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Manolete Partners PLC
03 September 2024

3 September 2024

MANOLETE PARTNERS PLC

("Manolete" or the "Company")

Audited results for the year ended 31 March 2024

Strong momentum continues with significant macro-economic tailwinds supporting continued growth.

Manolete (AIM:MANO), the leading UK-listed insolvency litigation financing company, today announces its audited results for the year ended 31 March 2024.

Steven Cooklin, Chief Executive Officer, commented:

"These annual results show that Manolete has now recovered strongly from the UK Government's suppression of the UK insolvency sector that prevailed during the Covid period. The Company has returned to profitability and has continued its track record of consistent operational cash generation. That has been driven by a record number of 251 case completions in FY24.

The trading results for the new financial year, which commenced on 1 April 2024, clearly show that this positive momentum has continued: year to date, new case enquiries are running 22% ahead of FY24 and our in-house legal team has already completed 116 cases with an aggregate value of £11.8m (compared to this stage last year, where we had completed 93 cases for a total value of £6.3m). This is also reflected in our gross cash receipts where we have already collected £10.3m in the first five months of this financial year, compared to £8.7m for the whole six-month, first half period of the previous financial year.

"Widely reported, challenging, multiple, macro-economic factors including: high interest rates, persistent inflationary threats, stretched Government balance sheets and global conflicts, provide strong tailwinds and significant momentum for further growth. As the clear market leader in the UK insolvency litigation finance sector, the Company is exceptionally well positioned to take advantage of these conditions".

Financial (statutory and non-statutory) highlights:

- Realised revenues on completed cases were £24.2m, a decrease of 10% (FY23: £26.8m) although FY23 included an exceptionally large, funded case completion of which £4.9m was recorded in realised revenue (total settlement £9.5m). Adjusting for that single exceptional case, FY24 realised revenues were 11% higher than FY23.

- 92% of total revenues represented by realised revenues on fully completed cases (FY23: 129%).

- Increase in the valuation of the cartel cases contributed £0.1m to gross profit in FY24 (FY23: £1.2m).

- EBIT increased to £2.5m, which represented a positive change from an EBIT loss of £3.1m in the prior year.

- Gross cash receipts from completed cases were £17.7m, a decrease of 34% (FY23: £26.7m, however, FY23 included the same one-off exceptionally large case completion, referred to above, which delivered gross cash receipts of £9.5m. Excluding that case, gross cash receipts rose by 3%).

- The Company's retained share of gross cash receipts from completed cases (after all legal costs and payments to Insolvent Estates) was £10.8m, a decrease of 18% (FY23: £13.1m) but again, the only reason for the decrease was the £9.5m exceptional case in FY23.

- Cash generated from operations (after all completed case costs and all overheads but before new case investments and taxation) was £5.0m (FY23: £8.0m).

- As at 31 March 2024, the Company had cash balances of £1.4m and borrowings of £13.7m resulting in a net debt of £12.3m (FY23: £0.6m and £10.5m, respectively and therefore a net debt of £9.9m).

Operational highlights:

- A record number of new case investments in UK insolvency cases, an increase of 18%: 311 in FY24 (FY23: 263).

- A record number of 251 cases were completed in FY24 (FY23: 193 cases), with an average duration per case of 13.2 months (FY23: 15.5 months), generating a Money Multiple of 1.9x (FY23: 1.9x) and an IRR of 131% (FY23: 131%) (based on unaudited internal management information).

- As previously reported, following the ending in April 2022 of the Covid-related emergency legislation to suppress UK insolvencies and the withdrawal of very substantial financial support to UK businesses by the previous Government, the number of UK insolvencies have been at record high levels. The first wave of these insolvencies has predominantly been the smaller and weaker "zombie" companies. Only in recent months have the larger company insolvencies, typically by way of Administration, returned to levels seen before the Covid pandemic. This has resulted in record high numbers of cases taken on by Manolete but the average case size is smaller than had been the case, pre-pandemic. By way of comparison: FY21 was the trading year that best reflects the completion values of cases acquired and funded before the Covid-19 impact (this is because, on average, cases take around 12 months to complete). In FY21, audited realised revenues were £24.4m from 135 cases: an average of £180k per case, which is close to double the average for FY24 of £96k.

- ROI of 116% and Money Multiple of 2.2x from 933 completed cases since inception (based on unaudited internal management information).
- Average case duration across the full lifetime portfolio of 933 completed cases is 12.7 months
- 19% increase in live cases: 418 in process as at 31 March 2024 (351 as at 31 March 2023)

Current Trading

- The first five months of FY25 have been buoyant:
  - Highest ever number of new case enquiries year to date: 348 (FY24: 286).
  - 103 new case investments, which is broadly tracking the record 146 new case investments for the whole first six months of FY24.
  - 116 case completions at an aggregate value of £11.8m (FY24: 93 case completions at a total value of £6.3m).
  - Gross cash receipts from previously completed cases is £10.3m, compared to £8.7m for the whole first six months of FY24.
  - Net cash receipts (after all payments to insolvent estates and all associated external legal costs) are £6.5m year to date for FY25, compared to £4.6m for the whole first six months of FY24.

Outlook

- Given that the number of corporate insolvencies in the UK remain at record highs, the Company can look forward to a sustained period of growth. A strong recovery in the number of larger case investments signed in the second half of FY24 is also an encouraging indicator of future business strength.

A copy of the annual report and accounts will be available on the Company's website shortly and will be posted to shareholders in due course.

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Chairman's Statement

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

Overview

I am pleased to report the Company has delivered a strong performance with a record 311 new case investments in the year to 31 March 2024 (FY23: 263).

One of Company's key priorities has been growing the business through its expanding network of Insolvency Practitioners and insolvency lawyers throughout the UK and our results for the year are a strong reflection of that. The results for FY24 show the Company has pulled away from the more static market conditions for the insolvency sector following Government's support measures during the Covid pandemic.

The Board agrees we have put that difficult Covid backdrop behind us and the Company is now demonstrating its potential for a marked improvement in performance. Corporate insolvencies are very high, so as we return to profit, the trends for the business give me and the Board considerable optimism that the Company can take full advantage of these attractive market conditions.

Financial results

Revenues for the year to 31 March 2024 increased by 27% to £26.3m (FY23: £20.7m) The Company has reported an operating profit of £2.5m for FY24 compares to the operating loss of £3.1m reported for FY23.

There were 251 case completions (FY23: 193) which is a record for the Company. Those 251 cases generated a realised revenue of £24.2m (FY23: £26.8m). In FY24, Manolete delivered gross cash recoveries from completed cases of £17.7m, (FY23: £26.7m but that included a one-off very large case with a gross cash recovery of £9.5m. Adjusting for that, FY23 was £17.2m). The £17.7m of cash generation was spread across 309 separate completed cases (FY23: 237). At the year-end Manolete had 418 live cases in progress (FY23: 351).

As at the year-end of 31 March 2024, the Company had cash balances of £1.5m, £13.7m drawn down on its HSBC debt facility and therefore a net debt of £12.3m. The existing covenants, which had not changed significantly since 2018, were deemed no longer appropriate to the Company. As a result, revised covenants were agreed that are cash based rather than profit based and the total facility size of the RCF with HSBC was reduced from £25m to £17.5m in March 2024. Details are set out in the CFO's report.

Strategy

The Board supports the Legal and Business Development teams in successfully driving up the numbers of case enquiries which in turn leads to greater new case investments and so increased revenue, profitability and cash generation for the Company. This has long been the Company's approach to the insolvency sector and increasing high quality case enquiries remains its key measure. It has proven to be an effective strategy with the Company achieving record case inquiries and investments in FY24 with 733 new case enquiries, 6% ahead of last year's (adjusted for bulk BBL referrals) figure of 692.

The Manolete Board's strategy is to drive both elements of our revenues: higher volumes and higher average case sizes.

Manolete is constantly seeking to engage with new insolvency professionals to stimulate more business opportunities. The Company is the only litigation funder to enjoy long term strategic partnership agreements with: R3 (the insolvency industry trade body); the Institute of Chartered Accountants in England and Wales and the Insolvency Practitioners Association.

Dividend

The Board has reviewed the dividend policy and is recommending no dividend is awarded in respect of this financial year (FY23: nil). The priority of the Company is to retain cash reserves for investment in current and future cases.

Corporate Governance

The Board of Directors is committed to good corporate governance. We engender a culture of mutual respect at all levels of the company and have established Manolete as a highly trusted brand in the insolvency sector. The Company has adopted the ten principles of the 2023 Version of the Corporate Governance Code as set out by the Quoted Companies Alliance. Our arrangements are further described in our Corporate Governance Statement on pages 29 to 32.

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

People

On behalf of the Board, I would like to mark our appreciation to a team of highly dedicated, extremely collegiate and committed colleagues for their focus and hard work during a successful year.

Board

The Board has seen no changes this financial year. As Chairman, I am content the Board possesses the necessary spread of proficiency and balance particularly in legal and accounting expertise.

Outlook

The Company has enjoyed a substantially improved business performance in FY24 and has increased its personnel numbers to provide the Company with the necessary high quality professionals to manage the much increased workflow that we are now enjoying. Given that the number of corporate insolvencies in the UK remains very high, the Company can look forward to a sustained period of growth. A strong recovery in the number of larger case investments signed in the second half of FY24 is also an encouraging indicator of future business strength.

