

Shire Leasing Plc

Annual report and financial statements

For the year ended 31 March 2025

Registered number: 02476571



Shire Leasing Plc

Annual report and financial statements for the year ended 31 March 2025

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Shire Leasing Plc

Directors and advisers

Directors

M E Smith
J Worton
R C Hayes
S Price – resigned 1 August 2025
M D Picken
H Lumb
C H MacKrell – resigned 5 March 2025
M J Workman
J M McLintock
G Coe
E Carruthers – appointed 24 April 2024
D A Fletcher – appointed 1 August 2025

Company secretary

H Lumb

Registered office and Business Address

1 Calico Business Park
Sandy Way
Tamworth
Staffordshire
B77 4BF

Independent auditor

RSM UK Audit LLP
Chartered Accountants
Suite A, 2nd Floor
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

Bankers

HSBC
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

Handelsbanken
3rd Floor
67 Temple Row
Birmingham
B2 5LS

Shire Leasing Plc

Report of the Chairmen

Each year I write this report I identify various events that we have had to weather and end it hoping we can have a year of normality to ply our trade. This year, sadly, is no different. Global events have escalated with war still raging in Ukraine and now Israel, Palestine, Iran and Syria have boiled over. US tariffs continue to climb up and down and China and the Far East find themselves almost forced to expand their markets. Add local political stresses like National Insurance increases, government U-turns, inflation and unemployment rising. Plus unexpected justice system and regulatory interventions and it is hard to see we have any “normality” to look forward to other than this is the new normal.

Our mission is to provide consistent and competitive finance to UK SMEs and that will continue to be our mantra having stuck with it for the last 30 years. It is undoubtedly difficult given the above, but SMEs are the engine room of UK Plc and deserve our support. These businesses are often family, lifestyle businesses and feed many mouths so they have to find a way of surviving and thriving. Our partnership with the British Business Bank is a vital cog in the machine to keep providing financial help and support to these real growth builders.

Notwithstanding the above the business has delivered another strong performance including more of our business coming in electronic form. An impressive increase in the capital value origination's which has led to a sizable increase in the company's gross receivables. The overall improvements in all metrics has produced a greater EBITDA.

A very pleasing set of results for the shareholders.

On behalf of the Chairmen

John Worton

J Worton
Joint Chairman of the Board of Directors

8th August 2025

Shire Leasing Plc

Strategic report

The directors present their Strategic report together with the consolidated financial statements for the year ended 31 March 2025.

Principal activities

The principal activity of the Group ('Shire') is the provision of lease finance, hire purchase and loan arrangements. This comprises providing lease financing, hire purchase and loans to customers, the assignment of finance lease arrangements, hire purchase and loans to third parties, arranging lease financing on an agency basis, secondary rentals and sale of title. The market served is predominantly the Small Medium Enterprise market, with main asset types for lease finance and hire purchase being Lifestyle equipment, Agriculture, Telecommunications, Vending, and Vehicles.

Business model

The Group operates a hybrid model of being a lender and a broker. This has the advantage of being able to reach high acceptances for customers whilst mitigating risk for the group. The mix of business can be used to optimise medium to long term profitability from own book development, whilst brokerage gives access to short term profits and liquidity. Shire maintains a panel of funders for own book, with varying levels of flexibility and pricing to support its own book, including the British Business Bank's (BBB) ENABLE programme. The key to its successful own book is breadth and diversity of asset type, product type, geographical sector, industry sector and security taken. This also includes government guarantees of 80% and 70% under the Growth Guarantee Scheme (GGS) and the prior Recovery Loan Scheme (RLS) and Coronavirus Business Interruption Loan Scheme (CBILS). Shire Leasing Plc was accredited for the schemes in July 2020 and has provided the different versions since then, including the Guarantee Growth Scheme which commenced on 1st July 2024.

Review of business and strategic objectives

The Group has returned an operating profit of £4.1m (2024: £3.3m) during the current financial year. The Group's vision is to provide a market leading service through innovation and expertise, delivering flexible funding solutions for British businesses. It achieves this through a number of strategic objectives;

Increasing originations

The capital value of leases originated in the year was £164.6m (2024: £134.8m). The value of capital written has increased by 22.3% in the year. Shire has consolidated the originations and trading results from its 100% owned subsidiary which it acquired on 28th March 2024 for the first time in 2025. Shire has been able to further develop its Vendor programmes, attracting new partners as well as increase originations to its existing customers. During the financial year the Group wrote £25.4m (2024: £21.6m) of GGS and RLS agreements in its own book. The turnover from the assignment of leases has increased by £0.2m to £0.7m (2024: £0.1m decrease) and the commission earned on lease arrangements on an agency basis has increased to £2.7m (2024: £1.2m) whilst the interest and other income from the Group's own portfolio of finances has increased to £36.5m (2024: £29.8m).

Growing own book lending

The Group has continued its strategic direction to focus on increasing its own portfolio ("the portfolio") and £101.6m (2024: £95.1m) has been written to the portfolio during the current financial year. This has been offset by the continuous settlements in prior year agreements during the current financial year which has resulted in the "Net Investment in Finance Leases" balance increasing to £197.8m (2024: £177.9m).

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Strategic report (continued)

The Group's gross receivables of the portfolio increased to £238.7m from £209.9m. The Group's business model, the increase in business written and the movement in mix between assignment of leases, agency agreements and the portfolio and consolidation of its subsidiary, results in increased operating profit of £1.5m pre restructuring costs (2024: unchanged), as future profits are held on the balance sheet and recognised over the life of the lease (average 51 months) rather than immediate revenue recognition. The unearned finance income held within the net investment in finance leases in debtors on the balance sheet has increased from £38.0m to £43.3m. The cash used in operating activities has decreased to £12.0m outflow (£22.0m outflow in 2024). The net cash inflow from operating activities after movement in bank loans (which are accounted for in cost of sales) has increased to £5.9m (£3.2m inflow in 2024).

Shire continued to utilise its Medium Term Note (MTN) programme and drew a further £4.9m of which £2.5m was used to repay earlier draws and the remainder to develop its Own Book. Accessing this working capital facility will allow Shire to develop its Own Book further, originating a higher proportion than through organic growth alone.

Optimised Borrowing Facilities

The Group has continued to keep a well-diversified funding base. During the year, Shire consolidated the British Business Bank's ENABLE 1 and 2 Series facilities to £107.9m. This resulted in overall favourable terms to Shire and an injection of £3.3m cash advance that was used to repay the remaining £3.3m of mezzanine funding from the British Business Bank Investments Ltd. The ENABLE Funding programme has been developed as an aggregation vehicle making similar agreements with other funders and the British Business Bank ultimately will aim to refinance these 'warehouse' facilities to allow institutional investors access to a large and highly diversified pool of SME debt. Full utilisation of the ENABLE funding facility ensures the Group is well placed to be part of any refinancing that may occur in the capital markets, should it choose to do so. The Group has an intent to access the capital markets.

In January 2025, Shire entered into a new £25m block discounting facility with British Business Bank Investments Ltd on a pari passu basis. The facility is available to both of the companies in the Group as originators.

Shire also utilises a number of other Block Discounting facilities and during the year entered into 1 new block facility of £5m and increased the other block facilities by £15m.

Optimising the funding base has resulted in an increase of own book finance costs from £7.9m to £10.2m on an increased portfolio.

Investment in technological advancements

The Group continues to invest in its in house Leaseman system which includes auto underwriting, Shire Online, Click to Finance and developed API's in to Suppliers as well as various third party systems. Click2Finance is a fully automated, digital customer journey including KYC, AML and fraud checks as well as fully automated underwriting, document production and e-signature capabilities. This is linked to a Vendor's website that supports online B2B shopping baskets, such that the Customer can get acceptance and documentation for leasing within seconds. Shire is also developing its back end systems to support the Click 2 Finance product, through Aurora – "Increasing scalability through automation" and projects delivered during the year were Customer Sales quote (Consumer Duty), proposal workflow enhancements (to improve process efficiency within departments), 'Quick Quote' tool for non-standard profiles and integration of Shire Securities into the Leaseman system. More developments are in the current pipeline, being deployed over the next year.

Restructure

During the final quarter of the financial year, Shire carried out a limited restructure, which involved consolidating a number of sales areas and assessing roles in the business which were deemed no longer required. The cost of the restructuring amounted to £0.7m (2024: £nil) and is a one off cost, not expected to be repeated therefore identified separately in arriving at the operating profit on the face of the income statement. The restructure is expected to significantly improve future profits of the Group.

