

eCapital Commercial Finance Limited

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

Xcinadin Audit Limited
Chartered Accountant and Statutory Auditor
Leavesden Park
5 Hercules Way
Watford
Hertfordshire
WD25 7GS

eCapital Commercial Finance Limited

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eCapital Commercial Finance Limited

Company Information

Directors	A K Taylor D J Tilling J S McDonald P Dahill L M Cleaver M Finn
Company secretary	Speafi Secretarial Limited
Registered office	1 London Street Reading Berkshire England RG1 4PN
Auditors	Xeinadin Audit Limited Chartered Accountant and Statutory AuditorLeavesden Park 5 Hercules Way Watford Hertfordshire WD25 7GS

eCapital Commercial Finance Limited

Strategic Report for the Year Ended 31 December 2025

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

Principal activity

The principal activity of the company is to provide receivables finance solutions and services to small and medium-sized businesses.

Fair review of the business

The business has provided value-driven, dependable, and flexible financial solutions to SMEs for over 25 years, differentiating our service and product suite through a commitment to a geographical and traditional relationship model. This approach enables us to remain close to our customers in everything we do.

We service over 1500 business clients from six regional businesses, providing funding of over £200m and employing a team of around 200 people

The Directors are pleased to report a further strengthening of our business, with another successful year for the group. This demonstrates strong growth across all six operating offices in the UK, marking 13 consecutive years of strong organic growth exceeding the market average. We have continued to increase our client base, growing both our revenues and profits, enabling us to strengthen the operational proposition, resilience, and systems, which has seen revenue grow to £56.6m (14.7%). We continue to rank high in the intermediary index, indicating that we are delivering strong outcomes for our introducers through a strong service ethos and client retention.

Following our acquisition in October 2024, we have successfully integrated Optimum SME Finance Limited. The business has been rebranded as eCapital Commercial Finance (South West) Limited and we are at the latter stage of the full integration into the eCapital business.

Group mission

Our ambition to be a leading independent provider of working capital solutions to small-to-medium size businesses remains. The group's mission is to “build a great company with great people and great results”, balancing the values and opportunity of the business to our clients and our team.

Purpose: Our purpose is to address the funding needs in the SME market by helping our clients develop and grow their businesses through cost-effective, flexible, and dynamic working capital products that support their cash flow requirements, combined with first-class credit management services. In doing so we will differentiate ourselves by developing our unique combination of resources to be one of the most successful and respected companies in the independent sector of our industry.

We continue to build on our unique geographical and entrepreneurial operating model, which enables our teams to remain close to our clients in both service and risk management. We differentiate ourselves through our people and our relationships with both clients and intermediaries and continue to invest in best-in-class technology-led service solutions

Within the year, we announced our new local charity initiative, with each Regional Office nominating a Charity for which they will raise funds through sponsored events. This is match funded by eCapital. Throughout the year, we raised £36,415 for our chosen charities.

eCapital Commercial Finance Limited

Strategic Report for the Year Ended 31 December 2025

Outlook

The Board remains confident in its outlook for the year ahead and over the next three years as we deliver our 3-year plan. We continue to invest in our operating model and a culture that drives and supports exceptional results and commitment from the team.

We are supported by our parent company, eCapital Group, a North American speciality finance provider with over £2.8 billion under management. This enables our businesses not only to leverage the corporate infrastructure but also to invest in cutting-edge technologies that will advance the product for the market and our clients.

Our business model and portfolios have remained robust over the past few challenging trading years, with revenues remaining strong and client and staff retention rates positive. The prevailing economic conditions remain uncertain, and we anticipate a complex trading environment in 2026. However, our products are successful in a fluctuating economy and are robust through any cyclical downturns. We remain confident in our ability to grow and capitalize on the opportunities that the coming year presents. Our relationship with our funding syndicate remains strong, and we have sufficient resources to support growth.

