

19 March 2026

**LSL Property Services plc (“LSL” or “Group”)
FULL YEAR RESULTS TO 31 DECEMBER 2025**

Strong financial performance reflected in a record underlying operating margin, 17% profit growth and increased Shareholder returns

LSL, the leading B2B platform for UK residential property services, reports its preliminary results for the 12 months ended 31 December 2025. Group underlying operating profit² increased to £32.6m (2024: £27.8m⁶), with a record underlying operating margin of 18%.

Results are in line with the Board’s expectations, with progress across the whole Group, another year of strong cash conversion and continued returns to Shareholders through dividends and a newly enlarged share buyback programme.

The Board’s expectation of delivering a further increase in profits in 2026 remains unchanged.

Adam Castleton, Group Chief Executive of LSL, said:

“2025 has been a year of strong delivery and building momentum for LSL. We improved profitability across each Division, achieved record margins and generated strong cash, while continuing to invest for future growth. Markets are evolving, and so are we. 2025 has been a year of significant activity for the Group. We are focused on disciplined execution and converting the scale and capability of the Group into sustained profit growth and continued high returns on capital. Trading in 2026 has been in line with our expectations.”

FINANCIAL HIGHLIGHTS ¹

- **Group Revenue of £182.9m** (2024: £173.3m⁶). Revenue up 6%, maintaining strong market share in all three Divisions
- **Group Underlying Operating Profit² of £32.6m** (2024: £27.8m⁶). Up 17%, including over £1m of NIC tax increase
- **Group Underlying Operating Margin at 18%** (2024: 16%). A record high, surpassing the 15-year high reported in the prior period
- **Group Operating Profit of £22.6m** (2024: £21.9m). Up 3% after exceptional costs of £5.1m (2024: £4.1m)
- **Adjusted Operating Cash Flow³ of £29.8m** (2024: £31.1m) with cash conversion of 91%
- **ROCE of 35%** (2024: 32%). With higher returns under the new operating model compared to historical levels (2016 – 2023: 18%)
- **Net Cash of £27.8m³** at 31 December 2025 (31 December 2024: £32.4m; 30 June 2025: £22.0m)
- **Full year dividend of 11.4p per share** (2024: 11.4p), with final dividend maintained at 7.4p per share reflecting strong balance sheet and Board’s confidence in prospects.
- The £7m share buy-back programme is now complete. **A newly enlarged £12m share buy-back programme** was launched in January 2026

STRATEGIC AND OPERATIONAL HIGHLIGHTS

The Group’s performance reflects the quality of its underlying businesses and the benefits of a simpler structure. We are making better use of the combined strengths of LSL, with a clear focus on broadening our commercial reach and improving structural cost effectiveness. In this regard, 2025 has been a year of significant activity as we have executed on our plans to drive Shareholder returns:

Innovation, data and technology

- We are actively adopting and deploying technology across our business to enhance capability and extend our service offering. We have signed our first Automated Valuation Model (AVM) contract with one of the UK's largest lenders, with significant partner interest in future development and adoption; reflecting Surveying & Valuation Division's product suite expansion and commitment to technological innovation. e.surv is the residential property valuation market leader in the UK through its comprehensive property risk expertise and is the only provider that offers AVM, remote and physical property valuations.
- Roll-out of the new broker operating platform, (including CRM), continues in the Financial Services Division to drive productivity.
- Deployment of digital solutions delivering process automation and supporting targeted identification of additional service opportunities particularly in the Surveying & Valuation Division.

Continuing to add scale

- Financial Services Division market share increased, with our overall share of the UK purchase and remortgage market increasing to 12.0%⁵ (2024: 11.8%).
- B2C Revenue growth of 16% on last year in Surveying & Valuation Division.
- Ten lettings books acquisitions by franchisees and six new branch openings in Estate Agency Franchising Division. Strong pipeline for further transactions in 2026.
- In January 2026, the Group completed the small bolt-on acquisition of National Search Service (NSS), a leading property search company, enhancing LSL's conveyancing service proposition in the Estate Agency Franchising Division. The acquisition is expected to be earnings accretive in year one.

Enhancing our expertise and culture

- Record levels of employee engagement at 77% (2024: 73%).
- Winner of 2025 Moneyfacts Awards – PRIMIS, Mortgage Network of the Year and e.surv, Best Surveying Service of the Year.
- David Tilak joined as Group CFO in January 2026 bringing over 25 years' experience in strategic, financial and operational roles across complex multinational businesses.

Leveraging the strengths of the Group

- Strengthened cross-Divisional working across LSL, reinforcing strategic relationships with lenders and partners, developing commercial alignment and cross sell opportunities.
- Commenced organisational design work to evolve shared functions in support of scale and improved coordination across the Group.

Other operational highlights

- Pivotal Growth JV continues to gain scale with 24 acquisitions to date with a strong M&A pipeline. Pivotal secured external committed debt funding, repaying shareholder loans, with no anticipation for further Shareholder cash investment.
- Central costs reduced to £10.2m (2024: £11.1m).
- Total shareholder return (dividend and share buyback) of £16.8m (2024: £12.6m).

CURRENT TRADING AND OUTLOOK

We have made a positive start to the year across the Group, with trading in our businesses in line with expectations and our end markets operating in line with our assumptions. Our current performance supports our expectation of delivering a further increase in profits in 2026.

Since year end, we have continued to remain active across the Group. In Estate Agency Franchising, we completed the acquisitions of NSS and three further lettings books and have developed a healthy pipeline of lettings book acquisitions and other opportunities to increase our footprint. In Financial Services, the roll-out of our broker operating platform continues as planned, which will support improved productivity and product penetration. Across the Group, we remain focused on operational efficiency and cost management as we scale the Group through targeted investment and commercial execution. We are investing in digital solutions, data

science, and AI in the Group, supporting productivity, enhancing decision making and complementing the professional expertise within our businesses.

The macroeconomic and geopolitical environment remains uncertain, with renewed concerns around inflation and interest rate expectations contributing to near-term uncertainty. We have not seen any adverse impact on trading across the Group in recent weeks, with front-end metrics remaining stable. We have seen some short-term strength in mortgage activity driven by changes to product pricing. With daily granular data across the residential property and mortgage ecosystem, we have clear visibility of leading indicators of demand and can respond accordingly.

We continue to run the business with discipline and a clear focus on performance and structural cost effectiveness. The Board remains confident in the Group's short and medium-term prospects and continues to support disciplined investment across our businesses to strengthen capability, enhance returns and drive growth.

FINANCIAL SUMMARY

Key Financials ¹	12 months	Restated ⁶	Year on year change
	to 31.12 2025	12 months to 31.12 2024	
Group revenue (£m)	182.9	173.3	6%
Group underlying operating profit ² (£m)	32.6	27.8	17%
<i>Group underlying operating margin (%)</i>	<i>18%</i>	<i>16%</i>	<i>180bps</i>
Group operating profit (£m)	22.6	21.9	3%
Profit before tax (£m)	23.1	23.1	0%
Cash flow from operations (adjusted) ³ (£m)	29.8	31.1	(6)%
Net cash ³ at 31 December (£m)	27.8	32.4	(14)%
Basic earnings per share (pence)	16.6	17.4	(4)%
Adjusted basic earnings per share ⁴ (pence)	24.4	21.1	16%
Dividend per share (pence)	11.4	11.4	-

Notes:

1. Stated on basis of continuing operations unless otherwise stated. Following the conversion of the entire owned estate agency network to franchises in 2023, the previously owned network was classified as a discontinued operation and is presented as such in the Financial Statements. Refer to note 6 to the Financial Statements
2. Group (and Divisional) Underlying Operating Profit is stated before exceptional items, contingent consideration assets & liabilities, amortisation of intangible assets, share-based payments and other sources of earnings from joint ventures. Refer to note 5 to the Financial Statements for reconciliation of Group and Divisional Underlying Operating Profit to statutory operating profit/(loss) for continuing, discontinued and total operations.
3. Refer to note 34 to the Financial Statements
4. Refer to note 12 to the Financial Statements for the calculation
5. New mortgage lending by purpose of loan, Bank of England Table A5.3 – (31 January 2026)
6. Refer to note 35 to the Financial Statements

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Notes on LSL

LSL is one of the largest providers of services to mortgage intermediaries and estate agent franchisees.

Over 2,500 advisers representing around 12% of the total purchase and remortgage market.

Its 62 estate agency franchisees operate 293 branches.

LSL is also one of the UK's largest providers of surveying and valuation services, supplying five out of the six largest lenders in the UK.

For further information please visit LSL's website: lsps.co.uk

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Group Chief Executive Officer's Review

2025 was another strong year of delivery for LSL. We achieved organic revenue growth, increased profits, record operating margins and another year of strong cash generation, driving improved ROCE.

We were very active throughout the year, investing selectively to drive scale and profitable growth, launching new offerings into the market, and beginning to make greater use of the Group's combined strengths. We also strengthened capabilities across the business and saw colleague engagement rise to a record level.

Our strong balance sheet provides flexibility to invest selectively for growth while continuing to return capital through dividends and our recently increased share buyback programme.

Review of 2025

The markets in which we operate further stabilised in 2025. Mortgage activity strengthened year-on-year as pricing eased and affordability pressures moderated, with both purchase and remortgage volumes improving. Housing transactions increased, with activity front-loaded into the first half ahead of stamp duty changes, and rental markets remained resilient. Our end markets performed in line with our planning assumptions at the start of 2025, despite some periodic short-term volatility during the year.

In this context, we made strong progress in 2025, delivering organic revenue and underlying operating profit growth with a strong improvement in our underlying operating profit margin, which reached a new high. We continue to deliver structurally higher ROCE, at 35%, well above historical levels, reflecting higher operating margin and the Group's capital-light model. Encouragingly, all our Group financial metrics sequentially improved in the second half of the year.

Revenue increased by 6% to £182.9m (2024: £173.3m²) and we maintained our strong market share in all three Divisions. Improved remortgage activity supported both our Financial Services and Surveying & Valuation Divisions. Revenue growth was 6% year-on-year for H2 2025, a sequential improvement compared to H1 2025.

Group underlying operating profit¹ was up 17% to £32.6m (2024: £27.8m²) and the underlying operating margin of 18% was an 180bps improvement versus the prior year, marking a new high for the Group. H2 2025 saw a sequential improvement in underlying operating margin to 19%, up 250bps compared to H1 2025.

Central costs reduced to £10.2m (2024: £11.1m), reflecting tighter cost discipline and a more normalised level of spend. The Pivotal Growth joint venture delivered improved profitability as it continues to scale, with 2025 profit contribution of £1.7m (2024: £6k loss).

On a statutory basis, Group operating profit was £22.6m (2024: £21.9m²) after exceptional costs of £5.1m (2024: £4.1m).

We ended the year with net cash of £27.8m (2024: £32.4m), supported by strong underlying profitability and cash conversion of 91%. The business remains consistently cash generative, underpinned by disciplined investment and shareholder returns.

The next phase for LSL

Since my appointment in May 2025, I have placed particular emphasis on culture, clarity of ambition and communication across the Group. We have sharpened our focus on structural cost effectiveness and worked more closely across Divisions to make better use of our collective strengths. This has

improved alignment across the leadership team and the wider business as we position LSL for the next stage of growth. It has been an important priority for me and will remain so.

Over recent years, we have simplified and strengthened the Group, building a capital-light and financially resilient model with strong market positions across the residential property and mortgage ecosystem. These foundations, together with our deep and well-established relationships with lenders, insurance product providers, mortgage and insurance brokers and franchise partners, position us well for the next phase of growth. I see considerable scope to build from this platform.

Each Division provides mission-critical services to its customers that underpin our market positions. By working more effectively across Divisions, we will develop greater commercial alignment, cross sell opportunities and improve our cost to serve.

Our scale and market access are significant: over 10 million visits to our estate agency websites, more than 270,000 mortgage completions, approximately 500,000 valuations annually and over one million live customers within Financial Services.

Technology and data remain central to our business. We have a long track record of innovation, and continued deployment of our digital capability is driving efficiency and enhancing our proposition. Our AVM product launch is a clear example of turning proprietary data and expertise into a new commercial opportunity.

Underpinning this is the strength of our people. We have deep specialist knowledge across our markets, supported by a refreshed and energised leadership team. On 12 January 2026, David Tilak joined the Company as Group Chief Financial Officer and is already making a positive contribution.

Capital allocation

Our disciplined approach to capital allocation remains unchanged. Capital is allocated against strict criteria, with a clear focus on improving returns on capital employed and compounding long-term Shareholder value.

We are committed to delivering sustainable and disciplined returns to Shareholders, supported by the Group's sustained cash generation and strong Balance Sheet.

In addition to dividends, the Board continues to utilise share buybacks as a complementary capital return mechanism. The £7m programme announced on 25 April 2024 has been completed and, since the period end, a further £12m programme was announced and is being progressed.

The Board is recommending a final dividend of 7.4 pence per share (2024: 7.4 pence), resulting in a total dividend for the year of 11.4 pence per share (2024: 11.4 pence). While the Group's stated policy remains a pay-out of 30% of Group underlying operating profit after finance and normalised tax charges, the Board has proposed a higher pay-out this year to reflect the strength of cash generation and confidence in the prospects for the Group.

The ex-dividend date for the final dividend is 14 May 2026, with a record date of 15 May 2026 and a payment date of 16 June 2026. Shareholders may elect to reinvest their cash dividend through the Group's dividend reinvestment plan, with the final election date of 26 May 2026.

Pivotal Growth joint venture

Pivotal Growth, our joint venture with Pollen Street Capital established to execute a buy-and-build strategy in the mortgage and protection intermediary markets, has delivered substantial momentum over the last two years and acquired 24 businesses to date, including five in 2025. The business generated revenue approaching £100m in 2025.

In December 2025, Pivotal Growth secured £80m of committed external funding, supporting further M&A activity. After the year end, the Group's loan notes of £13.8m were fully settled, with £10.6m settled in cash and the remaining £3.2m converted into equity taking LSL's cumulative equity investment to £19.1m. The Group does not expect to make any further cash investments into Pivotal Growth going forward.

Pivotal was established by the Group and Pollen Street Capital in 2021, and our aim was to build the business with a view to an exit event over a three-to-six-year period after launch.

Adapting to changing markets

The markets in which we operate continue to evolve. Regulatory developments, including reforms in the rental sector and the FCA's encouragement of more streamlined and digitally enabled customer journeys, are reshaping expectations across the property and mortgage ecosystem. At the same time, advances in technology and AI are changing how our markets operate.

I see these changes as an opportunity rather than a threat. We are already deploying digital and data-led solutions across our businesses, including the launch of our AVM capability and the development of digital tools within Financial Services. Crucially, these technologies are integrated with our regulatory expertise and market insight of our people, supported by proprietary datasets and long-standing lender relationships. It is this combination of data, technology and trusted specialist expertise within regulated markets that is highly valued by our customers. Increasingly, lenders and product providers are seeking strategic, mission-critical partners who can combine scale, insight and regulatory understanding. We believe LSL is well positioned to fulfil that role as customer needs and market structures evolve.

Current trading and outlook

We have made a positive start to the year across the Group, with trading in our businesses in line with expectations and our end markets operating in line with our assumptions. Our current performance supports our expectation of delivering a further increase in profits in 2026.

Since year end, we have continued to remain active across the Group. In Estate Agency Franchising, we completed the acquisitions of NSS and three further lettings books and have developed a healthy pipeline of lettings book acquisitions and other opportunities to increase our footprint. In Financial Services, the roll-out of our broker operating platform continues as planned, which will support improved productivity and product penetration. Across the Group, we remain focused on operational efficiency and cost management as we scale the Group through targeted investment and commercial execution. We are investing in digital solutions, data science, and AI in the Group, supporting productivity, enhancing decision making and complementing the professional expertise within our businesses.

The macroeconomic and geopolitical environment remains uncertain, with renewed concerns around inflation and interest rate expectations contributing to near-term uncertainty. We have not seen any adverse impact on trading across the Group in recent weeks, with front-end metrics remaining stable. We have seen some short-term strength in mortgage activity driven by changes to product pricing. With daily granular data across the residential property and mortgage ecosystem, we have clear visibility of leading indicators of demand and can respond accordingly.

We continue to run the business with discipline and a clear focus on performance and structural cost effectiveness. The Board remains confident in the Group's short and medium-term prospects and continues to support disciplined investment across our businesses to strengthen capability, enhance returns and drive growth.

Final thoughts

I am grateful to our colleagues for their commitment and contribution throughout 2025. It is the combination of experienced people, specialist expertise, proprietary data and long-standing strategic relationships across the residential property and mortgage ecosystem that differentiates LSL and supports our performance.

There are considerable opportunities ahead for LSL and we are not standing still. My clear ambition is to convert our scale, data and platform capability into sustained revenue and profit growth and high returns on capital through disciplined execution and targeted investment. We remain focused and active as we build on the momentum achieved in 2025.

Adam Castleton

Group Chief Executive Officer

18 March 2026

Notes:

1. Group (and Divisional) Underlying Operating Profit is stated before exceptional items, contingent consideration assets & liabilities, amortisation of intangible assets, share-based payments and other sources of earnings from joint ventures. Refer to note 5 to the Financial Statements for reconciliation of Group and Divisional Underlying Operating Profit to statutory operating profit/(loss) for continuing, discontinued and total operations.
2. Refer to note 35 to the Financial Statements

Financial and Divisional Reviews

Financial Review

We report our results for the 12 months ended 31 December 2025 with Group underlying operating profit^{1,2} up 17% on last year at £32.6m (2024: £27.8m⁵). On a statutory basis Group operating profit was £22.6m (2024: £21.9m) whilst net cash was £27.8m at 31 December 2025, with cash conversion of 91%, towards the upper end of our target 75-100%. Underlying operating margin further grew to 18% which is the highest in 15 years (2024: 16%). These results demonstrate the continued benefits of the strategic transformation of the Group over the last three years and are in line with consensus expectations and materially ahead of prior year.

Key financial highlights

Full year financial metrics ¹	Restated ⁵		Variance
	2025	2024	
Revenue (£m)	182.9	173.3	6%
Group underlying operating profit ² (£m)	32.6	27.8	17%
Group underlying operating margin (%)	18%	16%	180bps
Group underlying operating profit from total operations ² (£m)	32.9	27.3	21%
Exceptional gains (£m)	0.6	1.7	(65)%
Exceptional costs (£m)	(5.1)	(4.1)	(24)%
Group operating profit (£m)	22.6	21.9	3%
Profit before tax (£m)	23.1	23.1	-
Loss from discontinued operations ¹ (£m)	(0.0)	(0.4)	100%
Basic earnings per share (pence)	16.6	17.4	(4)%
Adjusted basic earnings per share ⁴ (pence)	24.4	21.1	16%
Net cash ³ at 31 December (£m)	27.8	32.4	(14)%
Final dividend per share (pence)	7.4	7.4	-
Full year dividend per share (pence)	11.4	11.4	-

Notes:

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5. Refer to note 35 to the Financial Statements

Group Income Statement Review¹

Group revenue

Group revenue increased 6% to £182.9m (2024: £173.3m⁴) in a total lending market that has continued to recover following a period of volatility. The Surveying & Valuation Division increased by 10% compared to prior year as a result of a 9% increase in jobs performed and 1% increase in income per job. The Financial Services Division remained broadly flat with revenue of £48.8m (2024: £48.4m). The Estate Agency Franchising Division fell by 2% to £26.5m (2024: £27.1m) despite an increase of 10% in residential sales growth, as a result of reduced LSL Land & New Home revenues.

Group underlying operating profit

Group underlying operating profit² grew strongly by 17% to £32.6m (2024: £27.8m⁴), with an increase in all three Divisions whilst central costs reduced by 8% to £10.2m (2024: £11.1m) reflecting tighter cost discipline and a more normalised level of spend. The Group further continued to invest in strategic growth initiatives as well as developing enhanced platform and digital capabilities.

Group operating profit

Group operating profit increased to £22.6m (2024: £21.9m⁴), with profit growth in Financial Services and Estate Agency Franchising and a reduction in central costs in the period. The Group also benefitted from a continued improvement in the contribution generated by the Pivotal Growth joint venture, offset by £4.5m net exceptional costs (2024: £2.4m).

Adjusted operating expenditure

Adjusted operating expenditure³ comprises employee costs, other operating costs, and depreciation and totalled £153.2m in 2025, 5% higher than prior year (2024: £146.0m⁴). The movement comprises the net effect of employee costs increased in Surveying & Valuation Division due to higher demand; the impact of higher National Insurance contributions (from 1 April 2025); partially offset by lower central costs.

Exceptional items

The exceptional gain of £0.6m (2024: £1.7m) relates to the release of a claim indemnity provision recognised in 2021. Exceptional costs of £5.1m (2024: £4.1m) are primarily due to increases in surveying professional indemnity provisions (£2.0m), restructuring costs in Financial Services (£0.8m), Central CEO and CFO change costs (£0.7m), restructuring costs in Estate Agency Franchising (£0.7m), costs incurred as a result of the administration of TenetLime's seller, Tenet Group Limited (£0.6m) and the reduction in deferred consideration receivable for businesses sold to Pivotal Growth in H1 2023 (£0.2m).