Lord Leigh

Non-Executive Chairman

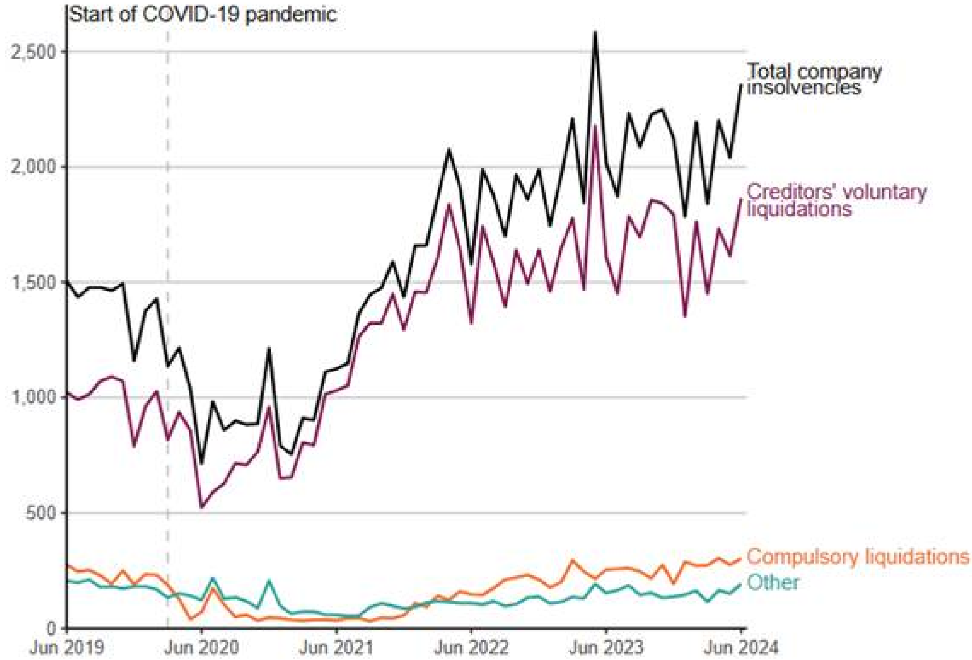
3 September 2024

CEO's Statement

The much-improved performance of the Company that was seen in the second half of FY23 followed into FY24 and those more buoyant trading conditions persisted throughout the year. This clearly evidenced that the UK insolvency market was rehabilitating from the temporary two-year suppression of insolvencies that the Government had enacted during the Covid-19 pandemic (June 2020 - April 2022).

Following that challenging Covid period, the insolvency market picture has now completely changed, presenting Manolete with the most attractive trading conditions since the business was formed in 2009. Significantly higher prevalent interest rates, heightened concerns over geo-political conflicts in Eastern Europe and the Middle East and the withdrawal of the largescale financial supports provided by the Government to UK businesses during the Covid-19 period, has resulted in the highest level of UK insolvencies for 30 years. Insolvency Service statistics from January 2024 show the number of Creditor Voluntary Liquidations, the largest constituent part of the UK insolvency market, in 2023 was at its highest level since 1960.

The following graph issued by the Insolvency Service on 19 July 2024, clearly illustrates the impact of these measures on the UK insolvency industry: the dramatic reduction in all forms of company insolvencies as the Government passed temporary emergency legislation in June 2020 was aimed at suppressing insolvencies while the pandemic took hold. UK insolvency laws did not return to normal until April 2022. Since then, UK insolvencies have been materially higher than pre-pandemic levels, for a sustained period.

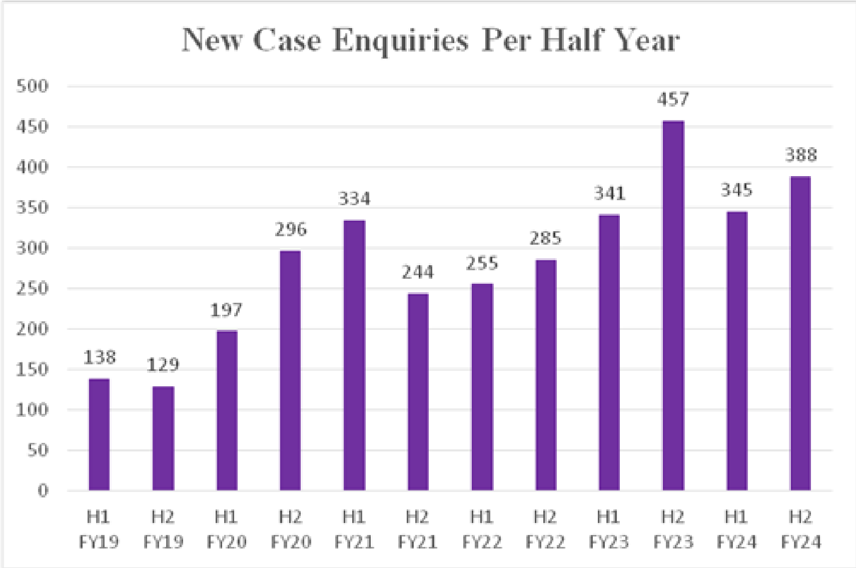


There is a natural, and unavoidable, time lag before the larger number of insolvencies convert into higher numbers of Manolete case investments. This is due the time required by the office holder (i.e. the Liquidator, Administrator or Trustee in Bankruptcy) to investigate the affairs of the insolvent entity before being in a position to assess and refer cases on to Manolete for acquisition. The time lag can vary considerably in length: some office holders may take just a matter of days to refer cases, others, typically involving more complex cases, can take several years. Following the return to normal operation of UK insolvency laws in April 2022, the noticeable rebound in new case enquiries into Manolete took around seven months. Once a case enquiry comes into Manolete, if approved by the Company's Investment Committee, it usually takes no more than a few weeks to convert the enquiry into a signed case. Manolete approves and converts around 29% of case enquiries into signed cases. It is very rare that an office holder ever rejects an offer of investment (usually an offer to buy the case via an assignment or, very rarely, to fund the office holder to purse the claim).

This time lag can be seen clearly feeding into the Company's Key Performance Indicators as described below:

(i) Manolete New Case Enquiries

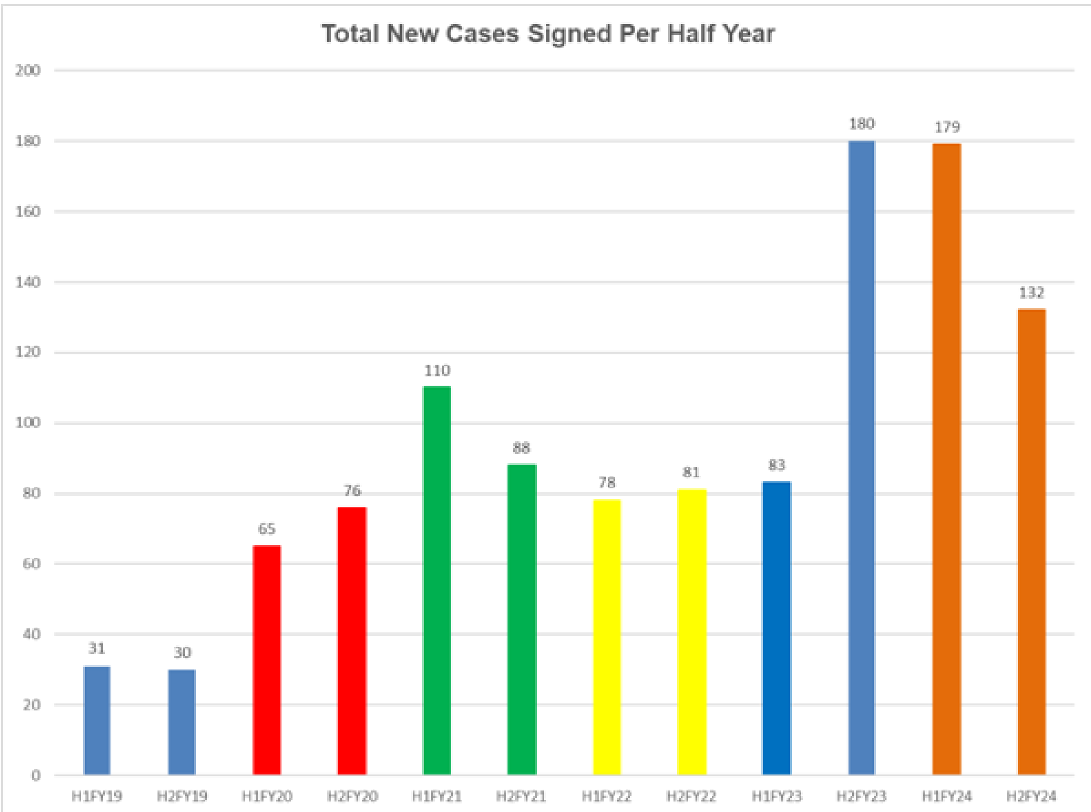
The graph below shows a slowly recovering level of new case enquiries in H1 FY23 as UK insolvency numbers rose. Then, having got past the seven-month time lag for claim investigations to occur, H2 FY23 showed a strong increase in the level of new enquiries, giving the Company a record level of new case enquiries for that latter six-month period. However, the H2 FY23 number is somewhat flattered by the inclusion of around 100 bulk case referrals from the Company's Bounce Back Loan ("BBL") pilot with Barclays Bank (more on this below). Even excluding the BBL pilot factor, it can be seen that the overall shape of the case enquiries graph largely mirrors the shape of the UK Insolvencies graph above, albeit with an approximate time delay of seven months. Once Manolete had passed that seven month time lag, it can be seen that the Company's levels of new case enquiries have, not only recovered very strongly from the Government suppression during Covid, they have consistently exceeded the high levels that were being achieved in the months and years prior to the onset of the pandemic.