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2025	2024
Revenue	£m	28	28
EBITDA	£m	13	14
PBT	£m	9	10

Revenue grew by £0.5m compared with the prior year, although EBITDA declined by £1.0m, reflecting targeted investment and cost pressures associated with delivering the Company's strategic priorities.

The position of the Company at the year-end is set out in the accompanying Financial Statements and related notes to the Financial Statements.

Principal risks and uncertainties

Risk mitigation is a key part of the management of the Company, and we have consistent processes to identify, manage, and help mitigate exposure to issues that may have a negative impact on the business. Summarised below are some of the key risks that may affect our business.

The commercial finance sector is influenced by macroeconomic factors and business confidence, both in the UK and the global economy. These factors affect our client base and can lead to higher business costs and supply chain and demand issues. Our products are secured by the client's receivables. Revenues depend on the success of our clients, and we closely monitor new and existing risks to ensure appropriate mitigation is in place and that we meet the objectives of our clear strategic plan.

Currency risk

The group operates solely in the UK but has some clients with foreign currency receivables. The group therefore maintains foreign currency bank accounts in various denominations. The group does not currently hedge its foreign currency cash flows, and therefore, it is exposed to fluctuations in foreign exchange rates, but this is not a significant risk to the Company.

eCapital Commercial Finance Limited

Strategic Report for the Year Ended 31 December 2025

Credit Risk

The company has an appropriate sanctioned credit policy, which guides our approach to risk. eCapital manages credit risk in line with the credit policy and the Board's risk appetite, ensuring the correct level of oversight and governance. The portfolio is well-diversified, with a low concentration and a positive debt turn. All clients are tied into a detailed enabling contract in place to mitigate the company's exposure to credit risk.

Interest rate risk

The company uses financial instruments to facilitate onward lending which are subject to variable interest rates. The company minimises interest rate risk by passing on any increased rate costs to customers in accordance with their factoring agreement.

Competition risk

The market is mature, and as a result, we face competition from other companies and products within the invoice finance market. This can impact profitability and growth. eCapital is well-positioned, both in terms of reputation and competitiveness, through its strategic approach and provision of best-in-class product services to deliver on both new client acquisition and client retention programs. We continually reach out to the market, either directly or through interaction with introducers, clients, and other partners.

Liquidity risk

The risk of the company failing to meet its financial obligations when they become due. The company funds its clients through a back-to-back facility and its own reserves. The company minimises liquidity risk by constantly monitoring its funding availability and requirements.

Operational risk

The risk to the company of loss resulting from inadequate or failed internal processes, people, systems, or external events. The company minimises operational risk by ensuring internal processes are streamlined and efficient, investing in and training people, updating and maintaining IT systems and monitoring external events.

Cyber risk

The risk to a company from damage through its information systems. The company mitigates this risk by multi-layers of protection software and training to all employees.

The group's policy for payment of creditors

The group pays all invoices in the month they are received unless the supplier offers fixed instalment settlement.

Environment

The company's policy about the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities. Our operations are conducted in a manner that ensures compliance with all legal requirements and new ways of multi-functional working.

People

We remain committed to fostering an inclusive and dynamic culture within our teams and among our people. Our people strategy is defined in our core mission and is at the front of all we do. Our structure enables close teams and high engagement in the business while providing opportunities for good careers within the company and the wider group. This is further ensured by our participation in both our Clifton Strengths and Gallup Engagement Program, with scores in the upper quartile.

eCapital Commercial Finance Limited

Strategic Report for the Year Ended 31 December 2025

Approved and authorised by the Board on 24 April 2026 and signed on its behalf by:

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A K Taylor

Director

eCapital Commercial Finance Limited

Directors' Report for the Year Ended 31 December 2025

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

Directors of the company

The directors who held office during the year were as follows:

D J Cottenden (ceased 7 November 2025)

A K Taylor

D J Tilling

J S McDonald

P Dahill

L M Cleaver (appointed 16 May 2025)

A C Persse (appointed 16 May 2025 and ceased 31 March 2026)

The following director was appointed after the year end:

M Finn (appointed 14 April 2026)

Third party indemnities

The group has made qualifying third-party indemnity provisions for the benefit of the Company's directors during the year, which remain in force as of the reporting date.

