

MOORGATE LOAN SERVICING LIMITED

Report and Financial Statements

Year ended 30 September 2025

CAUTIONARY STATEMENT

Sections of this Annual Report, including but not limited to the Directors' Report and the Strategic Report may contain forward-looking statements with respect to certain of the plans and current goals and expectations relating to the future financial condition, business performance and results of Moorgate Loan Servicing Limited ('the Company'). These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as 'anticipate', 'estimate', 'expect', 'intend', 'will', 'project', 'plan', 'believe', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance but are not the exclusive means of identifying such statements. These have been made by the directors in good faith using information available up to the date on which they approved this report, and the Company undertakes no obligation to update or revise these forward-looking statements for any reason other than in accordance with its legal or regulatory obligations (including under the UK Market Abuse Regulation).

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Company and depend upon circumstances that may or may not occur in the future that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. There are also a number of factors that could cause actual future financial conditions, business performance, results or developments to differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements and forecasts. As a result, you are cautioned not to place reliance on such forward-looking statements as a prediction of actual results or otherwise.

These factors include, but are not limited to: material impacts related to foreign exchange fluctuations; macro-economic activity; the impact of outbreaks, epidemics or pandemics, and the extent of their impact on overall demand for the Company's services and products; potential changes in dividend policy; changes in government policy and regulation (including the monetary, interest rate and other policies of central banks and other regulatory authorities in the principal markets in which the Company operates) and the consequences thereof; actions by the Company's competitors or counterparties; third party, fraud and reputational risks inherent in its operations; the UK's exit from the EU; unstable UK and global economic conditions and market volatility, including currency and interest rate fluctuations and inflation or deflation; the risk of a global economic downturn; acts of terrorism and other acts of hostility or war and responses to, and consequences of those acts; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; general changes in government policy that may significantly influence investor decisions (including, without limitation, actions taken in support of managing and mitigating climate change and in supporting the global transition to net zero carbon emissions); societal shifts in customer financing and investment needs; and other risks inherent to the industries in which the Company operates.

Nothing in this Annual Report should be construed as a profit forecast.

STRATEGIC REPORT**BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

Moorgate Loan Servicing Limited ('the Company') is a wholly owned subsidiary of Idem Capital Holdings Limited, which is a wholly owned subsidiary of Paragon Banking Group PLC ('the Group'). During the year the Company operated in the United Kingdom ('UK'), the principal activity of the Company is the provision of loan administration and related services. The directors consider that the Company has performed satisfactorily and will continue to do so.

The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The Company's profit and loss account is shown on page 13. Profit after tax has decreased from £315,000 to £284,000. This was principally due to a decrease in turnover, due to less fees received in the current year.

The balance sheet on page 14 of the Financial Statements shows the Company's financial position at the year end. Net assets have decreased, which was due to the profit for the year being less than the interim dividend paid during the year. Details of amounts owed from other group companies are shown in note 6.

The directors recommend no final dividend (2024: £nil) which, given the interim dividend of £0.17 per share (2024: £nil per share), means a total dividend for the year of £0.17 per share (2024: £nil per share).

The Group manages its operations on a centralised basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal source of income is from fees received for account administration. The level of this income is therefore dependent on business levels.

While the economic outlook has not changed greatly over the course of the year, the principal UK economic indicators have been subject to fluctuations in the period. The longer-term results of the policies being adopted by the UK government elected in 2024, and the fiscal and economic measures announced in its October 2024 budget have yet to become clear, and there have been a number of significant leadership changes in major economies in the past twelve months which have the potential to impact on the global outlook.

The Company has established processes in place and proved on a through-the-cycle basis which will allow it to support its customers through any adverse economic conditions and optimise outcomes for both customers and investors.

An analysis of the Company's exposure to risk, including financial risk, and the steps taken to mitigate these risks are set out in note 9.

GOING CONCERN

The performance of the Company is subject to analysis against plan, with key variances being analysed in detail on a monthly basis. The Group has a formalised process of budgeting, reporting and review. The Group's planning procedures forecast its profitability, capital position, funding requirement and cash flows on a company by company basis.

