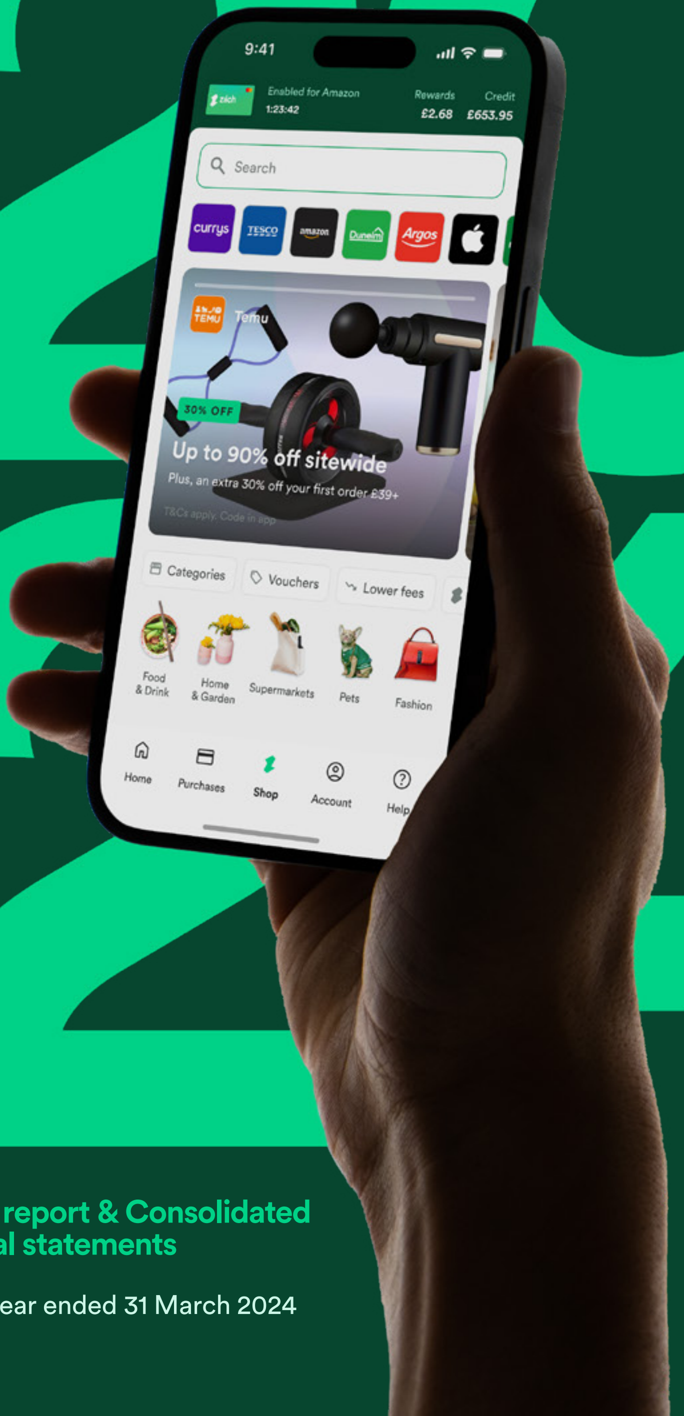
zilch

2024



Annual report & Consolidated financial statements

For the year ended 31 March 2024

Zilch Technology Limited

Registration number:
11488502

111 Buckingham Palace Road
London, SW1W 0SR
United Kingdom

Company Overview

Strategic Report

Governance

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Glossary

Company information

2024 Highlights.

£1.1bn GMV

43%

Gross Merchandise Value has increased by **43%** from **£767** million in FY 2023

Revenue £57.1m

90%

Increase in revenue shown comparative to FY 2023

£42.4m Gross Profit

vs. £17.4m in FY 2023

34% Customer Acquisition Costs

Credit losses to GMV

1.3% FY 2024 vs 1.8% FY 2023

Average Order Frequency

51x in FY 2024 vs. **45x** in FY 2023

Reduction in net losses

30%

£21.7m

Over 60,000 Trustpilot reviews

Excellent 4.5/5.0

5.4%

Revenue take rate

vs. 4.1% in FY 2023

4 million registered customers

vs. 3.35 million in the prior year

Vision.