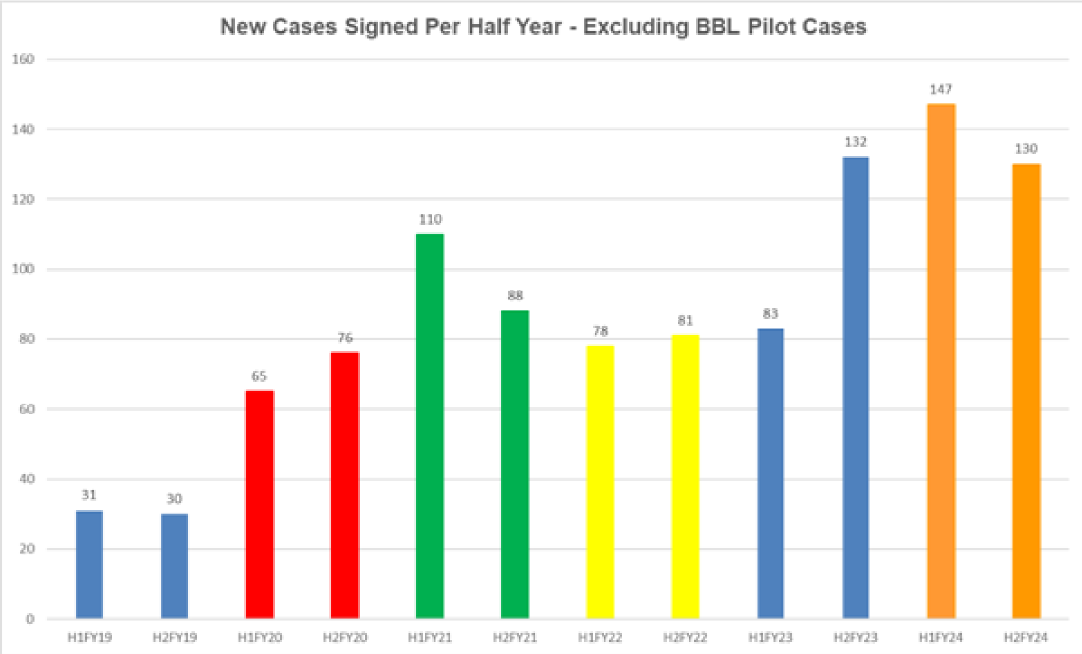


(ii) New Case Investments

As noted earlier, the time lag between new case enquiries coming into the Company and those qualifying cases being signed up as new case investments is very much shorter. Our Net Worth Reporting team is able to analyse and present the financial assessment of the proposed defendants on a claim within a few days. If the Net Worth Report is positive, our in-house legal team interrogate the merits of the potential claims. They are then usually able to report to the Company's Investment Committee within an average of 7-10 days, with offers being sent to office holders the next day. Office holders are usually in a position to decide on our offer within a week or two.

Therefore, the new case investments graph (see the second graph below), mirrors the shape of both the UK insolvency graph and the new case enquiries graphs presented above. However, the overall picture is somewhat distorted by the fact that the Company signed the large majority of its 82 Barclays BBL pilot cases in H2 FY23 (48 Barclays BBL cases signed) and H1 FY24 (32 Barclays BBL cases signed). Only two Barclays BBL cases were signed in H2 FY24, as that onboarding and investment stage in the BBL pilot was largely completed by the end of H1 FY24. The second graph below excludes the Barclays BBL cases from all figures and is therefore a clearer and better representation of the underlying performance of Manolete "core business", outside of the pilot project.





As with the earlier analysis of UK insolvencies and Manolete's new case enquiries, the level of new case investments has remained at elevated levels over the last 18 months of trading, materially ahead of the peak level achieved by the Company prior to Covid-19 pandemic.

As a consequence of the above positive tailwinds, the Company delivered a strong performance in FY24:

- A record number of new case enquiries (excluding the Barclays pilot), with FY24 recording 733 enquiries compared to FY23's 692 adjusted for bulk BBL referrals.
- Invested in a record number of 311 new UK insolvency claims, an increase of 18% (FY23: 263).
- A record number of 251 cases were completed, an increase of 30% (FY23: 193).
- Total reported revenues for FY24 were £26.3m, 27% higher than FY23 of £20.8m. With realised revenues contributing 92% of the FY24 total revenues.
- Realised revenues on completed cases were £24.2m, a decrease of 10% (FY23: £26.8m) although FY23 included an exceptionally large funded case completion of which £4.9m was recorded in realised revenue (total settlement £9.5m). Adjusting for that single exceptional case, FY24 realised revenues were 11% higher than FY23.
- In FY24, Manolete delivered gross cash recoveries (cash received on completed cases before payments to insolvent estates and associated legal costs) from completed cases of £17.7m, (FY23: £26.7m but that included the previously mentioned one-off significantly large case gross cash recovery of £9.5m. Adjusting for that single large case recovery, FY23 was £17.2m). The £17.7m of cash generation was spread across 309 separate completed cases (i.e. cases completed in prior years as well as in the current financial year) (FY23: 237), highlighting the attractive granularity of Manolete's business model.
- Cash generated from operations (after all completed case costs and all overheads but before new case investments and taxation) was £5.0m (FY23: £8.0m). Again, FY23 benefitted from the exceptional outsize case, referred to earlier.
- FY24 saw the Company report a operating profit of £2.5m compared to a rare operating loss of £3.1m in FY23.
- Increase in the valuation of the cartel cases contributed £0.1m to gross profit in FY24 (FY23: £1.2m).

Cartel Cases

There have been more material and positive developments relating to the Company's cartel cases in recent months. Early in calendar year 2023, the judgments for the large truck cartel cases relating to BT Group Plc and Royal Mail Group Limited were handed down with significant damages and interest being awarded to the Claimants. DAF then presented an appeal against that decision. DAF's appeal of this judgment was unanimously dismissed by all three Justices in the Court of Appeal on 27 February 2024.

Manolete's cartel cases have been issued in the Competition and Appeals Tribunal, and they are currently stayed in that Court (which means they are effectively paused by mutual agreement. This is usually to allow the parties to engage in Alternative Dispute Resolution e.g. by way of mediation or Without Prejudice meetings and/or offers and counter-offers, and the like). Where settlements cannot be concluded, the stay is terminated and progress to trial resumes.

UK Bounce Back Loans ("BBLs")

The Company has performed exceptionally well on the BBL pilot that it is conducting for Barclays Bank. A number of initiatives are under review that may potentially expand the Company's work in this area.

Investment Returns

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

Case Vintage		No. of Investments No	No. completed No	% completion % total	No outstanding No	Open case investments £'000	Closed case investments £'000	Total invested £000	Total recovered £'000	Total gain £'000	IP share £000	Manolete gain £000	Duration completed cases Months	ROI %	MoM %	IRR %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.0m	(87%)	.5x	0%
[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.0m	0%	.0x	0%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.0m	122%	2.2x	226%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.1m	166%	2.7x	261%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.0m	145%	2.5x	455%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.6m	166%	2.7x	502%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.0m	170%	2.7x	160%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.1m	77%	1.8x	462%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.6m	166%	2.7x	72%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.4m	122%	2.2x	92%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.6m	52%	1.5x	70%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.7m	91%	1.9x	90%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.8m	99%	2.0x	162%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.9m	162%	2.6x	1177%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.3m	312%	4.1x	2420%
Total (exc. Cartel cases)		1,328	933	70.2%	395	6,957	34,939	41,896	136,571	101,712	61,210	40,490	12.7m	110%	2.2x	130%

[illegible]

Note: Vintage table above is unaudited

The more mature vintages of FY18 to FY22 all have total case recoveries of over £10m per year and IRRs ranging from 70% to 162%.

Industry Recognition

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

Current Trading

FY25 has started well, with new case enquiries remaining at the elevated levels that were achieved throughout FY24.

People and Stakeholders

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

Steven Cooklin
Chief Executive Officer
3 September 2024

CFO's Statement

I am pleased to give my review of the Company's results for the year to 31 March 2024.

Financial overview:	**31 March 2024**	**31 March 2023**	**YoY**
Financial KPIs	**£000s**	**£000s**	**%**
Revenue	26,295	20,753	27%
Gross profit	10,145	3,672	176%
Gross margin %	38.6%	17.7%	
Operating profit/(loss)	2,501	(3,121)	180%
Operating profit margin %	10%	(15%)	
Profit/(loss) after tax	933	(3,124)	130%
Investment valuation	40,196	36,462	10%
Non-financial KPIs			
New cases	*311*	*263*	
*Completed cases**	*251*	*193*	
*Live cases at year end***	*418*	*351*	

**including 7 partially completed cases (9 partial completions FY23)*

***including 22 cartel cases and 41 BBL cases in FY24 (22 cartel cases and 42 BBL cases in FY23)*

Revenue	**31 March 2024**		**31 March 2023**	
	£000s	**%**	**£000s**	**%**
Realised revenue	24,183	92	26,790	129
Unrealised revenue	2,112	8	(6,037)	(29)
Revenue	26,295		20,753	

	31 March 2024	**31 March 2023**	**YOY**

	£000s	£000s	%
Realised Gross Profit	8,032	9,798	(18)
Realised Gross Margin	33.2%	36.2%	

Revenues can be classified into realised revenue (actual completions) of £24.2m in FY24 (FY23: £26.8m) and unrealised revenue (movements in valuations of new and live cases) of £2.1m in FY24 (FY23: (£6.0m)).

Realised revenue decreased by 9.8% to £24.2m (FY23: £26.8m) as in FY23, there was an unusually large single case completion contributing revenue of £4.9m itself which was exceptional in size and not expected to be repeated each year. If this exceptionally large case is adjusted for, FY24 realised revenue exceeds adjusted FY23 revenue by £2.3m, 11%. FY24 performance was driven by a record number of case completions of 251 (FY23: 193).

Unrealised revenue of £2.1m FY24 (FY23: (£6.0m)) was a welcome return to more 'normal' trading conditions with new case valuations exceeding write downs and completions. In the prior year, FY23, we undertook a number of write down of fair values of live cases during the first half of the year, as reported at our Interim Results for September 2022 as well as the high level of completions which are removed from unrealised and recorded as realised revenue. The write down in fair value of cases was a one-off exercise that reflected the harsher economic climate at that time therefore a more conservative view of case realisation values.

For comparison purposes, it should be noted that in the prior year, unrealised revenue included a £1.2m uplift in the cartel valuation whilst in FY24 the cartel case valuation uplift was virtually unchanged, £0.1m uplift.

Gross profit of £10.1m in FY24 (FY23: £3.7m) compares favourably to FY23, an increase of 176% as the prior year negative unrealised revenue had a significantly negative impact on gross profit.

BBL pilot

During FY24, the Company signed a further 34 Bounce back loan cases ("BBLs") from our previously announced pilot project with Barclays Bank, bringing the total BBLs signed to 82. There were 35 BBLs completed in FY24 in addition to the 6 completed in FY23 hence live BBLs at year end numbered 41 cases (FY23: 42 live cases).
In FY24, 41 live BBLs had a positive impact in the Profit and loss account with a valuation of £475k (FY23: £495k) and completed BBL cases in FY24 have contributed a realised gross profit to the Company of £381k in FY24 (FY23: £108k) (after deduction of initial purchase cost and external cost and profit share).