Results and dividends

The profit for the year after tax, amounted to £6,957,946 (2024: £7,334,679).

The company has paid dividends of £4,104,069 (2024: £724,992) during the year.

Political and charitable donations

The company did not make any political charitable donations within the year (2024: £NIL).

Statement of directors' responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the

company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

eCapital Commercial Finance Limited

Directors' Report for the Year Ended 31 December 2025

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditors Xeinadin Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved and authorised by the Board on 24 April 2026 and signed on its behalf by:

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A K Taylor

Director

eCapital Commercial Finance Limited

Independent Auditor's Report to the Members of eCapital Commercial Finance Limited

Opinion

We have audited the financial statements of eCapital Commercial Finance Limited (the 'company') for the year ended 31 December 2025, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

eCapital Commercial Finance Limited

Independent Auditor's Report to the Members of eCapital Commercial Finance Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities [set out on page 6], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

eCapital Commercial Finance Limited

Independent Auditor's Report to the Members of eCapital Commercial Finance Limited

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with IIMRC, relevant regulators, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

eCapital Commercial Finance Limited

Independent Auditor's Report to the Members of eCapital Commercial Finance Limited

Use of our report

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

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Philip Cole FCA (Senior Statutory Auditor)

For and on behalf of Xeinadin Audit Limited

Chartered Accountants

Statutory Auditors

Leavesden Park

5 Hercules Way

Watford

Hertfordshire

WD25 7GS

28 April 2026

eCapital Commercial Finance Limited

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 December 2025

	Note	2025 £	2024 £
Turnover	<u>3</u>	28,308,326	27,797,970
Administrative expenses		(16,294,583)	(14,974,354)
Other operating income	<u>4</u>	1,258,350	1,286,421
Operating profit	<u>5</u>	13,272,093	14,110,037
Other interest receivable and similar income	<u>6</u>	79,747	-
Interest payable and similar charges	<u>7</u>	(4,030,442)	(4,334,899)
		(3,950,695)	(4,334,899)
Profit before tax		9,321,398	9,775,138
Taxation	<u>11</u>	(2,363,452)	(2,440,459)
Profit for the financial year		6,957,946	7,334,679
Retained earnings brought forward		30,342,291	23,732,604
Dividends paid		(4,104,069)	(724,992)
Retained earnings carried forward		33,196,168	30,342,291

eCapital Commercial Finance Limited

(Registration number: 04206708)

Balance Sheet as at 31 December 2025

	Note	2025		2024	
		£	£	£	£
Fixed assets					
Intangible assets	<u>12</u>		112,500		150,000
Tangible assets	<u>13</u>		81,344		95,421
Investments	<u>14</u>		9,544,153		9,388,807
			<u>9,737,997</u>		<u>9,634,228</u>
Current assets					
Debtors	<u>15</u>	108,567,403		88,727,592	
Cash at bank and in hand	<u>16</u>	<u>1,592,291</u>		<u>88,666</u>	
		110,159,694		88,816,258	
Creditors: Amounts falling due within one year	<u>17</u>	<u>(86,641,523)</u>		<u>(68,048,195)</u>	
Net current assets			<u>23,518,171</u>		<u>20,768,063</u>
Net assets			<u>33,256,168</u>		<u>30,402,291</u>
Capital and reserves					
Called up share capital		60,000		60,000	
Retained earnings		<u>33,196,168</u>		<u>30,342,291</u>	
Shareholders' funds			<u>33,256,168</u>		<u>30,402,291</u>

Approved and authorised by the Board on 24 April 2026 and signed on its behalf by:

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A K Taylor
Director

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

1 London Street
Reading
Berkshire
RG1 4PN
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentational currency of these accounts is pound sterling. The level of rounding is to the nearest one pound.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales value added tax, returns, rebates and discounts.