To eliminate the high cost of consumer credit. *For good.*

Zilch is a direct-to-consumer payments and lending business, regulated by the FCA and powered by our unique Advertising-Subsidised Payments Network (ASPN).

Today Zilch is revolutionising the £40 trillion advertising and payments industries by merging the very best of debit, credit and financial health functionality, creating a flywheel of value for customers and merchants alike.

Zilch provides millions of customers the freedom to shop anywhere in the world (online or in-store) and when they pay, earn up to 8% cashback in Zilch Rewards on debit payments (‘**Pay now**’) or spread interest-free credit repayments over six weeks (‘**Pay over 6 weeks**’) up to three months (‘**Pay over 3 months**’).

Since April 2020, Zilch has been regulated by the Financial Conduct Authority (FCA), obtaining a consumer credit licence through the Regulatory Sandbox Programme.

Zilch allows merchants, worldwide, instant access to our closed-loop network of customers at the point they have high purchase intent, whilst providing customers bespoke personalised savings, deals and discounts, powered by first-party data-driven insights.

History.

2024

4 million registered customers

Renewed multi-year agreement with AWS strengthening our commitment to AI

Unicorn Council for UK Fintech Co-founded by Zilch and Co-chaired by our CEO Philip Belamant

Relocated our headquarters in London, doubling the size to accommodate expanded workforce