Administrative expenses

	31 March 2024 £000s	31 March 2023 £000s	YoY growth %
Wages and salaries	4,482	3,737	20%
Bad debt expense	1,362	1,534	(11%)
Professional fees	669	512	31%
Marketing	365	344	6%
Other costs, including office costs	766	666	15%
Administrative costs	7,644	6,793	13%

Administrative expenses increased by 13% to £7.6m in FY24 (FY23: £6.8m). The increase in administration expenses was primarily a result of an increase in salary costs itself a factor of an annual 6% salary increase for existing staff following annual salary reviews and a headcount increase of six FTEs (of which two were in-house legal team).

Bad debt expense decreased by 11% to £1.4m (FY23: £1.5m) following a thorough review of receivables. The bad debt expense primarily relates to a small number of debtors who have either entered into bankruptcy or whose assets have been hidden overseas.

Professional fee expenses of £0.7m (FY23: £0.5m) have increased by 31% due to hiring of corporate finance advisors for the covenant reset exercise, increased recruitment fees whilst also consisting of mostly recurring items such as audit, tax and PR services (all of which have increased in line with inflation).

Marketing costs of £0.4m (FY23: £0.3m) have increased as business development activities continue to increase.

Other costs of £0.8m FY24 (FY23: £0.7m), primarily relate to rental costs of office space in London, Durham and Manchester as well as travelling and entertainment costs which have increased with increased marketing efforts.

Operating profit

The Company reported an operating profit of £2.5m in FY24 in comparison to an operating loss of £3.1m in FY23.

Finance expense

Finance expense increased to £1.5m FY24 (FY23: £0.8m) as a result of higher interest rates. The Company paid a margin of 3.7% above SONIA. The Company also paid a 0.7% commitment fee on any unused facility with HSBC. As at 31 March 2024, £13.7m of the £17.5m HSBC facility had been drawn down (FY23: £10.5m).

Profit after tax

Profit after tax of £0.9m was recorded in FY24 (FY23: £3.1m loss). The post-tax margin has increased from (15)% to 3.5%.

Earnings per share

As disclosed in Note 12, earnings per share increased from (7.1) pence to 2.1 pence.

Balance sheet - Investment in Cases

The Company was managing 418 live case investments as at 31 March 2024, compared to 351 live cases as at 31 March 2023, a net increase of 67 cases, or 19%. The total investment value of the 418 live cases amounted to £40.2m as at 31 March 2024 an increase of 10% (FY23: £36.5m). This increase in Investment value of cases reflects the increase in new cases being signed. The valuation includes the investment in the cartel cases as at 31 March 2024 of £13.5m. That has been left materially unchanged from £13.4m in FY23. Investment in cases is shown at fair value, based on the Company's estimate of the future realised profit.

Management, following discussion on a case-by-case basis with the in-house legal team, amend valuations of cases each month end to accurately reflect management's view of fair value. In addition, at the interim and final reporting periods, a sample of material valuations are corroborated with the external lawyers working on the case and an independent legal expert, who provide updated legal opinions as to the current status of the case. The Company does not capitalise any of its internal costs, such as salaries, these are fully expensed to the Statement of Comprehensive Income as incurred.

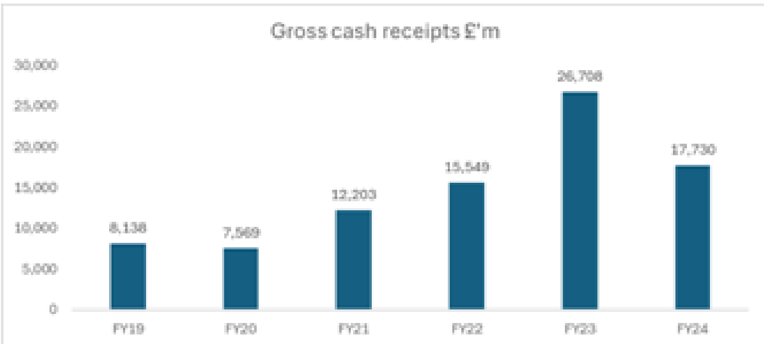
Cash Flows	**31 March 2024**	**31 March 2023**
	£000s	**£000s**
Gross cash receipts	17,730	26,708
IP share & legal costs on completed cases	(6,900)	(13,608)
Cashflows from completed cases	**10,830**	**13,100**
Overheads	(5,865)	(5,092)
Net cash generated from operations before investment in cases and corporation tax	**4,965**	**8,008**
Corporation tax	-	(353)
Net cash generated from operations after corporation tax and before investment in new cases	**4,965**	**7,655**
Investment in cases	(6,355)	(5,806)
Net cash generated (used in)/ from operations	**(1,390)**	**1,849**
% growth in case cash investments	*9%*	*13%*

Gross cash receipts

Gross cash receipts whilst still strong at £17.7m in FY24 were lower than prior year (FY23: £26.7m) by 34% due to the exceptionally large case in the prior year which generated cash of £9.5m itself. Importantly, cash generated from operations before investment in cases and corporation tax remains a strong positive cash inflow of £5.0m in FY24 (FY23: £8.0m) which has been reinvested in the portfolio.

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

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



Overheads & Corporation Tax (cash)

Excluding non-cash items (including bad debt expense), spending incurred on overheads has increased from £5.1m FY23 to £5.9m FY24 principally as result of an increase in headcount, annual salary increases and bonuses.

The Company has benefited from brought forward tax losses and no corporation tax is expected to become payable in respect of FY24.

Investment in cases

We have continued to invest in existing and new cases with total capital of £5.8m deployed during FY24 and was the same in FY23 which has been funded through cash receipts from completed cases and draw down of the HSBC loan.

Working Capital

Absorption of £1.8m into working capital during FY24 is primarily due to increased trade receivables. This increase in net trade receivables will generate cash in FY25 and beyond. Debtor days on a basic basis increased to 491 in FY24 (FY23: 365) due to a large outstanding debtor in relation to a single case of £1.7m and significant realised revenue in the last month of the year, a significant proportion of which was received in cash in the first month of the new FY25 trading year.

	31 March 2024	**31 March 2023**
Net working capital	**£000s**	**£000s**
Net working capital	17,956	16,115
Change in net working capital	(1,841)	(5,957)
DSO (Days sales outstanding) basic	*497*	*365*
DSO countback	*335*	*335*

Debt Financing

As at 31 March 2024 the Company had drawn down £13.7m (FY23: £10.5m) of its £17.5m HSBC loan facility and has continued to deploy loan capital during the year to finance investment in cases. The Company held cash reserves of £1.5m as at 31 March 2024 which are available to deploy on new case investment.

The Company agreed a waiver with HSBC in respect of the leverage covenant for the quarters ending 30 September 2023 and 31 December 2023 as historical losses incurred in FY23 were resulting in a breach of the leverage and interest cover covenants.

Following this event, the Company has agreed a number of amendments to the loan agreement with a new set of covenants for the remaining period of the HSBC RCF to 30 June 2025 which are cashflow based metrics, with the complete removal of the leverage covenant. The maximum loan has been reduced to £17.5m from £25.0m and the interest charges are 4.7% margin above SONIA. The amended agreement came into force before the 31 March 2024.

Mark Tavener
Chief Financial Officer

3 September 2024

Strategic Report

The Directors present their strategic report for the year ended 31 March 2024.

Strategy and Business Model

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

On pages 22 to 23, we have set out the principal risks which may present challenges in executing the business model and delivering the strategy.

As the UK Insolvency market continued to return to normal operation, business performance is now consistently performing well and starting to mirror the impressive growth and investment returns that the Company was delivering prior to the Covid-19 pandemic period. Year-on-year revenues increased by 27%, driven by an increase in unrealised revenues offset by a decrease in realised revenue (see table below). Operating profits improved by £5.6m to an operating profit of £2.5m and net assets increased 3% to £40.5m. The second half of FY24 saw a welcome return of larger claim opportunities, as the business cycle evolves this trend is expected to continue.

The number of employees was 29 (FY23: 25) at the end of the financial year, as demand has increased significantly for our UK insolvency litigation financing products over the last six months. Despite recruitment challenges in some areas of the UK, the Company is not experiencing any problems attracting new recruits.

The business has grown significantly following the difficult trading conditions of the previous two years. At the financial year-end the cumulative number of signed litigation investments has grown to 1,351 cases, with a record 418 live, in-progress cases as at 31 March 2024.

Financial KPIs	**Year Ended 31 March 2024 £000s**	**Year Ended 31 March 2023 £000s**	**% change**
Realised revenue	24,183	26,790	(10%)
Unrealised revenue	2,112	(6,037)	(135%)
Total revenue	**26,295**	**20,753**	**27%**
Gross profit	10,145	3,672	176%
Operating profit/(loss)	2,501	(3,121)	(180%)
Profit/(loss) after tax	933	(3,124)	(123%)
Value of investments	40,196	36,462	10%
Non-financial KPIs			
Number of lifetime signed litigation investments	1,351	1,040	30%
Live cases at end of reporting period	418	351	19%
New cases	311	263	18%
Completed cases	251	193	30%

The movements in key performance indicators is analysed in the Report of the Chief Executive Officer on pages 12 to 16 and the Report of the Chief Financial Officer on pages 17 to 20.

Outlook and Current Trading

We are confident we have invested in a portfolio of cases that will produce attractive returns for the Company. The Government measures to suppress UK insolvencies during the pandemic have now ended as have the wide-scale UK economic support measures, which give us confidence in our future prospects.

The Board has considered the Going Concern status of the business in relation to the general wider economic environment and has concluded that it is appropriate for the accounts to be prepared on a going concern basis. Further detail on the board's consideration of going concern is included on page 50.

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

The Company has made a good start to FY25 and we look forward to a promising future.