Shire Leasing Plc

Strategic report (continued)

Position of the company

At the end of the year, net assets totalled £25,196,000 for the Company (2024: £24,738,000) and £25,521,000 (2024: £24,738,000) for the Group.

Principal risks and uncertainties

The Group's principal financial instruments comprise bank balances, bank loans, net investment in finance leases, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

The Group maintains a formal Risk Register identifying key risks and mitigating factors which has been approved by the Risk Committee. Our approach to risk is to identify the risk; measure the importance of the risk through impact and likelihood of occurrence; mitigate risks and monitor the progress of the risk. The Risk Committee meets monthly and reports into the Executive Board.

Risk	Mitigations
Strategic Risk – the risk of not being able to fulfil the business plan and strategic objectives.	Mitigations include review of financial models against actuals on a quarterly basis, ongoing monitoring of variances, scenario planning, trend analysis and regular stress testing. Continual monitoring of the macro economic environment and periodic financial modelling of probability of defaults, loss given defaults and vintage analysis of Shire's portfolio. We have diverse routes to market which mitigates exposure and the Proposal Allocations Committee meets monthly and reviews forecasted volumes, covenants, cost of funds and funding headroom to optimise the mix of funding.
Credit Risk – the degree a debtor is likely to default on credit.	Mitigations include Shire's business model being one of a lender and brokerage. This allows the business to spread credit risk and manage customer exposures. By spreading exposures in terms of geography, asset class and industry sector, helps to limit exposure in any specific sector. The Group currently has access to a database of circa 66,000 customers and the average principal balance owing on the number of live leases is currently £8,400 (2024 - £7,300). By ensuring that loans and leases are smaller and spread over a large customer base and geographical spread, as well as robust internal processes the Group is spreading the risk of potentially large bad debt write-offs.

Shire Leasing Plc

Strategic report (continued)

<p>Capital Risk – the risk of having insufficient capital to fulfil strategic objectives.</p>	<p>Shire's funding model is a mix of brokerage funders, block discounting and the ENABLE warehousing facility from the British Business Bank for own book and management continually assess availability. A panel of different block discounters gives access to a variety of flexible funding and pricing which can now also be matched by the new British Business Bank £25m facility. Optimised funding placement is set by the monthly Proposal Allocations Committee. Accreditation under the government Coronavirus Business Interruption Loan Scheme (CBILS), Recovery Loan Scheme (RLS) and Growth Guarantee Scheme (GGS) attracts an 80% or 70% (post 1st January 2022) government guarantee.</p>
<p>Liquidity Risk – the inability to meet short term financial demands.</p>	<p>Mitigations include monitoring of unencumbered paper and reporting at Proposal Allocations Committee to optimise funding options and medium term returns whilst ensuring necessary cash flow and financial covenants are met. Shire has a facility on a Medium Term Note (MTN) programme, which allows access to working capital to support own book growth further.</p>
<p>Interest Rate Risk – the impact of the change in interest rates.</p>	<p>Mitigations include the differing risk, mix and breath of the own book portfolio resulting in a broad range of sell out rates. A spread of different funders, through block discounting and BBB ENABLE, with more than sufficient headroom, means Shire is not singularly dependent on one funder. Leases and loans are written on fixed interest rates for the term and the associated funding is matched to the terms of the agreements with fixed interest rates over that term. Prices to customers continue to reflect the underlying movement in cost of funds</p>
<p>Market Risks – the risk of losses due to the market not behaving as expected, including movement in asset prices.</p>	<p>Each proposal underwritten on a proposal by proposal basis, monitoring exposure for each deal. Own book assets are mainly soft assets so the security of each deal rests mainly with the customer which Shire underwrites with emphasis on the customer. The business maintains strong relationships with its suppliers and all go through a complete due diligence and an on boarding process. The market is constantly monitored to ensure Shire deals with good quality suppliers and funders. The Company is a member of the FLA and is actively involved in various committees and the MD/CFO also sits on the FLA Board.</p>

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Strategic report (continued)

Operational Risks – the risk of failures of systems (including cyber security breaches) or internal procedures.	<p>Segregation of duties and internal controls are the main key mitigations for internal fraud plus a comprehensive authority matrix and various policies. Data losses are reported via a data protection email and are recorded alongside any data breaches which the data protection officer and the legal and compliance director have access to. Annual training and tests are performed on GDPR and other internal policies.</p> <p>Shire's security portfolio is a layered multi-faceted environment to combat cyber security breaches. Shire uses Adobe and Sharefile to send documents, which include link expiration. Firewalls, web filtering, antivirus, pen testing, web content and email filtering are all in use supported by regular email training and users being phish tested monthly. Full business continuity plans, major incident plans and business impact analysis documents are in place which were implemented during the pandemic lockdowns, resulting in flexible homeworking solutions.</p>
Conduct and Regulatory Risks – lack of market integrity due to either supplier and/or Shire's behaviour, activity and processes.	<p>Mitigations include induction programmes, social media policy, internal training on Shire policies and externally provided staff training as required. Anti-money laundering, bribery and financial crime policies are tested annually. Suppliers are quality approved by Shire, ensuring their financial standing and FCA approved as necessary and key relationships are managed within the sales teams.</p>

Key performance indicators

The Board and Senior Management regularly review and monitor performance across a range of metrics. Some of these are detailed below:

Metric	2025	2024
Group capital value originated	£164.6m	£134.8m
Group gross receivables	£238.7m	£209.9m
Group net investment in finance leases	£197.8m	£177.9m
Group unearned finance income	£43.3m	£38.0m
Group earnings before interest, tax, depreciation and amortisation [EBITDA] (Operating profit before amortisation and depreciation [note 3])	£5.1m	£4.4m
Company Leaseman Online proposals received	39.6%	37.3%

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Strategic report (continued)

Research and Development

The Group maintains a program of innovation and continuous improvement in both new products and systems. By employing its own developers, as well as using contract developer resources, it is able to respond quickly to changing needs.

Future strategy and outlook

Shire is committed to developing its new acquisition Shire Securities Ltd, to grow originations and benefit from the funding relationships of Shire to develop further its Own Book of loans. As part of this process, overall funding facilities are being reviewed and the business processes and systems including provision of robust management information are being aligned to Shire Leasing's practices in order to develop further growth as part of an overall Group strategy.

In 2024 and beyond, the Group continues to be actively committed to Environmental, Social and Governance (ESG) under its People, Planet, Profit initiative.

Shire has identified 3 key Development Goals:

- **People:** Enhancing and expanding the social aspect of what we do for our staff, our customers, our suppliers, our funders and our community through:
 - Education
 - Wellbeing
 - Equality, Diversity and Inclusion
 - Culture
 - Community and Volunteering
- **Planet:** Minimising our own impact on the environment whilst using our products and market influence to support others in making positive changes in their journey to reducing their carbon footprint by
 - Offering finance solutions that support affordable access to green/ sustainable assets
 - Transitioning to technologies that will reduce Shire's own carbon footprint
 - Identifying and implementing initiatives that reduce Shire's environmental impact
- **Profit:** As a growing profitable financial services organisation that does business fairly and responsibly, Shire are committed to:
 - Supporting the growth of micro, small and medium sized enterprises by providing them with affordable finance solutions
 - Delivering economic growth and stakeholder value
 - Adhering to ethical lending practices
 - Cultivating an open and strong business culture through accountability and transparency

Shire have developed products which can be used for green/sustainable assets including Low Start for Low Emissions as part of the Green Asset Policy and also a Balloon product. Shire remains on the Clean Air Zone funding panels, although activity has seen a decline during 2025. Shire continues to form relationships with other Cleantech specialists and is committed to support sustainability challenges where possible as well as communicate the message that alternative finance is an enabler for businesses seeking to invest.

Shire Leasing Plc

Strategic report (continued)

In June 2025 Shire were awarded a joint ESG award from the Finance and Leasing Association (FLA) for Exemplary Commitment in B2B.

Shire have continued to focus extensively on its People – continually assessing its many workplace benefits, Employee Assistance Programmes and providing extensive wellbeing programmes.

Shire's Click2Finance platform is exciting and will aid equipment suppliers who have transformed their business models to online shopping during the pandemic, enabling them to offer their business to business finance seamlessly online. The end to end digital journey for the business customer is transformative in this space. 'Powered by Aurora' is Shire's internal process development and automation to support this initiative which will help us to grow our originations significantly without having to increase resources and overheads in the process.