Other gains

Total other operating gains were £1.1m (2024: gains of £0.5m). This primarily included £0.8m relating to the research and development expenditure tax credit across all three Divisions relating to FY23 and FY24 and the movement in the fair value of a financial asset having been reassessed at 31 December 2025 as £0.6m (31 December 2024: £0.4m).

Share of profit from joint venture

Our equity share of Pivotal Growth results improved to £0.8m profit (2024: £6k loss), as the joint venture continued to scale profitability, with 24 acquisitions to date.

Share-based payments

The share-based payment charge of £1.6m in 2025 (2024: charge of £0.9m) comprises, a charge in the period of £1.8m (2024: £3.1m charge) for LTIP, SAYE and the all employee share schemes granted between 2022 to 2025,

offset by a credit of £0.5m (2024: £2.2m credit) reflecting lapses. In addition, £0.3m of employer's NIC was recognised in relation to unexercised schemes during the year. The increase in the underlying share-based payment charge during the year was driven by the introduction of the 2025 LTIP scheme.

Amortisation of intangible assets

Amortisation charge of £3.0m (2024: £3.0m), relates to amortisation of intangible software investment, franchise agreements and relationship assets.

Finance income

Finance income decreased from the prior year to £2.5m (2024: £2.9m) due to less interest received on funds held on deposit of £1.0m (2024: £1.8m), the reduction in the unwind of discounting on contingent consideration payable balances of £0.7m, offset by interest on loan notes to the joint venture, Pivotal Growth, of £0.9m (2024: nil).

Finance costs

Finance costs of £1.9m (2024: £1.7m) are related principally to the unwinding of discount on lease liabilities of £0.5m (2024: £0.5m), commitment and non-utilisation fees on the revolving credit facility of £0.7m (2024: £0.6m), fair value adjustment to loans receivable of £0.4m (2024: £0.3m) and £0.2m for the unwinding of discount on dilapidations provisions (2024: £0.2m).

Profit before tax

Profit was £23.1m (2024: £23.1m⁴). This remained broadly in line year-on-year due to lower net finance income of £0.5m (2024: £1.1m) combined with Group operating profit of £22.6m (2024: £21.9m⁴).

Taxation

The tax charge of £6.0m (2024: £5.2m) represents an effective tax rate of 26.1% (2024: 22.7%), which is marginally higher than the headline UK tax rate of 25.0% largely as a result of the calculated net effect of adjustments arising in respect of permanent adjustments or deferred tax not recognised including the prior period adjustment arising in respect of total tax.

Deferred tax assets and liabilities are measured at 25.0% (2024: 25.0%), the tax rate that came into effect from 1 April 2023.

Discontinued operations¹

Loss of £0.04m (net of tax) in relation to an increase in the restructuring and administrative costs associated with the previously owned Estate Agency branch network (2024: loss of £0.4m).

Earnings per share

Earnings per share (pence)	2025				Restated ⁴ 2024			
	Basic	Diluted	Adjusted basic	Adjusted basic diluted	Basic	Diluted	Adjusted basic	Adjusted basic diluted
Continuing	16.6	16.2	-	-	17.4	17.2	-	-
Discontinued	(0.0)	(0.0)	-	-	(0.4)	(0.4)	-	-
Total operations	16.6	16.2	24.4	23.8	17.0	16.8	21.1	20.9

Notes:

1. Based on continuing operations unless otherwise stated. Following the conversion of the entire owned Estate Agency network to franchisees in 2023, this was classified as a discontinued operation and is now presented as such in the Financial Statements. Refer to note 6 to the Financial Statements
2. Group (and Divisional) Underlying Operating Profit is before exceptional items, contingent consideration assets & liabilities, amortisation of intangible assets and share-based payments. Refer to note 5 to the Financial Statements for reconciliation of Group and Divisional Underlying Operating Profit to statutory operating profit/(loss) for continuing, discontinued and total operations
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Group Balance Sheet Review

Goodwill

31 December 2025: £16.9m (31 December 2024: £16.9m)

The carrying value of goodwill relates to previous acquisitions in the Surveying & Valuation Division of £9.9m and Financial Services Division of £7.0m.

Other intangible assets

31 December 2025: £29.9m (31 December 2024: £29.9m)

Additions of £3.1m intangible assets were driven by the increased investment in AVM software in the Surveying and Valuation Division of £1.9m, and development of new and existing CRM within Financial Services of £1.1m. Total amortisation of £3.0m was charged in the year (2024: £3.0m). The carrying value of all franchise agreements was £10.0m at 31 December 2025 (2024: £10.9m), the acquired relationship assets were £7.7m (2024: £8.5m) and software assets of £5.2m (2024: £3.6m). Brand intangibles of £6.9m remained unchanged during the year.

Property, plant and equipment (PPE) and right-of-use assets (RoU assets)

31 December 2025: £7.7m (31 December 2024: £6.4m).

Capital expenditure on owned PPE was £1.2m (2024: £0.9m), reflecting ongoing IT investment across all Divisions. There has also been £3.6m of additions in new offices and car lease agreements.

Financial assets (total current and non-current)

31 December 2025: £1.0m (31 December 2024: £6.6m)

Contingent consideration receivable

31 December 2025: £nil (31 December 2024: £5.8m)

During 2023 the Group disposed of Group First, RSC and Embrace D2C brokerage businesses to Pivotal Growth, with contingent consideration receivable in 2025. In September 2025, the Group received final contingent consideration of £5.5m after working capital adjustments of £0.2m.

Equity instruments in unlisted companies

31 December 2025: £1.0m (31 December 2024: £0.8m)

There was a £0.2m increase in the fair value of units held in The Openwork Partnership LLP of £0.6m at 31 December 2025 (31 December 2024: £0.4m). The fair value has been reassessed as £0.6m at 31 December 2025, with our valuation based on an estimated strike price which has been calculated using the strike price from most recently executed trading windows.

There was no change in the fair value of shares held in Twenty7tec Group Limited at 31 December 2025, remained at £0.4m (31 December 2024: £0.4m).

Loans to joint venture

31 December 2025: £13.8m (31 December 2024: £7.6m)

In December 2024, the Group provided funding of £7.6m to its joint venture Pivotal Growth in the form of 10% unsecured loan notes with additions of £5.3m in the year. No repayments were made in 2025 with £0.9m of interest income recognised during the period. In January 2026, Mottram Topco repaid £10.6m out of the £13.8m loan notes outstanding in cash. £3.2m were converted to equity investment in Mottram Topco.

Investment in joint venture

31 December 2025: £15.0m (31 December 2024: £11.6m)

Our 46.8% interest in the Pivotal Growth joint venture is accounted for using the equity method. The carrying value reflects the movement in our equity investment during the period of £2.6m, together with our share of profit after tax of £0.8m.

Investment in subleases (total current and non-current)

31 December 2025 £0.3m (31 December 2024: £0.8m)

The Group is an intermediate lessor, following the Estate Agency conversion to a wholly franchised model with the carrying value now at £0.3m.

Loans to franchisees and appointed representatives (network firms)

31 December 2025: £3.7m (31 December 2024: £1.8m¹)

Various sized working capital loan facility agreements are in place with franchisees of the Estate Agency Franchising Division which has availability over a range of periods from 31 December 2024 to 31 December 2025, are repayable in full within 24 months from the respective period end and may bear fixed rate interest. In addition, during the year, the Group issued loans to franchisees for lettings book acquisitions. At 31 December 2025, £3.1m in principal loan amounts were drawn down/issued (31 December 2024: £1.4m).

Loans to Financial Services appointed representatives are granted in certain circumstances to support brokers upon joining the PRIMIS network and were £0.6m as at 31 December 2025 (31 December 2024: £0.5m).

Financial liabilities (total current and non-current)

31 December 2025: £9.8m (31 December 2024: £9.1m)

Contingent consideration liabilities

31 December 2025: £3.3m (31 December 2024: £3.3m)

Contingent consideration liabilities relate solely to the cost of acquiring the intangible relationship assets in TenetLime in February 2024, with the consideration of £3.3m adjusted at 31 December 2025 for the latest update of retained advisers and discounting.

IFRS 16 lease financial liabilities

31 December 2025: £6.5m (31 December 2024: £5.8m)

The movement in the period reflects payment of lease liabilities of £3.0m and disposals on assignment to franchisees of £0.3m, offset by new lease additions of £3.5m.

Provision for liabilities (total current and non-current)

31 December 2025: £11.3m (31 December 2024: £10.4m¹)

PI claim provisions of £4.3m (31 December 2024: £2.6m) include the Surveying & Valuation PI provision of £3.6m (31 December 2024: £1.9m) and the Financial Services PI provision of £0.7m (31 December 2024: £0.4m). The Group has recognised an asset of £0.3m against received claims in other debtors at 31 December 2025 (31 December 2024: £0.3m).

Dilapidations and restructuring provisions relating to the Estate Agency Franchising Division following the wholesale franchising in 2023, totalled £5.3m at 31 December 2025 (31 December 2024: £6.0m).

1. Refer to note 35 to the Financial Statements

Group Statement of Cash Flows

31 December 2025: net cash £27.8m (31 December 2024: net cash £32.4m)

Operating cash flows before movements in working capital were £33.5m (2024: £30.4m), reflecting the higher underlying operating profits generated in 2025.

The Group is highly cash generative and ordinarily achieves a cash flow conversion rate of 75-100%. The ratio in 2025 was 91% (2024: 112%), which sits inside the normative range.

Overall net decrease in cash and cash equivalents in the year was £4.6m. After the operating cash flow of £33.5m, movements in working capital consumed £1.8m, income taxes, exceptional costs and leases totalled £9.4m outflow, net cash expended on investing activities was £7.1m, and net cash expended in financing activities was £19.8m. The largest area of outflow was dividends paid of £11.8m.

Movements in working capital in the year were an outflow of £1.8m (2024: £2.7m inflow), with the change impacted by net working capital movements at the end of December 2024.

Key cash inflows in 2025 included:

- Receipt of contingent consideration of £5.5m (2024: £0.2m) in relation to the disposals of EFS, Group First and RSC in H1 2023 to Pivotal Growth.
- Franchisee and appointed representative loans repaid of £1.8m (2024: £1.7m).
- Interest received of £1.0m from bank deposits (2024: £1.8m).

Key cash outflows in 2025 included:

- Capital expenditure on PPE and intangibles of £4.3m (2024: £3.0m).
- Exceptional costs paid of £3.9m (2024: £3.0m).
- Payment of the 2024 final dividend and 2025 interim dividend of £11.8m (2024: £11.8m) and the repurchase of shares under the share buyback programme of £5.0m (2024: £0.8m).
- Loans to our joint venture, Pivotal Growth of £5.3m (2024: £7.6m) and investment in equity of our joint venture of £2.6m (2024: £2.2m).
- Loans to franchisees to support lettings book acquisitions and loans to appointed representatives of £3.8m (2024: £1.7m).
- Corporation tax paid in 2025 of £5.0m as the Group returns to more normalised taxable profits (2024: £1.8m).

Bank facilities

In January 2025, LSL agreed an amendment and restatement of its banking facility, putting in place a £60m committed revolving credit facility, with a maturity date of January 2030, replacing a £60m facility maturing in May 2026. The terms have remained materially the same as the previous facility, provided by the same syndicate members as before, Barclays Bank UK plc, NatWest Bank plc and Santander UK plc. For further flexibility to support growth, the facility retains a £30m accordion, on request by LSL, subject to bank approval.

International Accounting Standards (IAS)

The Financial Statements for the period ended 31 December 2025 have been prepared in accordance with UK-adopted IAS.

Business & financial review

2025 Profit & Loss (£m)	2025	Restated ¹ 2024	Var
Divisional group revenue			
Surveying & Valuation	107.6	97.8	10%
Financial Services	48.8	48.4	1%
Estate Agency Franchising	26.5	27.1	(2%)
Group revenue	182.9	173.3	6%
Divisional underlying operating profit/(loss)			
Surveying & Valuation	23.5	22.5	4%
Financial Services	11.0	8.6	28%
Estate Agency Franchising	8.3	7.8	6%
Central costs	(10.2)	(11.1)	8%
Group underlying operating profit from continuing operations	32.6	27.8	17%
Divisional operating profit/(loss)			
Surveying & Valuation	20.8	22.1	(6%)
Financial Services	6.3	4.6	37%
Estate Agency Franchising	6.4	6.6	(3%)
Central costs	(10.9)	(11.3)	4%
Group operating profit from continuing operations	22.6	21.9	3%
Estate Agency - discontinued operations	(0.0)	(0.5)	100%
Group operating profit from total operations	22.6	21.4	6%

1. Refer to note 35 to the Financial Statements

Surveying & Valuation Division

Divisional revenue increased to £107.6m, an increase of 10% from the prior year (2024: £97.8m). Excluding Asset Management, Surveying & Valuation revenue was £102.1m, an increase of 10% (2024: £92.5m), reflecting both the 9% increase in jobs performed and the 1% increase in income per job. Continuing to grow surveyor capacity and capabilities, along with the introduction of an AVM model, the market share of surveyor led valuations was c.39% (2024: 38%). The B2C business continued to grow in the period, with 2025 revenue of £7.8m representing a 16% increase on 2024.

Surveying Underlying Operating Profit increased by 4% to £23.5m (2024: £22.5m), despite continued investment in technology and surveyor capacity.

Asset Management revenues grew by 6% in the year to £5.5m (2024: £5.3m), reflecting a market that is slowly returning to long-run levels of activity.

Highlights

- Overall strong performance reflecting the benefit of 100% contract retention, increased allocations with improved terms and several key new contract wins.
- Surveyor utilisation rates returning to historic highs.
- Mortgage approvals¹ were 10% higher than 2024, driven by 2% higher purchase approvals and remortgage and other approvals 22% higher.
- B2C revenue increased by 16% to £7.8m (2024: £6.8m), reflecting both the 9% increase in jobs performed and the 6% increase in income per job on the comparative period last year.
- Asset Management revenues increased by 6% to £5.5m (2024: £5.3m) with profit up 13% to £2.6m (2024: £2.3m).
- Continued investment in technology, supporting the establishment of digital and data as core enablers, opening new revenue opportunities and to meet lender client needs.
- AVM successfully launched with first commercial contract operationalised in Q4 2025. Significant partner interest in future development and adoption.
- On a statutory basis, operating profit was £20.8m (2024: £22.1m). Reduction driven by increase in surveying professional indemnity provision recognised as exceptional costs during the year

¹ Approvals for lending secured on dwellings, Bank of England Table A5.4 (31 January 2026)

Financial Services Division

The Financial Services Division is reported in two business lines: our core Financial Services network business comprising PRIMIS and TMA mortgage club, and our share of profit after tax of the Pivotal Growth Joint Venture.

Total revenue was £48.8m (2024: £48.4m) and underlying operating profit substantially increased by 28% to £11.0m (2024: £8.6m). This reflects a renewed focus on smaller, mortgage-led financial services businesses that are best placed to benefit from our platform and service offering and a positive contribution from the Pivotal Growth Joint Venture.

New mortgage lending increased by 23% to £35bn (2024: £28bn) whilst the total UK new mortgage lending market¹ grew by 20% to £291bn (2024: £242bn). As a result, the LSL share of UK purchase and remortgage market increased to 12.0% (2024: 11.8%).

The PRIMIS network enjoys a leading position in the provision of services to independent mortgage brokers. At 31 December 2025, PRIMIS members totalled 2,195 advisers who sell mortgage and protection (31 December 2024: 2,282).

Our share of profits after tax in the Pivotal Growth Joint Venture was £0.8m (2024: losses of £0.0m). The trading EBITDA of Pivotal Growth (before transactional acquisition costs) was materially ahead of last year.

On a statutory basis, operating profit was £6.3m (2024: £4.7m). The increase was driven by lower net exceptional costs of £1.1m in 2025 (2024: £2.4m)

The Financial Services network business has a regulatory capital requirement which represents 2.5% of its regulated revenues. The regulatory capital requirement was £6.1m at 31 December 2025 (31 December 2024: £6.4m), with a surplus of £27.8m (31 December 2024: £27.6m).

Highlights

- Phase 1 of a significant platform technology enhancement programme successfully completed. Enhanced platform functionality will improve efficiency and sales performance of PRIMIS advisers with phased deployment due to complete by the end of 2026.
- Underlying operating margin was 23% (2024: 18%) reflecting the strategic focus on composite advisors and its impact on operational efficiency. The statutory operating margin was 13% (2024: 10%).
- The strategic decision to focus on composite advisors in place of protection only firms, resulted in a 5% reduction in network firms to 1,049 as at 31 December 2025 (2024: 1,108).
- Adviser mortgage revenue increased by 19% to £20.0m in a market which was c.21% higher. The weighting of margin dilutive product transfers in the refinancing market remained above the long-term average.
- TenetLime profit contribution was in line with expectations, with the acquisition delivering returns in excess of the cost of capital.
- On a statutory basis, operating profit was £6.3m (2024: £4.6m), materially ahead of last year.

¹New mortgage lending by purpose of loan, Bank of England Table A5.3 – (31 January 2026)

Estate Agency Franchising Division

The Estate Agency Franchise business revenue was £26.5m (2024: £27.1m), with the decrease entirely due to the LSL Land and New Homes business, due to the Ministry of Defence's decision to bring a significant contract back in house.

Supporting the growth of franchisees is of paramount importance, including the provision of loans to facilitate letting book acquisitions. In 2025, loans were granted enabling the acquisition of ten lettings books, adding 1,400 properties to the lettings portfolio. The average lettings royalties income per managed property increased by c.+3% with total number of properties in line with the comparable period last year at 37,451 (2024: 37,462).

The Estate Agency Franchise business continued to deliver a robust residential sales performance, with sales related royalties increasing 12% year-on-year in a market which increased by 10%¹.

Highlights

- Estate Agency Franchising underlying operating profit was £8.3m (2024: £7.8m).
- Underlying operating margin improved to 31% (2024: 29%) underpinned by cost leverage and operational efficiencies as the business continues to scale.
- The number of properties under franchisees' management remained stable at 37,451 (31 December 2024: 37,462).
- Total of 293 branches at 31 December 2025 (31 December 2024: 291), representing over 65% UK postcode coverage.
- On a statutory basis, operating profit was £6.4m (2024: £6.6m). Reduction driven by exceptional restructuring costs incurred in the Land and New Homes business.

¹Number of residential property transaction completions with value £40,000 or above, HMRC (30 January 2026)

Principal risks and uncertainties

Our principal risks and uncertainties, that the Board has assessed as being the most significant risks that may adversely affect our business strategy, financial position or future performance, are set out in the Group's Annual Report and Accounts.

In summary, these are linked to the impact on the Group of:

1. The cyclicity of the UK housing market and impact of transaction volumes, lender behaviour and availability and pricing of mortgage finance.
2. Market disruption and competitive dynamics.
3. Execution of strategy, including execution of transformation initiatives, capital allocation and operational change.
4. Claims arising from not meeting standards for our professional services.
5. Significant falls in business volume relating to B2B relationships.
6. Cyber, data and operational resilience.
7. Regulatory compliance and responding to regulatory changes.
8. Credit risk (broker insolvency/commission clawback and lender exposure).
9. Colleague resources, talent and expertise.

Group Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025

		2025	Restated*
	Note	£'000	2024 £'000
Continuing operations:			
Revenue	3	182,945	173,318
<i>Operating expenses:</i>			
Employee costs	15	(109,088)	(105,200)
Depreciation on property, plant and equipment and right-of-use assets	18	(3,369)	(3,160)
Expected credit loss charge	21	(3,543)	(2,061)
Other operating costs		(37,173)	(35,638)
Other gains	3	1,116	532
Gains/(losses) from joint venture	20	798	(6)
Share-based payments charge	15	(1,597)	(920)
Amortisation of intangible assets	17	(3,032)	(2,988)
Exceptional gains	9	571	1,745
Exceptional costs	9	(5,066)	(4,109)
Contingent consideration payable		-	426
Group operating profit	4	22,562	21,939
Finance income	7	2,451	2,868
Finance cost	8	(1,937)	(1,741)
Net finance income		514	1,127
Profit before tax		23,076	23,066
Taxation charge	16	(5,994)	(5,247)
Profit for the year from continuing operations		17,082	17,819
Discontinued operations:			
Loss for the year from discontinued operations	6	(42)	(377)
Profit for the year		17,040	17,442
Attributable to:			
Owners of the parent		16,960	17,409
Non-controlling interest		80	33
		17,040	17,442
Earnings per share from continuing operations (expressed as pence per share):			
Basic	12	16.6	17.4
Diluted	12	16.2	17.2
Earnings per share from total operations (expressed as pence per share):			
Basic	12	16.6	17.0
Diluted	12	16.2	16.8

*See note 35 for restatement

There was no other comprehensive income during the year ended 31 December 2025 (2024: £nil).