Statement of Comprehensive Income

	Note	**31 March 2024 £'000s**	**31 March 2023 £'000s**
Revenue	4	26,295	20,753

Cost of sales		(16,150)	(17,081)
Gross profit		**10,145**	**3,672**
Administrative expenses	8	(7,644)	(6,793)
Operating profit/(loss)	6	**2,501**	**(3,121)**
Finance income	9	16	7
Finance expense	9	(1,479)	(839)
Profit/(Loss) before tax		**1,038**	**(3,953)**
Taxation	11	(105)	829
Profit/(Loss) and total comprehensive income for the year attributable to the equity owners of the company		**933**	**(3,124)**
Earnings per share			
Basic (pence per share)	12	2.11p	(7.14)p
Diluted (pence per share)	12	2.07p	(7.14)p

The above results were derived from continuing operations.

The notes at the end of this announcement form part of these financial statements.

Statement of financial position

Company Number: 07660874	**Note**	**31 March 2024 £'000s**	**31 March 2023 Restated £'000s**
Non-current assets			
Investments	13	11,293	14,983
Intangible assets	14	-	-
Trade and other receivables	16	14,203	12,315
Deferred tax asset	19	938	267
Right-of-use asset	15	-	-
Total non-current assets		26,434	27,565
Current assets			
Investments	13	28,903	21,479
Trade and other receivables	16	15,077	12,063
Corporation tax receivable	11	-	735
Cash and cash equivalents	17	1,452	636
Total current assets		45,432	34,913
Total assets		**71,866**	62,478
EQUITY AND LIABILITIES			
Equity			
Share capital	21	175	175
Share premium	22	157	157
Share based payment reserve	22	1,076	699
Special reserve	22	-	-
Retained earnings	22	39,063	38,130
Total equity attributable to the equity owners of the company		40,471	39,161
Non-current liabilities			
Trade and other payables	18	8,434	7,393
Borrowings	20	13,726	10,381
Total non-current liabilities		22,160	17,774
Current liabilities			
Trade and other payables	18	9,235	5,543
Current tax liabilities	11	-	-
Lease liability	15/20	-	-
Total current liabilities		9,235	5,543

Total liabilities	31,395	23,317
Total equity and liabilities	**71,866**	62,478

The notes at the end of this announcement form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 3 September 2024.

Steven Cooklin
Chief Executive Officer

Statement of Changes in Equity

	Share capital £'000s	Share premium £'000s	Share based payment reserve £'000s	Special reserve £'000s	Retained earnings £'000s	Total Equity* £'000s
As at 1 April 2022	**175**	**142**	**429**	**5**	**41,468**	**42,219**
Comprehensive income						
Loss for the year	-	-	-	-	(3,124)	(3,124)
Transactions with owners						
Dividends	-	-	-	-	(219)	(219)
Transfer in relation to creditors paid	-	-	-	(5)	5	-
Share based payment expense	-	-	150	-	-	150
Share options exercised	-	15	-	-	-	15
Deferred tax on share-based payments	-	-	120	-	-	120
As at 31 March 2023	**175**	**157**	**699**	-	**38,130**	**39,161**
Comprehensive income						
Profit for the year	**-**	**-**	-	-	933	933
Transactions with owners						
Share based payment expense	-	-	336	-	-	336
Deferred tax on share-based payments	-	-	41	-	-	41
As at 31 March 2024	**175**	**157**	**1,076**	**-**	**39,063**	**40,471**

*attributable to the equity owners of the Company.

The notes at the end of this announcement form part of these financial statements.

Statement of Cash Flows

	Note	31 March 2024 £'000s	31 March 2023 £'000s
Profit/(Loss) before tax		1,038	(3,953)
Adjustments for other operating items:			
Adjustments for non-cash items:	26	4,420	15,554
Operating cashflows before movements in working capital		5,458	**11,601**
Changes in working capital:			
Net increase in trade and other receivables		(4,901)	(4,105)
Net increase in trade and other payables		4,408	512
Net cash generated from operations before corporation tax and investments		**4,965**	**8,008**
Corporation tax paid		-	(353)
Investment in cases	13	(6,355)	(5,806)
Net cash generated (used in)/from operating activities		(1,390)	**1,849**

Cash flows from investing activities

Finance income received	9	16	7
Net cash generated from investing activities		16	7

Cash flows from financing activities

Proceeds/(Repayments) from borrowings	20	3,250	(3,000)
Dividends paid	10	-	(219)
Interest paid		(1,060)	(160)
Repayment of lease liabilities	15	-	(97)
Net cash generated from/(used in) from financing activities		2,190	**(3,476)**
Net increase/(decrease) in cash and cash equivalents		816	(1,620)
Cash and cash equivalents at the beginning of the year		636	2,256
Cash and cash equivalents at the end of the year		**1,452**	**636**

The notes at the end of this announcement form part of these financial statements.

Notes forming part of the Financial Statements

1. Company information

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

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

2. Summary of significant accounting policies

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

2.1 Basis of preparation

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

Measurement bases

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

2.2 Going concern

The Company achieved an improved performance in the year, reporting profit before tax of £1.0m, cash generated from operations (before new investments) of £5.0m and net current assets at 31 March 2024 of £36.2m.

The Board have prepared a detailed base case cash projection for a period of 18 months from the date of signing of these financial statements together with a downside cash projection in which more unfavourable assumptions are applied. These unfavourable assumptions include an elevated credit loss rate and an assumed write down of one high value case. The Board consider these circumstances to reflect a plausible downside scenario.

As the HSBC RCF loan is due to expire within the going concern review period, on 1 July 2025, Management has sought assurances from HSBC that a renewal of the facility will be available to the Company at the appropriate time and this renewal process will begin in January 2025. HSBC have supported and funded the business since prior to IPO. Whilst any renewal is subject to formal discussions in 2025, the Board are optimistic of the continued support of HSBC based on the longstanding relationship and informal discussions. At the date of signing the financial statements, the balance drawn on the RCF is £12.5m.

During the year the Company breached certain RCF covenants relating to interest cover and leverage. In March 2024 the RCF covenant package was reset to better align with the Company's business model. The Board have considered the ability of the Company to comply with the covenants during the going concern review period by reference to the base case and downside case. In both cases the Company is forecast to operate within the terms of the covenants.

In addition, Management is exploring Term Loan opportunities with new funders alongside the existing HSBC RCF facility to provide additional growth funding and has appointed a corporate finance firm to assist in this process. Whilst no equity funding is being sought, it remains an option in the future for the Company should additional growth funding be required as the number of cases in the portfolio increases.

These sources of finance, along with a profitable forecast for trading and cash generation for the next 18 months and with mitigating actions available to the directors, if short-term cash was needed to be generated, has led the Directors to conclude that it is appropriate to adopt the going concern basis in preparing the financial statements.

Whilst undertaking the going concern review, the Directors considered the possible existence of a material uncertainty but decided that no such uncertainty exists given the historical level of funding support, post year end trading and our long-term relationship with HSBC, in particular.

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

2.3 Functional and presentation currency

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

2.4 New standards, amendments and interpretations

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

During the current year, the Company adopted all new and revised standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee and that are endorsed by the UK that are effective for annual accounting periods beginning on or after 1 January 2023. None of them had a material impact on the financial statements.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- Definition of Accounting Estimates (Amendments to IAS 8)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

- Deferred Tax Relating to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

IAS 12 specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions.

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

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

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

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

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

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

- On 9 April 2024 the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements', which is expected to be effective for Manolete for the year ending 31 March 2028, subject to UK endorsement.

IFRS 18 sets out requirements for the presentation and disclosure of information in general purpose financial statements and replaces IAS 1 'Presentation of Financial Statements'.
The Board are currently assessing the impact of these new amendments on the company's financial reporting for future periods. However, the board does not expect any of the above to have a material impact on future results.

2.4 Revenue recognition

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

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

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

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

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

As revenue relates entirely to financing arrangements, revenue is recognised under the classification and measurement provisions of IFRS 9.

2.5 Finance expense and income

Finance expense

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

Finance income

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

2.6 Employee benefits: Pension obligations

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

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

2.7 Financial assets

Classification

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

Financial assets at amortised cost

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

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

Impairment of financial assets

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

Impairment provisions for trade receivables are recognised specifically against receivables where Management have identified default or delays to payment in addition to the simplified approach within IFRS 9 using lifetime expected credit losses. The Company applies the simplified approach in providing for expected credit losses under IFRS 9 which allows the use of the lifetime expected credit loss provision for all trade receivables. In measuring the expected credit losses, trade receivables have been stratified by settlement type and days past due. Expected lifetime credit loss rates are based on payment profiles of completed cases from April 2022 to December 2023. For trade receivables which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Investments

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

The cartel cases are classified as non-current investments, with the exception of those which have entered into discussions, as they are long-term in nature where settlement will involve a considerable level of analysis, negotiation and legal process that is expected by Management to exceed 12 months. All other cases are classified as current assets as the Company policy is to reach a timely settlement on these cases in order to re-cycle working capital and this is expected to be within 12 months (although this can vary case to case and year to year, the average age of settled cases in FY24 in 12.7 months).

Valuation of investments

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

2.8 Financial assets

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

2.9 Financial liabilities

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

Borrowings

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

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

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

Whilst the original arrangement fees in relation to a £25m loan facility with HSBC set up in June 2021 were capitalised and amortised over the length of the agreement, initially 3 years. Fees in relation to an amendment of the loan agreement (covenant amendment) in March 2024 were expensed to the Statement of Comprehensive Income in FY24.

These capitalised costs of £23,892 as at 31 March 2024 (31 March 2023: £119,426) have been netted off against borrowings in the Statement of Financial Position. Amendment fees of £62,500 were expensed to the Statement of Comprehensive Income in March 2024.

Trade and other payables

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

Contract liabilities

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

2.10 Share capital

Ordinary shares are classified as equity. There is one class of ordinary share in issue, as detailed in note 21. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds, net of tax.

2.11 Income tax

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

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

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

2.12 Share-based payments

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

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

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

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

2.13 Dividends

Dividends are recognised when declared during the financial year.