STRATEGIC REPORT (CONTINUED)**GOING CONCERN (CONTINUED)**

In compiling the most recent forecast, for the period commencing 1 October 2025, particular attention was paid to the potential consequences of the uncertain economic outlook for the UK on the Group's operations, customers, funding and prospects, both in the short and long term. While the economic outlook has not changed greatly over the course of the year, the principal UK economic indicators have been subject to fluctuations in the period. The longer-term results of the policies being adopted by the UK government elected in 2024, and the fiscal and economic measures announced in its October 2024 budget have yet to become clear, and there have been a number of significant leadership changes in major economies in the past twelve months which have the potential to impact on the global outlook.

To evaluate these impacts a number of different scenarios with impacts of varying duration and severity were examined. The economics used in the forecasting process were updated in October 2025 based on updated external projections, consistent with those used in the Group's IFRS 9 impairment provisioning at 30 September 2025.

After considering the Company's position, the economic environment and the forecasts described above, the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. This is further supported by the Group holding sufficient cash resources to support the Company's obligations as they fall due. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

BOARD AND STAKEHOLDERS

The Board is mindful of its duty to act in good faith and to promote the long-term sustainable success of the Company for the benefit of its shareholders and to fulfil the Company's purpose, having regard to the interests of all of its stakeholders. The Board confirms that, for the year ended 30 September 2025, it has acted to promote the success of the Company for the benefit of its members as a whole and continues to have due regard to the following matters insofar as they are applicable (as per section 172 (1) of the Companies Act 2006):

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

The principal activity of the Company is to support the loan origination and servicing activities of the Group and therefore, there is substantial common identity between the external non-shareholder stakeholders of the Company and those of the Group. The Company also has significant group stakeholders, including the entities to which the Company provides services, support and funding, aside from ownership interests.

As a consequence, engagement with external stakeholders takes place at a Group level. The Company looks to group initiatives for guidance and takes them into account in its decision making. The Company follows Group policies and procedures including those relating to the fair treatment of customers, standards of business conduct, the environment, the community and other stakeholders. More detail may be found in the 2025 Annual Report and Accounts of Paragon Banking Group PLC and its 2025 Responsible Business Report, both of which are available on the Group's corporate website.

STRATEGIC REPORT (CONTINUED)

BOARD AND STAKEHOLDERS (CONTINUED)

However, in considering items of business, directors of the Company make autonomous decisions on each decision's own merits, after due consideration of those factors set out in section 172 of the Companies Act 2006 insofar as they are relevant, and the stakeholders impacted by such decisions. Board meetings are held periodically where the directors consider Company business, such as e.g. group funding arrangements and dividend payments.

The Board considers and discusses information from across the organisation to help it understand the Group's business and its impact on the Company. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks and legal and regulatory compliance.

SHAREHOLDERS

The Company has a single shareholder, Idem Capital Holdings Limited, which is itself a wholly owned subsidiary of Paragon Banking Group PLC, the ultimate parent company of the Group. The interests of the Company's shareholders thus coincide with those of the shareholders of the Group (s172 (1)(f)).

ENVIRONMENT

The Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any impacts that might result from the Group's activities. The Company operates in accordance with Group policies, which are described in the Paragon Banking Group PLC 2025 Annual Report, which does not form part of this Report. Further information can also be found in the Group's 2025 Responsible Business Report (published on Paragon Banking Group PLC corporate website), which does not form part of this report.

EMPLOYEES

The Company has no employees. All operational services are provided by employees of the Group. The Group's employment policies are described in the Paragon Banking Group PLC 2025 Annual Report, with supplementary information included in the Group's 2025 Responsible Business Report, neither of which forms part of this report.

