relevant audit information of which the company’s auditors are unaware; and

• each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company’s auditors are aware of that information.

By order of the board:



Jack Smith

Director

29 July 2026

Love Finance Limited
Independent Auditor's Report
to the Members of Love Finance Limited

Opinion

We have audited the financial statements of Love Finance Limited (the 'company') for the year ended 31 December 2025 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- 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 Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or

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 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.

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 and on the Financial Reporting Council’s website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Alain de Braekeleer ACA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
29 July 2026

6th Floor, Bank House
8 Cherry Street
Birmingham
United Kingdom
B2 5AL

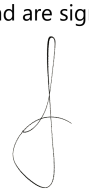
Love Finance Limited
Profit and Loss Account as at
for the year from 01 January 2025 to 31 December 2025

		Group	
	Notes	2025	2024
		£	£
Turnover	5	19,469,898	9,266,288
Cost of Sales		(6,359,878)	(3,513,129)
Gross Profit		13,110,020	5,753,159
Administrative Expenses		(10,655,682)	(4,386,139)
Interest Payable and Similar Charges		(35,911)	(36,429)
Profit Before Taxation	6	2,418,427	1,330,591
Tax	7	(396,085)	(283,942)
Profit for the Year		2,022,342	1,046,649

Love Finance Limited
Balance Sheet as at
31 December 2025

		Group		Company	
	Notes	2025	2024	2025	2024
		£	£	£	£
Fixed Assets					
Intangible Assets	8	1,208,792	707,122	1,208,792	707,122
Tangible Assets	9	130,666	84,371	130,666	84,371
Investments	10	-	-	1,608,005	-
		1,339,458	791,493	2,947,463	791,493
Current Assets					
Debtors	11	12,231,946	7,470,846	9,193,737	7,470,846
Cash at Bank and in Hand		1,455,476	424,897	974,442	424,897
		13,687,422	7,895,743	10,168,179	7,895,743
Creditors: Amounts Falling Due within 1 Year	12	(7,074,177)	(4,688,715)	(8,612,039)	(4,688,715)
Net Current Assets (Liabilities)		6,613,245	3,207,028	1,556,140	3,207,028
Total Assets Less Current Liabilities		7,952,703	3,998,521	4,503,603	3,998,521
Creditors: Amounts Falling Due after 1 Year	13	(4,872,884)	(2,437,044)	(1,372,884)	(2,437,044)
Net Assets		3,079,819	1,561,477	3,130,719	1,561,477
Capital and Reserves					
Called Up Share Capital	15	100	100	100	100
Profit and Loss Account		3,079,719	1,561,377	3,130,619	1,561,377
Shareholders' Funds		3,079,819	1,561,477	3,130,719	1,561,477

The financial statements were approved and authorised for issue by the Board of Directors on
29 July 2026
and are signed on its behalf by:



Jack Smith
Director
Registered Company No. 08103018

Love Finance Limited
Statement of Changes in Equity as at 31 December 2025

	Group		
	Called-up share capital	Retained earnings	Total equity
	£	£	£
Balance as at 1 January 2024	100	904,728	904,828
Profit for the year	-	1,046,649	1,046,649
Total comprehensive income for the year	**100**	**1,951,377**	**1,951,477**
Dividends	-	(390,000)	(390,000)
Balance as at 1 January 2025	100	1,561,377	1,561,477
Profit for the year	-	2,022,342	2,022,342
Total comprehensive income for the year	**100**	**3,583,719**	**3,583,819**
Dividends	-	(504,000)	(504,000)
Balance as at 31 December 2025	**100**	**3,079,719**	**3,079,819**

	Company		
	Called-up share capital	Retained earnings	Total equity
	£	£	£
Balance as at 1 January 2024	100	904,728	904,828
Profit for the year	-	1,046,649	1,046,649
Total comprehensive income for the year	**100**	**1,951,377**	**1,951,477**
Dividends	-	(390,000)	(390,000)
Balance as at 31 December 2024 and 1 January 2025	100	1,561,377	1,561,477
Profit for the year	-	2,073,242	2,073,242
Total comprehensive income for the year	**100**	**3,634,619**	**3,634,719**
Dividends	-	(504,000)	(504,000)
Balance as at 31 December 2025	**100**	**3,130,619**	**3,130,719**