The Group will continue to focus on its own portfolio of finance leases positioning itself well as it navigates the known challenges ahead. Ongoing funding requirements for the portfolio, particularly for the business loan portfolio within its subsidiary is being actively reviewed in order that a greater proportion can be considered for its own book in the future. The Medium Term Note programme (MTN) will allow Shire to raise working capital funds when required, to support the exciting Own Book origination initiatives. Active work on cash flow management will continue to optimise profitability whilst providing liquidity as well as proactively working with funding providers to ensure that the strategic direction of strengthening the Own Book portfolio continues into the foreseeable future.

Shire Leasing Plc

Strategic report (continued)

Director's Duties to Stakeholders

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

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

Purpose, strategy and long term consideration

Shire's vision is to provide a market-leading service through innovation and expertise, delivering flexible funding solutions to British businesses. As a Group we aim to achieve this through a combination of strategic investment in our Own Book and optimising this for the long term, alongside where appropriate, the use of external funder partnerships. The Directors have a duty to promote the success of the Group and it relies on smooth operations with appropriate policies and governance and the support of its various Stakeholders.

Our People

Our employees are the most valuable assets of the Group. Our people's commitment is essential for us to deliver on our vision. We engage with the employees through quarterly briefings, operating meetings, regular and ad hoc meetings, video conference, telephone and email for the following topics:

- Sustainable strategies and their implementation
- Compensation, welfare and employee care
- Compliance
- Work environment safety, health and wellbeing
- Internal training

We have an employee forum to ensure our staff have a voice within the organisation and we encourage employees to make suggestions for improvements via our All Ideas Matter (AIM) incentive.

We set up strict selection procedures and standards in place to ensure non-discrimination in our employment policy. We provide employees with comprehensive training and career development opportunities. We conduct departmental and external professional training.

The Group strives to enhance employee safety and care. The Group has comprehensive staff health and safety policies, a Wellbeing Committee, induction and training programmes and encourages employee involvement in monitoring and enhancing health and safety practices throughout the company and also has an Employee Assistance Program.

The Group operates a hybrid working policy for those employees who request it where appropriate.

Shire Leasing Plc

Strategic report (continued)

Business Relationships

Suppliers

Shire works with its vendor base who introduce business ensuring operations can be carried out as efficiently as possible. Through our Supplier portal, our newly created Click2Finance product, API's to their systems and formal trading agreements, we work with suppliers to give them maximum possible vision of our relevant requirements and ensure that invoices are paid in a timely manner.

Customers

Shire aims to maximise the value for customers by optimising services, products and communications. We focus on customer requirements and satisfaction and we satisfy our customers and improve competitiveness by providing more accurate and wider service through the cooperation with other funding partners.

Funders

Our funding partners who provide the means for the Group to grow its Own Book play an essential part of the commercial strategy at Shire and we hold regular communication, quarterly review meetings and audits as required.

Service providers

Shire works with a number of key service providers for IT solutions and support as well as credit reference agencies and bureaus. These form a vital part of the delivery of our services to our customers as well as mitigating risks in the business.

Other Industry and Regulatory Bodies

We play an active part in our industry, with many of our Directors chairing various committees or representing the Group at the Finance and Leasing Association (FLA). Our Managing Director sits on the FLA board of Directors. We also have representation on the Leasing Foundation Board and we have constructive and open relationships with all regulatory bodies. Compliance is maintained through our Risk Committee and Legal and Compliance function.

Community and Environment

Shire's management and employees harness individual expertise and the Group's strong position to create positive change for the people and communities with which they interact, in particular within the Small, Medium Enterprise (SME) marketplace.

Shire Leasing Plc

Strategic report (continued)

Mark Picken

On behalf of the Board

M D Picken CEO

8th August 2025

Shire Leasing Plc

Directors' report

The directors present their report together with the audited financial statements of the Group for the year ended 31 March 2025.

Funding

Management will continue to monitor compliance with all of the mandatory covenants, and advise the funders on compliance with their respective covenants on a regular basis. The Group maintains regular dialogue and has strong and open relationships with all of its funders. The Group has total facilities of £270.9 million and a further £0.2 million facility in run-off providing sufficient headroom for at least the next 12 months of trading.

The Group has made all the repayments in respect of the facilities on schedule.

Going Concern

The financial statements are prepared on a going concern basis and the Directors have a reasonable expectation that the Group and Company have the resources to continue in business for the 12 months from the reporting date.

The Directors have considered a wide range of information relating to present and future conditions, including the current state of the balance sheet, future projections of profitability, cash flows, capital resources and the longer term strategy of the business. Cash flow forecasts have been produced for the period up to 31 March 2027 and these show that the Group will be generating sufficient cash to meet all of its liabilities as they fall due. The Directors believe that the Group and Company have sufficient resources to continue its activities for the foreseeable future.

Charitable Donations

The Group and Company made charitable donations of £7,013 to local charities and £7,149 to national charities (2024: £13,161 and £7,419) during the year.

Research and Development

The Group and Company incurred £849,000 on external research and development expenditure during the year (2024: £1,015,000).

Directors

The directors who served during the year under review and up to the date of signing the financial statements were:

M E Smith
J Worton
R C Hayes
S Price – resigned 1 August 2025
M D Picken
H Lumb
C H MacKrell- resigned 5 March 2025
M J Workman
J M McLintock
G Coe
E Carruthers – appointed 24 April 2024
D A Fletcher – appointed 1 August 2025

Except as explained in note 23 to these financial statements, none of the directors had, directly or indirectly, a material beneficial interest in any contract, transaction or arrangement to which the Group was a party during the year ended 31 March 2025 or the prior year.

Shire Leasing Plc

Directors' report (continued)

Third party indemnity provision for Directors

Qualifying third party indemnity provision is in place for the benefit of all directors of the Group and Company.

Results and dividends

The result for the year is set out on page 21. An interim dividend of £1,709,408 (2024: £1,350,803) was paid during the year. The directors do not recommend payment of a final dividend (2024: £nil).

Creditor payment policy

Suppliers are made aware of payment terms and how disputes are to be settled and payment is made in accordance with those terms. At 31 March 2025, the Group and Company has an average of 9 days (2024: 8 days) purchases outstanding in trade creditors.

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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

Company law requires the directors to prepare group and company financial statements for each financial year. 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).

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

In preparing each of the group and company financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to the auditor

In so far as the directors, individually, are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Shire Leasing Plc

Directors' report (continued)

Strategic report

The principal activities, review of business and future developments, principal risks and uncertainties, and key performance indicators have been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006.

Independent auditors

The auditors, RSM UK Audit LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be discussed at the Annual General Meeting.

On behalf of the Board



H Lumb
Director and Company Secretary

8th August 2025

Shire Leasing Plc

Independent Auditor’s Report to the members of Shire Leasing Plc

Opinion

We have audited the financial statements of Shire Leasing Plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 31 March 2025 which comprise the Consolidated Statement of Comprehensive income, Consolidated and Company Statements of Financial Position, Consolidated and Company Statements of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements 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). The financial reporting framework that has been applied in the preparation of the parent company financial statements 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 group’s and of the parent company’s affairs as at 31 March 2025 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent 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.

Summary of our audit approach

Key audit matters	Group and Parent company <ul style="list-style-type: none">• No key audit matters noted
Materiality	Group <ul style="list-style-type: none">• Overall materiality: £3,400,000 (2024: £3,030,000)• Performance materiality: £2,550,000 (2024: 2,270,000) Parent Company <ul style="list-style-type: none">• Overall materiality: £3,330,000 (2024: £2,980,000)• Performance materiality: £2,490,000 (2024: £2,230,000)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 100% of profit before tax.

Key audit matters

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

Shire Leasing Plc

Independent Auditor's Report to the members of Shire Leasing Plc (continued)

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

We have determined that there are no key audit matters to communicate in our report.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£3,400,000 (2024: £3,030,000)	£3,330,000 (2024: £2,980,000)
Basis for determining overall materiality	1.6% of Total Assets	1.6% of Total Assets
Rationale for benchmark applied	As a leasing and lending business, focus on total assets determined appropriate.	As a leasing and lending business, focus on total assets determined appropriate.
Performance materiality	£2,550,000 (2024: £2,270,000)	£2,490,000 (2024: £2,230,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £170,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £166,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

Due to the nature of lending entities, the income statement is ultimately a percentage of the balance sheet, as such a separate materiality for the income statement was determined. This was based on a Revenue metric, which is driven by the increased lending and asset base.