This Strategic Report has been drawn up and presented in accordance with, and in reliance upon, applicable English company law, in particular Chapter 4A of the Companies Act 2006, and the liabilities of the directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

Approved by the Board of Directors

and signed on behalf of the Board



K G Allen

Director

20 February 2026

DIRECTORS' REPORT

The directors present their Annual Report prepared in accordance with Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the audited Financial Statements of Moorgate Loan Servicing Limited, a company registered in England and Wales with registration no: 03303780, for the year ended 30 September 2025.

DIRECTORS

The directors throughout the year and subsequently were:

R J Woodman

K G Allen

AUDITOR

The directors have taken all reasonable steps to make themselves and the Company's auditor, KPMG LLP, aware of any information needed in preparing the audit of the Annual Report and Financial Statements for the year, and, as far as each of the directors is aware, there is no relevant audit information of which the auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 (2) of the Companies Act 2006.

The directors of the Group, having considered the requirements for rotation of auditors after 10 years of service from KPMG LLP, conducted an audit tender process during the financial year. Deloitte LLP were selected as a result of this process, and have expressed their willingness to take office.

Having regard to the benefits of all Group entities sharing the same auditor, the directors resolved that Deloitte LLP should also be appointed as auditor of the Company and a resolution for the appointment of Deloitte LLP as the auditor's of the Company in place of KPMG LLP is to be proposed.

INFORMATION PRESENTED IN OTHER SECTIONS

Certain information required to be included in a directors' report by the Companies Act 2006 and regulations made there under can be found in the other sections of the Annual Report, as described below. All of the information presented in these sections is incorporated by reference into this Directors' Report and is deemed to form part of this report.

- Commentary on the likely future developments in the business of the Company is included in the Strategic Report
- A description of the Company's financial risk management objectives and policies, and its exposure to risks arising from its use of financial instruments are set out in note 9 to the accounts
- Disclosure on any dividends paid during the year is included in the Strategic Report

DIRECTORS' REPORT (CONTINUED)

Approved by the Board of Directors
and signed on behalf of the Board



K G Allen

Director

20 February 2026

Registered Office: 51 Homer Road, Solihull, West Midlands, B91 3QJ

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Company 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 each of the Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable, relevant and reliable
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and Directors' Report that complies with that law and those regulations.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company
- the strategic report includes a fair review of the development and performance of the business, together with a description of the principal risks and uncertainties that they face

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS (CONTINUED)

We consider the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Approved by the Board of Directors and signed on behalf of the Board.



K G Allen

Director

20 February 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOORGATE LOAN SERVICING LIMITED

Opinion

We have audited the financial statements of Moorgate Loan Servicing Limited ("the Company") for the year ended 30 September 2025 which comprise the profit and loss account, balance sheet, statement of movements in equity and related notes, including the accounting policies in note 11.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOORGATE LOAN SERVICING LIMITED (CONTINUED)

Our risk assessment procedures included:

- Enquiring of directors as to whether they have knowledge of any actual, suspected or alleged fraud, and inspection of policy documentation as to the high-level policies and procedures of Paragon Banking Group plc ('the Group', of which the Company is a part) to prevent and detect fraud, including the Internal Audit function, and the Group's internal channel for 'whistleblowing'.
- Reading Group Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue streams are considered non-complex and there is limited management judgement involved in revenue recognition.

We did not identify any additional fraud risks

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. This included searching for those posted and approved by the same user, journals posted to seldom used accounts, unbalanced journal postings and those including specific descriptors, and testing any journal entries identified where applicable;

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management, the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's licence to operate. We identified the following areas as those most likely to have such an effect: conduct, money laundering and financial crime and certain aspects of company legislation recognising the financial nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MOORGATE LOAN SERVICING LIMITED (CONTINUED)**

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MOORGATE LOAN SERVICING LIMITED (CONTINUED)**

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Jennifer Milburn (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

20 February 2026

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2025

	Note	2025 £000	2024 £000
Turnover		1	60
Other operating expenses		-	-
Operating profit		<u>1</u>	<u>60</u>
Interest receivable and similar income	2	377	360
Operating profit, being profit on ordinary activities before taxation	4	378	420
Tax on profit on ordinary activities	5	(94)	(105)
Profit on ordinary activities after taxation		<u>284</u>	<u>315</u>

All activities derive from continuing operations.