Group Balance Sheet
as at 31 December 2025

		31 December 2025	Restated* 31 December 2024	Restated* 1 January 2024
	Note	£'000	£'000	£'000
Non-current assets				
Goodwill	17	16,855	16,855	16,855
Other intangible assets	17	29,881	29,861	21,461
Property, plant and equipment and right-of-use assets	18	7,700	6,400	6,918
Financial assets	19	963	762	5,407
Deferred tax asset	16	-	-	166
Investment in subleases	19	131	447	1,757
Investment in joint venture	20	14,988	11,585	9,359
Contract asset		-	-	329
Loans to franchisees and appointed representatives	19	1,823	902	1,655
Total non-current assets		72,341	66,812	63,907
Current assets				
Trade and other receivables	21	25,026	24,161	22,446
Financial assets	19	-	5,772	54
Contract asset		-	-	40
Loans to joint venture	19	13,840	7,607	-
Investment in subleases	19	164	385	1,582
Current tax assets	16	725	846	2,183
Loans to franchisees and appointed representatives	19	1,827	867	444
Cash and cash equivalents	22	67,050	60,663	58,110
Total current assets		108,632	100,301	84,859
Total assets		180,973	167,113	148,766
Current liabilities				
Financial liabilities	24	(5,613)	(5,595)	(3,320)
Trade and other payables	23	(36,810)	(37,493)	(31,232)
Provisions for liabilities	25	(6,266)	(6,552)	(5,903)
Bank overdrafts	22	(39,253)	(28,264)	(23,139)
Total current liabilities		(87,942)	(77,904)	(63,594)
Non-current liabilities				
Financial liabilities	24	(4,148)	(3,491)	(5,085)
Deferred tax liability	16	(1,999)	(1,642)	-
Provisions for liabilities	25	(5,002)	(3,869)	(5,872)
Total non-current liabilities		(11,149)	(9,002)	(10,957)
Total liabilities		(99,091)	(86,906)	(74,551)
Net assets		81,882	80,207	74,215
Equity				
Share capital	27	210	210	210
Share premium account	28	5,629	5,629	5,629
Share-based payment reserve	28	3,355	2,634	3,564
Shares held by employee benefit trust and share incentive plan	2,28	(1,316)	(1,510)	(2,871)
Treasury shares	28	(9,876)	(4,831)	(3,983)

Fair value reserve	28	(385)	(385)	(385)
Retained earnings		84,458	78,733	72,357
Total equity attributable to owners of the parent		82,075	80,480	74,521
Non-controlling interest		(193)	(273)	(306)
Total equity		81,882	80,207	74,215

*See note 35 for restatement

Group Statement of Cash Flows
for the year ended 31 December 2025

	Note	2025 £'000	Restated* 2024 £'000
Profit before tax from continuing operations		23,076	23,066
Loss before tax from discontinued operations	6	(8)	(518)
Profit before tax		23,068	22,548
Adjustments for:			
Exceptional costs	6,9	5,386	4,187
Exceptional gains	9	(571)	(1,745)
Contingent consideration payable	24	-	(426)
Depreciation of tangible assets	18	3,369	3,160
Amortisation of intangible assets	17	3,032	2,988
Share-based payments	15	1,597	920
Loss on disposal of property, plant and equipment and right-of-use assets		-	(31)
(Profit)/loss from joint venture	20	(798)	6
Other gains	3	(1,116)	(482)
Decrease in contract assets		-	368
Finance income	7	(2,451)	(2,868)
Finance costs	8	1,937	1,741
Operating cash flows before exceptional items and movements in working capital		33,453	30,367
Movements in working capital			
Increase in trade and other receivables		(530)	(1,386)
(Decrease)/increase in trade and other payables		(2,282)	5,518
Increase/(decrease) in provisions		1,472	(1,482)
		(1,340)	2,650
Cash generated from operations before exceptional items		32,113	33,017
Interest paid (leases)	26	(534)	(455)
Interest received (leases)	26	29	96
Income taxes paid		(4,968)	(1,799)
Exceptional costs paid		(3,910)	(3,066)
Net cash generated from operating activities		22,730	27,793
Cash flows used in investing activities			
Interest received	7	1,023	1,752
Payment of contingent consideration	24	-	(65)
Receipt of contingent consideration	19	5,542	155
Investment in joint venture	20	(2,605)	(2,232)
Proceeds from sale of financial assets	19	-	119
Franchisees and appointed representatives loans granted	19	(3,768)	(1,659)

Franchisees and appointed representatives loans repaid	19	1,832	1,702
Receipt of lease income	26	489	1,046
Purchase of property, plant and equipment	18	(1,241)	(939)
Purchase of intangible assets	17	(3,052)	(2,092)
Loans to joint venture	19	(5,301)	(7,607)
Purchase of relationship asset	17	-	(5,695)
Cash acquired on purchase of relationship asset		-	503
Net cash expended on investing activities		(7,081)	(15,012)
Cash flows used in financing activities			
Refinance costs		(543)	-
Commitment and non-utilisation fees on RCF		(473)	-
Repurchase of treasury shares		(5,045)	(848)
Proceeds from exercise of share options		46	173
Payment of lease liabilities	14	(2,486)	(2,895)
Dividends paid	13	(11,750)	(11,783)
Net cash expended in financing activities		(20,251)	(15,353)
Net decrease in cash and cash equivalents		(4,602)	(2,572)
Cash and cash equivalents at the beginning of the year	22	32,399	34,971
Cash and cash equivalents at the end of the year	22	27,797	32,399

*See note 35 for restatement

**Group Statement of Changes in Equity
for the year ended 31 December 2025**

	Share capital	Share premium account	Share- based payment reserve	Shares held by EBT and SIP	Treasury shares	Fair value reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2025 (restated)	210	5,629	2,634	(1,510)	(4,831)	(385)	78,733	80,480	(273)	80,207
Profit for the year	-	-	-	-	-	-	16,960	16,960	80	17,040
Total comprehensive income for the year	-	-	-	-	-	-	16,960	16,960	80	17,040
Transactions with owners in their capacity										
Shares repurchased into treasury	-	-	-	-	(5,045)	-	-	(5,045)	-	(5,045)
Exercise of options	-	-	(183)	194	-	-	107	118	-	118
Vested share options lapsed during the year	-	-	(408)	-	-	-	408	-	-	-
Dividend paid	-	-	-	-	-	-	(11,750)	(11,750)	-	(11,750)
Share-based payments	-	-	1,255	-	-	-	-	1,255	-	1,255
Tax on share-based payments	-	-	57	-	-	-	-	57	-	57
At 31 December 2025	210	5,629	3,355	(1,316)	(9,876)	(385)	84,458	82,075	(193)	81,882

During the period, 103,505 share options were exercised relating to LSL's various share option schemes resulting in the shares being sold by the Employee Benefit Trust. LSL received £0.1m on exercise of these options.

**Group Statement of Changes in Equity
for the year ended 31 December 2024**

	Share capital	Share premium account	Share- based payment reserve	Shares held by EBT and SIP	Treasury shares	Fair value reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2024	210	5,629	3,564	(2,871)	(3,983)	(385)	74,087	76,251	(306)	75,945
Prior year restatements	-	-	-	-	-	-	(1,730)	(1,730)	-	(1,730)
At 1 January 2024 (restated)	210	5,629	3,564	(2,871)	(3,983)	(385)	72,357	74,521	(306)	74,215
Profit for the year	-	-	-	-	-	-	17,409	17,409	33	17,442
Total comprehensive income for the year (restated)	-	-	-	-	-	-	17,409	17,409	33	17,442
Transactions with owners in their capacity										
Shares repurchased into treasury	-	-	-	-	(848)	-	-	(848)	-	(848)
Exercise of options	-	-	(943)	1,361	-	-	(245)	173	-	173
Vested share options lapsed during the year	-	-	(995)	-	-	-	995	-	-	-
Dividend paid	-	-	-	-	-	-	(11,783)	(11,783)	-	(11,783)
Share-based payments	-	-	920	-	-	-	-	920	-	920
Tax on share-based payments	-	-	88	-	-	-	-	88	-	88
At 31 December 2024 (restated)	210	5,629	2,634	(1,510)	(4,831)	(385)	78,733	80,480	(273)	80,207

During the period, 383,216 share options were exercised relating to LSL's various share option schemes resulting in the shares being sold by the Employee Benefit Trust. LSL received £0.2m on exercise of these options.

Notes to the Group Financial Statements

1. General information

The above results and the accompanying notes do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006.

Statutory Financial Statements for this year will be filed following the 2026 AGM and will be available on LSL's website: lsps.co.uk. The auditors have reported on these Financial Statements. Their report was unqualified and did not contain a statement under section 498 (2), (3) or (4) of the Companies Act 2006. The comparative financial information was audited by Ernst & Young LLP, and was derived from the statutory accounts for that year, on which an unmodified audit opinion was issued

2. Accounting policies, judgements and estimates

2.1 Basis of preparation

The accounting policies which follow set out material information about the accounting policies which apply in preparing the Financial Statements for the year ended 31 December 2025. The policies have been applied consistently to all years presented. The Group's Financial Statements are presented in pound sterling, and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

These Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards. The Group Financial Statements have been prepared on a going concern basis under the historical cost convention and on a historical cost basis, except for certain debt and equity financial assets that have been measured at fair value.

In preparing the Financial Statements management has considered the impact of climate change, which is described in detail in our TCFD report. The Group has assessed climate-related risks, covering both physical risks and transition risks, in the short (0-3 years) to medium term (4-9 years). Climate-related matters have a relatively low impact on LSL's strategy and business model, and therefore there is a high degree of resilience. However, there are number of risks that may result in increased costs and have an impact on operations that, whilst unlikely to have a significant impact, are factored into our business and financial planning. Over the long-term (beyond 10 years), there could be physical risks, such as severe weather, flooding events, increase in temperature and rising sea levels. The risk to the Group's own premises as a result of climate change is considered low, the majority of our property portfolio is leased, and we would not expect significant climate-related costs during the remainder of our current lease terms. The impact of climate change in the medium to long-term is likely to be localised and have varying degrees of impact on the areas where we work and our revenue profile. This could have an impact on the carrying value of goodwill and investments.

2.2 Basis of consolidation

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 December 2025. The financial year represents the year from 1 January 2025 to 31 December 2025.

Subsidiaries

Subsidiaries are consolidated from the date that control commences until the date control ceases. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Interest in joint venture

The Group's share of the results of joint venture is included in the Group Statement of Profit or Loss and Other Comprehensive Income using the equity method of accounting. Investment in joint ventures are carried in the Group Balance Sheet at cost plus post-acquisition changes in the Group's share of the net assets of the entity, less any impairment in value. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

The Financial Statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.3 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Financial and Divisional Reviews section of the Strategic Report. The financial position of the Group, its cash flows, liquidity position and policy for treasury and risk management are described in the Financial Review section of the Strategic Report. Details of the Group's borrowing facilities are set out in note 31. The Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk are also set out in note 31. A description of the Group's principal risks and uncertainties and arrangements to manage these risks can be found in the Risk Management section of the Strategic Report.

The UK Corporate Governance Code requires the Board to assess and report on the prospects of the Group and whether the business is a going concern. In considering this requirement, the Directors have taken into account the Group's forecast cash flows, liquidity, borrowing facilities and related covenant requirements and the expected operational activities of the Group.

The Group expects to continue to meet its day-to-day working capital requirements through cashflows generated by its trading activities and available cash resources (31 December 2025: £27.8m). The Group's banking facility, a £60 million committed revolving credit facility has a maturity date of January 2030. The Group has not currently utilised the facility leaving £60 million of available undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The facility agreement includes financial covenants, including a minimum net debt to EBITDA ratio, which could result in the full facility not being available during the going concern period under downside scenarios.

The Directors have continued to run a variety of scenario models throughout the year to help the ongoing assessment of risks and opportunities covering the period to 30 June 2027 (the going concern period). The Directors considered the period to June 2027, which exceeds the minimum required period, because it captures the covenant test that could significantly affect the use of the going concern basis.

In the scenarios, the Directors considered both current trading and external industry data. In developing a base case forecast the Directors have assumed inflation and interest rates of 2.5% and 4.0%, respectively, by the end of 2026 and 2.0% and 4.0%, respectively, by the end of 2027.

The Directors have performed a reverse stress test to determine the events and circumstances which would need to arise in order to threaten the Group's ability to continue as a going concern. Such scenarios would require a significant reduction in market transaction volumes below the low point experienced during the Global Financial Crisis and in turn reduce Group revenue by approximately 25% compared to current performance. Under such a scenario, all available cash balances would be utilised and the facility would be unavailable due to financial covenants. If severe downside scenarios arose, there are cost mitigations that could be applied, as well as cash conservation action such as pausing dividend payments and planned investments. The Directors have concluded that the likelihood of such a severe scenario arising is remote and have concluded that there are no plausible threats to the Group's ability to continue through the going concern period. Therefore, the financial information has been prepared under the going concern basis of preparation.

In reaching its conclusion on the going concern assessment, the Board considered the findings of the work performed to support the Group's long-term viability statement. As noted in the Viability Statement, which is included in the Strategic Report of the Annual Report and Accounts 2025, this included assessing forecasts of severe but plausible downside scenarios related to our principal risks, notably the extent to which a severe downturn in the UK lending and housing markets, to below levels seen during the financial crisis in 2008, would affect the Group's base forecasts.

Having due regard to the scenarios above and after making appropriate enquiries, the Directors have a reasonable expectation with no material uncertainties that the Group and the Company have adequate resources to remain in operation to 30 June 2027. The Board have therefore continued to adopt the going concern basis in preparing the Annual Report and Accounts 2025.

2.4 Revenue recognition

Revenue is recognised under IFRS 15. The standard is based on a single model that distinguishes between promises to a customer that are satisfied at a point in time and those that are satisfied over time. Revenue is recognised when performance obligations are fulfilled.

Financial Services Division (excluding Linear Mortgage Network)

Revenue comprises mortgage procurator fees and insurance commissions earned from the distribution of third-party mortgages, protection and general insurance products. Revenue from mortgage procurator fees is recognised at the point in time on completion of the related mortgage or remortgage transaction. Revenue from insurance commissions is

recognised at the point the related policy incepts and goes on risk, reflecting the transfer of service to the customer. The Group expects to earn from providing its services. This includes elements of variable consideration, mainly commission amounts that may be subject to clawback. These variable amounts are recognised only to the extent that it is highly probable they will not reverse. As the revenue streams described above involve a single service obligation in each case, the full transaction price is attributed to that service and no further allocation is required.

The Group (excluding Linear) acts as an agent under IFRS 15 and only recognises the Group's share of commission as revenue. As recognised by IFRS 15, assessing whether the Group is acting as a principal, or an agent requires judgement which can significantly affect the timing and amount of revenue recognised. The most judgemental aspect of this relates to the assessment of who the customer is for the Group. Considering all the factors of the transactions that result in revenue, it was concluded that the appointed representatives are the customers of the Group as opposed to the product providers. The Group has determined that it is acting as an agent and only recognises the Group's share of commission as revenue. The Group recognises a liability for commissions due to ARs. Where an AR has departed and the Group has no present obligation to settle the commission, the liability is derecognised. The resulting credit is recognised in the income statement in the period the obligation is extinguished. The assessment of principal versus agent is made for each distinct arrangement, based on whether the Group controls the specified service before it is transferred to the customer, in accordance with IFRS 15.

Financial Services Division (Linear Mortgage Network)

Linear Mortgage Network (Linear) provides regulated mortgage and protection advice to retail customers through advisers operating within the PRIMIS network. PRIMIS authorises the regulated activities and provides the compliance framework and systems; Linear organises, supervises and remunerates advisers and controls service delivery to customers. Linear does not act as an insurer or lender; third-party providers underwrite insurance risk and advance loans. Linear is responsible for the advice delivered by its advisers and can accept/reject cases, it has discretion over adviser assignment and sales strategy and has control over allocation of pipeline commissions. Therefore, Linear acts as a principal under IFRS 15, and as such presents revenue on a gross basis.

Estate Agency Franchising Division

The accounting policies for both franchise and residential services which includes new build residential sales and conveyancing services, are set out below.

Franchise services:

The Group's estate agency franchising arrangements grant franchisees the right to operate under the Group's trade name, trademarks, operating systems and manual, together with continuing brand stewardship, training access and network support. Under IFRS 15, the brand licences and the related ongoing support are bundled into a single performance obligation that provides a right to access the Group's intellectual property and is satisfied over time across the franchise term.

The Group earns sales-based royalties calculated as a stated percentage of the franchisee's sales and lettings income. These royalties relate predominantly to the licence of the Group's IP and therefore the sales-based royalty exception is applied under IFRS 15. Revenue on house sales is recognised at the point of exchange of contracts, and revenue on lettings, property management and ancillary services is recognised as those services are delivered by the franchisee. In addition, the Group earns fixed royalties which are recognised over time.

Residential services:

New build residential sales:

Revenue earned by the Group's new build residential sales business is recognised by reference to the legal exchange date of the housing transaction.

Conveyancing services:

Where the Group provides conveyancing packaging services, the revenue is recognised by reference to the legal exchange date of the housing transaction.

Interest income from client monies balances:

Revenue is recognised over time as interest accrues. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. The Group's interest income from client monies is presented within revenue given the collection and holding of client monies is an integral part of the estate agency franchising service provided to franchisees.

Surveying & Valuation Division

Surveying & Valuation:

Revenue from the supply of surveying and valuation services is recognised upon the completion of the professional survey or valuation by the surveyor, and therefore at a point in time.

For panelled valuation work, the Group acts as an agent, as the third-party panel firms perform the valuation services and bear the associated delivery and professional risks. The Group does not control the service before transfer to the customer and therefore recognises revenue on a net basis, representing the fee retained.

Asset management:

Revenue earned from the repossessions asset management business is recognised by reference to the legal exchange date of the housing transaction.

2.5 Segment reporting

An operating segment is a distinguishable segment of an entity that engages in business activities from which it may earn revenues and incur expenses and whose operating results are reviewed regularly by the Chief Operating Decision Maker (CODM), being the Board. The CODM reviews the Group's operations and financial position as Financial Services, Surveying & Valuation and Estate Agency Franchising, and therefore considers that it has three operating segments.

Within the Estate Agency Franchising operating segment, the only remaining owned operations relate to the Group's new build residential sales and conveyancing packaging businesses which are LSL Land & New Homes Limited and Homefast Property Services Limited, representing less than 10% of the Group's total revenue.

The Group's asset management business is included within the Surveying & Valuation Division. Management deemed the Group's asset management operations, including the class of customer for its services, are more closely aligned to the Surveying & Valuation Division.

The information presented to the Directors directly reflects the Group Underlying Operating Profit as defined in the alternative performance measures (APM) in note 5 and 34 to these Financial Statements and they review the performance of the Group by reference to the results of the operating segments against budget.

2.6 Alternative Performance Measures (APMs)

In reporting financial information, the Group presents a number of APMs that are designed to assist with the understanding of underlying Group performance. The Group believes that the presentation of APMs provides stakeholders with additional helpful information on the performance of the business. APMs are also used to help enhance comparability of information between reporting periods. The Group does not consider APMs to be a substitute for or superior to IFRS measures and the Group's APMs are defined, explained and reconciled to the nearest statutory measure in notes 5, 12 and 34.

2.7 Discontinued operations

The Group has classified its previously owned network of estate agency branches as a discontinued operation for the reporting periods ending after 31 December 2023. The Group operated a network of both owned and franchised branches prior to disposing of its entire owned network in 2023. The owned network was determined to be a separate major line of business because it made up the majority of the branch network, its revenue, costs and risk profile was significantly different to that of franchise and its cash flows could be clearly distinguished.

Discontinued operations are presented in the Group Income Statement as a single line, which comprises the post-tax profit or loss of the discontinued operation, which relates to the movements in the dilapidation and restructuring provisions recognised as part of the original asset and share sales.

2.8 Exceptional items

Exceptional items are those which are material by size and are both non-recurring and unusual in nature. These items are presented within their relevant income statement category but highlighted separately on the face of the income statement. Items that management considers fall into this category are also disclosed within the notes to the Financial Statements (see notes 6 and 9).

Due to the nature and expected infrequency of these items, separate presentation helps provide a better indication of the Group's underlying business performance. This allows shareholders to better understand the elements of financial performance in the year, and to facilitate comparison with prior periods and to better assess trends in financial performance.

2.9 Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects either accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting period and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to offset current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Group to make a single net payment. Income tax is charged or credited directly to other comprehensive income (OCI) or equity, if it relates to items that are charged or credited in the current or prior periods to OCI or equity respectively. Otherwise, income tax is recognised in the income statement.