As such group materiality applicable to profit and loss areas were determined as group overall materiality of £779,000 and group performance materiality of £584,000. For the parent company materiality applicable to profit and loss areas were £720,000 and £540,000 respectively.

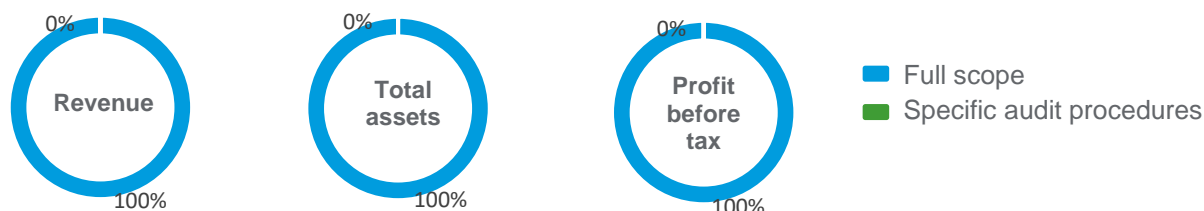
Shire Leasing Plc

Independent Auditor's Report to the members of Shire Leasing Plc (continued)

An overview of the scope of our audit

The group consists of 2 components, all of which are based in the UK.

The coverage achieved by our audit procedures was:



Full scope audits were performed for 2 components, with 0 components subject to specific audit procedures.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Understanding how the cashflow forecasts for the going concern period had been prepared and the assumptions adopted;
- Obtaining management's going concern model, which is for a period of 18 months from the date of this report, and which includes details of facilities available, and testing its mathematical accuracy;
- Comparing management's historical forecasts to actual results to determine whether forecast cash flows are reliable based on past experience;
- Assessing the going concern disclosures in the financial statements to ensure they are in accordance with United Kingdom Accounting Standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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.

Shire Leasing Plc

Independent Auditor's Report to the members of Shire Leasing Plc (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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Shire Leasing Plc

Independent Auditor's Report to the members of Shire Leasing Plc (continued)

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the overall control environment.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the audit engagement team included:
FRS102 and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from external tax advisors; Inspection of correspondence with local tax authorities
FCA Regulations	We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations. We inspected compliance documentation, including but not limited to, risk and breaches registers, regulatory returns and correspondence with the FCA as well as considering compliance with the conditions for authorisation, including with any restrictions or requirements placed on the firm, and other regulatory obligations.

Shire Leasing Plc

Independent Auditor's Report to the members of Shire Leasing Plc (continued)

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	We performed the following procedures: Performed cut off testing and substantive procedures in relation to revenue recognition. Assessed the adequacy of the Group's disclosures in relation to revenue recognition
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Use of 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.

Victoria Davies

Victoria Davies (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Suite A, 2nd Floor
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS
08/08/25

Shire Leasing Plc

Consolidated Statement of Comprehensive Income for the year ended 31 March 2025

	Note	2025 £000's	2024 £000's
Turnover	2	39,826	31,522
Cost of sales		<u>(14,209)</u>	<u>(10,468)</u>
Gross profit		25,617	21,054
Operating expenses - restructure		(708)	-
Operating expenses - other		(20,625)	(17,236)
Amortisation of goodwill		(188)	(511)
Operating expenses		<u>(21,521)</u>	<u>(17,747)</u>
Operating profit		4,096	3,307
Other interest receivable and similar income	5	33	-
Interest payable and similar charges	6	<u>(981)</u>	<u>(507)</u>
Profit before taxation	3	3,148	2,800
Tax on profit	7	<u>(726)</u>	<u>(843)</u>
Total comprehensive income for the financial year		<u><u>2,422</u></u>	<u><u>1,957</u></u>

All of the profit and other comprehensive income are attributable to the owners of the Parent Company.
All of the operations of the company and group are classed as continuing.

Shire Leasing Plc (Registered number: 02476571)

Consolidated Statement of Financial Position as at 31 March 2024

	Note	2025 £000's	2024 £000's
Fixed assets			
Intangible assets	9	3,241	3,328
Tangible assets	10	5,042	513
		8,283	3,841
Current assets			
Debtors due within one year	12	76,882	67,690
Debtors due in more than one year	12	123,182	113,158
Cash at bank and in hand		4,600	5,981
		204,664	186,829
Creditors: amounts falling due within one year	13	(78,782)	(64,948)
Net current assets		125,882	121,881
Total assets less current liabilities		134,165	125,722
Creditors: amounts falling due after more than one year	14	(108,337)	(100,829)
Provisions for liabilities and charges	17	(577)	(155)
Net assets		25,251	24,738
Capital and reserves			
Called up share capital	18	93	93
Merger reserve	18	2,216	2,216
Capital redemption reserve	18	603	602
Profit and loss account	18	22,339	21,827
Total equity		25,521	24,738

The financial statements were approved by the board of directors on 8th August 2025 and were signed on its behalf by:



H Lumb
Director

The notes on pages 30 to 54 form part of these financial statements

Shire Leasing Plc (Registered number: 02476571)

Company Statement of Financial Position as at 31 March 2025

	Note	2025 £000's	2024 £000's
Fixed assets			
Intangible assets	9	1,521	1,447
Tangible assets	10	5,041	505
Investments	11	4,553	4,553
		11,115	6,505
Current assets			
Debtors due within one year	12	73,475	65,007
Debtors due in more than one year	12	119,470	110,245
Cash at bank and in hand		3,263	4,899
		196,208	180,151
Creditors: amounts falling due within one year	13	(75,635)	(62,659)
Net current assets		120,573	117,492
Total assets less current liabilities		131,688	123,997
Creditors: amounts falling due after more than one year	14	(105,922)	(99,106)
Provisions for liabilities and charges	17	(570)	(153)
Net assets		25,196	24,738
Capital and reserves			
Called up share capital	18	93	93
Merger reserve	18	2,216	2,216
Capital redemption reserve	18	603	602
Profit and loss account	18	22,284	21,827
Total equity		25,196	24,738

The Parent Company has taken the exemption from preparing a separate profit and loss account as permitted under section 408 of Companies Act 2006

The profit for the Parent Company for the year was £2,367,000 (2024: £1,957,000).

Shire Leasing Plc (Registered number: 02476571)

Company Statement of Financial Position as at 31 March 2025 (continued)

The financial statements were approved by the board of directors on 8th August 2025 and were signed on its behalf by:



H Lumb
Director

The notes on pages 30 to 54 form part of these financial statements

Shire Leasing Plc

Consolidated Statement of Changes in Equity for the year ended 31 March 2025

	Note	Share Capital £000's	Merger reserve £000's	Capital redemption reserve £000's	Profit and loss account £000's	Total £000's
At 1 April 2023		59	-	602	21,221	21,882
Retained profit for the financial year		-	-	-	1,957	1,957
Dividends paid	8	-	-	-	(1,351)	(1,351)
Acquisition of Subsidiary		34	2,216	-	-	2,250
At 31 March 2024		93	2,216	602	21,827	24,738

	Note	Share Capital £000's	Merger reserve £000's	Capital redemption reserve £000's	Profit and loss account £000's	Total £000's
At 1 April 2024		93	2,216	602	21,827	24,738
Retained profit for the financial year		-	-	-	2,422	2,422
Dividends paid	8	-	-	-	(1,709)	(1,709)
Purchase of own shares	18	-	-	1	(201)	(200)
At 31 March 2025		93	2,216	603	22,339	25,251

Shire Leasing Plc

Company Statement of Changes in Equity for the year ended 31 March 2025

	Note	Share Capital £000's	Merger reserve £000's	Capital redemption reserve £000's	Profit and loss account £000's	Total £000's
At 1 April 2023		59	-	602	21,221	21,882
Retained profit for the financial year		-	-	-	1,957	1,957
Dividends paid	8	-	-	-	(1,351)	(1,351)
Acquisitions of Subsidiary		34	2,216	-	-	2,250
At 31 March 2024		93	2,216	602	21,827	24,738

	Note	Share Capital £000's	Merger reserve £000's	Capital redemption reserve £000's	Profit and loss account £000's	Total £000's
At 1 April 2024		93	2,216	602	21,827	24,738
Retained profit for the financial year		-	-	-	2,367	2,367
Dividends paid	8	-	-	-	(1,709)	(1,709)
Purchase of own shares	18	-	-	1	(201)	(200)
At 31 March 2025		93	2,216	603	22,284	25,196

Shire Leasing Plc

Consolidated Statement of Cash Flows for the year ended 31 March 2025

	Note	2025 £000's	2024 £000's
Operating activities			
Cash used in operations	19	(12,006)	(21,982)
Interest received		33	-
Interest paid		(981)	(507)
Taxation		(898)	(811)
Net cash used in operating activities		(13,852)	(23,300)
Investing activities			
Proceeds from sales of fixed assets		-	1
Purchase of fixed assets		(5,401)	(1,109)
Purchase of subsidiary (net of cash acquired)		-	(1,220)
Net cash used in investing activities		(5,401)	(2,328)
Financing activities			
Equity dividends paid to shareholders		(1,709)	(1,351)
Proceeds from bank loans		74,382	66,191
Repayment of bank loans		(54,603)	(39,706)
Repayment of capital element of finance leases		-	(51)
Purchase of own shares		(200)	-
Net cash from financing activities		17,870	25,083
Net decrease in cash during the year		(1,383)	(545)
Cash at beginning of year		5,982	6,527
Cash at end of year		4,599	5,982

No statement of cash flows has been presented for the Parent Company as it has taken advantage of the exemption given in FRS 120 1.12(b).