Love Finance Limited
Statement of Cash Flows as at
31 December 2025

	2025	2024
	£	£
Cash flow from operating activities:		
Profit for the year	**2,022,342**	**1,046,649**
Taxation	396,085	283,942
Finance expense	35,911	36,429
Operating profit	**2,454,338**	**1,367,020**
Amortisation of intangible assets	769	770
Depreciation of tangible assets	56,595	44,274
Profit / (loss) in sale of tangible asset	747	-
Working capital movements:		
- (Increase) / decrease in trade and other receivables	(4,797,726)	(2,806,108)
- Increase / (decrease) in trade and other payables	1,882,160	574,362
Taxation paid	(704,008)	-
Net cash generated from operating activities	**(1,107,125)**	**(819,682)**
Cash flow from investing activities:		
Purchase of intangible assets	(494,150)	(305,177)
Purchase of tangible assets	(103,637)	(75,834)
Loans made to directors	(276,374)	(181,000)
Repayment of director loans	170,000	15,000
Net cash used in investing activities	**(704,160)**	**(547,010)**
Cash flow from financing activities:		
New loans during the year	8,646,430	4,845,483
Repayments of obligations under finance leases	(54,079)	(47,821)
Repayment of borrowings	(4,757,701)	(2,524,815)
Dividends paid to owners of the parent	(319,000)	(325,000)
Interest paid	(673,785)	(497,113)
Net cash used in financing activities	**2,841,865**	**1,450,733**
Net increase in cash and cash equivalents	**1,030,579**	**84,041**
Cash and cash equivalents at the beginning of the year	424,897	340,856
Cash and cash equivalents at the end of the year	**1,455,476**	**424,897**

1 General information

The company is a private company limited by shares and registered in England and Wales. The company's registered number is 08103018 and registered office address is 36 Great Charles Street Queensway, Birmingham, B3 3JY.

2 Statement of compliance

The financial statements have been prepared in accordance with the Companies Act 2006 and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

3 Accounting Policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland.

The financial statements are prepared in sterling, which is the functional currency of the group and company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

After reviewing the group and company's forecasts and projections, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. The group and company therefore continues to adopt the going concern basis of accounting in preparing its financial statements.

Group profit for the year was £2,022,342 (2024: £1,046,649) and net assets at the year end of £3,079,819 (2024: £1,561,477).

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings together made up to 31 December.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

Uniform accounting policies are adopted throughout the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Turnover policy

Turnover is measured at the fair value of the consideration received or receivable, net of discounts, clawbacks and value added taxes. Turnover includes revenue earned from the rendering of services.

Revenue from Rendering of Services

Commission Income

Commission income is earned on the successful introduction of customers to third-party lenders. Revenue is recognised when the customer enters into the finance agreement and the company has provided its services under the arrangement. Lenders may require certain commission fees to be repaid, known as a clawback, if the customer defaults and the lender fails to recover the full loan amount. As these clawbacks can occur up to several years after the finance agreement is entered into and initial recognition, a provision is recognised to reflect the estimated value of future clawbacks. The provision is calculated using historical clawback data and rates and is reviewed regularly to ensure it remains appropriate in light of current repayment performance and economic conditions.

Loan Interest Income

Loan interest income is recognised using the effective interest rate method, which allocates interest income over the relevant period based on carrying amount of loan and applicable interest rate.

Other Revenue

Other revenue includes Debt Collection Fees and Lending Administration Fees, and is recognised when related administrative services have been rendered.

Employee Benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid in exchange for the employee's services to the company. Where employees have accrued short-term benefits which the entity has not paid by the balance sheet date, an accrual is recognised within creditors: amounts falling due within one year together with an associated expense in profit or loss. The liabilities are classified as current obligations in the statement of financial position because they are expected to be settled wholly within twelve months after the end of the period.

Foreign Currency Translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of transaction. All differences are charged to profit or loss.

Current Taxation

Current tax is recognised in profit or loss, except for taxes related to revaluations of land and buildings which are recognised in other comprehensive income. Current tax represents the amount of tax payable (receivable) in respect of taxable profit (loss) for current, or past, reporting periods. Current tax is measured at the amount expected to be paid (recovered) using tax rates and laws which have been enacted, or substantively enacted, by balance sheet date. Where payments to HM Revenue and Customs exceed liabilities owed, an asset is recognised to the extent the amount is recoverable

Deferred Tax

Deferred tax is recognised in respect of all timing differences between recognition of income and expenses in financial statements and their inclusion in tax assessments. Unrelieved losses and other deferred tax assets are only recognised to the extent that it is probable they will be recovered against the reversal of deferred tax liabilities or future taxable profits, using tax rates and laws enacted or substantively enacted by the reporting date expected to apply to the reversal of the timing difference, except for revalued land and investment property where the sale basis is used. Current and deferred tax assets and liabilities are not discounted.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. Amortisation is included in 'administrative expenses' in the profit and loss account. Where intangible assets are in development these are stated at cost and are not amortised until it is available for use. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Straight line

- Website: 10 years

Research and Development

All research costs are expensed. Costs related to the development of products are capitalised when they meet the criteria stated in FRS 102, Section 18 Intangible Assets other than Goodwill. All other development expenditure is recognised as an expense in the period in which it is incurred.