3. Significant judgements and estimates

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

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

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

Valuation of investments

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

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

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

The Company undertakes the following steps:

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

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

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

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

Movements in fair value on investments in cases are included within revenue in the Statement of Comprehensive Income. Fair value gains or losses are unrealised until a final outcome or stage is reached. At the year-end there were 418 open cases, of these 366 had a valuation of less than £100k. These cases are not expected to have an individually material impact on the business when they are settled. The remaining 52 cases make up £24.8m of the Investments and are material to the business, the significant judgements and estimates in their valuations at the balance sheet date were as follows:

1. Judgements:

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

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

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

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

2. Estimates:

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

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

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

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

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

Sensitivity analysis has not been included in the financial statements, due to the vast amount of inputs and number of variables which are inherently specific to each case, making it impossible to provide meaningful data. Whilst the Board considers the methodologies and assumptions adopted in the valuation are supportable, reasonable and robust, because of the inherent uncertainty of valuation, it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year are different from the assumptions could require a material adjustment to the carrying amount of the £40.2m of investments disclosed in the balance sheet (Note 13). However, as an indication we note that a 10% increase/(decrease) in the fair value of our top 20 cases (excluding cartel cases) would result in an increase/(decrease) in the fair value investment of +/- £0.9m.

Approach to cartel case valuation:

Following publication of the ruling in respect of an EU Competition test case (the "BT / Royal Mail" case) we requested that our independent expert valuation firm apply the assumptions contained within the test case ruling to the valuation of Manolete's 22 cartel cases. Following the ruling and the receipt of further case data, the directors consider that additional discounting, or the use of a "tier based" system is no longer required and the year-end valuation therefore represents Manolete's percentage ownership of the overall case valuation. The cartel case carrying valuation as at 31 March 2024 was £15.1m (FY23 £15.0m).

Recoverability of trade receivables

The Company's business model involves the provision of services for credit. The Company normally receives payment for services it has provided once a claim has been pursued and settled or decided in Court. The average time from taking on a case to settlement is c.12.7 months although this can vary significantly from case to case. As part of the settlement agreement, the timing of payment of the award by the defendant to the Company is agreed and this is a legally binding document. Settlements can be received in full on the day of settlement or (at Management's discretion) paid in instalments over a defined settlement plan.

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

The Company applies the simplified approach in providing for expected credit losses under IFRS 9 which allows the use of the lifetime expected credit loss provision for all trade receivables. In measuring the expected credit losses, trade receivables have been stratified by settlement type and days past due. Expected lifetime expected credit loss rates are based on the payment profiles of completed cases from April 2022 to December 2023. The Company attempts to assess the probability of credit losses but seeks to mitigate its credit risk by undertaking rigorous net worth checks before taking on a case. Occasionally credit defaults do occur when counterparties default on an agreed settlement payable by instalments. There is a concentration risk in relation to the trade receivable of £7.2m which relates to a large case completion in FY21. Repayments to date have been made according to the agreed schedule. Based on Management's assessment of the receivable no provision has been recognised against this balance.

Recovery of receivables is closely monitored by Management and action, where appropriate, will be taken to pursue any overdue payments. The Company seeks to obtain charging orders over the property of trade receivables as security where possible. The receivables' ageing analysis is also evaluated on a regular basis for potential doubtful debts. Where potential doubtful debts are identified specific bad debt provisions are held against these. It is the Directors' opinion that no further provision for doubtful debts is required. Please see note 16 of the accounts.

Recoverability of deferred tax asset on utilised tax losses

The Company has recognised a deferred tax asset of £600k in respect of estimated unutilised trading losses which are available to carry forward against future taxable profits. In the prior year, no deferred tax asset was recognised in respect of carried forward trading losses. Management have considered whether, in their judgement, it is probable (i.e. more likely than not) that sufficient taxable profits will be generated such that an asset can be recognised. During the year the Company reported a profit before tax of £1.0m which represented a return to profit following a loss before tax of £4.0m in the prior year. As described in the Strategic Report, the Board consider that the performance in FY24 reflects a recovery from the effects of temporary Covid-related business support measures and therefore, having considered the Company's projections used for going concern assessments, that it is probable that taxable profits will be available against which to utilise the full £2.4m of available unutilised losses.

4. Segmental reporting

During the year ended 31 March 2024, revenue was derived from cases funded on behalf of the insolvent estate and cases purchased from the insolvent estate, which are mostly undertaken within the UK. Where cases are funded, upon conclusion, the Company has the right to its share of revenue; whereas for purchased cases, it has the right to receive all revenue, from which a payment to the insolvent estate is made. Revenues arising from funded cases and purchased cases are considered one business segment and are considered to be the one principal activity of the Company. All revenues derive from continuing operations and are not seasonal in nature.

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

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

	31 March 2024 £000s	31 March 2023 £000s
Net realised gains on investments in cases	24,183	26,790
Fair value movements (net of transfers to realisations) - Note 13	2,112	(6,037)
	26,295	20,753

Net realised gains on investments includes £805k (FY23: £802k) in respect of the unwinding of a discounted settlement receivable. See note 16 for further detail.

	31 March 2024 £000s	31 March 2023 £000s
Arising from:		
Purchased cases	26,985	15,321
Funded cases	(690)	5,432
	26,295	20,753

5. Directors and employees

Staff costs for the Company during the year:

Staff costs (including directors):	31 March 2024 £000s	31 March 2023 £000s
Wages and salaries	3,562	3,031
Social security costs	436	429
Other pension costs and benefits	484	277
Total staff costs	4,482	3,737

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

	31 March 2024 No.	31 March 2023 No.
Directors (executive and non-executive)	6	6
Management and administration	23	18
Average headcount	29	24

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

Directors' emoluments:	31 March 2024 £000s	31 March 2023 £000s
Salaries and fees	1,524	1,404
Other pension costs and benefits	30	16
	1,554	1,420

Directors remuneration is detailed in the Remuneration report. The number of directors to whom retirement benefits accrued was 3 (FY23: 2). No options were exercised by directors in FY24 (FY23: no directors exercised options)

	31 March 2024 £000s	31 March 2023 £000s
Highest paid director:		
Salaries and fees	534	529
Other pension costs and benefits	11	6
	545	535

Management consider the directors to be the key management personnel. The total share based payment expense in the year attributable to the Board was £247k. (FY23: £141k).

6. Operating profit

Is stated after charging:

	31 March 2024 £000s	31 March 2023 £000s
Bad debt expenses	1,362	1,534
Share based payments	336	150
Depreciation of right of use asset	-	86
Amortisation of intangible assets	-	13

7. Auditor remuneration

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

	31 March 2024 £000s	31 March 2023 £000s
Fee payable to Company's auditor and its associates for the statutory audit of the Company's financial statements	122	110
Fees payable to Company's auditor and its associates for other services:		
Interim agreed upon procedures (2024 and 2023: RSM UK Audit LLP)	11	11
Total	133	121

8. Analysis of expenses by nature

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

The breakdown by nature of administrative expenses is as follows:

	31 March 2024 £000s	31 March 2023 £000s
Staff costs, including pension and healthcare costs	4,482	3,737

Bad debts including expected credit losses	1,362	1,534
Professional fees	669	512
Marketing costs	365	344
Other costs, including office costs	766	666
Total administrative expenses	7,644	6,793

9. Finance income and finance expense

	31 March 2024 £000s	31 March 2023 £000s
Bank interest	16	7
Total finance income	16	7

	31 March 2024 £000s	31 March 2023 £000s
Lease liability interest	-	1
Other loan interest	196	251
Bank loan charges	1,283	587
Total finance expense	1,479	839

10. Dividends

Dividends paid during the financial year were as follows.

Declared during the year	31 March 2024 £000s	31 March 2023 £000s
Final dividend for the year ended 31 March 2023 of 0.0p per share, (October 2022: 0.5p)	-	-
Interim dividend for the year ended 31 March 2024, of 0.0p per share (FY23: 0.0p)	-	-
Total dividends paid	-	-

Proposed after the end of year and not recognised as a liability		
Final dividend for the year ended 31 March 2024: 0.0p per share (31 March 2023: 0.0p per share)	-	-

11. Taxation

Analysis of charge/(credit) in year	31 March 2024 £000s	31 March 2023 £000s
Current tax charge/(credit) on profits/losses for the year	-	(735)
Adjustments in respect of prior periods	735	(42)
Income tax charge/(credit)	735	(777)
Deferred tax credit	(630)	(52)
Total tax charge/(credit)	105	(829)

The tax (credit)/charge for the year differs from the standard rate of corporation tax in the UK of 25%. (FY23: 19%). The differences are explained below.

	31 March 2024 £000s	31 March 2023 £000s
Profit/(Loss) on ordinary activities before tax	1,038	(3,953)
Profit/(Loss) on ordinary activities multiplied by the rate of corporation tax in the UK as above	259	(751)
Effects of:		
Expenses not deductible	105	44
Other differences	-	(28)
Adjustments to current tax in respect of previous periods	735	(42)
Deferred tax charged directly to equity	41	120
Temporary differences not recognised in the computation	(71)	(108)
Remeasurement of deferred tax for change in tax rates	-	(64)
Brought forward losses utilised in the year	(364)	-
Recognition of asset not previously recognised	(600)	-
Total taxation charge/(credit)	105	(829)

At 31 March 2024 the Company had estimated unutilised losses to carry forward of £2.4m (FY23: £3.9m). In light of the Company's return to profitability in FY24, a deferred tax asset of £600k in respect of estimated tax losses of £2.4m has been recognised (see Note 19.) In the prior year, a potential deferred tax asset of £1.0m was not recognised due to the loss reported in the year and the uncertainty of timing of future profits. From 1 April 2023 the headline rate of UK corporation tax increased to 25% and the deferred tax asset has been measured by reference to this rate. Losses do not expire

12. Earnings per share

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

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

	31 March 2024 £000s	**31 March 2023 £000s**
Profit/(Loss) for the period attributable to equity holders of the Company	933	(3,124)
Weighted average number of ordinary shares	44,135,972	43,756,351
Earnings per share	2.11p	(7.14)p

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

	31 March 2024 £000s	**31 March 2023 £000s**
Profit/(Loss) for the period attributable to equity holders of the Company	933	(3,124)
Diluted weighted average number of ordinary shares	45,128,751	43,756,351
Diluted earnings per share	2.07p	(7.14)p

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

	31 March 2024 £000s	**31 March 2023 £000s**
Weighted average number of shares for Basic Earnings Per Share	43,761,305	43,756,351
Adjustments for calculation of Diluted Earnings Per Share:		
Options over ordinary shares	1,366,751	-
Weighted average number of shares for Diluted Earnings Per Share	45,128,056	43,736,351

The earnings per share is diluted by options over ordinary shares, as detailed in note 23. In FY23, there was no diluting factor due to share options as a loss after tax was reported.