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

1. Accounting policies

The principal accounting policies are summarised below. These accounting policies have been applied consistently throughout the year and the preceding year in relation to items which are material to the Group's and Company's financial statements.

General Information

Shire Leasing Plc is a limited company domiciled and incorporated in England. The address of the Company's registered office and principal place of business is:

1 Calico Business Park
Sandy Way
Tamworth
Staffordshire
B77 4BF

The principal activity of the Group and Company is the provision of lease finance, hire purchase and loan arrangements. This comprises providing lease financing, hire purchase and loans to customers, the assignment of finance lease arrangements, hire purchase and loans to third parties, arranging lease financing on an agency basis, secondary rentals and sale of title. The market served is predominantly the Small Medium Enterprise market, with main asset types for lease finance and hire purchase being Lifestyle equipment, Agriculture, Telecommunications, Vending, and Vehicles.

Basis of accounting

The consolidated Group and separate financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

Parent Company separate financial statements

In preparing the financial statements of Shire Leasing Plc, advantage has been taken of the following disclosure exemptions available in FRS 102 on the basis the information is included in the consolidated financial statements:

- The requirement to present a statement of cash flows and the related notes
- Financial instrument disclosures (except for intercompany balances) including:
 - Categories of financial instruments
 - Items of income, expense, gains or losses relating to financial instruments, and
 - Exposure to and management of financial risks
- Share based payment disclosures
- Compensation for key management personnel

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Accounting policies consistent with those of the parent are used and all intra-group transactions, balances, income, and expenses are eliminated in full on consolidation.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

1. Accounting policies (continued)

Going concern

For the year ended 31 March 2025 the Group made a pre-tax profit of £3.1 million (2024: pre-tax profit of £2.8 million) and had net current assets of £127.8 million (2024: £121.9 million net current assets) and net assets totalling £25.5 million (2024: £24.7million net assets). At the time of approving the financial statements the Directors have considered the forecasts and projections for the Group and Company for the next 12 months from the date of this report and having sensitised the forecasts to take account of a worst case scenario, have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Alternative presentation of profit and loss account

In accordance with the laws and regulations of the Companies Act 2006 the special nature of the business requires the adaptation of the arrangements of headings set out in that Act. The statement of comprehensive income is therefore presented in a revised format, with interest payable and similar charges related to the cost of providing finance to customers classified as cost of sales.

Functional and presentational currencies

The financial statements are presented in Sterling (£) which is also the functional currency of the Group and Company.

Foreign currencies

Transactions in currencies other than the functional currency of sterling (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Finance lease contracts and income – lessor accounting

Assets leased to customers under arrangements that transfer substantially all the risks and rewards of ownership of the assets to the lessee, other than legal title, are classified as finance leases.

The gross earnings from a finance lease (including any items of income incidental to the leases) are allocated to accounting periods using the sum of digits method as a proxy to approximate to a constant periodic rate of return on the Group and Company's net cash investment in the lease and is included in turnover. Under the sum of digits method, the total gross earnings are apportioned over the term of the lease in proportion to the number of rentals outstanding. This method is considered immaterially different to the actuarial approach required by FRS 102.

Initial direct costs, which are incremental and are directly associated with negotiating and consummating the lease transactions are included in the net investment in finance leases and reflected in the calculation of the lease income. Other costs and income are recognised in the profit or loss when incurred.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

1. Accounting policies (continued)

Net investment in finance leases at the financial position date represents the minimum lease rentals accruing less the gross earnings allocated to future periods. There are no guaranteed residual values available at the end of any leases and as unguaranteed residual values are not considered to be material, they are not reflected in the net investment in finance leases.

Any gain or loss on disposal of assets arising at the end of the lease is included in turnover when all the risks and rewards have been transferred by the Group.

Any gain or loss on early terminations of leases, calculated as the difference between the total net sums recovered and the book value of net investment in finance leases, is included in the profit or loss when such terminations arise.

Secondary rentals are recognised in the profit or loss as they accrue, after taking account of the possibility of bad debts.

Specific provision is made in respect of finance leases, which have been identified as impaired. Further, a general provision is made in respect of amounts not specifically identified, but considered to be impaired based on past experience, taking into account current economic conditions and the level of specific provisions. Any provision for bad debts is set against the net investment in finance leases.

Assignment of finance leases

Under certain arrangements entered into by the Group, finance lease arrangements may be assigned to counterparties ("assignees") and on assignment substantially all the risks and rewards in the assets and the finance lease arrangement are transferred to the assignees. The related net investment in finance lease outstanding at the date of transfer is derecognised and any gain is recognised within turnover.

Volume related bonuses and incentives received from the assignees are recognised in profit or loss when realised within turnover.

Where the Group subsequently re-acquires assets from assignees for onward disposal, any gain or loss on disposal of these assets is recognised in turnover, at the point it can be determined that all the risks and rewards in the assets have been transferred by the Group.

Commission income

Commission earned by the Group for arranging finance leases on behalf of counterparties is recognised directly in the profit and loss account and included in the turnover when the transaction is completed and the receipt is reasonably certain.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is a reasonable assurance that the grant conditions are met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant recognised before the recognition criteria are satisfied is recognised as a liability.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

1. Accounting policies (continued)

Hire purchase and finance lease contracts – lessee accounting

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit or loss over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

Rentals payable under operating leases are charged to the profit or loss on a straight line basis over the lease term.

Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost less the related accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets excluding land at rates calculated to write off the cost of each asset to its estimated residual value over its expected useful life as follows:

Fixtures, fittings and equipment	-	20-50% on straight line
Motor vehicles	-	25% on straight line
Computer equipment	-	20-33% on straight line
Leased assets	-	straight line over the lease term
Properties	-	2% on straight line
Land	-	no depreciation

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the assets as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts and major inspections, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts of previous inspections are then derecognised. All other costs of repairs and maintenance are charged to the profit or loss as incurred.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

1. Accounting policies (continued)

Goodwill

Goodwill, being the difference between the fair value of the consideration and the fair value of the separable net assets acquired, is capitalised and amortised over managements' assessment of the useful economic life of the underlying assets, based on the straight line method and being a period of ten years.

Development expenditure

Costs related to the development of software products are capitalised when they meet the following conditions:

- (i) It is technically feasible to complete the development so that the software product will be available for use or sale.
- (ii) It is intended to use or sell the software product being developed.
- (iii) The company is able to use or sell the software product being developed.
- (iv) It can be demonstrated that the software product will generate probable future economic benefits.
- (v) Adequate technical, financial and other resources exist so that software product development can be completed and the product subsequently used or sold.
- (vi) Expenditure attributable to the software development can be reliably measured.

Capitalised development costs are stated at cost less accumulated amortisation and impairment losses and amortised over its useful economic life, currently estimated to be 4 years. Amortisation expenses for the year are included in administrative expenses.

All other research and development expenditure is recognised as an expense in the period in which it is incurred.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expense in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

1. Accounting policies (continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees can carry forward any unused holiday entitlement at the reporting date for utilisation in the following 9 months. The cost of any unused entitlement is recognised in the period in which the employee's services are received. Any accrual is measured at the undiscounted salary cost of the future holiday entitlement and is included in the statement of financial position.