The company recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold Improvements	10 to 50 years straight line
Furniture, fittings and equipment	5 years straight line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10 years straight line

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development the asset is tested for impairment annually.

Pure and applied research expenditure may not be capitalised and should be written off in the year of expenditure through the profit and loss account.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

Recognition and measurement

Basic financial instruments are recognised at amortised cost.

FRS 102

As the consolidated financial statements of eCapital Commercial Finance Holdings UK Ltd, the ultimate parent company, are prepared according to the full recognition, measurement and disclosure requirements of FRS 102 and therefore include equivalent disclosures, the Company has taken the available exemptions under FRS 102 in respect of the following areas:

- Disclosures relating to the requirements of Section 7 Statement of Cash Flows;
- The disclosure requirements of Section 11 and Section 12, where disclosures equivalent to those required by FRS 102 are included in the consolidated financial statements of the Group; and
- Disclosure requirements of Section 33 Related Party Disclosures, regarding disclosure of related party transactions between wholly owned members of the same Group.

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2025	2024
	£	£
Rendering of services	28,308,326	27,797,970

The analysis of the company's Turnover for the year by market is as follows:

	2025	2024
	£	£
UK	28,308,326	27,797,970

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2025	2024
	£	£
Miscellaneous other operating income	1,258,350	1,286,421

5 Operating profit

Arrived at after charging/(crediting)

	2025	2024
	£	£
Depreciation expense	33,087	37,564
Amortisation expense	37,500	37,500

6 Other interest receivable and similar income

	2025	2024
	£	£
Other finance income	79,747	-

7 Interest payable and similar expenses

	2025	2024
	£	£
Interest on bank overdrafts and borrowings	4,188,172	4,319,998
Interest expense on other finance liabilities	-	3,415
Foreign exchange (losses)/gains	(157,730)	11,486
	4,030,442	4,334,899

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2025 £	2024 £
Wages and salaries	7,479,842	6,340,249
Social security costs	827,982	788,488
Pension costs, defined contribution scheme	385,191	353,292
Other employee expense	320,662	307,781
	<u>9,013,677</u>	<u>7,789,810</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2025 No.	2024 No.
Administration and support	118	112
	<u>118</u>	<u>112</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2025 £	2024 £
Remuneration	769,619	612,483
Contributions paid to money purchase schemes	41,194	25,033
	<u>810,813</u>	<u>637,516</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2025 No.	2024 No.
Accruing benefits under money purchase pension scheme	2	2

In respect of the highest paid director:

	2025 £	2024 £
Remuneration	423,316	357,168

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

10 Auditors' remuneration

	2025 £	2024 £
Audit of the financial statements	55,527	47,135
Other fees to auditors		
Taxation compliance services	7,500	3,500
All other assurance services	22,500	22,131
	30,000	25,631

11 Taxation

Tax charged/(credited) in the profit and loss account

	2025 £	2024 £
Current taxation		
UK corporation tax	2,363,342	2,462,391
UK corporation tax adjustment to prior periods	110	(21,932)
	2,363,452	2,440,459

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2024 - lower than the standard rate of corporation tax in the UK) of 25% (2024 - 25%).

The differences are reconciled below:

	2025 £	2024 £
Profit before tax	9,321,398	9,775,138
Corporation tax at standard rate	2,330,350	2,443,785
Increase/(decrease) in UK and foreign current tax from adjustment for prior periods	109	(21,932)
Tax decrease from effect of capital allowances and depreciation	(5,553)	(17,639)
Effect of expense not deductible in determining taxable profit (tax loss)	37,000	34,878
Tax increase from changes in pension fund prepayment	1,546	1,367
Total tax charge	2,363,452	2,440,459

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

12 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 January 2025	375,000	375,000
At 31 December 2025	375,000	375,000
Amortisation		
At 1 January 2025	225,000	225,000
Amortisation charge	37,500	37,500
At 31 December 2025	262,500	262,500
Carrying amount		
At 31 December 2025	112,500	112,500
At 31 December 2024	150,000	150,000