2.10 Share-based payment transactions

The equity share option programme allows Group employees to acquire LSL shares. The fair value of the options granted is recognised as an employee expense with a corresponding increase in equity in the case of equity-settled schemes. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of employee share option plans, which are all equity-settled, is calculated at the grant date using the Black Scholes model, or the Monte Carlo Simulation model where a market condition is part of the vesting condition. The resulting cost is charged to the Group Statement of Profit or Loss and Other Comprehensive Income over the vesting period. The value of the charge is adjusted to reflect expected and actual levels of vesting.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-market vested condition is satisfied, provided that all other performance and/or service conditions are satisfied. When employees exercise their awards or vested options lapse, the portion of the share-based payments reserve which represents the share-based payment charge for those awards is transferred to retained earnings and the Group discharges its obligation.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. Further details are given in note 12 to these Financial Statements.

2.11 Business combinations and goodwill

The Group accounts for business combinations using the acquisition method of accounting when control is transferred to the Group. On acquisition, assets, liabilities, and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the net assets acquired is recognised as goodwill.

Deferred and contingent consideration payable, resulting from business combinations is valued at fair value at the acquisition date, and is subsequently reassessed at each reporting date. The determination of the fair value for deferred and contingent consideration payable is based on discounted cash flows and is included within financial liabilities on the balance sheet.

After the initial recognition, goodwill is measured at cost less accumulated impairment losses, for the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (CGU) that are expected to benefit from the combination. Where goodwill has been allocated to a CGU and part of the operations within that unit are disposed of, the goodwill associated with the disposed operation is included in the carrying amount when

determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.12 Intangible assets

Intangible assets such as franchise agreements, appointed representative relationships, and in-house software are measured at cost less accumulated amortisation and impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the profit or loss in the period in which the expenditure is incurred.

Intangible assets acquired in a business combination are deemed to have a cost to the Group of the asset's fair value at the acquisition date. The fair value of an intangible asset reflects market expectations about the profitability that the future economic benefits embodied in the asset will flow up to the Group.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

The useful lives of intangible assets are assessed as either finite or indefinite.

Brand names are not amortised as the Directors are of the opinion that they each have an indefinite useful life based on the expectation that there is no foreseeable limit to the period over which each of the assets are expected to generate net cash inflows to the businesses. The Directors are confident that trademark registration renewals will be filed at the appropriate time and sufficient investment will be made in terms of marketing and communication to maintain the value inherent in the brands, without incurring significant cost. All brands recognised have been in existence for a number of years and are not considered to be at risk of obsolescence from technical, technological nor commercial change. Whilst operating in competitive markets they have demonstrated that they can continue to operate in the face of such competition and that there is expected to remain an underlying market demand for the services offered. The lives of these brands are not dependent on the useful lives of other assets of the entity.

Development costs that are directly attributable to the testing of identifiable software products controlled by the Group are recognised as intangible assets when the project or process is technically and commercially feasible. Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Franchise agreements entered into by the Group (as franchisor) as part of contractual arrangements concerning the disposal of previously owned branches are recognised as intangible assets. Franchise intangible assets are initially recognised at fair value and subsequently amortised on a straight-line basis over their useful economic lives, being the term of the agreement. The franchise intangible assets are amortised over a remaining life of 15 years as based on the agreements, this is the most likely minimum term. The life of the relationship is assessed annually.

All other intangible assets are amortised on a straight-line basis over their useful economic lives of 12 years for appointed representative relationships, and between three and five years for in-house software.

2.13 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Property, plant and equipment is depreciated on a straight-line basis to its residual value over its anticipated useful economic life:

Office equipment, fixtures and fittings	– over three to seven years
Computer equipment	– over three to four years
Motor vehicles	– over three to four years
Leasehold improvements	– over the shorter of the lease term or ten years
Freehold and long leasehold property	– over fifty years or the lease term whichever is shorter

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. These assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

2.14 Financial instruments

Financial assets and financial liabilities are recognised in the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets not at fair value through the income statement, directly attributable

transaction costs. Financial assets are derecognised when the Group no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired. The subsequent measurement of financial assets depends on their classification.

The Group's accounting policy for each category of financial instruments is as follows:

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IFRS 9 Financial Instruments and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Group Statement of Profit or Loss and Other Comprehensive Income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets designated at fair value through the income statement

Gains and losses arising from the changes in the fair value of equity investments are recorded in the Group Statement of Profit or Loss and Other Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and on demand deposits and fixed-term deposits with original maturities of three months or less with the Group's relationship banks. Bank overdrafts which are repayable on demand are included in cash and cash equivalents only when there is a legal right to offset and an intention to settle net, otherwise these amounts are classified separately as liabilities on the balance sheet. For the purposes of the statement of cash flow, bank overdrafts are a component of cash and cash equivalents as they are repayable on demand and form an integral part of the Group's cash management. The overdraft is used to manage daily cash inflows and outflows. Cash pool balances fluctuate frequently between positive and negative. The overdraft acts as a working cash buffer rather than a source of long-term funding.

Trade receivables

Trade receivables do not carry any interest and are stated at their original invoiced value as reduced by appropriate allowances for estimated irrecoverable amounts. The expected credit loss model under IFRS 9 is applied to trade and other receivables. The chosen method of recognising the expected credit loss across the Group is the simplified approach allowing a provision matrix to be used, which is based on the expected life of trade receivables and historic default rates, default being defined as when impaired debts are assessed as uncollectable. The carrying amount of the receivables is reduced through use of an allowance account and impaired debts are derecognised when they are assessed as uncollectable.

Trade payables

Trade payables are stated on the balance sheet at their original invoice value.

2.15 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). An asset's or CGU's recoverable amount is the higher of its fair value less costs to sell (FVLCTS) and value-in-use (VIU). Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing an asset's VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill and brand, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount.

2.16 Loans to franchisees and appointed representatives

The Group issues loans to its franchisees and appointed representatives, the Group's objective is to hold these loans to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their issue and are subsequently carried at amortised cost, less provision for impairment.

Loans to appointed representatives are made in the normal course of business and on standard terms, the duration is typically three years and the loans are offered on an interest-free basis. The Group calculates the difference between the par value and fair value on recognition using a market rate of interest and charges this amount to finance costs in the Group

Statement of Profit or Loss and Other Comprehensive Income, the residual loan amount is recorded as a financial asset at amortised cost.

Impairment provisions against loans to franchisees and appointed representatives are recognised based on an expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since initial recognition of these financial assets and is calculated by considering the cash shortfalls that would be incurred and probability of these cash shortfalls using the Group's model. Where a significant increase in credit risk is identified, lifetime expected credit losses are recognised; alternatively, if there has not been a significant increase in credit risk, a 12-month expected credit loss is recognised. Such provisions are recorded in a separate allowance account with the loss being recognised within operating expenses in the Group Statement of Profit or Loss and Other Comprehensive Income. On confirmation that a loan will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2.17 Loans to joint venture

The Group issued loan notes to its joint venture in 2024 and 2025. The Group's objective is to hold these loans to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their issue and are subsequently carried at amortised cost, less provision for impairment. The loan notes are redeemable and were redeemed in January 2026. Impairment provisions against loans to joint venture are recognised based on an expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since initial recognition of these financial assets and is calculated by considering the cash shortfalls that would be incurred and probability of these cash shortfalls using the Group's model. Where a significant increase in credit risk is identified, lifetime expected credit losses are recognised; alternatively, if there has not been a significant increase in credit risk, a 12-month expected credit loss is recognised. Such provisions are recorded in a separate allowance account with the loss being recognised within operating expenses in the Group Statement of Profit or Loss and Other Comprehensive Income.

2.18 Provisions

A provision is recognised in the Balance Sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.19 Leases

Leases are defined as a contract which gives the right to use an asset for a period of time in exchange for consideration. As a lessee, the Group recognises three classes of leases on this basis:

- Property leases
- Motor vehicle leases
- Other leases

Property leases and motor vehicle leases have been recognised on the Group Balance Sheet, in financial liabilities, by recognising the future cash flows of the lease obligation, discounted using the incremental borrowing rate of the Group, adjusted for factors such as swap rates available and the credit risk of the entity entering into the lease.

Corresponding right-of-use assets have been recognised on the Group Balance Sheet under property, plant and equipment and have been measured as being equal to the discounted lease liability plus any lease payments made at or before the inception of the lease and initial direct costs, less any lease incentives received. Cash flows from these leases have been recognised by including the principal portion of the lease payments in cash flows from financing activities and the interest portion of the lease payment recognised through operating activities.

Other leases are leases for low value items or leases whose contract term is less than 12 months. The practical expedient not to recognise right-of-use assets and lease liabilities for these leases has been utilised by the Group. A charge for these leases has been recognised through the Group Statement of Profit or Loss and Other Comprehensive Income as an operating expense. The cash flows relating to low value and short-term leases have been recognised in net cash flows from operating activities. No leases where the Group is a lessee, or a lessor contain variable lease payments.

In scenarios where the Group is an intermediate lessor, the sublease is classified as a finance lease if substantially all of the risk and rewards incidental to the ownership of the leased asset have transferred to the sublessee, otherwise the sublease is classified as an operating lease. The Group accounts for finance subleases by derecognising the existing right-of-use asset at the effective date of the sublease and recognising a receivable for the Group's net investment in the sublease, with any resultant gain/(loss) recognised in the Group Statement of Profit or Loss and Other Comprehensive Income. The net investment in the leases equals remaining fixed payments, discounted at the interest rate implicit in the lease. After initial

recognition, the Group recognises finance income over the remaining lease using the amortised cost method. The net investment in sublease is subsequently reviewed for impairment under IFRS 9 (further details are given in note 26 to these Financial Statements).

Rental income including the effect of lease incentives from sublet properties and vehicles are recognised over time on a straight-line basis, throughout the lease term for operating leases or by recognising in the balance sheet a lease receivable equal to the investment in the lease for finance leases. Subleases are assessed as finance leases or operating leases in reference to the right-of-use asset the lease generates.

2.20 Shares held by employee benefit trust (EBT) and share incentive plan (SIP)

The Group has an employee share scheme (ESOT) for the granting of LSL shares to Executive Directors and selected senior employees; and an employee share incentive plan. Shares in LSL held by the ESOT and the trusts are treated as treasury shares and presented in the Balance Sheet as a deduction from equity. No gain or loss is recognised in the Group Statement of Profit or Loss and other Comprehensive Income on the purchase, sale, issue or cancellation of the Group's own equity instruments. The finance costs and administration costs relating to the ESOT and the trusts are charged to the Group Statement of Profit or Loss and other Comprehensive Income. Dividends earned on shares held in the ESOT and the trusts have been waived. The ESOT and trust shares are ignored for the purposes of calculating the Group's earnings per share (EPS).

2.21 Treasury shares

Where the Group repurchases shares from existing shareholders, they are held as treasury shares and are presented as a deduction from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Treasury shares are ignored for the purposes of calculating the Group's EPS and adjusted EPS.

2.22 Dividends

Equity dividends are recognised when they become legally payable. In the case of interim dividends to shareholders, this is when paid. In the case of final dividends, this is when approved by shareholders at each AGM.

2.23 Pensions

The Group operates a defined contribution pension scheme for employees of all Group companies. The assets of the scheme are invested and managed independently of the finances of the Group. The pension cost charge represents contributions payable in the year.

2.24 Critical accounting judgements and estimates

The preparation of the Group's Financial Statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the year. These estimates and judgements are based on Management's best knowledge of the amount, event or actions and actual results ultimately may differ from those estimates. Group Management believe that the estimates and assumptions listed below have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities.

Carrying value of goodwill and intangible assets (estimate)

The Group carries out impairment reviews of intangible assets when there is an indication that the carrying value may not be recoverable and tests the carrying value of goodwill and indefinite life intangibles at least annually. Each of the Group's three segments holds goodwill or indefinite life intangible assets and therefore an annual impairment review is required. Judgement is required in identifying the cash-generating units (CGUs) for impairment testing and in determining whether certain brand intangibles have an indefinite useful life, based on the expectation of continued use and strong market positioning.

The Group's goodwill of £16.9m includes Surveying & Valuation (£9.9m) and Financial Services (£7.0m). At 31 December 2025, the Group held £29.9m of intangible assets on the balance sheet (2024: £29.9m), of which £6.9m are indefinite life intangible assets relating to brand (2024: £6.9m). The remaining balance of £23.0m is split between relationship assets £7.8m (2024: £8.5m), franchise intangibles £10.0m (2024: £10.9m) and software £5.2m (2024: £3.6m).

The impairment tests are carried out by a group of CGUs and reflect the latest Group budgets and forecasts approved by the Board. The recoverable amounts are determined using value-in-use (VIU) models, based on cash flow projections incorporating assumptions about market performance (including housing market activity, mortgage lending trends, interest

rates, and broader economic, legal and technological factors). Discount rates are derived from observable market data and reflect the specific risk profile of each CGU.

The pre-tax discount rates applied are as follows:

- Financial Services Division – 16.4%
- Surveying & Valuation Division – 16.5%
- Estate Agency Franchising Division – 15.7%

A terminal growth rate of 2.0% is applied to each CGU beyond the three year forecast period. A sensitivity analysis has been performed to assess the impact of reasonably possible changes to the key assumptions. Further details are presented in Note 17.

Commission refund liability (estimate)

Certain subsidiaries earn commission income from the sale of life assurance and protection products that are cancellable without notice. Where a policy is cancelled within a defined indemnity period, a proportion of the commission previously recognised becomes repayable. Under IFRS 15, this represents variable consideration and is recognised as a reduction in revenue at inception, constrained to the extent that it is highly probable that a significant reversal will not occur.

The Group estimates the expected amount of commission subject to clawback using either the expected value method or the most likely amount method, whichever more accurately predicts the consideration to which the Group will be entitled. Persistency assumptions are derived from historical refund patterns and supported by actuarial analysis, adjusted for known events and forward-looking information where applicable.

Commission refund liabilities are recognised within trade and other payables. Estimates are required in determining appropriate lapse assumptions, which are reviewed regularly against actual experience to ensure continued accuracy. Details of the assumptions applied and the sensitivity to changes in lapse rates are presented in Note 23.o

Appointed representative provision (estimate)

The Group recognises an IAS 37 provision for expected cash outflows on commission clawbacks arising after the termination, suspension or resignation of appointed representatives (ARs) within the Financial Services Division, to the extent not recoverable from these ARs. This is separate from the IFRS 15 commission refund liability recorded against revenue for expected clawbacks on the Group's own commissions while AR relationships remain active. The provision reflects management's best estimate at the reporting date using an expected-value approach, based on policy lapse, cancellation assumptions within clawback windows, provider terms, and expected recoveries from ex-ARs informed by historical collections and enforceability.

Professional indemnity (PI) claims (estimate)

A provision is made for professional indemnity claims and potential claims that arise during the normal course of business in the Financial Services Division and in relation to valuations performed by the Surveying & Valuation Division. This includes an estimate for both claims reported and those incurred but not yet reported (IBNR).

Estimation is required in assessing the level of coverage for reported and IBNR claims, including the likelihood of settlement and recovery under insurance arrangements.

The provision is estimated using historical claim frequency and severity data, supplemented by actuarial input where appropriate, and adjusted for current information on open cases. Estimation uncertainty arises due to the inherent difficulty in predicting the timing and outcome of claims. Further details of the assumptions applied to PI claims and related sensitivity analysis are disclosed in Note 25.

Principal versus agent (judgement)

Within the Financial Services Division, the Group acts as both a principal and an agent depending on the nature of its arrangements with lenders, insurers, and advisers. Management exercises judgement in determining whether the Group controls the specified service before it is transferred to the customer. See note 2.4 for further detail.

2.25 New standards and interpretations not applied

IFRS 18 "Presentation and Disclosure in Financial Statements" was issued by the International Accounting Standards Board (IASB) on 9 April 2024. Subject to UK endorsement, the new standard is effective for the Group's accounting periods beginning on or after 1 January 2027.

New requirements under IFRS 18 are expected to have an impact on the Group Financial Statements, key changes include:

- Mandatory subtotals and categories of income and expense in the Group Statement of Profit or Loss and other Comprehensive Income, as well as new requirements for the disclosure of operating expenses,
- Disclosures about management-defined performance measures in the Financial Statements,
- Enhanced requirements for the aggregation and location of information presented in the primary financial statements and disclosed in the notes as well as guidance on providing informative labels.

Management are continuing to assess the impact of the accounting changes that will arise under IFRS 18.

There have been no other new relevant standards that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2025. Amendments to existing standards do not have a material impact on the Financial Statements.

3. Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Year ended 31 December 2025

	Financial Services ¹ £' 000	Surveying & Valuation ² £' 000	Residential sales exchange ³ £' 000	Estate Agency Franchising income ³ £' 000	Asset management ² £' 000	Other ³ £' 000	Total £' 000
Timing of revenue recognition							
Services transferred at a point in time	48,838	102,046	3,045	7,518	5,575	1,251	168,273
Services transferred over time	-	-	-	14,672	-	-	14,672
Total revenue from contracts with customers	48,838	102,046	3,045	22,190	5,575	1,251	182,945

During the year 19% (2024: 19%) of the Group's revenue was generated from a single large customer within the Surveying & Valuation Division. The revenue recorded within continuing operations in relation to this customer during the year was £35.1m (2024: £33.1m).

Other revenue relates to income from conveyancing services.

All revenues were generated from the United Kingdom.

Year ended 31 December 2024 (restated*)

	Financial Services ¹ £' 000	Surveying & Valuation ² £' 000	Residential sales exchange ³ £' 000	Lettings ³ £' 000	Estate Agency Franchising income ³ £' 000	Asset management ² £'000	Other ³ £' 000	Total £' 000
Timing of revenue recognition								
Services transferred at a point in time	48,395	92,547	4,027	367	7,044	5,275	997	158,652
Services transferred over time	-	-	-	-	14,666	-	-	14,666
Total revenue from contracts with customers	48,395	92,547	4,027	367	21,710	5,275	997	173,318

1. Financial Service segment
2. Surveying & Valuation segment
3. Estate Agency Franchising segment

	2025 £'000	2024 £'000
Revenue from services	182,945	173,318
Operating revenue	182,945	173,318
Gain on fair value (note 19)	201	482
R&D expenditure credit	770	50
Other gains	145	-
Other operating income	1,116	532
Total revenue and operating income	184,061	173,850

*See note 35 for restatement

4. Segment analysis

For the year ended 31 December 2025 LSL has reported three operating segments: Financial Services, Surveying & Valuation, and Estate Agency Franchising.

Within the Estate Agency Franchising operating segment, the only remaining owned operations relate to the Group's new build residential sales and conveyancing businesses which are LSL Land & New Homes Limited and Homefast Property Services Limited, representing less than 10% of the Group's total revenue.

The Group's asset management business is included within the Surveying & Valuation Division. Management deemed the Group's asset management operations, including the class of customer for its services, are more closely aligned to the Surveying & Valuation Division after the Estate Agency Division's transformation into a franchise model in 2023.

All of the Group's non-current assets are located in its country of domicile. The Group does not hold non-current assets in foreign jurisdictions; therefore, no foreign non-current asset disclosures are presented.

Operating segments

The Chief Operating Decision Maker (CODM) monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Underlying Operating Profit, which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the Group Financial Statements. Head office costs, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis, are excluded from segment results, and are not allocated to operating segments. *Reportable segments* The following table presents revenue and profit information regarding the Group's reportable segments for the financial year ended 31 December 2025 and financial year ended 31 December 2024 respectively.

Year ended 31 December 2025

Income statement information	Financial Services £'000	Surveying & Valuation £'000	Estate Agency Franchising £'000	Central £'000	Total £'000
Revenue from external customers	48,838	107,620	26,487	-	182,945
Segmental result:					
– Group Underlying Operating profit/(loss) from continuing operations	10,955	23,554	8,259	(10,150)	32,618
– Operating profit/(loss)	6,294	20,806	6,404	(10,942)	22,562
Finance income					2,451
Finance costs					(1,937)
Profit before tax					23,076
Loss before tax from discontinued operations					(8)
Profit before tax					23,068
Taxation					(6,028)
Profit for the year					17,040
Balance sheet information					
Segment assets – intangible	16,804	14,318	15,614	-	46,736
Segment assets – other	37,310	16,604	7,830	72,493	134,237
Total segment assets	54,114	30,922	23,444	72,493	180,973
Total segment liabilities	(21,557)	(21,126)	(12,656)	(43,752)	(99,091)
Net assets	32,557	9,796	10,788	28,741	81,882
Other segment items					
Capital expenditure including intangible assets	1,435	2,214	644	-	4,293
Depreciation	(589)	(2,031)	(749)	-	(3,369)
Amortisation of intangible assets	(1,866)	(311)	(855)	-	(3,032)
Exceptional gains	571	-	-	-	571
Exceptional costs	(1,680)	(2,000)	(701)	(685)	(5,066)
Share of results in joint venture	798	-	-	-	798
PI provision	(756)	(3,565)	-	-	(4,321)
Dilapidation provision			(4,336)	-	(4,336)
Restructuring provision	-	-	(996)	-	(996)
Appointed representative provision	(1,615)	-	-	-	(1,615)
Share-based payment	(184)	(437)	(300)	(676)	(1,597)
Employee cost	(24,344)	(66,394)	(10,487)	(7,863)	(109,088)
Expected credit loss	(1,397)	(18)	(2,128)	-	(3,543)

Central net assets comprise intangible assets and plant and equipment £0.5m, other assets £4.9m, cash £67.1m, accruals and other payables £2.5m, deferred tax liabilities £2.0m, overdraft of £39.3m. Central result comprises costs relating to the Parent Company.