Official launch of Pay over 3 months online in the UK

2023

3.35 million registered customers

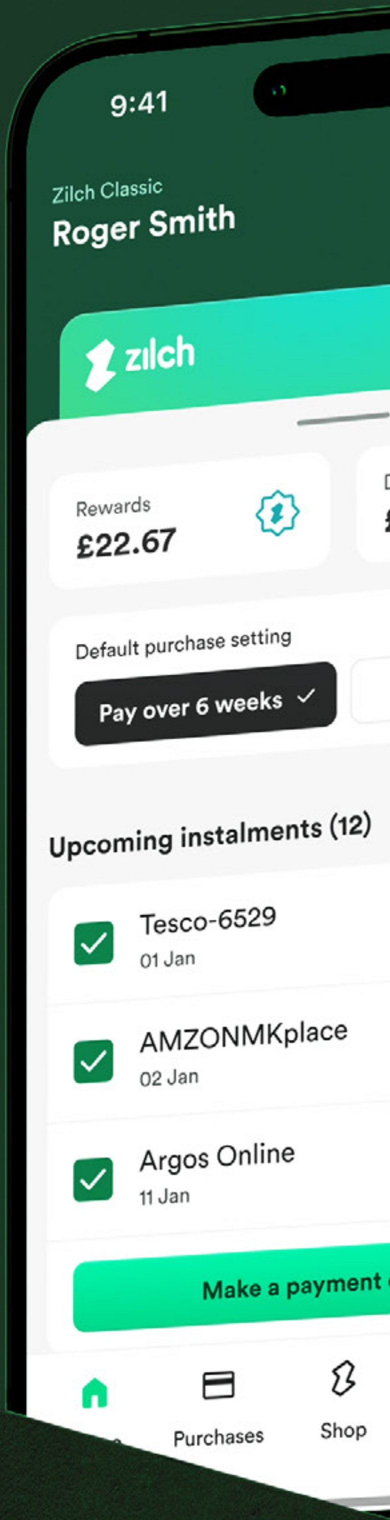
Series D funding of £20 million

Zilch Up rolled out to new customers increasing accessibility of credit

Delivered first month of GMV above £100 million

Pioneering partnership signed with leading UK debt charity StepChange

First BNPL provider reporting to all major UK credit referencing agencies



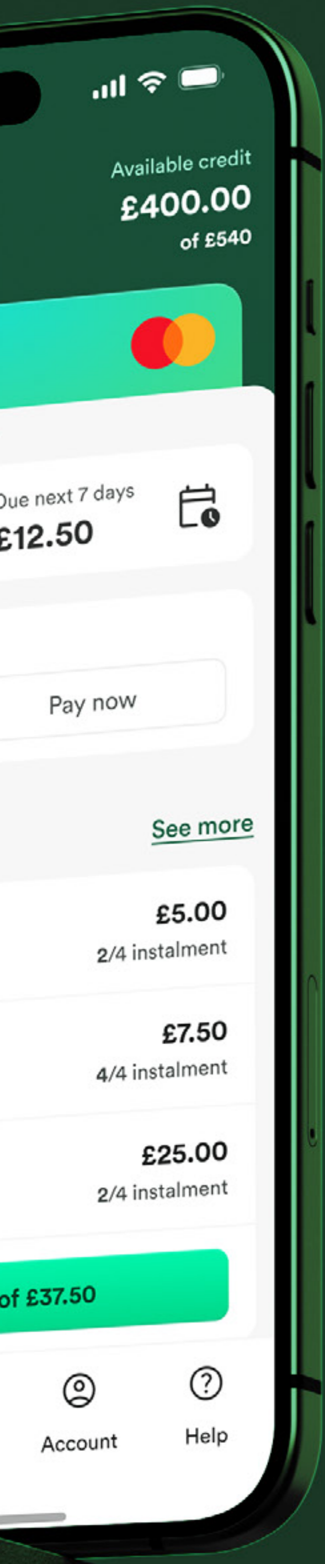
2022

2.5 million registered customers

Series C extended by £42 million bringing total to £122 million

USA launch of Beta product

Achieved positive gross profit margin



2021

1 million registered customers

Series C funding of £80 million

Goldman Sachs debt facility closed at £125 million

Series B funding of £83 million

Launched app, debit spend with rewards and ability to spend in-store

2020

Official launch of Pay over 6 weeks online in the UK

App launched

Series A funding of £15 million

FCA authorisation granted for consumer credit

2019

Beta version of product launched to external customers

Launched waitlist for customers to trial the Beta version of the product

Accepted to regulatory sandbox to test

2018

Founded Zilch Technology Limited

Chief Executive Officer's Review.

Dear Valued Investors.

I am pleased to report that 2024 has been a year of significant growth and strategic progress for Zilch. Despite the challenging macroeconomic environment, marked by high interest rates and inflationary pressures, we have navigated these conditions with resilience, demonstrating our ability to adapt, innovate and deliver value to customers and, in turn, stakeholders.

Strong Financial Performance and Operational Efficiency.

The financial year 2024 marked a period of remarkable financial progress for Zilch. We nearly doubled our revenue to £57.1 million, reflecting a 90% increase from the previous year, while simultaneously enhancing our gross margins and reducing operating losses. Our gross profit rose 143% to £42.4 million, while our gross margin improved to 74% from 58% in FY 2023. These achievements were driven by a combination of strategic initiatives that focused on enhancing our product offering, optimising our cost structure and improving our credit management practices.

We also secured two major agreements that lay the foundation for future profitable growth: a renewed multi-year partnership with Amazon Web Services to bolster our AI capabilities and another with Checkout.com as our preferred global acquiring partner to increase scalability. These strategic partnerships underscore our commitment to innovation and growth.

Our revenue growth has been a key driver of our improved cash position, significantly outpacing the growth in GMV. This reflects our ability to deliver products and features that generate value for both consumers and merchants. In 2024, we saw our fully loaded adjusted gross profit increase fivefold, expenses reduced and operating losses significantly curtailed, while our cash burn was drastically lowered.

We achieved a notable reduction in our operating losses, decreasing by £29.1 million compared to the previous year. Our operating costs were lowered by 6% despite the expansion of our business profile, underscoring our commitment to cost containment and efficiency.

Innovation strengthening our customer proposition.

Since our inception, accessibility has been at the core of our model. As the first buy-now-pay-later provider in the UK to achieve universal acceptance via card payment infrastructure, we have continuously provided consumers with more choices and flexibility. Over the past year, we have made great strides in broadening our product offering to increase our share of each customer's wallet whilst capturing more market share.
Key initiatives included:

- **Personalised Products:** Launching new versions of Zilch tailored to different credit profiles, enhancing our ability to serve a wider range of customers across various affordability levels.
- **Improved Underwriting:** Leveraging our latest AI to overhaul our underwriting process to offer higher credit limits to high-quality customers, which has led to increased Gross Merchandise Value (GMV) and reduced credit losses.
- **Greater Flexibility:** Introducing new "Snooze" options for customers, reducing servicing ticket volumes, lowering bad debt and driving additional revenue.
- **New Payment Options:** Rolling out the "Pay over 3 months" feature, unlocking higher-value purchases in sectors like travel, contributing to near 100% growth year over year in GMV for this sector.