There are no recognised gains or losses other than the profit for the current and preceding years, and consequently a separate statement of comprehensive income has not been presented.

BALANCE SHEET

30 SEPTEMBER 2025

	Note	2025 £000	2025 £000	2024 £000	2024 £000
ASSETS EMPLOYED					
CURRENT ASSETS					
Debtors falling due within one year	6	5,854		6,082	
Cash at bank		123		121	
			<u>5,977</u>	<u>6,203</u>	
FINANCED BY					
EQUITY SHAREHOLDER'S FUNDS					
Called up share capital	7	3,000		3,000	
Profit and loss account		2,880		3,096	
			<u>5,880</u>	<u>6,096</u>	
CREDITORS					
Amounts falling due within one year	8		97		107
			<u>5,977</u>	<u>6,203</u>	

These Financial Statements were approved by the Board of Directors on 20 February 2026.

Signed on behalf of the Board of Directors



K G Allen

Director

STATEMENT OF MOVEMENTS IN EQUITY

YEAR ENDED 30 SEPTEMBER 2025

	Share capital £000	Profit and loss account £000	Total equity £000
<i>Total comprehensive income for the year</i>			
Profit for the year	-	284	284
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	284	284
<i>Transactions with owners</i>			
Dividends	-	(500)	(500)
Net movement in equity in the year	-	(216)	(216)
Opening equity	3,000	3,096	6,096
Closing equity	3,000	2,880	5,880

YEAR ENDED 30 SEPTEMBER 2024

	Share capital £000	Profit and loss account £000	Total equity £000
<i>Total comprehensive income for the year</i>			
Profit for the year	-	315	315
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	315	315
<i>Transactions with owners</i>			
Dividends	-	-	-
Net movement in equity in the year	-	315	315
Opening equity	3,000	2,781	5,781
Closing equity	3,000	3,096	6,096

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2025

1. GENERAL INFORMATION

Moorgate Loan Servicing Limited ('the Company') is a company domiciled in the United Kingdom and incorporated in England and Wales under the Companies Act 2006 with company number 03303780. The address of the registered office is 51 Homer Road, Solihull, West Midlands, B91 3QJ. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

These financial statements are presented in pounds sterling, which is the currency of the economic environment in which the Company operates.

The remaining notes to the accounts are organised into three sections:

- Analysis – providing further analysis and information on the amounts shown in the primary financial statements
- Financial Risk – providing information on the Company's management of its principal financial risks
- Basis of preparation – providing details of the Company's accounting policies and of how they have been applied in the preparation of the financial statements

NOTES TO THE ACCOUNTS - ANALYSIS

YEAR ENDED 30 SEPTEMBER 2025

The notes set out below give more detailed analysis of the balances shown in the primary financial statements and further information on how they relate to the operations, results and financial position of the Company.

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2025	2024
	£000	£000
Interest receivable from other group companies	375	358
Interest on deposits	2	2
	<u>377</u>	<u>360</u>

Interest receivable arises from financial assets held at amortised cost.

3. DIRECTORS AND EMPLOYEES

Directors received no fees for the services provided to the Company during either the current or the preceding year.

The Company had no employees in the current or preceding year. All administration is performed by employees of the Group. The directors of the Company are all employed by Paragon Finance PLC, a fellow group company, and their remuneration is disclosed within the financial statements of that company, which do not form part of this Report.

4. OPERATING PROFIT, BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Company's audit fee for the current year of £19,000 (2024: £18,000) was paid by the ultimate parent company, Paragon Banking Group PLC. Non audit fees provided to the Group are disclosed in the accounts of that company. No non audit services have been provided to the Company.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES**a) Tax charge for the year**

	2025	2024
	£000	£000
Current tax		
Corporation tax	94	105
	<u>94</u>	<u>105</u>

b) Factors affecting the tax charge for the year

	2025	2024
	£000	£000
Profit before tax	378	420
UK corporation tax at 25% (2024: 25%) based on the profit for the year	94	105
	<u>94</u>	<u>105</u>

NOTES TO THE ACCOUNTS - ANALYSIS

YEAR ENDED 30 SEPTEMBER 2025

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The standard rate of corporation tax in the UK applicable to the Company in the year was 25.0% (2024: 25.0%), based on legislation enacted at the year end.