Year ended 31 December 2024 (restated*)

Income statement information	Financial Services £'000	Surveying & Valuation £'000	Estate Agency Franchising £'000	Central £'000	Total £'000
Revenue from external customers	48,395	97,822	27,101	-	173,318
Segmental result:					
– Group Underlying Operating profit/(loss) from continuing operations	8,576	22,501	7,757	(11,049)	27,785
– Operating profit/(loss)	4,593	22,083	6,599	(11,336)	21,939
Finance income					2,868
Finance costs					(1,741)
Profit before tax					23,066
Loss before tax from discontinued operations					(518)
Loss before tax					22,548
Taxation					(5,106)
Profit for the year					17,442
Balance sheet information					
Segment assets – intangible	17,521	12,771	16,424	-	46,716
Segment assets – other	33,900	15,486	4,356	66,655	120,397
Total segment assets	51,421	28,257	20,780	66,655	167,113
Total segment liabilities	(23,697)	(18,450)	(12,954)	(31,805)	(86,906)
Net assets	27,724	9,807	7,826	34,850	80,207
Other segment items					
Capital expenditure including intangible assets	1,259	1,439	333	-	3,031
Depreciation	(540)	(1,925)	(695)	-	(3,160)
Amortisation of intangible assets	(1,806)	(230)	(916)	(36)	(2,988)
Exceptional gains	1,705	40	-	-	1,745
Exceptional costs	(4,109)	-	-	-	(4,109)
Share of results in joint venture	(6)	-	-	-	(6)
PI Costs provision	(676)	(1,899)	-	-	(2,575)
Dilapidation provision	-	-	(5,110)	-	(5,110)
Restructuring provision	-	-	(918)	-	(918)
Other provision	(1,247)	-	-	-	(1,247)
Onerous leases provision	-	-	-	(571)	(571)
Share-based payment	(199)	(228)	(242)	(251)	(920)
Employee costs	(25,919)	(59,346)	(10,479)	(9,456)	(105,200)
Expected credit loss	(497)	(12)	(1,552)	-	(2,061)

Central net assets comprise intangible assets and plant and equipment £0.7m, other assets £5.3m, cash £60.7m, accruals and other payables £1.9m, deferred tax liabilities £1.6m, overdraft of £28.3m. Central result comprises costs relating to the Parent Company.

*See note 35 for restatement

5. Group and Divisional Underlying Operating Profit

Group and Divisional Underlying Operating Profit are alternative performance measures (APMs) used by the Directors and Group Management to monitor performance of operating segments against budget. It is calculated as profit/(loss) before tax adjusted for the items set out below. The Group's APMs are defined, explained, and reconciled to their closest statutory measures in note 34.

Year ended 31 December 2025

	Financial Services	Surveying & Valuation	Estate Agency	Central	IFRS reported total from continuing operations
	£'000	£'000	£'000	£'000	£'000
Profit/(loss) before tax	7,997	20,645	6,051	(11,617)	23,076
Net finance (cost)/income	(1,703)	161	353	675	(514)
Operating profit/(loss) per income statement	6,294	20,806	6,404	(10,942)	22,562
Operating Margin	12.9%	19.3%	24.2%	-	12.3%
Adjustments:					
Share-based payments	184	437	300	676	1,597
Amortisation of intangible assets	1,866	311	855	-	3,032
Exceptional gains	-	-	-	(571)	(571)
Exceptional costs	1,680	2,000	701	685	5,066
Other sources of earnings from JV	932	-	-	-	932
Underlying Operating Profit/(Loss)	10,956	23,554	8,260	(10,152)	32,618
Underlying Operating Margin	22.4%	21.9%	31.2%	-	17.8%

Year ended 31 December 2024 (restated*)

	Financial Services	Surveying & Valuation	Estate Agency	Central	IFRS reported total from continuing operations
	£'000	£'000	£'000	£'000	£'000
Profit/(loss) before tax	6,682	22,805	6,121	(12,542)	23,066
Net finance (cost)/income	(2,089)	(722)	478	1,206	(1,127)
Operating profit/(loss) per income statement	4,593	22,083	6,599	(11,336)	21,939
Operating Margin	9.6%	22.6%	24.4%	-	12.7%
Adjustments:					
Share-based payments	199	228	242	251	920
Amortisation of intangible assets	1,806	230	916	36	2,988
Exceptional gains	(1,705)	(40)	-	-	(1,745)
Exceptional costs	4,109	-	-	-	4,109
Contingent consideration	(426)	-	-	-	(426)
Underlying Operating Profit/(Loss)	8,576	22,501	7,757	(11,049)	27,785
Underlying Operating Margin	17.7%	23.0%	28.6%	-	16.0%

*See note 35 for restatement

6. Discontinued operations

In 2023, the Group franchised its entire owned estate agency network of 183 branches, with the operations of the previously owned network disposed to a combination of new and existing franchisees between 3 May and 31 May 2023. The operations of the branches were sold to the franchisees through either asset or share sales. The operations of the owned branch network were classified as a discontinued operation and presented as such in the Group Financial Statements for the year ended 31 December 2025 and 31 December 2024. During 2025 the Group recognised post tax loss from discontinued operations of £0.04m (2024: loss of £0.4m) due to follow on administrative costs from the restructuring and increase in dilapidation and restructuring provisions recognised as part of the original asset and share sales, as per note 25.

Financial performance and cash flow information

	2025 £'000	2024 £'000
Other operating credit/(costs)	312	(440)
Exceptional costs	(320)	(78)
Group operating loss	(8)	(518)
Loss before tax	(8)	(518)
Taxation (charge)/credit	(34)	141
Loss after tax for the year from discontinued operation	(42)	(377)

The net cash flows incurred by discontinued operations are, as follows:

	2025 £'000	2024 £'000
Operating	(775)	(1,622)
Investing	-	-
Financing	-	-
Net cash outflow	(775)	(1,622)

Exceptional costs

	2025	2024
	£'000	£'000
Increase in dilapidation and restructuring provisions	320	78
	<u>320</u>	<u>78</u>

Increase in dilapidation and restructuring provisions

During the year, the Group recognised exceptional costs from discontinued operations of £0.3m (2024: £0.1m) due to increases in dilapidation and restructuring provisions recognised as part of the original asset and share sales, as per note 25 of the Group Financial Statements.

7. Finance income

	2025	2024
	£'000	£'000
Finance income on subleased assets	29	96
Discounting on contingent consideration payable	47	738
Interest from loans to franchisees and appointed representatives	330	225
Bank interest	1,023	1,752
Interest from loan notes receivable	932	-
Other interest receivable	90	57
	<u>2,451</u>	<u>2,868</u>

8. Finance costs

	2025	2024
	£'000	£'000
Commitment and non-utilisation fees on RCF	709	632
Unwinding of discount on lease liabilities	534	455
Unwinding of discount on contingent consideration payable	-	132
Unwinding of discount on dilapidations provision	245	192
Finance cost on loans to franchisees and appointed representatives	449	321
Other interest payable	-	9
	<u>1,937</u>	<u>1,741</u>

9. Exceptional items

Exceptional items are those which are material by size and are both non-recurring and unusual in nature, see note 2.8 for the Group's accounting policy for exceptional items.

	2025	2024
	£'000	£'000
Exceptional costs:		
Financial Services appointed representative costs	31	1,880
Financial Services post-acquisition support costs	584	543
Estate Agency restructuring costs	701	-
Reduction in contingent consideration receivable	230	1,542
Financial Services acquisition costs	-	144
Central CEO and CFO change costs	685	-
Surveying professional indemnity provision	2,000	-
Financial Services restructuring costs	835	-
	5,066	4,109
Exceptional gains:		
Surveying & Valuation restructuring gains	-	40
Increase in contingent consideration receivable	-	1,705
Release of claims indemnity provision	571	-
	571	1,745

Exceptional costs

Financial Services post-acquisition support costs

On 2 February 2024, the Group acquired the entire issued share capital of TenetLime Limited (TenetLime), a subsidiary of Tenet Group Limited (Tenet Group). As part of the purchase agreement, Tenet Group agreed to provide a number of services to LSL after the transaction. Subsequent to the purchase, LSL was notified that Tenet Group Limited entered administration on 5 June 2024, see note 24 for further detail. Additional costs to the Group as a consequence of the administration of £0.6m (2024: £0.5m) are recognised as exceptional costs.

Estate Agency restructuring costs

During 2025, LSL Land and New Homes Limited (LNH) underwent a significant business restructure. The restructure resulted in redundancy and staff-related costs of £0.6m and £0.1m premises dilapidation costs following the decision to exit the existing office due to the reduced workforce.

Reduction in contingent consideration receivable

The reduction in contingent consideration receivable relates to contingent consideration assets recognised on the disposal of Group First, EFS and RSC. The charge included in exceptionals is the result of reduction in the amounts receivable after working capital adjustments. The Group has included movements in the contingent consideration for these disposals in exceptional items, because the original gain/loss on disposal was taken to exceptional items.

Central CEO and CFO change costs

In 2025 there were £0.7m of non-recurring exceptional costs in relation to Group's CEO and CFO change.

Surveying professional indemnity provision

Refer to note 25 for further detail.

Financial Services restructuring costs

The Group initiated a restructuring programme in 2025, during which the Financial Services Division incurred non-recurring restructuring costs. In addition, the Division incurred exceptional consultancy and outsourcing expenses following the unexpected departure of a senior executive due to medical reasons. These costs were necessary to ensure continuity of leadership and operational oversight through interim support and external consultancy arrangements.

Exceptional gains

Release of claims indemnity provision

The release relates to a claims indemnity provision which was provided for in May 2021 when the Group sold its 49.6% interest in LMS, a joint venture whose principal activity was to provide conveyancing panel management services. The Group included movements in claims indemnity provisions in exceptional items, as the original provision was included as an exceptional cost in 2021. The provision was timebound for a fixed period of four years commencing on the completion date of the sales purchase agreement, which has now elapsed, therefore the provision has been released in 2025.

10. Profit before tax

Profit before tax is stated after charging:

	2025	2024
	£'000	£'000
Auditor's remuneration (note 11)	1,035	1,525
Short-term leases	1,546	1,796
Low value leases	201	196
Depreciation – owned assets	1,124	1,179
Depreciation – right-of-use assets	2,245	1,981

11. Auditor's remuneration

The remuneration of the auditors is further analysed as follows:

	2025	2024
	£'000	£'000
Audit of the Financial Statements	275	584
<i>Fees payable to company's auditors and its associates for other services:</i>		
Audit of subsidiaries	650	701
Total audit	925	1,285
Audit-related assurance services (including interim results review)	110	240
	1,035	1,525

12. Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

As the Group reported a profit from continuing operations in 2025 (2024: profit from continuing operations), the effect of dilutive share options has been included in the calculation of diluted earnings per share for continuing operations, discontinued operations and the overall result:

Total EPS:

	2025			Restated ¹ 2024		
	Profit after tax £'000	Weighted average number of shares	Per share amount pence	Profit after tax £'000	Weighted average number of shares	Per share amount pence
Basic EPS	16,960	102,322,435	16.6	17,409	102,645,789	17.0
Effect of dilutive share options	-	2,404,841	-	-	957,578	-
Diluted EPS	16,960	104,727,276	16.2	17,4098	103,603,367	16.8

EPS from continuing operations:

	2025			Restated ¹ 2024		
	Profit after tax £'000	Weighted average number of shares	Per share amount pence	Profit after tax £'000	Weighted average number of shares	Per share amount pence
Basic EPS	17,002	102,322,435	16.6	17,819	102,645,789	17.4
Effect of dilutive share options	-	2,404,841	-	-	957,578	-
Diluted EPS	17,002	104,727,276	16.2	17,819	103,603,367	17.2

EPS from discontinued operations:

	2025			2024		
	Loss after tax £'000	Weighted average number of shares	Per share amount pence	Loss after tax £'000	Weighted average number of shares	Per share amount pence
Basic EPS	(42)	102,322,435	(0.0)	(377)	102,645,789	(0.4)
Effect of dilutive share options	-	2,404,841	-	-	957,578	-
Diluted EPS	(42)	104,727,276	(0.0)	(377)	103,603,367	(0.4)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these Financial Statements.

¹ Refer to note 35 to the Financial Statements

Adjusted basic and diluted EPS

The Directors (who were members of the Board at 31 December 2025) consider that the adjusted earnings shown below give a consistent indication of the Group's underlying performance:

	2025 £'000	Restated 2024 £'000
Group Underlying Operating Profit (See note 5 for the reconciliation from Group Operating Profit)	32,618	27,785
Profit attributable to non-controlling interest	(80)	(33)
Finance income (excluding exceptional and contingent consideration items, fair value adjustment to loans receivables and discounting on lease liabilities)	1,666	1,169
Other sources of earnings from joint venture	(932)	-
Normalised taxation (tax rate 25.0%, 2024: 25.0%)*	(8,318)	(7,230)
Adjusted profit after tax attributable to owners of the parent	24,954	21,691

*The headline UK rate of corporation tax for the period is 25.0%. (2024:25.0%).

Adjusted basic and diluted EPS

	2025 Profit after tax £'000	2025 Weighted average number of shares	Per share amount pence	Profit after tax £'000	2024 Weighted average number of shares	Per share amount pence
Adjusted basic EPS	24,954	102,322,435	24.4	21,690	102,645,789	21.1
Effect of dilutive share options		2,404,841			957,578	
Adjusted diluted EPS	24,954	104,727,276	23.8	21,690	103,603,367	20.9

This represents adjusted profit after tax attributable to equity holders of the parent. Tax has been adjusted to exclude the prior year tax adjustments, and the tax impact of exceptional items, amortisation, and share-based payments. The effective tax rate used is 25.0% (31 December 2024: 25.0%).

13. Dividends paid and proposed

	2025 £'000	2024 £'000
Declared and paid during the year:		
2025 Interim: 4.0 pence per share (2024 Interim: 4.0 pence)	4,154	4,069
Dividends on shares proposed (not recognised as a liability as at 31 December):		
<i>Equity dividends on shares:</i>		
Dividend: 7.4 pence per share (2024: 7.4 pence)	7,572	7,596

14. Cash flow from financing activities

Set out below are the movements in the Group's lease liabilities and long-term debt during the year.

	At 1 January 2025 £'000	Cash flow £'000	Additions £'000	Disposals £'000	At 31 December 2025 £'000
Lease liabilities	5,782	(2,486)	3,543	(335)	6,504
	5,782	(2,486)	3,543	(335)	6,504

	At 1 January 2024 £'000	Cash flow £'000	Additions £'000	Disposals £'000	At 31 December 2024 £'000
Lease liabilities	8,340	(2,895)	1,855	(1,518)	5,782
	8,340	(2,895)	1,855	(1,518)	5,782

	2025 £'000	2024 £'000
Non-current liabilities	4,148	3,493
Current liabilities	2,356	2,289
	6,504	5,782

Lease liability movements comprise new leases entered into during the year, cancellation of leases and movements between current and non-current liabilities, this also includes interest paid during the year of £0.5m (2024: £0.5m). The Group holds no other long-term debt at 31 December 2025.

15. Directors and employees

Remuneration of Directors

	2025 £'000	Restated 2024 £'000
Directors' remuneration (short-term benefits) ¹	1,769	1,728
Contributions to money purchase pensions schemes (post-employment benefits)	2	2
Aggregate gains on exercise of share-based payment awards	-	155
	1,771	1,885

¹Directors' remuneration (short-term benefits) excludes the value of share awards (including the value of matching shares, dividend shares and free share awards) that vested in the year amounting to £nil (2024: £nil). Included within this amount are accrued bonuses of £0.2m (2024: £0.6m).

The number of Directors who were members of Group money purchase pension schemes during the year totalled 2 (2024: 2).

Remuneration of Key Management Personnel

	2025 £'000	2024 £'000
Key management personnel remuneration (short-term benefits) ²	3,264	3,618
Contributions to money purchase pensions schemes (post-employment benefits)	45	57
Termination benefits	9	178
Share-based payments charge on current incentive schemes	820	59
	4,138	3,912

²Included within this amount are accrued bonuses of £0.9m (2024: £1.4m).

Remuneration of Key Management Personnel represents the charge to the income statement in respect of the remuneration of the Group Board, Group Executive Committee members and Company Secretary.

Employee numbers and costs

The Group employs staff in divisional offices and head office. Aggregate payroll costs of these employees, including Directors were:

	2025	2024
	£'000	£'000
Wages and salaries	89,567	87,914
Social security costs	14,162	12,437
Pension costs	4,677	4,406
Subcontractor costs	682	443
Total employee costs	109,088	105,200
Share-based payment charge	1,597	920

The average monthly headcount (including Directors but excluding subcontractors) during the year were:

	2025	Restated 2024
Financial Services	389	434
Surveying & Valuation	1,098	1,016
Estate Agency Franchising	183	224
Central	106	103
	1,776	1,7

Share-based payments

The Group operates the following equity-settled share-based remuneration schemes:

Long-term incentive plan (LTIP)

The Group operates a LTIP (an equity-settled share-based remuneration scheme) for certain employees. Under the LTIP, the options vest if the individual remains an employee of the Group after a three-year period, unless the individual has left under certain 'good leaver' terms in which case the options may vest earlier providing the performance conditions are met. There are no cash settlement alternatives.

Vesting conditions: For all LTIP options granted between 2022 and 2025, 50% of each award is subject to a market-based performance condition, based on the total shareholder return (TSR) of LSL as compared to a comparator group of FTSE Small Cap, excluding investment trusts, over the three-year performance period (for LTIP 2025 this is 1 January 2025 to 31 December 2027):

- if the Group is in the top 25% percentile, all of these options will vest;
- if the Group is at the median, 25% will vest;
- straight-line vesting between median and top 25% percentile; and
- below the median, no options vest.

The remaining 50% of each award is subject to a non-market-based performance condition, based on LSL's Adjusted Basic EPS performance in the financial year which they become exercisable:

		LTIP 2025	LTIP 2024	LTIP 2023	LTIP 2022
		EPS (pence)	EPS (pence)	EPS (pence)	EPS (pence)
100% vest	(more than or equal to)	34.0	32.5	24.0	52.8
25% vest	(equal to)	28.0	26.5	16.0	46.9
Straight-line vesting	(between)	28.0-34.0	26.5-32.5	16.0 – 24.0	46.9 – 52.8
No options vest	(less than)	28.0	26.5	16.0	46.9

In 2025, the Group has introduced a second LTIP scheme. Under this plan, participants receive nil-cost options over the Group's ordinary shares which may vest in two tranches, subject to continued service to the relevant vesting date and achievement of share-price based performance conditions measured over the three and five year periods to 31 December 2027 (the First Vesting Date) and 31 December 2029 (the Second Vesting Date). The Board has discretion, but not an obligation, to settle in cash. The awards are accounted for as equity-settled share-based payments under IFRS 2.

Vesting conditions:

For the second LTIP options granted, the options will vest based on the average market value of a share over the 60-day period ending on the respective vesting dates. For the 2025 LTIP grant, these vesting dates are 31 December 2027 and 31 December 2029. Vesting conditions are as follows:

- First Vesting Date (31 December 2027)
 - 12.5% vesting at an average share price of £3.70;
 - 50% vesting at an average share price of £4.23;
 - between these values, vesting increases on a straight-line basis;
 - below £3.70, no awards vest on the First Vesting Date.

- Second Vesting Date (31 December 2029)
 - 25% vesting at an average share price of £4.48;
 - 100% vesting at an average share price of £5.59;
 - between these values, vesting increases on a straight-line basis;
 - below £4.48, no additional awards vest on the Second Vesting Date.

The second tranche uses the remaining portion of the award, being 1 minus the first vesting percentage. If the second vesting hurdle is not achieved, no further vesting occurs on the second vesting date, but any shares already vested at the first vesting date are unaffected.

Company stock option plan (CSOP)

The Group operates a CSOP (an equity-settled share-based remuneration scheme) for certain employees. Under the CSOP the options vest if the individual remains an employee of the Group after a three-year period, unless the individual has left under certain 'good leaver' terms in which case the options may vest earlier. There are no cash settlement alternatives.