These advancements have driven higher GMV, which grew by 43% to £1.1 billion, have reduced credit losses to 1.3% of GMV, down from 1.8% in FY 2023 and were made possible by our unique data assets.

Our focus on innovation has also extended to leveraging our unique data assets to implement advanced AI applications across our operations. This investment in technology positions us to further enhance our customer experience and operational efficiency in the years ahead.

Looking ahead.

As we move into 2025, we are focused on three core priorities:

- **Scaling Profitable Customer Acquisition:** Our efforts in FY 2024 to ramp up acquisition have created a significantly broader go-to-market strategy for Zilch. This will be leveraged at scale to acquire profitable new customer cohorts spending faster and paying back sooner than what we have seen before.
- **Increasing Wallet & Market Share:** We plan to introduce more product with differentiated features across the credit spectrum as we build out the current offering, allowing customers to spend across more use cases with Zilch.
- **Achieving Profitability:** Our goal of achieving profitability is increasingly within reach and our Board and Management team will work tirelessly to capitalise on the fantastic momentum to start to make this a reality in 2025.

In closing, I want to extend my appreciation to our team for their hard work and dedication, and to our investors for their continued support and confidence in Zilch. We remain committed to delivering long-term value and look forward to the opportunities that lie ahead.

Onwards and upwards.

Philip

Business model & strategy.

What Zilch does.

Zilch is a technology platform operating at the intersection of payments and advertising. Through a direct-to-consumer (D2C) model, we provide our customers with the means to pay on their own terms wherever they choose to shop.

Our primary goal is to improve credit accessibility and affordability for all consumers, driving tangible value for both customers and merchants.

Customers use Zilch via a virtual payments card designed for online and in-store purchases, offering options to pay over time, up to three months, or pay immediately and earn rewards, enabled by a mobile app that connects Zilch's customers to merchants.

Zilch created the world's first Advertising-Subsidised Payments Network (ASPN). Our innovative business model subsidises the cost of credit through revenue generated from merchants who pay us commissions for access to our customer base via our app. We then share this revenue with our customers as up to 100% subsidised credit or rewards on debit spend, providing unparalleled value with each interaction through our app.

Traditionally, credit providers have penalised the most vulnerable, with those having the weakest credit profiles facing the highest costs, further damaging their financial health. Zilch aims to disrupt this cycle.

Where Zilch is.

We are proud to be founded in the UK and headquartered in London. We also have US office in Miami and an innovation and software development hub in Krakow, Poland.

Who Zilch serves.

Zilch has a diversified customer base across the credit quality spectrum, from subprime to prime. Our customers are distributed across those historically classified as sub and near prime, who have had limited access to traditional credit, and those historically classified as prime, who have access to a wide range of credit offerings and still choose Zilch as their primary payments tool. With the Zilch card and app, our customers are empowered to engage positively with credit and build on that credit, all through a product that is flexible, easy to understand and tailored to the customers' needs.

We have a unique underwriting approach that aligns our commercial interests with those of our customers. Our credit offerings are provided via a running credit line with transactions following 'Pay over 6 weeks' and 'Pay over 3 months' payment durations (typically spread over four instalments). Zilch offers this credit without interest, late fees or penalties, truly eliminating charges contributing to consumer debt. Rather Zilch benefits when its customers are able to repay, rather than benefiting from them becoming indebted.

Our Business Model.

In seeking value for each and every purchase, consumers and merchants come together on the Zilch app and through ASPN. This creates a two-way network from which we generate a diversified and growing set of revenue streams.

Merchant.

Merchants view the Zilch platform as an advertising channel. The Zilch app is structured around a virtual storefront where consumers are near or at the point of purchase, representing a highly valuable proposition to merchants as the intent to spend is at peak. To access the purchases of our customers, merchants pay Zilch affiliate commission based on basket size and advertising fees for preferential placement within the virtual storefront.

By operating a direct-to-consumer offering, we hold the relationship with the end consumer, and are also generating revenue from providing data-driven insights into the spending behaviour of our customer base.

Alongside these direct merchant-derived revenue streams, we earn interchange revenue.

Consumer.

Consumer-derived revenue represents an upfront fee generated at the point of purchase when customers pay over time. While we strive to fully subsidise the cost of credit through merchant-derived revenue, we charge a flat and transparent transaction fee if customers shop with out-of-network retailers.