Development Costs

Capitalised development costs are stated at cost less accumulated amortisation and accumulated impairment losses (cost model). Amortisation is recognised using the straight-line basis and results in carrying amount being expensed in profit or loss over estimated useful life.

Tangible Fixed Assets and Depreciation

All fixed assets are initially recorded at cost. Property, plant, and equipment is used in the company's principal activity for the production and supply of goods or for administrative purposes and is stated in the balance sheet under the historic cost model. This model requires the assets to be stated at cost less amounts in respect of depreciation and less any accumulated impairment losses. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value (which is the expected amount that would currently be obtained from disposal of an asset, after deducting the estimated costs of disposal if the asset were already of age and in condition expected at end of useful life), over useful economic life as follows:

Straight line:

- Fixtures & fitting: 5 years
- Office Equipment: 3 years

Finance Leases and Hire Purchase Contracts

Assets held under finance leases, which are leases where substantially all risks and rewards pass to the company, and hire purchase contracts are capitalised in the balance sheet. They are depreciated over the shorter of their useful lives or the term of the lease.

Investments – company

Investment in a subsidiary company is held at cost less accumulated impairment losses.

Trade and Other Debtors

Short-term debtors are measured at the transaction price (usually the invoice price), less impairment losses for bad or doubtful debts. Loans and other financial assets are initially recognised at the transaction price including transaction costs, and subsequently measured at amortised cost using the effective interest method, less impairment losses for bad or doubtful debts.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are disclosed separately but are considered part of the company’s cash management and included as a component of cash and cash equivalents.

Trade and other creditors

Short-term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial instruments are initially recognised at transaction price and measured at amortised cost using the effective interest method. Financial assets which are measured at cost or amortised cost are reviewed for objective evidence of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. All equity instruments, regardless of significance, and other financial assets that are individually significant, are assessed individually for impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

When the Company transfers a portfolio of loan receivables to a wholly owned subsidiary, the Directors consider the contractual terms of the transfer and whether, in substance, the significant risks and rewards associated with the loan receivables have passed to the subsidiary. Following the transfer, the Company's continuing involvement is limited to the provision of loan servicing activities for which it receives servicing fees under separate contractual arrangements and is not entitled to future economic benefits of the transferred loan portfolio. Substantially all of the future economic benefits of the receivables are therefore expected to be received by the subsidiary. In addition, the credit risk on the transferred receivables is also borne primarily by the subsidiary. As such, the transferred loan receivables are derecognised from the Company's balance sheet.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to the group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

These critical accounting judgements and estimations are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in financial statements are described below.

Judgements and key sources of estimation uncertainty (continued)

Fair value estimation of commission income and clawback provision

Commission income is subject to clawback by lenders in the event that a customer defaults and the lender is unable to recover the full amount of the loan. The Company recognises a provision for expected future clawbacks at the time of revenue recognition. The Directors have estimated the value of revenue to reflect the expected rate of clawbacks based on historical data as well as current and expected credit conditions.

The group and company provision at year end was £250,000 (2024: £124,648).

If the assumed clawback rate were increased to the upper end of the range observed historically, the provision would increase to approximately £290,000.

If the assumed clawback rate were reduced to the lower end of the historical range, the provision would decrease to approximately £192,000.

Provision for bad debts

The Company recognises a provision for impairment losses on loan receivables where there is objective evidence that not all amounts due will be recoverable. The Directors estimate the level of provision required based on historical recovery rates, adjusted to reflect current and anticipated future credit conditions. These estimates involve a significant degree of judgement, particularly in assessing the likelihood of recoverability over the loan term and in periods of economic uncertainty. The carrying amount of loan receivables is reviewed at each reporting date and the provision is updated accordingly.

The key source of estimation uncertainty is the provisioning rate applied to loans where there is an indicator of impairment. These rates are estimated by management using a mix of historical experience and their judgement. Applying a +/- 5% sensitivity to the provisioning rate used results in an increase of aproximately £108,000 and a decrease of £84,000 to the overall provision amount.