6. DEBTORS

	2025	2024
	£000	£000
Amounts falling due within one year:		
Amounts due from group companies	5,854	6,081
Other debtors	-	1
	<u>5,854</u>	<u>6,082</u>

7. CALLED UP SHARE CAPITAL

	2025	2024
	£	£
Allotted:		
3,000,002 ordinary shares of £1 each (fully paid)	<u>3,000,002</u>	<u>3,000,002</u>

8. CREDITORS

	2025	2024
	£000	£000
Amounts falling due within one year:		
Corporation tax	94	105
Accruals and deferred income	3	2
	<u>97</u>	<u>107</u>

NOTES TO THE ACCOUNTS – FINANCIAL RISK

YEAR ENDED 30 SEPTEMBER 2025

The note below describes the processes and measurements which the Company use to manage their exposure to financial risks including credit, liquidity, interest rate and foreign exchange risk.

9. FINANCIAL RISK MANAGEMENT

The Company's primary financial assets and liabilities are with other group companies; therefore, the directors do not consider that the Company is exposed to any significant cash flow, credit or liquidity risks.

NOTES TO THE ACCOUNTS – BASIS OF PREPARATION

YEAR ENDED 30 SEPTEMBER 2025

The notes set out below describe the accounting basis on which the Company prepare their accounts, the particular accounting policies adopted by the Company and the principal judgements and estimates which were required in the preparation of the financial statements.

They also include other information describing how the accounts have been prepared required by legislation and accounting standards.

10. BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with applicable United Kingdom ('UK') accounting standards. Disclosures have been made in accordance with Financial Reporting Standard 101 – 'Reduced Disclosure Framework' ('FRS 101').

As permitted by FRS 100 – 'Application of Financial Reporting Requirements' ('FRS 100') the Company has applied the measurement and recognition requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) ('UK-IAS') but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of disclosure exemptions provided by FRS 101 has been taken.

The particular accounting policies adopted have been set out in note 11.

Adoption of new and revised reporting standards

In the preparation of these financial statements, no new accounting standards are being applied for the first time.

Standards not yet adopted

On 9 April 2024 the IASB issued IFRS 18 – 'Presentation and Disclosure in Financial Statements', which was adopted for use in the UK on 10 December 2025. This is expected to impact the way in which information is disclosed in financial statements without impacting materially on the underlying accounting.

IFRS 18 will apply to the Company with effect from its financial year ending 30 September 2028. A detailed exercise to determine the impact of the new Standard on the Company's annual reporting will be carried out before the implementation date. However, it is expected that impact of the new standard on banking companies will be less than that for companies in general.

Other than IFRS 18, described above, there are no new reporting standards and interpretations in issue but not effective which address matters relevant to the Company's accounting and reporting.

Disclosures

In preparing these financial statements the Company has taken advantage of the exemptions from disclosure provided by FRS 101 in respect of:

- The requirement to produce a cash flow statement and related notes
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of capital management
- Disclosures in respect of key management personnel
- Disclosures of transactions with a management entity which provides key management personnel services to the Company

NOTES TO THE ACCOUNTS – BASIS OF PREPARATION**YEAR ENDED 30 SEPTEMBER 2025****10. BASIS OF PREPARATION (CONTINUED)****Disclosures**

As the consolidated financial statements of Paragon Banking Group PLC, the ultimate parent undertaking of the Company, include equivalent disclosures the Company has also taken advantage of these further exemptions provided by FRS 101:

- Certain disclosures required by IFRS 13 – ‘Fair Value Measurement’
- Certain disclosures required by IFRS 7 – ‘Financial Instruments Disclosures’

The Company presently intends to continue to apply these exemptions in future periods.