13. Investments (as restated)

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

	31 March 2024 £000s	**31 March 2023 £000s**
As at 1 April 2023	36,462	45,718
Prepaid cost additions	6,355	5,806
Realised prepaid costs	(4,733)	(9,025)
Fair value movement (net of transfers to realisations)	2,112	(6,037)
As at 31 March 2024	40,196	36,462

Restated

	31 March 2024 £000s	31 March 2023 £000s
Current	28,903	21,479
Non-current	11,293	14,983
As at 31 March 2024	40,196	36,462

Prepaid and initial legal costs relating to the cartel cases have been reclassified as non-current investments consistent with the classification of the fair value of these cartel cases in both FY24 and restated for FY23. A proportion of cartel case investment has been disclosed as current investment in FY24 as negotiations with the Truck manufacturer have commenced.

Investment figures in FY23 have been restated to include the external legal costs incurred on cartel cases as a non-current asset (previously shown as a current asset). As such, this resulted in £1,594k of legal costs in FY23 being removed from current investments and included within non-current investments. Hence, current investments reduced from £23.1m to £21.5m and non-current investments increased from £13.4m to £15.0m. This is a reclassification only and has no impact on the profit and loss, earnings per share or diluted earnings per share.

Analysis of fair value movements

	31 March 2024 £000s	31 March 2023 £000s
New case investments	12,325	9,659
Increase in existing case fair value (excl. cartel cases)	488	134
Decrease in existing case fair value (excl. cartel cases)	(3,982)	(2,519)
Case completions - transferred to realisations	(6,811)	(14,503)
Increase in fair value of cartel cases	92	1,192
Fair value movement (net of transfers to realisations)	2,112	(6,037)

14. Intangible assets

Intangible assets comprised the costs of developing the Company's website. The website developments costs are amortised over the useful life of the website, which is estimated to be three years.

Website development costs	31 March 2024 £000s	31 March 2023 £000s
As at 1 April 2023	-	13
Amortisation charge	-	(13)
As at 31 March 2024	-	-

15. Right-of-Use asset

The Company held one lease, an office property lease for 21 Gloucester Place, London which expired in September 2022. The new lease relating to this office is short term and the Company has applied the short-term lease exemption from capitalising the lease, along with other short term office leases..

	31 March 2024 £000s	31 March 2023 £000s
As at 1 April 2023	-	86
Depreciation	-	(86)
As at 31 March 2024	-	-

Lease liability	31 March 2024 £000s	31 March 2023 £000s
Current	-	-
Non-current	-	-
As at 31 March 2024	-	-

16. Trade and other receivables

	31 March 2024 £000s	31 March 2023 £000s
Amounts falling due in excess of one year:		

Trade receivables	11,738	10,270
Contract asset	2,465	2,045
Total trade and other receivables due in excess of one year	14,203	12,315
Amounts falling due within one year:		
Gross trade receivables	21,203	16,505
Less:		
Specific provisions	(4,507)	(2,881)
Allowance for expected credit losses	(1,838)	(1,794)
Trade receivables	14,858	11,830
Prepayments	219	233
Total trade and other receivables due within one year	15,077	12,063

Trade receivables are amounts due from settled cases in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Ageing of the expected credit loss allowance us included in note 27.

The contract asset relates to the unwinding of the discounting applied to the present value of the settlement of a large case which settled in FY21. Unwinding income of £805k (2023: £802k) and unwinding expense of £578k (2023: £566k) were recognised in the year in respect of this single large case. No other receivables are discounted.

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

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

ECL Provision	**31 March 2024 £000s**	**31 March 2023 £000s**
At 1 April 2023	1,794	865
Increase in provisions for impairment	44	929
As at 31 March 2024	1,838	1,794

The Company applies the simplified approach in providing for expected credit losses under IFRS 9 which allows the use of the lifetime expected credit loss provision for all trade receivables. In measuring the expected credit losses, trade receivables have been stratified by settlement type and days past due. Expected lifetime credit loss rates are based on the payment profiles of completions from April 2022 to December 2023.

17. Cash and cash equivalents

	31 March 2024 £000s	**31 March 2023 £000s**
Cash at bank and in hand	1,452	636

All bank balances are denominated in pounds sterling.

18. Trade and other payables

	31 March 2024 £000s	**31 March 2023 £000s**
Amounts falling due in excess of one year:		
Accruals - direct costs	6,651	5,982
Contract liability	1,783	1,411
Total trade and other payables due in excess of one year	8,434	7,393
Amounts falling due in one year:		
Trade payables	1,325	802
Accruals - direct costs	6,714	3,984
Other creditors	1,058	645
Other taxation and social security	138	112
Total trade and other payables due within one year	9,235	5,543

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

Accruals - direct costs relate primarily to accrued amounts due to Insolvency Practitioners on the Company's completed cases and accrued legal costs of completed cases. Of the £8.4m shown as non-current, £3.9m relates to the amounts payable to the Insolvency Practitioner due in more than one year in respect of the large case completion in FY21.

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

19. Deferred tax asset

	31 March 2024 £000s	31 March 2023 £000s
At 1 April 2023	267	95
Deferred tax charged in the income statement for the period	630	292
Deferred tax included directly in equity	41	(120)
At 31 March 2024	938	267

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

Deferred tax assets are recognised in respect of:

	31 March 2024 £000s	31 March 2023 £000s
Unutilised losses carried forward	600	-
Timing differences on share options	336	266
Other items	2	1
Total	938	267

20. Borrowings

	31 March 2024 £000s	31 March 2023 £000s
Non-current		
Bank loans	13,726	10,381
Total non-current borrowings	13,726	10,381
Current		
Lease liability	-	-
Total current borrowings	-	-

Arrangement fees in relation to a £25m loan facility set up with HSBC in June 2021 are capitalised and amortised over the original length of the loan facility, a period of three years. There is an option to extend for a further year.

Gross borrowings are £13.7m as at 31 March 2024 (FY23: £10.5m) but are presented net of HSBC set-up amortised costs of £24k above which are being amortised over 3 years. Maturity analysis of bank loans is included in note 27.

The Company agreed on 22 June 2021, a new RCF for £25m over an initial three-year period to 1 July 2024, with an option to extend by a further year. In July 2022 the Company chose to take the extension to 1 July 2025.

In March 2024, the Company agreed an amendment to the RCF to replace the suite of profit based covenants with cash based covenants and to reduce the RCF loan to £17.5m with the interest rate maximum increased to 4.7% over SONIA.

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

During the year the original leverage covenant and interest cover covenant breaches were waived for the quarters, 30th June 2023, 30 September 2023 and 31 December 2024.

Reconciliation of liabilities arising from financing activities:

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

	1 April 2022 £000s	Cash flows £000s	Non-cash changes £000s	31 March 2023 £000s
Bank borrowings	13,285	(3,000)	96	10,381
Lease liabilities	96	(97)	1	-
Total liabilities from financing activities	13,381	(3,097)	97	10,381

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

21. Share capital

Allotted and issued	31 March 2024 No.	31 March 2023 No.
Ordinary shares of £0.004 each	43,761,305	43,761,305

Voting rights

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

Dividends

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

22. Reserves

Share capital

Includes the Company's nominal share capital.

Share premium

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

Share based payment reserve

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

Special non-distributable reserve

A special non-distributable reserve was created in FY19 to ensure there was sufficient reserves held within the Company to satisfy creditors at the time of a conversion of share premium to distributable reserves to allow a dividend to be paid in FY19. The balance on this reserve was reduced to nil in FY23.

Retained earnings

Includes all current and prior periods retained profits and losses.

23. Share options

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

CSOP Share Scheme

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

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

Year ended 31st March 2024

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

Year ended 31st March 2023

Grant date	Vesting Date	Exercise price	Balance brought forward	Granted during the year	Exercised during the year	Lapsed/ forfeited	Balance carried forward
21/11/2019	21/11/2021	1.12	384,038	-	(13,232)	-	370,806
08/07/2019	08/07/2022	4.45	50,557	-	-	-	50,557
29/11/2019	29/11/2022	4.65	16,127	-	-	-	16,127
09/12/2019	09/12/2022	4.30	193,781	-	-	-	193,781
27/07/2020	27/07/2023	4.15	21,684	-	-	(7,228)	14,456
16/11/2022	16/11/2025	2.58	-	34,950	-	-	34,950
			666,187	34,950	(13,232)	(7,228)	**680,677**
Exercisable at the end of the year			**-**	-	-	-	-
Weighted average exercise price			2.48	2.58	1.12	4.15	2.50

Options outstanding as at 31 March 2024 are exercisable at prices ranging between £1.12 and £4.65 (FY23 £1.12 and £4.65) and the weighted average contractual life of the options outstanding at the reporting date is 67 months (FY23: 79 months) as analysed in the table below:

	Number of share options		**Weighted average remaining contractual life (months)**	
Exercise price range	**FY24**	**FY23**	**FY24**	**FY23**
£1.12 - £1.99	370,806	370,806	63	75
£2.00 - £3.99	34,950	34,950	68	80
£4.00 - £4.65	274,921	274,921	104	116
	680,677	**680,677**	**67**	**79**

	Number of share options		**Average exercise price £**	
	FY24	**FY23**	**FY24**	**FY23**
CSOP Options	168,938	168,938	3.01	3.01
Unapproved Options	511,739	511,739	2.32	2.32
Total	**680,677**	**680,677**	**2.50**	**2.50**

Fair value calculations

The fair value of the CSOP share options plans are calculated at the date of the grant using the Black-Scholes option pricing model. Expected volatility was determined by calculating the historical volatility of the Company's share price over an appropriate period. There were no CSOP share options granted during the year ended 31 March 2024.