SAYE (save-as-you-earn) scheme

The Group has offered options under the SAYE scheme (an equity-settled share-based remuneration scheme) in each of 2021, 2023, 2024 and 2025 years. All these offers were open to all qualifying employees and provide for an exercise price equal to the daily average market price on the date of grant. The options will vest if the employee remains in service for the full duration of the option scheme (three years). There are no cash settlement alternatives.

All employee share award

The Group launched its second free share award (an equity-settled share-based remuneration scheme) under its SIP Plan in 2022. The award was £500 worth of shares per full-time employee and a pro-rated award for all part-time employees. This award offer was made to LSL employees who had joined the Group on or before 28 February 2022 and remain employed and not serving notice at the date the shares are awarded in April 2022. The awards will normally become available for employees once they have been held in the SIP for three years or more. There are no cash settlement alternatives.

The Group's first free share scheme (an equity-settled share-based remuneration scheme) awarded £500 worth of shares per full-time employee and a pro-rated award for all part-time employees who had joined the Group on or before 31 March 2020 and were still employed and not serving notice at the time the grant was made on 1 October 2020. The awards will normally become available for employees once they have been held in the SIP plan for three years or more. There are no cash settlement alternatives.

Movements during the year

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

	2025		2024	
	Weighted average exercise price	Number	Weighted average exercise price	Number
Outstanding at 1 January	0.85	4,003,768	0.87	4,065,279
Granted during the year	0.99	1,062,798	0.77	1,283,552
Exercised during the year ¹	0.38	(103,505)	0.37	(383,216)
Lapsed during the year	0.83	(1,453,192)	1.04	(961,847)
Outstanding at 31 December	0.91	3,509,869	0.85	4,003,768

¹The weighted average share price at the date of exercise of these options was £2.82 in 2025 (2024: £2.73)

- There were no cancellations or modifications to the awards in 2025 or 2024.
- The weighted average remaining contractual life for the share options outstanding as at 31 December 2025 was 1.55 years (2024: 1.53 years).
- The weighted average fair value of options granted during the year was £1.33 (2024: £2.39).
- The range of exercise prices for options outstanding at the end of the year was £nil to £3.64 (2024: £nil to £3.64).
- 335,235 share options were exercisable as at 31 December 2025.

The following tables list the inputs to the models used for the new plans for the years ended 31 December 2025 and 2024, respectively:

	LTIP 2025	LTIP 2025	SAYE 2025	LTIP 2024	SAYE 2024
	Monte Carlo	Monte Carlo	Black Scholes	Black Scholes	Black Scholes
Option pricing model used					
Weighted average share price at grant date (£)	3.26	2.67	2.48	2.98	2.82
Exercise price (£)	-	-	2.04	-	2.46
Expected life of options (years)	4.5	3	3	3	3
Expected volatility (%)	86	62	100	100	100
Expected dividend yield (%)	3.50	3.60	3.40	3.69	1.06
Risk free interest rate (%)	3.66	3.82	3.62	4.54	4.36

The volatility assumption, measured at the standard deviation of expected share price returns, is based on statistical analysis of historical share price. The dividend yield assumption is based on the fact that the shares awarded are not eligible to receive dividends until the end of the vesting period.

The total cost recognised for equity-settled transactions is as follows:

	2025	2024
	£'000	£'000
Share-based payment charge during the year	1,597	920

A charge of £1.6m (2024: charge of £0.9m) relates to employees of the Group.

16. Taxation

(a) Taxation charge

The major components of income tax charge in the Group Income Statement are:

	2025	2024
	£'000	£'000
UK corporation tax – current year	6,059	3,417
– adjustment in respect of prior years	(356)	(208)
	5,703	3,209
<u>Deferred tax:</u>		
Origination and reversal of temporary differences	(198)	2,446
Adjustment in respect of prior year	523	(549)
Total deferred tax charge	325	1,897
Total tax charge in the income statement	6,028	5,106
Continuing and discontinued operations:		
	2025	2024
	£'000	£'000
Total tax charge from continuing operations	5,994	5,247
Total tax charge/(credit) from discontinued operations	34	(141)
	6,028	5,106

Corporation tax is recognised at the headline UK corporation tax rate of 25.0% (2024: 25.0%).

The opening and closing deferred tax balances in the Financial Statements were measured at 25%. This is in accordance with rates included in the Finance Act 2021 which was enacted on 10 June 2021 and came into effect from 1 April 2023.

The effective rate of tax for the year was 26.1% (2024: 22.7%). The effective tax rate for 2025 is marginally higher than the headline UK tax rate of 25.0% largely as a result of the calculated net effect of adjustments arising in respect of permanent adjustments or deferred tax not recognised including the prior period adjustment arising in respect of total tax.

Income tax credited directly to the share-based payment reserve is £0.1m (2024: credit of £0.1m).

(b) Factors affecting tax charge for the year

The tax assessed in the profit and loss account is lower than (2024: lower than) the standard UK corporation tax (CT) rate, because of the following factors:

	2025	Restated 2024
	£'000	£'000
Profit before tax from continuing operations	23,076	23,066
Loss before tax from discontinued operations	(8)	(518)
Profit before tax	23,068	22,548
Tax calculated at UK standard CT rate of 25% (2024: 25%)	5,767	5,635
Non-taxable (non-deductible) expenditure from joint venture	(199)	1
Income not taxable	(376)	(11)
Other disallowable expenses	1,028	592
Impact of movement in contingent consideration credited to the income statement	-	119
Share-based payment movement	185	(60)
Impact of deferred tax not recognised	(543)	(413)

Prior period adjustments – current tax	(357)	(208)
Prior period adjustment – deferred tax	523	(549)
Total taxation charge	6,028	5,106
Total tax charge from continuing operations	5,994	5,247
Total tax charge/(credit) from discontinued operations	34	(141)
Total taxation charge	6,028	5,106

Other disallowable expenses of £1.0m (2024: £0.6m) includes the tax impact of exceptional costs of £0.1m (2024: £0.1m), which are not taxable/deductible for tax purposes. This item also includes other permanent items which are not eligible for tax relief.

Income not taxable of £0.3m (2024: £nil) includes the non-taxable impact of Research & Development Expenditure Credits (RDEC) of £0.2m (2024: £nil) and non-taxable exceptional items of £0.1m (2024: £nil). This item also includes other minor permanent items which are not taxable.

A tax credit of £0.4m has been recognised for corporation tax prior period adjustments, reflecting refinements to prior estimates following changes in reported results in standalone statutory accounts and the finalisation of permanent disallowable expenditure. A key driver is the submission of RDEC claims to HMRC for the years ended 31 December 2023 and 31 December 2024, noting an RDEC credit of £0.8m has been recognised in the Group's other operating income.

A tax debit of £0.5m has been recognised for deferred tax prior period adjustments, mainly reflecting refinements to the qualifying tax base of intangible fixed assets (following RDEC claims) and deferred tax not recognised on tax losses.

(c) Factors that may affect future tax charges (unrecognised)

	2025	Restated*
	£'000	2024
	£'000	£'000
Unrecognised deferred tax asset relating to:		
Losses	2,632	2,108
Share based payments	251	490
	2,883	2,598

*The prior period has been represented to include the balance relating to deferred tax not recognised on share-based payments. No Profit or Loss debit or credit arises in respect of this representation.

No deferred tax asset is recognised in respect of trading losses of £6.9m (2024: £6.7m). The losses may be recoverable in the future, and this is dependent on subsidiary companies generating taxable profits sufficient to allow the utilisation of these amounts. These deferred tax assets cannot be offset against profits elsewhere in the Group as they relate to losses brought forward which can only be offset against taxable profits arising from the same trade in which the losses arose. There is no time limit for utilisation of these tax losses.

No deferred tax asset is recognised in respect of capital losses of £3.7m (2024: £1.8m) as there are no capital profits forecast against which these losses can be utilised. There is no time limit for utilisation of these tax losses.

No deferred tax asset is recognised in respect of share based payments of £1.0m (2024: £2.0m). The deferred tax asset may be recoverable in the future, and this is dependent on whether the applicable shares options held vest in a future period.

(d) Deferred tax

An analysis of the balance sheet movements in deferred tax is as follows:

	2025	2024
	£'000	£'000
Net deferred tax liability at 1 January	1,642	(166)
Research and development tax credits	(26)	-
Deferred tax liability recognised directly in equity	58	(88)
Deferred tax charge in income statement for the year from continuing operations	325	1,897
Net deferred tax liability at 31 December	1,999	1,642

Net deferred tax liability analysed as:

	2025	2024
	£'000	£'000
Accelerated capital allowances	(1,159)	(1,433)
Deferred tax liability on separately identifiable intangible assets	4,455	4,410
Deferred tax on financial assets	234	184
Deferred tax on share options	(618)	(616)
Other short-term temporary differences	(330)	(221)
Temporary differences - FRS 102 to IFRS alignment	216	-
Total losses recognised	(799)	(682)
	1,999	1,642

At 31 December 2025, the Group has unused trading tax losses of £3.2m available for offset against future profits. See note 16c for commentary on those balances for which no deferred tax asset is recognised.

At the end of either year there was no unrecognised deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's subsidiaries.

Deferred tax charge in income statement relates to the following:

	2025	2024
	£'000	£'000
Intangible assets recognised on business combinations	(45)	790
Accelerated capital allowance	(274)	(149)
Deferred tax on financial assets	(50)	-
Deferred tax on share options	60	40
Other temporary differences	83	(30)
Temporary differences - FRS 102 to IFRS alignment	(216)	-
Trading losses recognised	117	(2,548)
Total deferred tax charged in income statement	(325)	(1,897)

	2025	2024
	£'000	£'000
Deferred tax charged in income statement for the year from continuing operations	(325)	(1,897)
Deferred tax charged in income statement for the year from discontinued operations	-	-
Total deferred tax charged in income statement	(325)	(1,897)

17. Intangible assets

Goodwill and brand

	Goodwill	Brand	Total
	£'000	£'000	£'000
Cost			
At 31 December 2024	16,855	6,911	23,766
At 31 December 2025	16,855	6,911	23,766
Net book value			
At 31 December 2025	16,855	6,911	23,766
At 31 December 2024	16,855	6,911	23,766

The carrying amount of goodwill and brand by CGU is summarised below:

	Goodwill	Brand	Goodwill	Brand
	2025	2025	2024	2024
CGUs	£'000	£'000	£'000	£'000
PRIMIS network	6,950	180	6,950	180
Financial Services segment total	6,950	180	6,950	180
e.surv	9,569	1,305	9,569	1,305
Templeton LPA	336	-	336	-
Surveying & Valuation segment total	9,905	1,305	9,905	1,305
Your Move and Reeds Rains	-	3,751	-	3,751
LSLi	-	1,675	-	1,675
Estate Agency Franchising segment total	-	5,426	-	5,426
Total	16,855	6,911	16,855	6,911

Impairment of goodwill and other intangibles with indefinite useful lives

The Group tests goodwill and the indefinite life intangible assets annually for impairment, or more frequently if there are indicators of impairment. Goodwill and brands acquired through business combinations have been allocated for impairment testing purposes to statutory companies or groups of statutory companies which are managed as individual CGUs as disclosed in the table above.

Recoverable amount of CGUs

The recoverable amounts of the Financial Services, Surveying & Valuation and Estate Agency Franchising companies have been determined based on a value-in-use (VIU) calculation using cash flow projections based on financial budgets and forecasts approved by the Board and in the three-year plan.

Cash flow projections are based on the Group's three-year plan covering the period 2026 to 2028. Cash flows beyond this period are extrapolated using a terminal growth rate of 2.0%.

The calculation of value-in-use for each of the Financial Services, Surveying & Valuation and Estate Agency companies is most sensitive to the following assumptions:

- Discount rates
- Performance in the market

Discount rates

The pre-tax discount rate applied to cash flow projections used in the VIU models is as follows:

	2025	2024
Financial Services	16.4%	16.3%
Surveying & Valuation	16.5%	17.3%
Estate Agency Franchising	15.7%	15.9%

Cash flows beyond the three-year plan are extrapolated using a 2.0% growth rate (2024: 2.0%). The terminal growth rate of does not exceed the long-term average growth rate for the UK economy and reflects management's expectation of long-term sustainable growth in the relevant markets.

Performance in the market

Management's impairment assessment incorporates key assumptions reflecting the performance of the market, such as housing transaction volumes, house price forecasts, mortgage lending trends, market interest rates, and broader economic, legal and technological factors affecting operations. These assumptions are derived from a combination of internal forecasts and external market data, and are reflected in the revenue growth, margin and cost projections for each cash-generating unit (CGU).

These assumptions reflect management's expectations of how each CGU will perform over the three-year forecast period (2026 to 2028) and are used to calculate the value-in-use of the CGUs. CGU-specific operating assumptions are applied to forecast cash flows and relate to revenue forecasts and underlying profit margins within each of the operating CGUs. The values ascribed to each assumption vary between CGUs, as forecasts are built from the underlying business units within each CGU group. The assumptions are based on a combination of historical performance, observable market trends, and management's expectations of future market developments.

Sensitivity to changes in assumptions

The Group performed sensitivity analysis on key assumptions, including discount rates ($\pm 1.5\%$) and terminal growth rates ($\pm 1\%$). Under these scenarios, all CGUs retained sufficient headroom and therefore no impairment required. The most sensitive CGU is e.surv, where a 1.5% increase in discount rate would reduce headroom by £10.2m but not result in impairment.

Other intangible assets

	Customer contracts £'000	Franchise agreements £'000	Software £'000	Relationship Asset £'000	Total £'000
Cost					
At 1 January 2024	625	12,766	19,397	-	32,788
Additions	-	-	2,093	9,295	11,388
At 31 December 2024	625	12,766	21,490	9,295	44,176
Additions	-	-	3,052	-	3,052
Disposals	(625)	-	-	-	(625)
At 31 December 2025	-	12,766	24,542	9,295	46,603
Amortisation and impairment					
At 1 January 2024	625	1,020	16,593	-	18,238
Amortisation	-	879	1,335	774	2,988
At 31 December 2024	625	1,899	17,928	774	21,226
Amortisation	-	851	1,409	774	3,032
Disposal	(625)	-	-	-	(625)
At 31 December 2025	-	2,750	19,337	1,547	23,633
Net book value					
At 31 December 2025	-	10,016	5,206	7,748	22,970
At 31 December 2024	-	10,867	3,562	8,521	22,950

At 31 December 2025, the Group's Relationship Asset has a remaining amortisation period of 10 years.

Research and development expenditure

During the year, the Group incurred total research and development expenditure of £1.3m (2024: £1.2m) recognised as an expense Group Statement of Profit or Loss and other Comprehensive Income.

18. Property, plant and equipment and right-of-use assets

	Land and buildings £'000	Leasehold improvements £'000	Motor vehicles £'000	Fixtures, fittings and computer equipment £'000	Total £'000
Cost					
At 1 January 2024 (Restated ¹)	9,018	966	7,226	10,782	27,992
Additions	424	-	1,431	939	2,794
Disposals	(5,935)	-	(2,446)	(271)	(8,652)
At 31 December 2024	3,507	966	6,211	11,450	22,134
Additions	1,692	-	1,878	1,241	4,811
Disposals	(406)	-	(1,129)	(1,073)	(2,608)
At 31 December 2025	4,793	966	6,960	11,618	24,337
Depreciation and impairment					
At 1 January 2024	7,334	966	3,947	8,828	21,075
Charge for the year	539	-	1,442	1,179	3,160
Disposals	(5,902)	-	(2,378)	(221)	(8,501)
At 31 December 2024	1,971	966	3,011	9,786	15,734
Charge for the year	710	-	1,535	1,124	3,369
Disposals	(406)	-	(988)	(1,072)	(2,466)
At 31 December 2025	2,275	966	3,558	9,838	16,637
Net book value					
At 31 December 2025	2,518	-	3,402	1,780	7,700
At 31 December 2024	1,536	-	3,200	1,664	6,400
Property, plant and equipment	-	-	-	1,780	1,780
Right-of-use assets	2,518	-	3,402	-	5,920

¹ Refer to note 35 to the Financial Statements

19. Financial assets

	2025 £'000	Restated ¹ 2024 £'000
(a) Financial assets at fair value through other comprehensive income (FVOCI)		
Unquoted shares at fair value	-	-
(b) Financial assets at fair value through income statement (FVPL)		
Unquoted shares at fair value (Openwork units and Twenty7Tec)	963	762
Contingent consideration receivable	-	5,772

(c) Financial assets at amortised cost

Investment in sublease	295	832
Loan to joint venture	13,840	7,607
Loans to franchisees and appointed representatives	3,650	1,769
	18,748	16,742
Non-current assets	2,917	2,111
Current assets	15,831	14,631
	18,748	16,742

1. Refer to note 35 to the Financial Statements

(a) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) include unlisted equity instruments which are carried at fair value and measured using level 3 valuation techniques. The Group holds an equity instrument in Global Property Ventures and NBC Property Master Limited which is carried at £nil value.

(b) Financial assets at fair value through income statement

Financial assets through profit or loss (FVPL) include unquoted units in Twenty7Tec Group Limited and Openwork Partnership LLP, and contingent consideration receivable which are carried at fair value and measured using level 2 valuation technique. During the period, the following gains were recognised in the income statement:

	2025	2024
	£'000	£'000
Fair value gains on equity investments at FVPL recognised in other operating costs	201	482
Fair value (losses)/gains on contingent consideration recognised as exceptional	(230)	163
Finance income recognised on contingent consideration receivable	-	738

Openwork Units

As at 31 December 2025, the fair value of the Group's investment in units held in The Openwork Partnership LLP increased to £0.6m (31 December 2024: £0.4m) due to a fair value adjustment of £0.2m recognised in the year. Our valuation is based on the actual strike price in the most recent trading window.

Twenty7Tec

The Group's holdings in equity instrument in Twenty7Tec Group Limited remained at £0.4m (31 December 2024: £0.4m). This is based on an external valuation of the business and is therefore indicative of a fair value.

Contingent Consideration Receivable

Contingent consideration of £5.5m in relation to the disposals of EFS, Group First and RSC in H1 2023, was fully repaid in 2025.

(c) Financial assets measured at amortised cost

Financial assets measured at amortised cost include investment in subleases, loan notes receivable and loans to franchisees and appointed representatives.

Investment in subleases

The Group recognises an investment in sublease in scenarios where it is an intermediate lessor, and the sublease is classified as finance lease. On recognition, the investment in sublease is valued as the remaining fixed payments due from the sublessor, discounted at the discount rate implicit in the headlease. The Group recognises finance income over the remaining life of the leases. An expected credit loss has been provided against the investment in sublease of £0.1m (2024: £0.1m), applying a 12-month expected credit loss model.

Loans to franchisees and appointed representatives

The loans to franchisees and appointed representatives balance includes loans to franchisees in the Estate Agency Franchising segment and loans to appointed representatives in Financial Services.

The franchisee loans reflect drawdowns on agreed facilities which have availability over a range of periods from 31 December 2024 to 31 December 2025, are repayable in full over an agreed period and may bear fixed rate interest. The Group has issued franchisee loans of £2.7m (2024: £1.1m) during the period, received principal repayments of £1.3m (2024: £0.4m) and recognised finance income of £0.3m (2024: £0.1m). An expected credit loss has been provided against the facility of £0.01m (2024: £0.1m) applying a 12-month expected credit loss model.

The Group issues loans to appointed representatives in the normal course of business and on standard terms, the duration is typically three years, and the loans are offered on an interest-free basis. The Group has issued loans to appointed representatives of £0.6m (2024: £0.4m) during the year and received principal repayments of £0.5m (2024: £1.3m) and recognised finance income of £0.1m (2024: £0.1m). An expected credit loss has been provided against the remaining facility of £0.1m (2024: £0.1m), applying a 12-month expected credit loss model.

Loans notes receivables

In 2025, the Group provided further funding of £5.3m (2024: £7.6m) to its joint venture Mottram TopCo Limited in the form of 10% unsecured loan notes. Finance income of £0.9m (2024: £nil) was recognised in 2025. The loan notes are fully repaid in January 2026, see note 33 for further detail.

20. Investment in joint venture

	2025	2024
	£'000	£'000
Opening balance	11,585	9,359
Equity investment in Pivotal Growth	2,605	2,232
Equity accounted profit	1,195	107
Adjustment for non-controlling interests	(397)	(113)
Closing balance	14,988	11,585

Pivotal Growth

The Group is party to one joint venture, Mottram TopCo Limited. As at 31 December 2025, the Group holds a 46.8% (2024: 46.5%) shareholding in Mottram TopCo Limited and has joint control by virtue of its holding of 50% of the voting shares in Mottram TopCo Limited and through rights granted to it under a joint venture agreement.

Mottram TopCo Limited holds a 100% shareholding in Mottram MidCo Limited which in turn holds a 87.1% shareholding in Pivotal Growth Limited (Pivotal) (2024: 85.1%). Mottram TopCo and Mottram MidCo are both holding companies. Pivotal invests in direct-to-consumer (D2C) financial services advice (mortgage and protection) brokerages to help them build long-term sustainable value. Pivotal's principal place of business is the United Kingdom.