11. ACCOUNTING POLICIES

The particular policies applied by the Company in preparing these financial statements in accordance with the measurements and recognition requirements of UK-IAS are described below.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on the going concern basis.

The directors have adopted this basis following a going concern assessment for the Company covering a period of at least twelve months following the date of approval of these financial statements. Details of this assessment are set out in note 12.

Turnover

Turnover represents services provided by the Company and is recognised when those services are rendered.

Cash at bank

Balances shown as cash at bank in the balance sheet comprise demand deposits and short-term deposits with banks with initial maturities of not more than 90 days.

Current tax

The charge for taxation represents the expected UK corporation tax and other income taxes arising from the Company’s profit for the year. This consists of the current tax which will be shown in tax returns for the year and tax deferred because of temporary differences. This in general, represents the tax impact of items recorded in the current year but which will impact tax returns for periods other than the one in which they are included in the financial statements.

Amounts owed by group companies

The balances owed by other group companies are carried at the current amount outstanding less any provision. Where balances owing between group companies fall within the definition of either financial assets or financial liabilities given in IAS 32 – ‘Financial Instruments – Presentation’ they are classified as assets or liabilities at amortised cost as defined by IFRS 9.

NOTES TO THE ACCOUNTS – BASIS OF PREPARATION**YEAR ENDED 30 SEPTEMBER 2025****11. ACCOUNTING POLICIES (CONTINUED)****Interest and similar income**

Interest receivable arises on amounts owed by group undertakings and is recognised in the profit and loss using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the estimated future cash flows of a financial instrument to its net carrying amount. It is used to calculate the amortised cost of a financial asset or a financial liability and to allocate the interest over the relevant period (usually the expected life of the instrument). When calculating the effective interest rate, the company considers all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes any premiums or discounts, as well as all fees and transaction costs that are an integral part of the loan.

12. GOING CONCERN

The financial statements of the Company for the year ended 30 September 2025 have been prepared on the going concern basis, as defined in IAS 1 – ‘Presentation of Financial Statements’. In order to prepare financial statements on this basis the directors must conclude that the management does not intend to liquidate the Company or cease trading, and that the Company has the ability to continue to trade and will be able to satisfy its liabilities as they fall due. Particular focus is given to the Group’s financial forecasts to ensure the adequacy of resources available for the Company to meet its business objectives on both a short term and strategic basis.

The Group has a formalised process of budgeting, reporting and review. The Group’s planning procedures forecast its profitability, capital position, funding requirement and cash flows on a company by company basis.

In compiling the most recent forecast, for the period commencing 1 October 2025, particular attention was paid to the potential consequences of the uncertain economic outlook for the UK on the Group’s operations, customers, funding and prospects, both in the short and long term. While the economic outlook has not changed greatly over the course of the year, the principal UK economic indicators have been subject to fluctuations in the period. The longer-term results of the policies being adopted by the UK government elected in 2024, and the fiscal and economic measures announced in its October 2024 budget have yet to become clear, and there have been a number of significant leadership changes in major economies in the past twelve months which have the potential to impact on the global outlook.

To evaluate these impacts a number of different scenarios with impacts of varying duration and severity were examined. The economics used in the forecasting process were updated in October 2025 based on updated external projections, consistent with those used in the Group’s IFRS 9 impairment provisioning at 30 September 2025.

On the basis of this analysis, the directors have concluded that the Company is able to continue as a going concern for at least twelve months from the date of approval of these financial statements and that therefore it is appropriate to continue to adopt the going concern basis in the preparation of these financial statements.

NOTES TO THE ACCOUNTS – BASIS OF PREPARATION

YEAR ENDED 30 SEPTEMBER 2025

13. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Idem Capital Holdings Limited.

The smallest and largest group into which the Company is consolidated, and the Company's ultimate parent company and ultimate controlling party is Paragon Banking Group PLC, a company registered in England and Wales.

Copies of the Group's financial statements are available from that company's registered office at 51 Homer Road, Solihull, West Midlands, B91 3QJ.