13 Tangible assets

	Leasehold improvements £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2025	11,000	203,531	214,531
Additions	-	19,010	19,010
Disposals	-	(33,679)	(33,679)
At 31 December 2025	11,000	188,862	199,862
Depreciation			
At 1 January 2025	11,000	108,110	119,110
Charge for the year	-	33,087	33,087
Eliminated on disposal	-	(33,679)	(33,679)
At 31 December 2025	11,000	107,518	118,518
Carrying amount			
At 31 December 2025	-	81,344	81,344
At 31 December 2024	-	95,421	95,421

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

14 Investments

	2025 £	2024 £
Investments in subsidiaries	9,544,153	9,388,807
Subsidiaries		£
Cost or valuation		
At 1 January 2025		9,388,807
Additions		155,346
At 31 December 2025		9,544,153
Carrying amount		
At 31 December 2025		9,544,153
At 31 December 2024		9,388,807

15 Debtors

	Note	2025 £	2024 £
Current			
Trade debtors		102,997,507	85,222,381
Amounts owed by related parties	22	3,220,826	2,004,802
Other debtors		17,680	17,680
Prepayments		1,103,384	518,572
Income tax asset	11	1,228,006	964,157
		108,567,403	88,727,592

16 Cash and cash equivalents

	2025 £	2024 £
Cash at bank	1,592,291	88,666
Bank overdrafts	-	(277,842)
Cash and cash equivalents in statement of cash flows	1,592,291	(189,176)

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

17 Creditors

	Note	2025 £	2024 £
Due within one year			
Loans and borrowings	<u>20</u>	80,621,885	62,744,193
Trade creditors		106,087	44,581
Amounts owed to group undertakings	<u>22</u>	2,868,436	1,798,813
Social security and other taxes		871,476	765,606
Accruals		2,173,639	2,695,002
		<u>86,641,523</u>	<u>68,048,195</u>

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £385,191 (2024 - £353,292).

Pension commitments

Commitments provided for in the accounts amounted to £67,409 (2024 - £61,224).

19 Share capital

Allotted, called up and fully paid shares

	2025		2024	
	No.	£	No.	£
Ordinary shares of £1 each	60,000	60,000	60,000	60,000

20 Loans and borrowings

Current loans and borrowings

	2025 £	2024 £
Bank borrowings	80,621,885	62,466,351
Bank overdrafts	-	277,842
	<u>80,621,885</u>	<u>62,744,193</u>

The bank facility is secured by a fixed and floating charge over all current and future assets of the company.

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

21 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2025 £	2024 £
Not later than one year	296,461	346,117
Later than one year and not later than five years	319,764	585,736
	<u>616,225</u>	<u>931,853</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £370,685 (2024 - £352,360).

22 Related party transactions

Summary of transactions with other related parties

Subsidiary companies within the same group

Income and receivables from related parties

	Other related parties £
2025	
Receipt of services	1,258,350
Amounts receivable from related party	<u>2,980,722</u>
	Other related parties £
2024	
Receipt of services	1,286,421
Amounts receivable from related party	<u>1,915,186</u>

Expenditure with and payables to related parties

	Parent £	Subsidiary £	Other related parties £
2025			
Rendering of services	-	-	29,238
Amounts payable to related party	<u>2,473,087</u>	<u>155,245</u>	<u>-</u>
	Parent £		Other related parties £
2024			
Rendering of services	-		29,238
Amounts payable to related party	<u>1,709,197</u>		<u>-</u>

eCapital Commercial Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

23 Parent and ultimate parent undertaking

eCapital Commercial Finance Holdings UK Limited is the parent that produces consolidated financial statements, where these financial statements are consolidated. These are available from:

1 London Street

Reading

Berkshire

RG1 4PN

The company's immediate parent is eCapital 3415 Limited, incorporated in England and Wales.

The ultimate parent is eCapital Finance Corp, incorporated in United States of America.

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