Long-term incentive plan

In FY21 the Company introduced an equity-settled long-term incentive plan (LTIP) scheme for the executive directors and other senior executives. Performance is measured at the end of the three-year performance period. If the required minimum Earnings Per Share (EPS) performance conditions have been satisfied, 25% of the shares will vest, increasing to 100% of shares if the maximum EPS target is achieved. Straight-line vesting will apply if performance falls between two points. FY23 LTIP scheme is split evenly over three performance conditions; EPS, Strategy performance and Share Price. Options awarded will expire ten years from the date of grant and are issued at the nominal value of the Company's share capital pf £0.004p but the Company's remuneration committee may waive the requirement at their discretion.

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

Year ended 31st March 2024

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

Year ended 31st March 2023

Grant date	Vesting Date	Exercise price	Balance brought forward	Granted during the year	Exercised during the year	Lapsed/ forfeited	Balance carried forward
30/09/2020	30/03/2022	0.004	53,333	-	-	-	53,333
30/09/2020	30/09/2023	0.004	321,334	-	-	-	321,334
02/12/2021	02/12/2024	0.004	357,806	-	-	-	357,806
02/12/2021	30/03/2022	0.004	53,333	-	(53,333)	-	-
29/07/2022	29/07/2025	0.004	-	349,800	-	-	349,800
29/07/2022	29/07/2023	0.004	-	16,054	-	-	16,054
			785,806	365,854	(53,333)	-	**1,098,327**
Weighted average exercise price			0.004	0.004	0.004	-	0.004

No options were exercised during the period and no options were modified. The weighted average remaining contractual life of these options is 13.7 months (FY23: 20.6 months). No LTIP options were in issue prior to the 1 April 2020.

Fair value calculations

The fair value of the LTIP share options plans are calculated at the date of the grant using the Monte-Carlo and Binomial simulation pricing models. Expected volatility was determined by calculating the historical volatility of the Company's share price over an appropriate period. The following table presents the inputs used in the option pricing model for the share options granted in the years ended 31 March 2024 and 31 March 2023 based on the information at the date of grant:

Grant date of award	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
29/07/2022	2.78	0.004	52.3%	0%	1.87%	2.34
29/07/2022	2.78	0.004	31.7%	0%	1.87%	2.34
18/07/2023	2.08	0.004	46.5%	0%	4.77%	0.64

LTIP awards granted during the year ended 31 March 2024 are subject to the Earnings Per Share performance, Strategy performance and share price conditions.

2 Year Share Scheme

In FY24, the Company introduced a 2 year share scheme for the employees of the organisation (excluding Directors). Share options are awarded at the end of each financial year, following approval by the Remuneration Committee, and based on an individual's performance. These share options vest after 2 years of continued good performance in the Company. Once vested, the options can be exercised until 10 years from the grant date. The options are equity settled. The options were valued using a Black Scholes model.

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

Year ended 31st March 2024

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

24. Retirement benefits

The Company operates a defined contribution pension scheme for all qualifying employees. During the year, the Company charged £99,669 (FY23: £82,774) as employer's pension contributions. The outstanding pension creditor as at 31 March 2024 was £8,227 (FY23: £5,339).

25. Financial instruments - classification and measurement

Financial assets

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

	31 March 2024 £000s	**31 March 2023 £000s**
Trade receivables	26,596	22,100
Contract assets	2,465	2,045
Cash and cash equivalents	1,452	636
Total	30,513	24,781

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

	31 March 2024 £000s	**31 March 2023 £000s**
Investments	40,196	36,462
Total	40,196	36,462

Financial liabilities

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

	31 March 2024 £000s	**31 March 2023 £000s**
Trade and other payables	17,669	12,936

Bank loans	13,726	10,381
Total	31,395	23,317

Fair value

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

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

31st March 2023	**Level 1**	**Level 2**	**Level 3**
	£000s	**£000s**	**£000s**
Investments	-	-	36,462
Total	-	-	36,462

26. Cashflow information

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

	31 March 2024 £000s	**31 March 2023 £000s**
Fair value movements	(2,112)	6,037
Legal costs on realised cases	4,733	9,024
Finance expense	1,479	236
Depreciation & amortisation	-	99
Share based payments	336	260
Deferred tax	-	(95)
Finance income	(16)	(7)
Non-cash adjustments to cashflows generated from operations	**4,420**	**15,554**

(B) Net debt

	31 March 2024 £000s	**31 March 2023 £000s**
Cash and cash equivalents	1,452	636
Borrowings - repayable after one year	(13,726)	(10,381)
Net debt	**(12,274)**	**(9,745)**

27. Financial instruments - risk management

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

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

Interest rate risk

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

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

		31 March 2024		**31 March 2023**
	Debt £000s	**Interest Rate**	**Debt £000s**	**Interest Rate**

Floating rate borrowings

Bank loans	13,750	SONIA and Margin of 4.7%	10,500	LIBOR and Margin of 3.7%

Sensitivity to variable interest rates

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

Liquidity risk

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

Unused borrowing facilities at the reporting date:

	31 March 2024 £000s	**31 March 2023 £000s**
Bank loans	3,750	14,500

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

Bank covenants (leverage and interest cover) were breached during FY24 and waivers were agreed on each occasion. As such, Management agreed with HSBC a revised set of covenants in March 2024 that were cash based measures rather than the previous profit based measures.

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

At 31 March 2023	**Less than one year £000s**	**Between 1 and 2 years £000s**	**Between 2 and 5 years £000s**	**Greater than 5 years £000s**	**Total contractual cashflows £000s**	**Carrying amount of liabilities £000s**
Trade and other payables	6,435	1,856	4,451	3,906	16,648	12,936
Bank borrowings	-	-	10,500	-	10,500	10,381
Total	6,435	1,856	14,951	3,906	27,148	23,317

Capital risk management

The Company is both equity and debt funded, and these two elements combine to make up the capital structure of the business. Equity comprises share capital, share premium and retained earnings and is equal to the amount shown as 'Equity' in the balance sheet. Debt comprises bank loans which are set out in further detail above and in note 20. The Company initially raised funds through an IPO in December 2018 and has drawn down £13.75m of a HSBC loan facility (FY23: £10.5m), the total facility is a £17.5m revolving credit facility with HSBC.

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

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

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

During the year ended 31 March 2024 the Company's strategy remained unchanged.

Credit risk and impairment

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

	31 March 2024 £000s	31 March 2023 £000s
Trade receivables	26,596	22,100
Contract asset	2,465	2,045
Cash and cash equivalents	1,452	636
Total maximum exposure	30,513	24,781

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

The Company applies the simplified approach in providing for expected credit losses under IFRS 9 which allows the use of the lifetime expected credit loss provision for all trade receivables. In measuring the expected credit losses, trade receivables have been stratified by settlement type and days past due. Expected lifetime credit loss rates are based on the payment profiles of sales from January 2019 (post IPO).

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

There is a concentration risk in relation to the trade receivable of £7.2m in relation to a single case which completed in FY21. Repayments to date have been made according to the agreed schedule. Excluding this balance, the Company does not consider any concentration of risk within either trade or other receivables to be significant. The Company seeks to obtain charging orders over the property of trade receivables as security where possible. The receivables' ageing analysis is also evaluated on a regular basis for potential doubtful debts. It is the Directors' opinion that no further provision for doubtful debts is required.

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

	31 March 2024 £000s	31 March 2023 £000s
Settlement agreements	23,805	18,850
Judgements	4,629	5,044
Specific provisions	4,507	2,881
Gross carrying amount	32,941	26,775
Loss allowance	(6,345)	(4,675)
Trade receivables carrying amount	26,596	22,100

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

Past due at 31 March 2024	Current £000s	0-1 months £000s	1-3 months £000s	3-6 months £000s	6-12 months £000s	>12 months £000s	Total £000s
Gross receivables							
Settlement agreements	21,150	230	247	995	1,551	1,360	25,533
Judgements	910	3	76	42	4	6,373	7,408
Total	22,060	233	323	1,037	1,556	7,733	32,941
Loss allowance							
Settlement agreements - ECL	(281)	(7)	(15)	(28)	(80)	(111)	(522)
Judgements - ECL	(19)	-	(5)	(6)	(1)	(1,286)	(1,317)
Settlement agreements - Specific provisions	(391)	(12)	(23)	(31)	(91)	(1,178)	(1,726)
Judgements - Specific provisions	-	-	-	-	-	(2,780)	(2,780)
Total	(691)	(19)	(43)	(65)	(172)	(5,355)	(6,345)
Expected loss rate %							
Settlement agreements	2%	3%	7%	13%	23%	36%	4%

Judgements*	28%	32%	32%	32%	32%	34%	38%
Specific provisions	100%	100%	100%	100%	100%	100%	100%
Total	4%	4%	13%	16%	23%	34%	19%

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

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

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

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

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

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

Investment risk

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

Sensitivity analysis has not been included in the financial statements, due to the vast amount of inputs and number of variables which are inherently specific to each case, making it impossible to provide meaningful data. Whilst the Board considered the methodologies and assumptions adopted in the valuation are supportable, reasonable and robust, because of the inherent uncertainty of valuation, it is reasonably possible, on the basis of existing knowledge that outcomes within the next financial year that are different from the assumptions could require a material adjustment to the carrying amount of the £40.2m of investments disclosed in the balance sheet. However, as an indication we note that a 10% increase/(decrease) in the fair value or our top 20 cases (excluding Cartel cases) would result in an increase/(decrease) in the fair value investment of +/- £0.9m.

Currency risk

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

28. Related party transactions

Director and key management remuneration is disclosed in Note 5.

Dividends of £nil were paid to the directors during the year based on their individual shareholdings disclosed in the Remuneration Committee report as follows:

	31 March 2024 £000s	31 March 2023 £000s
Steven Cooklin	-	34
Lord Howard Leigh	-	1
Mena Halton	-	1
Total dividends paid to the directors	**-**	**36**

29. Ultimate controlling party

The Company has no ultimate controlling party.

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