As at 31 December 2025, the Group did not have any commitments or contingent liabilities relating to Pivotal.

A further £2.6m equity investment was made by the Group during the year (2024: £2.2m). In September 2025, the Group provided £5.3m (2024: £7.6m) funding by means of loan notes, which are repayable in 2026 (refer to note 19 for further details).

The summarised financial information of Pivotal, which is accounted for using the equity method, is presented below:

	2025	2024
	£'000	£'000
Mottram TopCo balance sheet¹:		
Non-current assets	96,341	55,002
Current assets (excluding cash and cash equivalents)	9,744	4,757
Cash and cash equivalents	8,641	7,641
Current liabilities	(46,348)	(26,513)
Non-current liabilities	(27,332)	(10,647)
Net assets	41,046	30,240
Less: net assets attributable to non-controlling interests	(313)	84
Net assets attributable to Pivotal	40,733	30,324
LSL share of Pivotal's net assets¹	14,988	11,585

¹Mottram TopCo Limited prepares its financial statements in accordance with FRS102. In accordance with IAS 28, LSL's share of the joint venture's assets is adjusted to reflect LSL's accounting policies. The adjustments primarily relate to the changes in accounting policy regarding goodwill and share-based payments.

	2025	2024
	£'000	£'000
Pivotal results:		
Revenue	95,129	60,290
Operating expenses	(89,383)	(60,153)
Operating profit	5,746	137
Finance income	94	16
Finance costs	(1,996)	-
Profit/(loss) before tax	3,844	152
Taxation	(1,731)	(52)
Profit after tax	2,113	100
Attributable to NCI of Pivotal	397	113
Attributable to Mottram TopCo	1,716	(13)
LSL share of post-tax profit/(loss) from joint venture	798	(6)

The above Pivotal results for the period ended 31 December 2025 includes the following:

	2025	2024
	£'000	£'000
Depreciation	(559)	(297)
Amortisation	(452)	(434)

There was no other comprehensive income recognised in Pivotal during the year.

21. Trade and other receivables

	2025	Restated ¹ 2024
	£'000	£'000
Current		
Trade receivables	5,693	5,012
Prepayments	6,795	6,135
Accrued income	10,060	10,850
Other debtors	2,478	2,164
	25,026	24,161

¹ Refer to note 35 to the Financial Statements

The accrued income balance is expected to be settled within three months of the year-end date.

Accrued income of £10.1m primarily relates to valuation services performed but not yet invoiced at year-end and franchise fees earned under contractual arrangements. These amounts are expected to be billed and settled within three months. Accrued income represents amounts for which the Group has an unconditional right to payment and therefore is classified as a receivable rather than a contract asset under IFRS 15.

Other debtors of £2.5m include PI insurance recoveries (£0.3m) and operational receivables from franchisees and appointed representatives (£2.2m).

Trade receivables are non-interest-bearing and are generally on 4 to 30 day terms depending on the services to which they relate. As at 31 December 2025, trade receivables and accrued income with a nominal value of £5.6m (2024: £4.6m) were provided for. Set out below is the movement in the allowance for expected credit losses of trade receivables and accrued income:

	2025	Restated ¹ 2024
	£'000	£'000
At 1 January	4,574	3,658
Provision for expected credit losses	3,543	2,061
Amounts written off	(2,468)	(1,146)
At 31 December	5,649	4,574

¹ Refer to note 35 to the Financial Statements

The Group applies the IFRS 9 expected credit loss model using the simplified approach, whereby a provision matrix is applied based on the ageing of trade receivables, historical default rates, and forward-looking information. The ECL provision increased to £5.6m (2024: £4.6m), reflecting higher exposure to overdue balances, particularly those greater than 120 days past due, and management's updated assessment of the current economic environment.

As at 31 December, an analysis of gross trade receivables and accrued income by credit risk rating grades is as follows:

	Total	Neither past due nor impaired	<30 days	30-60 days	60 – 90 days	90 – 120 days	> 120 days
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2025	21,402	10,573	3,895	849	544	669	4,872
Restated ¹							
2024	20,436	10,220	3,588	706	414	223	5,285

¹ Refer to note 35 to the Financial Statements

The expected credit loss rate applied by ageing bracket has been disclosed below:

	Neither past due nor impaired	<30 days	30-60 days	60 – 90 days	90 – 120 days	> 120 days
2025	0.00%	10.06%	14.53%	22.22%	19.20%	67.24%
2024	0.02%	13.11%	17.51%	34.21%	37.14%	69.75%

22. Cash and cash equivalents

Bank overdrafts reflect the aggregate overdrawn balances of Group companies (even if those companies have other positive cash balances). The overdrafts are held with the Group's relationship banks.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2025	2024
	£'000	£'000
Cash and cash equivalents	67,050	60,663
Bank overdrafts	(39,253)	(28,264)
Cash and cash equivalents	27,797	32,399

23. Trade and other payables

	2025	Restated ¹ 2024
	£'000	£'000
Current		
Trade payables	9,665	9,793
Other taxes and social security payable	7,687	6,120
Other payables	2,866	2,981
Accruals	13,791	15,185
Commission refund liability	2,801	3,414
	36,810	37,493

¹ Refer to note 35 to the Financial Statements

Commission refund liability

Certain subsidiaries earn commissions on the sale of life assurance and general insurance products with terms from one to four years which are cancellable without a notice period, and if cancelled within a set period, require that a portion of the commission earned must be repaid. The subsidiaries do not hold insurance risk on the life assurance and general insurance products sold.

Commission income is recognised in accordance with IFRS 15 Revenue from Contracts with Customers. The potential obligation to repay commission gives rise to variable consideration, which is constrained to the extent that it is highly probable that a significant reversal of recognised revenue will not occur.

The commission refund liability is recognised as a reduction in revenue at the point commission income is recognised. The liability represents management's best estimate of commissions that will be clawed back for insurance products sold that may be cancelled in future periods and is calculated based on historic cancellation experience. If average lapse rates across all products sold were to increase by 1.0%, the total liability would increase by £0.2m.

24. Financial liabilities

	2025	Restated ¹ 2024
	£'000	£'000
Current		
IFRS 16 lessee financial liabilities	2,354	2,289
Contingent consideration	3,259	3,306
	5,613	5,595
Non-current		
IFRS 16 lessee financial liabilities	4,148	3,493
	4,148	3,493

¹ Refer to note 35 to the Financial Statements

Bank loans – RCF and overdraft

In accordance with the terms at 31 December 2025, the utilisation of the RCF may vary each month as long as this does not exceed the maximum £60.0m facility (2024: £60.0m). The Group's overdraft is also secured on the same facility, and the combined overdraft and RCF cannot exceed £60.0m (2024: £60.0m).

In January 2025, LSL amended and restated the RCF facility, the renewed facility now runs to January 2030 with the same limit of £60.0m.

The Group's revolving credit facility (RCF) was undrawn as at the year-end (2024: undrawn). Any amounts drawn under the RCF are secured via cross guarantees issued from the following businesses: LSL Property Services plc, Your-Move.co.uk Limited, Reeds Rains Limited, e.surv Limited, Lending Solutions Holdings Limited, First Complete Limited, New Daffodil Limited, St Trinity Limited, LSL Corporate Client Services Limited, Advance Mortgage Funding Limited, Personal Touch Financial Services Limited, Personal Touch Administration Services Limited, LSLi Limited and Vitalhandy Enterprises Limited.

Fees payable on the RCF amounted to £0.7m during the year (2024: £0.6m) including amortisation of arrangement fees and non-utilisation fees.

Contingent consideration

	2025	2024
	£'000	£'000
TenetLime	3,259	3,306
Total contingent consideration	3,259	3,306
Opening balance	3,306	65
Acquisition	-	3,600
Cash paid	-	(65)
Amounts recorded through income statement	(47)	(294)
Closing balance	3,259	3,306

Contingent consideration payable is measured at fair value using a discounted cash flow approach. The most significant unobservable inputs are adviser retention levels, forecast profitability and the discount rate applied to expected future payments.

TenetLime Limited

On 2 February 2024, the Group acquired the entire issued share capital of TenetLime Limited (TenetLime), a subsidiary of Tenet Group Limited (Tenet Group). The value of the company was concentrated in the contracts with the appointed representative firms. Consequently, the transaction has been accounted for as an asset acquisition. A relationship intangible asset of £9.3m has been recognised, please refer to note 17. The cost paid for the relationship intangible asset represents initial consideration of £5.7m and contingent consideration of £3.6m. The contingent consideration is based on the retention rate of firms within LSL's PRIMIS network 12 months after the transaction completed.

As part of the purchase agreement, Tenet Group agreed to provide a number of services to LSL after the transaction. Subsequent to the purchase, LSL was notified that Tenet Group Limited entered administration on 5 June 2024. As at the 31 December 2025, there are no additional liabilities recognised as a result of the administration, though £0.6m of exceptional costs were incurred during the year (2024: £0.5m, see note 9). Management have assessed the potential future costs that may arise for LSL due to Tenet Group Limited's administration and is currently in discussions with the administrators regarding these costs. As at the reporting date, the Group had no legal or constructive obligation for any future costs that may arise. Additionally, discussions are ongoing with the administrators to offset these amounts against the contingent consideration payable, which was originally due in H1 2025 but has been delayed due to an extension of the administration process to June 2026.

25. Provisions for liabilities

	PI claim provisions £'000	Dilapidation provision £'000	Restructuring provision £'000	Appointed representative provision £'000	Other £'000	Total £'000
Balance at 1 January 2025 (restated ²)	2,575	5,110	918	1,247	571	10,421
Transferred from trade and other payables ¹	-	-	-	543	-	543
Provided in financial year	2,650	16	549	1,615	-	4,830
Amount utilised	(153)	(383)	(441)	(1,790)	-	(2,767)
Amount released	(751)	(652)	(30)	-	(571)	(2,004)
Unwinding of discount	-	245	-	-	-	245
Balance at 31 December 2025	4,321	4,336	996	1,615	-	11,268
Current liabilities	1,030	3,396	996	844	-	6,266
Non-current liabilities	3,291	940	-	771	-	5,002
	4,321	4,336	996	1,615	-	11,268

¹During the period, the Group has reclassified £0.5m of opening balances from commission refund liability within trade and other payables to appointed representative provision. This reclassification reflects a more appropriate presentation of the balance, which relates to obligations that are uncertain in timing or amount and meet the definition of a provision under IAS 37

² Refer to note 35 to the Financial Statements

PI claim provisions

PI claim provisions of £4.3m relate to the Surveying & Valuation Division (£3.6m) and Financial Services Division (£0.7m).

PI claim provision - Surveying & Valuation

The PI claim provision is to cover the costs of claims that arise during the normal course of business. The PI claim provision includes both valuation and defect claims and provides for claims already received from clients and claims yet to be received. The provision is management's best estimate of the likely outcome of such claims, taking account of the incidence of such claims and the size of the loss that may be borne by the claimant, after taking account of actions that can be taken to mitigate losses.

The PI claim provision will be utilised as individual claims are settled, and the settlement amount may vary from the amount provided depending on the outcome of each claim. PI claim provisions are not discounted as the timing of settlement is uncertain and the effect of discounting is not considered material. Based on past experience, a significant proportion of the provision has historically been settled after more than 12 months. As a result, a substantial portion of the provision has been classified as non-current. As of 31 December 2025, the total provision for PI claim was £3.6m. The Directors have considered the sensitivity analysis on the key risks and uncertainties discussed above.

The increase in the provision during the year was due to professional indemnity claims being notified to the Group's Surveying & Valuation Division in relation to historic valuation engagements. Currently, these matters are at an early stage

of investigation and in accordance with IAS 37, further information about the potential financial effect and related uncertainties has not been disclosed because it could prejudice the Group's position in any dispute.

Valuation claims:

Cost per claim

A substantial element of the PI claim provision relates to specific claims where disputes are ongoing. These specific claims have been separately assessed and specific provisions have been made. The average cost per claim has been used to calculate the claims incurred but not yet reported (IBNR). Should the costs to settle and resolve these specific claims and future claims increase by 10%, an additional £0.1m would be required.

Rate of claim

The IBNR assumes that the rate of claim for the high-risk lending period reduces over time. Should the rate of reduction be lower than anticipated and the duration extended, further costs may arise. An increase of 30% in notifications more than that assumed in the IBNR calculations would increase the required provision by £0.2m.

Defect claims:

The Group also provides for defect claims, whereby it is found that a property has a defect which was not identified when the survey was performed. The value provided for each received claim is the expected value of that claim. To assess the value of future claims incurred but not yet received (IBNR), analysis is performed on the number of surveys that lead to future claims and the average cost per claim.

PI claim provision - Financial Services

The PI claim provision is to cover the costs of claims that arise during the normal course of business. The PI provision provides for both claims which have been received from customers and claims yet to be received (IBNR). The Group calculates a provision for claims expected to be received based on the historical rate of claims, average cost per claim and the time which elapses between the advice being provided and the claim being raised. In addition, an asset is recognised for the estimated recoveries from professional indemnity insurance. The provision is presented gross of amounts due from insurers which form part of other debtors included in note 21.

As at 31 December 2025, the total provision for Financial Services PI was £0.5m (2024: £0.4m), including a provision for received claims of £0.3m (2024: £0.2m) and IBNR of £0.2m (2024: £0.2m). The Group has recognised an asset of £0.3m (2024: £0.3m) against received claims in other debtors at 31 December 2025.

Dilapidation provision

The Group recognises its obligation to make good its leased properties when it becomes probable that there will be an economic outflow and a reliable estimate can be made, this is typically where notice has been served to the landlord and there is an agreed exit date.

During 2023, the Group entered into a number of 'right to occupy' agreements with its estate agency franchisees. The right to occupy agreements relate to leases held by the Group that are due to be novated to the franchisees. They set out the Group's obligations to the franchisees, regarding the making good of existing modifications to the leased properties incurred during the Group's tenancy, which will be payable to the franchisees at the point of novation. The calculation of the Group's dilapidation settlement provision is based on an average cost rate per square foot, for damages already incurred during the Group's occupancy. The average cost rate per square foot applied in 2025 was £19.83 (2024: £18.50).

The provision is discounted using a risk-free discount rate based on expected date of novation of the lease. The discount rate applied in 2025 was 3.8% (2024: 4.2%).

If the average rates applied were to increase by 10% this would result in an increase in the overall provision of £0.4m, if they were to decrease by 10% this would result in a reduction of the same amount. If the discount rate was to increase by 1.0% this would result in a decrease in the provision of £0.1m, if the discount rate was to decrease by 1.0% this would result in an increase in the provision of the same amount. Management has concluded the provision to be the best estimate of the expenditure required to settle present obligations at the end of the reporting period.

Appointed representative provision

The Group recognises a provision for expected cash outflows on commission clawbacks arising after the termination, suspension or resignation of appointed representatives (ARs) within the Financial Services Division, to the extent not recoverable from these ARs. This is separate from the IFRS 15 commission refund liability recorded against revenue for expected clawbacks on the Group's own commissions while AR relationships remain active.

The liability represents management's best estimate of commissions that will be clawed back for insurance products sold that may be cancelled in future periods and is calculated based on historic cancellation experience. If average lapse rates increase by 1.0%, the total provision would increase by £0.1m.

Restructuring provision

The restructuring provision recognised relates to costs associated with the disposal of the owned branch network (£0.9m), and restructuring of the Land and New Homes business (£0.1m, refer to note 9).

The costs associated with the disposal of the owned branch network includes committed branch works (£0.6m) and legal costs for the novation of leases to franchisees (£0.3m).

Other - claims indemnity provision and contingency

Included in the sale agreement of LMS was a four year claims indemnity of £2.0m, for which the Group has previously provided £0.6m for certain claims, which it considers to be the most likely outcome. The Group disposed of LMS in 2021, and therefore the four year limit has now elapsed.

26. Leases

Group as a lessee

At the year ended 31 December 2025, the Group has the following in regards to leases in the Group Balance Sheet.

Right-of-use assets	2025			2024		
	Property £'000	Motor vehicles £'000	Total £'000	Property £'000	Motor vehicles £'000	Total £'000
1 January	1,536	3,201	4,737	1,684	3,279	4,963
Additions	1,692	1,878	3,570	424	1,431	1,855
Disposals	-	(142)	(142)	(33)	(67)	(100)
Depreciation	(710)	(1,535)	(2,245)	(539)	(1,442)	(1,981)
Transfer to investment in sublease	-	-	-	-	-	-
31 December	2,518	3,402	5,920	1,536	3,201	4,737

These are included in the carrying amounts of property, plant and equipment on the face of the Group Balance Sheet and have been included in note 18.

Lease liabilities	2025 £'000	2024 £'000
1 January	5,782	8,340
Additions	3,543	1,855
Interest expense	534	455
Disposals	(335)	(1,518)
Repayment of lease liabilities	(3,020)	(3,350)
31 December	6,504	5,782

The Group added £3.5m (2024: £1.9m) of new lease liabilities in the year. The weighted average discount rate applied across the Group for these additions was 9.9% (2024: 10.6%)

Maturity of these lease liabilities undiscounted is analysed as follows:

	£'000 Property	£'000 Vehicles	£'000 Total
Current lease liabilities	995	1,794	2,789
Non-current lease liabilities	2,583	2,265	4,848
31 December 2025	3,578	4,059	7,637

These are included in non-current and current financial liabilities on the face of the Group Balance Sheet and have been included in note 24. Maturity analysis of the future cash flows of lease liabilities has been included in note 31.

Group as a lessor

Following the transition of the Group's entire owned Estate Agency network to franchises in 2023, the Group has become an intermediate lessor on premises it leased whilst owning the estate agency network, that are now operated by franchisees. In such situations, the Group has maintained the head lease with the original lessor and has entered a sublease with the franchisee until the head lease transfers or expires.

The Group has determined that these subleases are finance leases, as substantially all the risks and rewards incidental to ownership of the right-of-use assets are transferred to the franchisees. On commencement of the sublease, the Group derecognises the related right-of-use asset and recognises a net investment in the sublease on its balance sheet. The Group in 2025 has received £0.5m (2024: £1.0m) of repayments from the franchisees in relation to the subleases, with finance income of £0.1m (2024: £0.1m) being recognised.

These leases have a term of up to five years. Although the risks associated with rights that the Group retains in underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks. For example, including clauses to enable periodic upward revision of the rental charge in line with the head lease.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

	2025	2024
	£000	£000
Less than 1 year	159	527
1-2 years	80	306
2-3 years	47	82
3-4 years	23	41
4-5 years	-	9
	309	965
Unearned finance income	(14)	(133)
Net investment in sublease (Note 19)	295	832

The following shows how lease income and expenses have been included in the income statement and cash flow statement, broken down between amounts charged to operating profit and amounts charged to finance costs:

	2025	2024
	£'000	£'000
Depreciation of right-of-use assets:		
Property	(710)	(539)
Vehicles	(1,535)	(1,442)
Short term and low value lease expense (note 10)	(1,747)	(1,992)
Sublease income	1,527	1,992
Charge to operating profit	(2,465)	(1,981)
Interest expense related to lease liabilities	(534)	(455)
Interest income related to investment in sublease	29	96
Charge to profit before taxation	(505)	(359)
Cash outflow relating to operating activities	(505)	(359)
Cash inflow relating to investing activities	489	1,046
Cash outflow relating to financing activities	(2,487)	(2,895)
Total net cash outflow relating to leases	(2,503)	(2,208)

At the 31 December 2025, the Group had not entered into any leases to which it was committed but had not yet commenced.

27. Share capital

	2025		2024	
	Shares	£'000	Shares	£'000
Authorised:				
Ordinary shares of 0.2 pence each	500,000,000	1,000	500,000,000	1,000
Issued and fully paid:				
At 1 January	105,158,950	210	105,158,950	210
At 31 December	105,158,950	210	105,158,950	210

Each issued, called-up and fully paid ordinary share of 0.2p is a voting share in the capital of the Company, is entitled to participate in the profits of the Company.

28. Reserves

Share premium

The amount subscribed for share capital in excess of nominal value less any costs attributable to the issue of new shares.

Share-based payment reserve

The share-based payment reserve is used to record the value of equity-settled share-based payment provided to the employees, as part of their remuneration. Note 15 gives further details of these plans.

Shares held by employee benefit trust (EBT) and share incentive plan (SIP)

Shares held by EBT represent the cost of LSL shares purchased in the market and held by the Employee Benefit Trust and the Share Incentive Plan (SIP) to satisfy future exercise of options under the Group's employee share options schemes. The EBT and SIP are treated as an extension of the Group.

At 31 December 2025, the Trust held 142,244 (2024: 174,248) LSL shares at an average cost of £3.86 (2024: £3.86), and the SIP held 871,803 (2024: 951,904) LSL shares at an average cost of £0.88 (2024: £0.88). The market value of the LSL shares at 31 December 2025 was £2.7m (2024: £3.4m). The nominal value of each share is 0.2 pence.