Retirement benefits

The Group operates a defined contribution pension scheme. The amounts charged to the profit or loss represent the contributions payable in the year. Any difference between contributions payable in the year and contributions paid are shown as either accruals or prepayments in the statement of financial position.

Finance costs

Finance costs on bank and other borrowings is recognised on an effective interest rate method and included within cost of sales where they relate to funds used to acquire assets for finance leases.

Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade Debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any provision for bad debts.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Specific provision is made in respect of trade debtors, which have been identified as impaired. Further, a general provision is made in respect of amounts not specifically identified, but considered to be impaired based on past experience, taking into account current economic conditions and the level of specific provisions. Any provision for bad debts is set against the trade debtors. Impairment losses are recognised in the profit or loss for the excess of the carrying value of the trade debtor.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

1. Accounting policies (continued)

Financial Instruments (continued)

Financial Liabilities and Equity

Trade Creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the sum of digits method as a proxy to the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in cost of sales.

Borrowings under the ENABLE and mezzanine scheme are initially recognised at the transaction price and subsequently measured at the transaction price less the principal received from the collateral assets in the respective portfolio. The interest expense is calculated at the prevailing interest rates of the principal outstanding and included in cost of sales. The mezzanine scheme was repaid in full during the year.

Derecognition of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

1. Accounting Policies (continued)

Business Combinations (continued)

For the purpose of impairment testing, the goodwill acquired in a business combination is allocated, on acquisition date, to the cash generating units that are expected to benefit from the synergies of the combination.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

Critical Accounting Estimates and Areas of Judgement

Critical Accounting Estimates

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

- A general provision is made in respect of finance leases which have not been specifically identified as impaired but are considered to be impaired based on past experience, taking into account current economic conditions and the level of specific provisions. Any provision for bad debts is set against the net investment in finance leases.

Critical Areas of Judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Group as lessee, or the lessee, where the Group is a lessor.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

2. Turnover

Turnover represents the income, excluding value added tax, derived from finance leases and loans, assignment of finance leases and commission as mentioned in note 1 to these financial statements. Turnover is derived from business arising within the United Kingdom. The following are the details of the turnover:

	2025 £000's	2024 £000's
Interest earned on finance leases and loans (see note below)	36,473	29,810
Gain on assignment of finance leases	663	468
Commission earned on lease and loan arrangements	2,690	1,244
	39,826	31,522

Interest earned on finance leases includes secondary rentals together with other related income which is not considered to be incidental to the leases and is therefore recognised as earned.

3. Profit before taxation

	2025 £000's	2024 £000's
Profit before tax is stated after charging / (crediting):		
Depreciation of tangible fixed assets – owned	251	151
– under finance leases	-	50
Amortisation of goodwill (note 9)	188	511
Amortisation of software	521	387
Operating lease charges – land and buildings	35	348
Bad debt expense	1,748	1,835
Auditors' remuneration – audit service	67	59
Auditors' remuneration – non-audit services	9	-
Expenditure incurred on internal development of software	294	267
Loss on disposal of fixed assets	-	3

Of the £9,000 (2024: £nil) incurred under services provided by the Group's auditor for non-audit work £9,000 (2024: £nil) relates to other services provided during the year.

4. Staff costs

	2025 £000's	2024 £000's
Staff costs for the Company and Group during the year amounted to:		
Wages and salaries	13,290	10,286
Social security costs	1,556	1,216
Other pension costs (note 20)	160	129
	15,006	11,631
Agency staff costs	491	541
	15,497	12,172

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

4. Staff costs (continued)

	2025 Number	2024 Number
The average monthly number of employees (including executive directors) was:		
Administrative and sales	198	166
Agency staff	20	22
	218	188

Directors' remuneration

	2025 £000's	2024 £000's
Aggregate emoluments	2,376	2,053
Group pension contributions to money purchase schemes	12	11

Pensions

	2025 Number	2024 Number
The number of directors who were members of pension schemes was:		
Money purchase scheme	9	8

Highest paid director

The above amount for directors' emoluments includes £476,891 (2024: £477,549) in respect of the highest paid director. The Group made £1,321 contribution to the money purchase pension scheme on behalf of the highest paid director in the year (2024: £1,321).

5. Other interest receivable and similar income

	2025 £000's	2024 £000's
Bank and other interest receivable	33	-

6. Interest payable and similar charges

	2025 £000's	2024 £000's
Bank and hire purchase interest payable	-	1
Other interest payable	981	506
Total interest payable	981	507

Interest payable on finance leases issued

Interest payable on finance leases issued of £10,229,000 (2024: £7,873,000), is included within cost of sales of £14,842,000 (2024: £10,468,000).

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

7. Tax on profit on ordinary activities

	2025 £000's	2024 £000's
The tax charge comprises:		
Current tax		
UK Corporation tax on profits for the year	243	752
Prior year adjustment	61	-
Total current tax	304	752
Deferred tax		
Origination and reversal of timing differences (note 17)	422	91
Tax on profit on ordinary activities	726	843

Factors affecting tax charge for the year

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

	2025 £000's	2024 £000's
Profit before tax	3,148	2,800
Profit before tax multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%)	787	700
Effects of:		
Expenditure not deductible for tax purposes	39	143
Non-taxable income	(583)	(91)
Prior year adjustment	61	-
Total tax charge	304	752

Factors affecting future tax charges

No changes to the main rate of corporation tax have been announced by the UK government. All potential deferred taxation assets or liabilities are therefore provided at the current rate of 25%.

8. Dividends

	2025 £000's	2024 £000's
Equity shares – Ordinary B		
Interim dividend paid on ordinary B shares	1,349	1,351
Equity shares – Ordinary		
Interim dividend paid on ordinary shares	360	-
Total dividends paid	1,709	1,351

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

9. Intangible fixed assets

Group

	Goodwill £000's	Software £000's	Total £000's
Cost			
At 1 April 2024	9,900	3,647	13,547
Transfer from tangible fixed assets	-	6	6
Additions	1	615	616
At 31 March 2025	9,901	4,268	14,169
Accumulated amortisation			
At 1 April 2024	8,019	2,200	10,219
Charge for the year	188	521	709
At 31 March 2025	8,207	2,721	10,928
Net book value			
At 31 March 2025	1,694	1,547	3,241
At 31 March 2024	1,881	1,447	3,328

The goodwill arising as a result of the transfer of trading business of the acquired subsidiary undertaking. The goodwill is being amortised on a straight line basis over the remaining useful economic life of ten years. This is the period over which the directors estimate that value of the underlying business is expected to exceed the value of the underlying assets.

Amortisation is recognised within operating expenses

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

9. Intangible fixed assets (continued)

Company

	Goodwill £000's	Software £000's	Total £000's
Cost			
At 1 April 2024	8,019	3,647	11,666
Additions	-	593	593
At 31 March 2025	8,019	4,240	12,259
Accumulated amortisation			
At 1 April 2024	8,019	2,200	10,219
Charge for the year	-	519	519
At 31 March 2025	8,019	2,719	10,738
Net book value			
At 31 March 2025	-	1,521	1,521
At 31 March 2024	-	1,447	1,447

The goodwill arising as a result of the historic transfer of trading business of the acquired subsidiary undertaking, Shire Professional Services Limited, is being amortised on a straight line basis over the remaining useful economic life of ten years. This is the period over which the directors estimate that value of the underlying business is expected to exceed the value of the underlying assets.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

10. Tangible fixed assets

Group

	Property and land	Fixtures, fittings and equipment (including computers)	Motor vehicles	Total
	£000's	£000's	£000's	£000's
Cost				
At 1 April 2024	-	2,092	279	2,371
Additions	4,503	283	-	4,786
Transfer to intangible fixed assets	-	(6)	-	(6)
Disposals	-	(60)	-	(60)
At 31 March 2025	4,503	2,309	279	7,091
Accumulated depreciation				
At 1 April 2024	-	1,579	279	1,858
Charge for the year	71	180	-	251
Eliminated on disposals	-	(60)	-	(60)
At 31 March 2025	71	1,699	279	2,049
Net book value				
At 31 March 2025	4,432	610	-	5,042
At 31 March 2024	-	513	-	513

Assets held under finance leases and hire purchase contracts capitalised in fixtures, fittings and equipment and motor vehicles were as follows:

	2025 £000's	2024 £000's
Cost	236	236
Aggregate depreciation	(236)	(236)
Net book value	-	-