Please see note 11 for the year end provision balances.

The Directors have assessed the ageing and value of outstanding trade debtors balances and, in view of the prompt payment history and low level of overdue amounts, consider that for trade debtors no provision for bad debts is currently required.

4 Employees and directors

Employees

The average monthly number of persons (including executive directors) employed by the group and company during the year was:

	2025	2024
Average Number of Employees	104	59

Directors

The directors’ emoluments were as follows:

	2025	2024
	£	£
Aggregate remuneration	556,807	9,096
Company pension contributions	5,283	-

Five directors (2024: none) were members of defined contribution schemes.

The highest paid director’s emoluments were as follows:

	2025	2024
	£	£
Aggregate remuneration	154,271	9,096
Company pension contributions	1,321	-

5 Turnover

Turnover is analysed as follows:	Group	
	2025	2024
	£	£
Commission and other income	16,592,142	7,513,762
Loan interest income	2,877,756	1,752,526
	19,469,898	9,266,288

5 Turnover (continued)

The group and company operates within one business segment being the provision of commercial finance solutions constituting primarily loan brokerage and lending. The group and company's turnover and operating profit relate entirely to its principal activity and arise in the United Kingdom.

6 Profit Before Taxation

Profit Before Taxation Is stated after charging/(crediting):

	Group	
	2025	2024
Wages and salaries	5,817,939	2,983,329
Social security costs	729,578	311,980
Other pensions costs	82,849	42,731
Total staff costs	6,630,366	3,338,040
Profit/(loss) on disposal of tangible assets	(747)	-
Impairment of loan receivables	(442,202)	(320,000)
Foreign exchange gain/(losses)	425	(16)
Fees payable to the company’s auditor and its associates for the audit of the parent company and the group’s consolidated financial statements	47,170	28,250
Fees payable to the company’s auditor and its associates for audit-related assurance services	4,000	-

7 Tax

Tax expense included in profit or loss	Group	
	2025	2024
Current tax:	£	£
UK Corporation tax on profits for the year	515,044	343,909
Adjustment in respect of prior years	(118,959)	(59,967)
Total current tax	396,085	283,942

Reconciliation of tax charge

Tax assessed for the year is lower (2024: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2025 of 25% (2024: 25%). The differences are explained below:

	2025	2024
Profit Before Taxation	2,418,427	1,330,591
Profit multiplied by the standard rate of tax in the UK of 25% (2024: 25%)	604,607	332,648
Effects of:		
Expenses not deductible for tax purposes	14,229	11,261
Adjustment in respect of prior years	(118,959)	(59,967)
R&D credit	(103,792)	-
Tax charge for the year	396,085	283,942

8 Intangible Assets

	Group and Company		
	Website	Assets in Development	Total
	£	£	£
Cost			
01 January 2025	11,913	703,213	715,126
Additions	-	502,439	502,439
31 December 2025	11,913	1,205,652	1,217,565
Amortisation and Impairment			
01 January 2025	8,004	-	8,004
Charge for the Year	769	-	769
31 December 2025	8,773	-	8,773
Net Book Value			
31 December 2025	3,140	1,205,652	1,208,792
31 December 2024	3,909	703,213	707,122

9 Tangible Assets

	Group and Company		
	Fixtures & fittings	Office Equipment	Total
	£	£	£
Cost			
01 January 2025	25,266	147,501	172,767
Additions	10,292	93,345	103,637
Disposals	-	(815)	(815)
31 December 2025	35,558	240,031	275,589
Depreciation and impairment			
01 January 2025	15,899	72,497	88,396
Charge for year	3,695	52,900	56,595
Disposals	-	(68)	(68)
31 December 2025	19,594	125,329	144,923
Net book value			
31 December 2025	15,964	114,702	130,666
31 December 2024	9,367	75,004	84,371

10 Investments

The list of subsidiaries and other related undertakings is as follows:

Name	Nature of business	Interest
Love Finance SPV1 Limited	Financial intermediation	100% ordinary shares
Love Finance SPV2 Limited	Financial intermediation	100% ordinary shares

The registered address of the subsidiaries above is 36 Great Charles Street Queensway, Birmingham, England, B3 3JY.

The company has guaranteed the liabilities of Love Finance SPV1 Limited in order that they qualify for the exemption from audit under section 479A of the Companies Act 2006 in respect of the year ended 31 December 2025.