Treasury shares

Treasury shares represent the cost of LSL shares purchased in the market under the Group's share buy-back programmes, including the programme initiated in 2022 and the £7m programme announced in April 2024, which completed in January 2026 following the repurchase of ordinary shares up to the maximum consideration. In January 2026, the Board announced the launch of a new £12m share buy-back programme. At 31 December 2025, LSL had repurchased 3,356,874 (2024: 1,458,933) LSL shares at an average cost of £2.94 (2024: £3.31). The market value of the LSL shares at 31 December 2025 was £8.8m (2024: £4.4m). The nominal value of each share is 0.2 pence.

Fair value reserve

The fair value reserve is used to record the changes in fair value of equity financial assets that the Group has elected to recognise through OCI.

29. Pension costs and commitments

The Group operates defined contribution pension schemes for certain Executive Directors and certain employees. The assets of the schemes are held separately from those of the Group in independently administered funds, the total contributions to the defined contribution schemes in the year were £4.7m (2024: £4.4m). At the 31 December 2025, there were outstanding pension contributions of £0.6m (2024: £0.6m) included in trade and other payables.

30. Client monies

As at 31 December 2025, monies held by the Group on behalf of franchisees in separate bank accounts in relation to client monies amounted to £69.8m (2024: £68.4m). Neither this amount, nor the matching liabilities to the clients concerned are included in the Group Balance Sheet since these funds belong to clients.

Client funds are protected by the Financial Services Compensation Scheme (FSCS) under which the Government guarantees amounts up to £120,000. This guarantee applies to each individual client, not the total of deposits held by LSL.

31. Financial instruments – risk management

The Group's principal financial instruments comprise of cash and cash equivalents with access to a further £60m revolving credit facility which is undrawn at the balance sheet date, and in January 2025, it was extended to January 2030. The main purpose of these financial instruments is to raise finance for the Group's operations and support its capital allocation policy. The Group has various financial assets and liabilities such as trade receivables, cash and short-term deposits and trade payables, which arise directly from its operations.

The Group is exposed through its operations to the following financial risks:

- interest rate risk;
- liquidity risk; and
- credit risk.

Policy for managing these risks is set up by the Board following recommendations from the Group Chief Financial Officer. Certain risks are managed centrally, while others are managed locally following communications from the centre. The policy for each of the above risks is described in more detail below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the use of the Group's RCF. The RCF incurs interest on drawings at a variable rate, based on the Bank of England base rate plus a margin and this policy is managed centrally by the Group treasury function. The subsidiaries are not permitted to borrow from external sources directly without approval from the Group treasury function. The Group does not currently have any derivatives in place for interest rate hedging and continues to monitor the market for any opportunities to do so that would be beneficial for the Group to put in place.

The Group has not drawn down on its RCF during the year to 31 December 2025 and therefore has incurred no interest, the amount shown in finance costs relates to the amortisation of facility fees and non-utilisation fees.

Liquidity risk

The Group aims to mitigate liquidity risk by managing cash generation by its operations and capital allocation policy. An Investment Committee is in place to review investment proposals and the performance of previous investments against the original business cases and Group hurdle rate, and to identify any learnings for future capital allocation decisions. The work of the Investment Committee allows the Board to assess the Group's projected near and medium-term capital requirements. This facilitates an appropriate capital structure and capital allocation policy, taking into account economic conditions, the Group's improved resilience to market cycles and organic and inorganic opportunities. In this way the Group aims to maintain a good credit rating to facilitate fundraising. The Group has net current assets in the current year. The requirement to pay creditors is managed through future cash generation and, if required, from the RCF. The Group manages liquidity risk by maintaining adequate reserves, via ongoing assessment of projected cash flows from operations and actual cash flows. This includes consideration of the maturity of both its financial investments and financial assets (e.g. accounts receivable, and other financial assets). The Group's objective is to maintain a balance between continuity of funding and flexibility for its capital allocation policy.

Cash at the bank earns interest at floating rates based on daily bank overnight deposit rates. Short-term deposits are made for varying periods of time depending on the immediate cash requirements of the Group and earn varying interest rates. The fair value of net cash and cash equivalents is £27.8m (2024: £32.4m). At 31 December 2025, the Group had available £60.0m of undrawn committed borrowing facilities, of which the Group could have drawn £60.0m under the terms of the facility (2024: the Group had available £60.0m of undrawn committed borrowing facilities, of which the Group could have drawn £33.0m).

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2025 based on contractual undiscounted payments:

Year ended 31 December 2025

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trade payables	-	9,665	-	-	-	9,665
Other payables	-	24,343	-	-	-	24,343
Overdraft	39,253	-	-	-	-	39,253
Contingent consideration	-	-	3,259	-	-	3,259
Lease liabilities	-	588	1,765	3,553	595	6,501
	39,253	33,596	5,024	3,553	595	83,021

**Year ended 31 December 2024
(restated¹)**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trade payables	-	9,793	-	-	-	9,793
Other payables	-	24,286	-	-	-	24,286
Overdraft	28,264	-	-	-	-	28,264
Contingent consideration	-	-	3,306	-	-	3,306
Lease liabilities	-	573	1,716	3,406	87	5,782
	28,264	34,652	5,022	3,406	87	71,431

¹ Refer to note 35 to the Financial Statements

The liquidity risk of each Group entity is managed centrally by the Group Treasury function. The Group's cash requirement is monitored closely. All surplus cash is held centrally to achieve higher interest income. The type of cash instrument used and its maturity date will depend on the Group's forecast cash requirements. The Group has a RCF with a syndicate of major banking corporations to manage longer term borrowing requirements.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains appropriate capital structure to support its business objectives, including any capital adequacy requirements, and maximise shareholder value. The capital structure of the Group consists of cash and cash equivalents and equity attributable to the shareholders comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The Group does not have a current ratio of Net Bank Debt to EBITDA (2024: nil) due to a net cash position of £27.8m (2024: net cash £32.4m) and underlying operating profit of £32.6m (2024: £27.8m). The business is cash generative with a low capital expenditure requirement. The Group remains committed to its stated dividend policy of 30% of Group Underlying Operating Profit after interest and tax. The Board has reviewed the policy in line with the risks and capital management decisions facing the Group.

Credit risk

The Group is exposed to credit risk in respect of revenue transactions. It is Group policy, implemented locally, to obtain appropriate details of new customers before entering into contracts.

Estate Agency Franchising's and Financial Services' highest risk exposure is in relation to loans to franchisees and appointed representatives and their ability to service their debt. The Directors have established a credit policy under which each new franchisee and appointed representative are analysed individually for creditworthiness before a loan is offered. The Company's review includes external ratings, when available, and in some cases bank references.

Risk of exposure to non-return of cash on deposit is managed by placing funds with lenders who form part of the Group's agreed banking facility syndicate, which comprises several leading UK banks.

The majority of the Surveying & Valuation customers and those of the asset management business are large financial institutions and as such, the credit risk is not expected to be significant. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.

Financial instruments are grouped on a subsidiary basis to apply the expected credit loss model. The chosen method of recognising the expected credit loss across the Group is the simplified approach allowing a provision matrix to be used, which is based on the expected credit life of trade receivables, historic default rates and forward-looking information. Trade receivable balances are written off when the probability of recovery is assessed as being remote.

Fair values of financial assets and financial liabilities

There are no differences between the carrying amounts and fair values of all of the Group's financial instruments that are carried in the Financial Statements.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

2025	Total	Level 1	Level 2	Level 3
	£'000	£'000	£'000	£'000
Assets measured at fair value				
Financial assets	<u>963</u>	-	<u>963</u>	-
Liabilities measured at fair value				
Contingent consideration payable	<u>3,259</u>	-	-	<u>3,259</u>
2024	Total	Level 1	Level 2	Level 3
	£'000	£'000	£'000	£'000
Assets measured at fair value				
Financial assets	<u>762</u>	-	<u>762</u>	
Liabilities measured at fair value				
Contingent consideration payable	<u>3,306</u>	-	-	<u>3,306</u>

The reconciliation of the opening and closing balance for financial assets measured using level 3 technique is as follows:

	£'000
Opening balance as at 1 January 2025	5,772
Fair value remeasurement	(230)
Receipts	<u>(5,542)</u>
Closing balance as at 31 December 2025	<u>-</u>

The fair value of financial assets that are not traded in the open market is £1.0m (2024: £0.8m), these are valued using Level 2 technique in accordance with the fair value hierarchy and management use all relevant and up to date information to arrive at their judgement.

The contingent consideration payable relates to amounts payable in the future on the assets acquired from TenetLime in February 2024. The consideration calculated is based on the retention rate of firms within LSL's PRIMIS network 12 months after the transaction completed. Further details of the contingent consideration payable are disclosed in note 24.

The only unobservable input used in the valuation is the discount rate, which has been estimated at 4.3%. An increase in the discount rate of 1% would result in a decrease in the fair value of the contingent consideration of £0.02m. A corresponding decrease in the discount rate would result in an increase in the fair value.

32. Related party transactions

As disclosed in note 20, LSL have one joint venture partner, Mottram Topco.

Transactions with Mottram Topco (Pivotal Growth) and its subsidiaries

	2025	2024
	£'000	£'000
Revenue recognised	3,509	3,551
Trade receivables at 31 December	522	676
Loan notes receivable at 31 December	13,840	7,607

There are no transactions with Key Management Personnel other than those disclosed in note 15.

33. Events after the reporting period

1. In January 2026, Mottram Topco repaid £10.6m out of the £13.8m loan notes outstanding in cash. £3.2m were converted to equity investment in Mottram Topco.

2. On 22 January 2026, the Group acquired 100% of the equity of NSS Franchising Limited (NSS) for total consideration of £2.8m (cash £1.8m, contingent consideration at fair value £1.0m). The acquisition will be accounted for as a business combination in accordance with IFRS 3.

NSS is a property search business providing property search packs in England and Wales. NSS is considered a good strategic fit with the Group and is expected to enhance the Group's Homefast conveyancing solution, which includes sourcing search packs for consumers.

No revenue or profit of NSS is included in the Group's results for the year ended 31 December 2025 as the acquisition completed after the reporting date.

As at the date these Financial Statements were authorised for issue, the initial accounting for the business combination is incomplete. The amounts recognised in 2026 may be adjusted within the measurement period as valuations and assessments are finalised.

3. Following the completion of its £7.0m share buyback programme in January 2026 which was announced on 25 April 2024, the Group announced the commencement of a new share buyback programme on 27 January 2026 in respect of its ordinary shares up to a maximum consideration of £12.0m from the date of the announcement.

4. The Group provided loans totalling £1.5m to franchisees to support the acquisition of additional lettings books.

34. Alternative performance measures

In reporting financial information, the Group presents APMs which are not defined or specified under the requirements of IFRS. The Group believes that the presentation of APMs provides stakeholders with additional helpful information on the performance of the business but does not consider them to be a substitute for or superior to IFRS measures. Definitions and reconciliations of the financial APMs used to IFRS measures, are included below.

The Group reports the following APMs:

a) Group and Divisional Underlying Operating Profit

Underlying Operating Profit/(Loss) represents the profit/(loss) before tax for the period before net finance cost, share-based payments, amortisation of intangible assets, exceptional items and contingent consideration. From 2025 onwards, it also includes other sources of earnings from joint ventures (JV), such as interest income from loan notes issued to JVs. This measure is reported to the Directors as it is considered to provide a consistent indication of both Group and Divisional underlying performance.

During the year, the Group revised its definition of Underlying Operating Profit to also include other sources of earnings from its joint ventures (JVs), such as interest income from loan notes issued to JVs; in order to reflect the full economic benefit of the ownership of the JV which forms part of the Group's underlying operations. Comparative figures have not been restated, as no other sources of earnings other than the Group's share of the JV's profit after tax were recognised prior to 2025.

The closest equivalent IFRS measure to Underlying Operating Profit is operating profit/(loss). Refer to note 5 for a reconciliation between profit/(loss) before tax and Group and Divisional Underlying Operating Profit.

b) Group and Divisional Underlying Operating Margin

Underlying Operating Margin is defined as Underlying Operating Profit divided by revenue. Refer to note 5 for the calculation of both Group and Divisional Underlying Operating Margin. The closest equivalent IFRS measure to Underlying Operating Margin is operating margin, refer to note 5 for a reconciliation between operating margin and Group Underlying Operating Margin.

c) Adjusted basic earnings per share, adjusted diluted earnings per share and adjusted profit after tax

Adjusted basic earnings per share was defined as Group Underlying Operating Profit/(Loss) adjusted for profit/(loss) attributed to non-controlling interests, net finance cost (excluding exceptional and contingent consideration items, discounting on leases) less normalised tax (to arrive at adjusted profit after tax), divided by the weighted average number of shares in issue during the financial period. The effect of potentially dilutive ordinary shares is incorporated into the diluted measure. equivalent IFRS measures are basic and diluted earnings per share.

In line with the Group's change in definition of Underlying Operating Profit/(Loss), the Group has also revised its calculation of adjusted profit after tax used in determining adjusted earnings per share (EPS), to adjust for other sources of earnings from JVs. This change ensures consistency between the Group's underlying operating profit/(loss) and its adjusted EPS

The closest equivalent IFRS measures are basic and diluted earnings per share. Refer to note 12 for a reconciliation between earnings/(loss) per share and adjusted earnings per share.

d) *Adjusted operating expenditure*

Adjusted operating expenditure is defined as the total of employee costs, depreciation on property, plant and equipment and other operating costs and is considered to give a consistent indication of the Group's underlying operating expenditure.

	2025	Restated ¹ 2024
	£'000	£'000
Total operating expenditure	(160,383)	(151,379)
<i>Add back:</i>		
Other gains	(1,116)	(533)
Share of post-tax (profit) /loss from joint venture	(798)	6
Share-based payments	1,597	920
Amortisation of intangible assets	3,032	2,988
Exceptional gains	(571)	(1,745)
Exceptional costs	5,066	4,109
Contingent consideration	-	(426)
Adjusted operating expenditure	(153,173)	(146,060)

¹ Refer to note 35 to the Financial Statements

e) *Net cash/debt*

Net cash/debt is defined as cash and short-term deposits less current and non-current borrowings, add IFRS 16 financial liabilities, deferred and contingent consideration and where applicable cash held for sale.

	2025	2024
	£'000	£'000
Cash and short-term deposits	67,050	60,663
<i>Less: Interest-bearing loans and borrowings (including loan notes, overdraft, IFRS 16 Leases, contingent and deferred consideration)</i>		
Current	(44,865)	(33,859)
Non-current	(4,148)	(3,490)
	18,037	23,314
<i>Add: IFRS 16 lease financial liabilities</i>	6,501	5,779
<i>Add: deferred and contingent consideration</i>	3,259	3,306
Net cash	27,797	32,399

f) *Adjusted cash flow from operations*

Adjusted cash flow from operations is defined as cash generated from operations before exceptional items, less the repayment of lease liabilities, plus the utilisation of PI provisions.

	2025	2024
	£'000	£'000
Net cash generated from operating activities	22,730	27,793
Exceptional costs paid	3,910	3,066
Income taxes paid	4,968	1,799
Interest received (leases)	(29)	(96)
Interest paid (leases)	534	455
Cash generated from operations	32,113	33,017
Payment of principal portion of lease liabilities	(2,486)	(2,895)
PI provision utilisation	153	950
Adjusted cash flow from operations	29,780	31,072

g) *Cash flow conversion rate*

Cash flow conversion rate is defined as cash generated from operations (pre-PI Costs and post-lease liabilities), divided by Group Underlying Operating Profit.

	2025	2024
	£'000	£'000
Adjusted cash flow from operations	29,780	31,072
Group Underlying Operating Profit from continuing operations	32,618	27,785
Cash flow conversion rate	91%	112%

35. Prior year restatements

During the year ended 31 December 2025, management performed an enhanced review of the Group's consolidation processes and supporting journals, including consolidation entries recorded in connection with disposals completed in 2023 and the processing of subsidiary statutory audit adjustments within the Group consolidation.

As a result of this review, the Group has identified certain legacy consolidation items which require a retrospective restatement of comparative information in accordance with IAS 8.

Disposal-related consolidation entries (2023)

In respect of disposals completed in 2023, certain consolidation journals used to derecognise the disposed entities' net assets were not fully aligned to the agreed completion Balance Sheet inputs. As a result, a lower level of Net Assets was derecognised at the disposal date than the completion Balance Sheet position, with residual balances continuing to be reflected within certain working capital balances and equity.

Subsidiary statutory audit adjustments

In addition, following completion of certain subsidiary statutory audits, statutory audit adjustments were posted within subsidiary trial balances. These adjustments were assessed as not material at Group level in the period recorded and therefore were not reflected consistently in the Group consolidation in the corresponding period. Over time, in excess of ten years, the cumulative effect resulted in misalignment between subsidiary statutory balances and the Group consolidation opening positions, impacting retained earnings and certain working capital balances.

The matters identified relate to consolidation-level entries and did not arise from changes to the underlying accounting records of the Group's continuing subsidiaries or the Parent company in the current year.

Accordingly, the Group has restated comparative information presented, including the consolidated income statement for the year ended 31 December 2024, and adjusted the opening balance of equity at 1 January 2024.

The restatement has no impact on the Group's consolidated cash and cash equivalents.

Basic and diluted earnings per share for prior periods have also been restated, as a result of the items above. For the year to 31 December 2024, the amount of the correction for basic earnings per share was an increase of 0.1 pence

As the adjustment has a material effect on the information in the statement of financial position at the beginning of the comparative period presented, the Group has presented an additional statement of financial position as at 1 January 2024.

The following tables summarise the impact of the restatement on the consolidated financial statements.

Group balance sheet (extracts)

	Reported year ended 31 December 2023 £'000	Subsidiary statutory audit adjustments £'000	Disposal- related consolidation entries £'000	Restated year ended 31 December 2023 £'000
Non-current assets				
Property, plant and equipment and right-of-use assets	6,917	1	-	6,918
Investment in sublease	1,756	1	-	1,757
Current assets				
Trade and other receivables	23,206	(760)	-	22,446
Current liabilities				
Trade and other payables	(30,485)	(6)	(741)	(31,232)
Non-current liabilities				
Provisions for liabilities	(5,647)	(225)	-	(5,872)
Net assets	75,945	(989)	(741)	74,215
Equity				
Retained Earnings	74,087	(989)	(741)	72,357

Total Equity	75,945	(989)	(741)	74,215
	Reported year ended 31 December 2024	Subsidiary statutory audit adjustments	Disposal- related consolidation entries	Restated year ended 31 December 2024
	£'000	£'000	£'000	£'000
Non-current assets				
Loans to franchisees and appointed representatives	979	(77)		902
Current assets				
Trade and other receivables	24,811	(650)		24,161
Current liabilities				
Financial liabilities	(5,597)	2		(5,595)
Trade and other payables	(36,778)	26	(741)	(37,493)
Provisions for liabilities	(6,316)	(236)		(6,552)
Net assets	81,884	(936)	(741)	80,207
Equity				
Retained Earnings	80,417	(943)	(741)	78,733
Non-controlling interest	(280)	7		(273)
Total Equity	81,884	(936)	(741)	80,207

Group Income Statement (extract)

Year ended 31 December 2024

	Reported year ended 31 December 2024	Subsidiary statutory audit adjustments	Restated year ended 31 December 2024
	£'000	£'000	£'000
Revenue	173,175	143	173,318
Other operating costs	(35,548)	(90)	(35,638)
Group operating profit	21,886	53	21,939
Profit before tax	23,013	53	23,066
Profit for the period from continuing operations	17,766	53	17,819
Profit for the period	17,389	53	17,442
Attributable to:			
Owners of the parent	17,363	46	17,409
Non-controlling interest	26	7	33
	17,389	53	17,442

36. Annual Report and Annual General Meeting

The Annual Report and Accounts for the year ended 31 December 2025 will be available shortly on the Company's website Isips.co.uk and will be circulated to those Shareholders who have elected to receive copies in April 2026. Details on our 2026 Annual General Meeting will be published in due course.

Directors' responsibilities in respect of the Financial Statements

Each of the Directors confirm that to the best of their knowledge:

- The Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit of the Company and undertakings included in the consolidation taken as a whole.
- The Management Report in the Annual Report and Accounts, comprising the Strategic Report and the relevant parts of the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- The Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.

This statement was approved by and signed on behalf of the Board of Directors.

Debbie Fish
Group Company Secretary
18 March 2026

Forward-Looking Statements

This announcement contains certain statements that are forward-looking statements. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this update and, unless otherwise required by applicable law, LSL undertakes no obligation to update or revise these forward-looking statements. Nothing in this update should be construed as a profit forecast. LSL and its Directors accept no liability to third parties in respect of this update save as would arise under English law.

Any forward-looking statements in this update speak only at the date of this document and LSL undertakes no obligation to update publicly or review any forward-looking statement to reflect new information or events, circumstances or developments after the date of this document.