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

10. Tangible fixed assets (continued)

Company

	Property and land	Fixtures, fittings and equipment (including computers)	Motor vehicles	Total
	£000's	£000's	£000's	£000's
Cost				
At 1 April 2024	-	2,084	279	2,363
Additions	4,503	283	-	4,786
Disposals	-	(60)	-	(60)
At 31 March 2025	4,503	2,307	279	7,089

Accumulated depreciation

At 1 April 2024	-	1,579	279	1,858
Charge for the year	71	179	-	250
Eliminated on disposals	-	(60)	-	(60)
At 31 March 2025	71	1,698	279	2,048

Net book value

At 31 March 2025	4,432	609	-	5,041
At 31 March 2024	-	505	-	505

Assets held under finance leases and hire purchase contracts capitalised in fixtures, fittings and equipment and motor vehicles were as follows:

	2025 £000's	2024 £000's
Cost	236	236
Aggregate depreciation	(236)	(236)
Net book value	-	-

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

11. Fixed Asset Investments

	Group		Company	
	2025	2024	2025	2024
	£'000s	£000's	£000's	£000's
Interests in subsidiaries	-	-	4,554	4,553

Subsidiary Undertakings

The following were subsidiary undertakings of the Company

Name	Registered Office	Principal Activity	Class of Shares	Holding
Shire Securities Limited	1 Calico Business Park, Sandy Way, Tamworth B77 4BF	Provision of business loans to SMEs as a lender and broker	Ordinary	100%
Shire Professional Services Limited	1 Calico Business Park, Sandy Way, Tamworth B77 4BF	Dormant Company	Ordinary	100%

100% of the share capital of Shire Securities Limited was acquired on 28 March 2024.

12. Debtors

	Group		Company	
	2025	2024	2025	2024
	£'000s	£000's	£000's	£000's
Amounts falling due within one year:				
Net investment in finance leases	74,596	64,702	71,227	62,053
Trade debtors	1,126	1,003	1,094	974
Corporation tax	84	-	84	-
Amounts owed by group undertakings	-	-	31	19
Other debtors and prepayments	1,076	1,985	1,039	1,961
	76,882	67,690	73,475	65,007

Amounts falling due after more than one year:

Net investment in finance leases	123,182	113,158	119,470	110,245
	123,182	113,158	119,470	110,245

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

12. Debtors (Continued)

Further details on the assets included in the net investment in finance leases are given below:

	Group		Company	
	2025 £'000s	2024 £000's	2025 £000's	2024 £000's
Gross amounts receivable under finance leases:				
Within one year	96,822	75,774	91,885	72,381
In the second to fifth years inclusive	139,514	131,928	134,926	128,221
After five years	2,322	2,174	2,308	2,174
Gross investment	238,658	209,876	229,119	202,776
Less: Unearned finance income	(43,295)	(38,011)	(40,831)	(36,473)
Present value of minimum lease payments	195,363	171,865	188,288	166,303
Plus: supplier commissions allocated to future periods	2,414	5,995	2,409	5,995
Net investment in contracts accounted for as finance leases	197,777	177,860	190,697	172,298

The Group did not recognise any contingent rentals during the year (2024: £nil) and the Group has not and continues not to offer residual values.

The Group has an accumulated allowance of £1,366,000 (2024: £1,547,000) for uncollectable minimum lease payments receivable.

The Company has an accumulated allowance of £1,156,000 (2024: £1,469,000) for uncollectable minimum lease payments receivable.

13. Creditors: amounts falling due within one year

	Group		Company	
	2025 £'000s	2024 £000's	2025 £000's	2024 £000's
Bank and other borrowings (note 15)	70,900	58,626	68,204	56,756
Trade creditors	2,056	1,842	2,003	1,786
Corporation tax payable	175	685	-	433
Other tax and social security payable	813	672	804	653
Other creditors	2,882	1,657	2,882	1,656
Accruals and deferred income	1,956	1,466	1,742	1,375
	78,782	69,948	75,635	62,659

A debenture dated 19 July 2022 incorporating, inter alia, a fixed and floating charge is held over all the assets and undertaking of the Company both present and future.

14. Creditors: amounts falling due after more than one year

	Group		Company	
	2025 £'000s	2024 £000's	2025 £000's	2024 £000's
Bank and other borrowings (note 15)	108,337	100,829	105,922	99,106

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

15. Bank and other borrowings

	Group		Company	
	2025	2024	2025	2024
	£'000s	£000's	£000's	£000's
Due within one year or on demand				
Bank loans and overdrafts				
Secured	70,750	58,476	68,054	56,606
Unsecured	150	150	150	150
	70,900	58,626	68,204	56,756
Due after more than one year				
Bank loans				
Secured	108,337	100,829	105,922	99,106
	108,337	100,829	105,922	99,106
Total borrowings	179,237	159,455	174,126	155,862

The secured bank loans represent a combination of the funding obtained by the Group under various financing arrangements entered into to finance the acquisition of assets to be provided to customers under finance lease contracts and additional borrowing.

The loans entered into to finance the acquisition of assets provided to customers are denominated in GBP and are secured by a charge over the underlying finance lease contracts.

They are a combination of fixed term facilities and warehousing facilities repaid from the underlying principal received from finance lease contracts.

Interest is calculated using the effective interest rate method and the bank and other borrowings are stated at amortised cost on fixed term facilities and on the balance outstanding of the warehouse facility at prevailing interest rates.

The additional borrowing is a medium term note facility denominated in GBP and secured via a fixed and floating charge held over the assets of the Company both present and future.

Interest is calculated using the effective interest rate method and the borrowings are stated at amortised cost.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

15. Bank and other borrowings (continued)

Maturity of financial liabilities within bank and other borrowings – Group

The maturity profile of the Group's liabilities at 31 March 2025 was as follows:

	Bank loans and overdrafts	Finance lease and hire purchase obligations	2025 Total	2024 Total
	£000's	£000's	£000's	£000's
Less than one year	78,287	-	78,287	66,957
In more than one year but not more than two years	61,439	-	61,439	51,290
In more than two years but not more than five years	53,311	-	53,311	52,985
In more than five years	1,324	-	1,324	1,180
	194,361	-	194,361	172,412

Maturity of financial liabilities within bank and other borrowings - Company

The maturity profile of the Company's liabilities at 31 March 2025 was as follows:

	Bank loans and overdrafts	Finance lease and hire purchase obligations	2025 Total	2024 Total
	£000's	£000's	£000's	£000's
Less than one year	75,321	-	75,321	64,899
In more than one year but not more than two years	59,696	-	59,696	49,947
In more than two years but not more than five years	52,493	-	52,493	52,513
In more than five years	1,324	-	1,324	1,180
	188,834	-	188,834	168,539

Finance lease and hire purchase obligations – Group and Company

The minimum lease payments under finance lease and hire purchase contracts fall due as follows:

	2025 £000's	2024 £000's
Less than one year	-	-
In more than one year but not more than five years	-	-
Present value of finance lease and hire purchase liabilities	-	-

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

15. Bank and other borrowings (continued)

Obligations under finance lease and hire purchase contracts were secured by the related assets and bore finance charges at rates ranging from 4.9% to 5.2% per annum in 2024. There were no such contracts during 2025.

Finance lease and hire purchase payments represent rentals payable by the Group for certain vehicles and items of office equipment. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases and hire purchase contracts are secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in note 10.

16. Financial instruments

The carrying amount of the Group's financial instruments at 31 March were:

	2025 £000's	2024 £000's
Financial assets:		
Debt instruments measured at amortised cost	199,334	180,249
Financial Liabilities:		
Measured at amortised cost	(186,130)	(164,420)

Company

At the balance sheet date the company had intercompany debtors of £31,000 (2024: £19,000) as set out in note 12. These are measured at cost and relate to transactions described in note 23.