The company has guaranteed the liabilities of Love Finance SPV2 Limited in order that they qualify for the exemption from preparing individual financial statements under section 394A of the Companies Act 2006 in respect of the year ended 31 December 2025.

11 Debtors

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	707,152	61,716	707,152	61,716
Amounts owed from group undertakings	-	-	279,293	-
Amounts owed from related parties	79,331	6,000	79,331	6,000
VAT receivable	164,475	142,433	163,779	142,433
Other debtors	181,241	23,340	181,241	23,340
Directors loan account	64,374	101,000	64,374	101,000
Prepayments and accrued income	419,877	398,356	406,377	398,356
Loan receivables	10,615,496	6,738,001	7,312,190	6,738,001
Total	12,231,946	7,470,846	9,193,737	7,470,846

11 Debtors (continued)

Group

Loan receivables include £2,893,962 (2024: £3,508,886) falling due after more than one year.

Loan receivables are stated after provisions for impairment of £645,273 (2024: £332,017).

Company

Loan receivables include £2,106,267 (2024: £3,508,886) falling due after more than one year.

Loan receivables are stated after provisions for impairment of £573,273 (2024: £332,017).

Amounts owed from group undertakings £279,293 (2024: £0) are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Group and Company

Trade debtor amounts owed from related parties £30,925 (2024: £6,000) are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Loan receivable amounts owed from related parties £48,406 (2024: £0) are unsecured, have an interest rate of 18% and are repayable by May 2027.

12 Creditors: Amounts Falling Due within 1 Year

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	1,644,840	312,962	1,413,826	312,962
Loans and overdrafts	4,107,227	3,569,094	5,002,735	3,569,094
Amounts owed to group undertakings	-	-	868,695	-
Taxation and social security	530,398	528,090	547,365	528,090
Other creditors	-	-	-	-
Obligations under finance leases	19,248	54,079	19,248	54,079
Accrued liabilities and deferred income	772,464	224,490	760,170	224,490
Total	7,074,177	4,688,715	8,612,039	4,688,715

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 Creditors: Amounts Falling Due after 1 Year

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Loans and overdrafts	4,872,884	2,417,796	1,372,884	2,417,796
Obligations under finance leases	-	19,248	-	19,248
Total	4,872,884	2,437,044	1,372,884	2,437,044

14 Obligations under finance leases

	Group and Company	
	2025	2024
	£	£
Finance lease and HP contracts	19,248	73,327

15 Called Up Share Capital

	Group and Company	
	2025	2024
	£	£
Alloted and fully paid:		
100 (2024: 100) ordinary shares of £1 each	100	100

16 Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose related party transactions with wholly owned subsidiaries within the Group.

Silhill Brewery Limited

During the year the company had a principal loan receivable balance of £65,000 due from Silhill Brewery Limited, a company over which a close family member of a director is considered to have significant influence in their capacity as a director.
Repayments of £9,758 were received during the year.
The balance outstanding at the year end, including accrued interest, amounted to £48,406.

16 Related party transactions (continued)

Shire Invoice Finance Limited

During the year the company made sales of £1,324 to to Shire Invoice Finance Limited, a company over which a close family member of a director is considered to have significant influence in their capacity as a director.
No balance was outstanding at the year end.

Shire Leasing Plc

During the year the company made sales of £1,245,381 to Shire Leasing Plc, , a company over which a close family member of a director is considered to have significant influence in their capacity as a director.
At the year end, trade debtors due from Shire Leasing Plc amounted to £30,925.

The company also purchased services from Shire Leasing Plc totalling £50,493 during the year.
At the year end, a trade creditor balance of £14 was outstanding.

The company had principal loan payables of £184,000 due to Shire Leasing Plc during the year.
Repayments of £130,469 were made during the year.
The balance outstanding at the year end, including accrued interest, amounted to £53,531.

In addition, the company had a hire purchase liability with Shire Leasing Plc.
Repayments during the year amounted to £59,194.
The balance outstanding at the year end, including accrued interest, amounted to £19,248.

Keet Advisory Ltd

During the year the company purchased £165,475 of services from Keet Advisory Ltd, a company owned by Mr Hunter a director of the company.
No balance was outstanding at the year end.

17 Controlling party

The ultimate controlling party of the Group is Jack Smith, a director of the company, by virtue of his 100% ownership of the issued share capital of Love Finance Limited.

Love Finance Limited is the parent undertaking of the smallest and largest group of undertakings for which consolidated financial statements are prepared.

The consolidated financial statements of Love Finance Limited are available from its registered office.