17. Deferred Taxation

Deferred taxation	Group £000's	Company £000's
At 1 April 2024	(155)	(153)
Debited to the profit and loss account (note 7)	(422)	(417)
At 31 March 2025	(577)	(570)

There was no unprovided deferred tax at 31 March 2025 (2024: £nil). The deferred tax provision is shown below:

	Group		Company	
	2025 £000's	2024 £000's	2025 £000's	2024 £000's
Accelerated capital allowances	(677)	(269)	(670)	(267)
Other timing differences	100	114	100	114
	(577)	(155)	(570)	(153)

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

18. Share capital and reserves

Called up share capital

	2025 £000's	2024 £000's
Allotted and fully paid		
68,728 Ordinary shares of 50p each (2024: 68,728)	34	34
115,452 "A" Ordinary shares of 50p each (2024: 116,112)	58	58
833,190 "B" Ordinary shares of 0.001p each (2024: 838,383)	1	1
1,000 "C" Ordinary shares of 0.001p each (2024: 1,000)	-	-
	93	93

Voting rights

The holders of the "A" Ordinary shares, "B" Ordinary shares, and Ordinary shares shall be entitled to receive notice of and to attend and speak at all general meetings of the Company. The holders of the "A" Ordinary shares, "B" Ordinary shares, and Ordinary shares who (being individuals) are present in person or by proxy or (being a corporation) are present by duly authorised representatives or by proxy shall:

- (a) on a show of hands, have one vote each, and,
- (b) on a poll, have one vote each for every Share held.

The holders of the "C" Ordinary shares shall be entitled to receive notice of and to attend and speak but not vote at any general meeting of the Company.

Share transactions in the year

During the year 660 "A" Ordinary shares and 5,193 "B" Ordinary shares repurchased by the company for a total consideration of £200,000.

Reserves

Reserves of the Company represent the following:

Merger reserve – Excess of consideration and nominal value of shares issued when compared to the fair value of the assets acquired less annual transfers to the profit and loss account as this value amortises.

Capital redemption reserve - The nominal value of shares repurchased by the Company.

Profit and loss account - Cumulative profit and loss net of distributions to owners (see above).

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

19. Reconciliation of Group profit after tax to net cash used in operations

	2025	2024
	£000's	£000's
Profit after tax	2,422	1,957
Adjustments for:		
Depreciation of tangible fixed assets	251	201
Loss on disposal of tangible fixed assets	-	3
Amortisation of software	521	386
Amortisation of goodwill (note 9)	188	510
Interest receivable	(33)	-
Interest payable	981	507
Taxation	726	843
Operating cash flows before movements in working capital	5,056	4,407
Increase in trade and other debtors	(19,132)	(25,541)
Increase (Decrease) in trade and other creditors	2,070	(848)
Cash used in operating activities	(12,006)	(21,982)

20. Pension costs

The Group contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the fund and in the year ended 31 March 2025 amounted to £160,000 (2024: £129,000). Contributions totalling £59,000 (2024: £43,000) for the Company £56,000 (2024: £45,000) for the Group were payable to the schemes at the year end and are included within creditors.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

21. Contingencies and commitments

In the normal course of business the Group may, from time to time, provide guarantees; however at 31 March 2025 none are considered to be a contingent liability.

Lease commitments

At 31 March 2025, the Company was committed to making the following total minimum payments under non-cancellable operating leases:

	2025	2024
	Land and buildings £000's	Land and buildings £000's
Amounts due:		
- within 1 year	2	30

22. Control

No investor acting individually has the ability to control the activities of the Company and consequently it is considered that there is no ultimate controlling party.

23. Related party transactions

Group

Transactions between group companies, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Group and Company

During the year, the Group entered into certain transactions with related parties of the shareholders and directors, in the normal course of business and on an arm's length basis. These companies are related to the Group on the basis of common directorship and / or shareholding. The names of the related parties, the nature of these transactions and their total value is shown below:

Shire Business Group Limited: At the year end the balance on the loan account was £5,000 (2024: £5,000), there was no movement in the year.

SAF Leasing Limited: Included in creditors is an amount of £1,000 (2024:£1,000) for the Company and £2,000 (2024: £4,000) for the Group. During the year invoices were received from SAF Leasing Limited of £28,000 (2024: £85,000) for the Company and £89,000 (2024: £85,000) for the Group for lease referral. Included in debtors is an amount of £22,000 (2024: £7,000) for the Company and £22,000 (2024: £8,000) for the Group and during the year management recharge invoices were raised to SAF Leasing Limited of £102,000 (2024: £78,000) for the Company and £110,000 (2024: £78,000) for the Group.

Shire Financial Services: No outstanding amounts are included in creditors at 31 March 2025 (2024: £nil) and during the year invoices were received from Shire Financial Services of £28,000 (2024: £341,000) for rental of properties occupied by the Group and during the year Shire Leasing PLC purchased the properties they currently occupy for £4,150,000 from Shire Financial Services and this was fully paid within the year. No amount is included within debtors at 31 March 2025 nor 31 March 2024 for the Company and the Group.

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

23. Related party transactions (continued)

Shire Recoveries Limited: Included in group and company debtors is an amount of £18,000 (2024: £10,000) and during the year £156,000 (2024: £119,000) was invoiced to the Group for commissions/management charges. Included in group and company creditors is an amount of £8,000 (2024: £8,000) and during the year Shire Recoveries Limited raised invoices to Shire Leasing Plc and the Group of £107,000 (2024: £101,000).

Shire Insurance Services Limited: Included in group and company debtors is an amount of £1,000 (2024: £2,000) and during the year £6,000 (2024: £1,000) was invoiced to the Group for commissions/management recharges. There were no outstanding amounts in group or company creditors at the end of the year (2024: £nil) and during the year Shire Insurance Services Limited raised invoices to Shire Leasing Plc and the Group for insurances of £44,000 (2024: £40,000).

Shire Professional Funding Limited: Included in group and company debtors is an amount of £nil (2024: £4,000) and during the year £21,000 (2024: £1,000) was invoiced to the Group for commissions/management charges. Included in group and company creditors at the end of the year is an amount of £nil (2024: £6,000) and during the year Shire Professional Funding Limited raised invoices to Shire Leasing Plc for commissions £74,000 (2024: £91,000).

During the year amounts were loaned to Shire Professional Funding Limited under a block funding arrangement of £48,000 (2024: £881,000) and interest income was recognised of £2,000 (2024: £26,000) in respect of this. Included within group and company other creditors is a balance owing to Shire Professional Funding of £nil (2024: £255,000).

Shire Invoice Finance Limited: Included in group and company debtors is an amount of £3,000 (2024: £4,000) and during the year £49,000 (2024: £32,000) was invoiced by the Group for commissions/management charges. During the year Shire Invoice Finance Limited raised invoices to the group of £24,000 for commissions (2024: £nil), no amount was included in creditors in either year for the Company, there was a creditor of £nil (2024: £2,000) for the group.

Irlon Laundry Limited: During the year further loans were made to Irlon Laundry Limited of £465,000 (2024: £315,000). Interest income of £48,000 (2024: £3,000) was recognised in respect of these and the prior year loans and the balance included within group and company debtors at the year end was £631,000 (2024: £318,000).

Finance & Leasing Association: During the year £27,000 (2024: £17,000) was invoiced from the Finance & Leasing Association and £1,000 (2024: £nil) was included in group and company creditors at the year end.

The Leasing Industry Philanthropic and Research Foundation Limited: During the year £2,000 (2024: £2,000) was invoiced from The Leasing Industry Philanthropic and Research Foundation Limited and no amount was included in group or company creditors at the year end.

Transactions with Directors: The maximum amount outstanding during the year from directors was £100,000 (2024: £951,000). At the year-end £1,417,000 was owed by the Company and Group (2024: £951,000 owed to the Company and Group).

Dividend payments: During the year dividends were paid to Mr M E Smith, Mrs S Smith, Mr J Worton, Mrs J Worton and Mr J J Flounders totalling £1,709,000 (2024: £1,351,000).

Transactions with close family members of Directors

During the year, remuneration of £213,000 (2024: £224,000) was earned by close family members of directors. There were no amounts outstanding at the year-end (2024: £nil).

Shire Leasing Plc

Notes to the financial statements for the year ended 31 March 2025

23. Related party transactions (continued)

Transactions with companies under the control of close family members of Directors

Leasing Equipment Disposals Limited: During the year, services of £221,000 were charged to Leasing Equipment Disposals Limited (2024: £181,000). Included in group and company debtors is an amount of £26,000 (2024: £21,000).

Love Finance Limited: During the year Love Finance Limited raised invoices of £858,000 (2024: £1,009,000) to the Group and Company for commissions. Included in Group and Company creditors is an amount of £21,000 (2024: £21,000).

During the year loans were made to Love Finance Limited of £150,000. Interest income of £8,000 was recognised in respect of these and the balance included within group and company debtors at the year end was £128,000 (2024: £nil).

24. Remuneration of Key Management Personnel

The total remuneration of the directors (considered to be the key management personnel) of the Group was £2,672,000 (2024: £2,346,000).