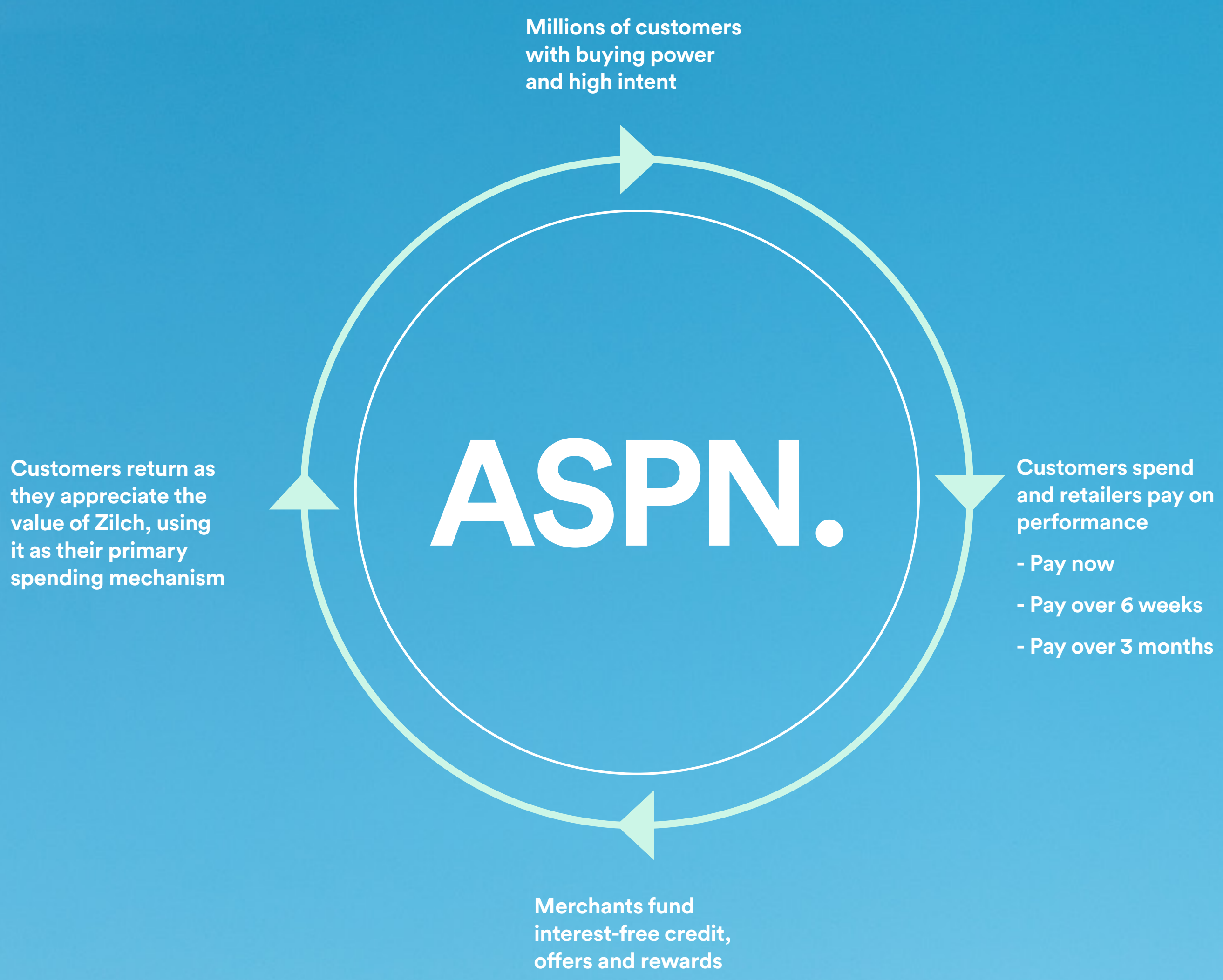
Beyond the point of purchase we do not charge any interest, late fees or penalties. Unlike traditional credit providers, Zilch does not seek to earn money from a customer's inability to fully repay their capital balance.

Customers also make use of value-added features, such as the ability to pause upcoming instalment payments (Snooze), or purchasing gift cards from participating merchants.

Our product.

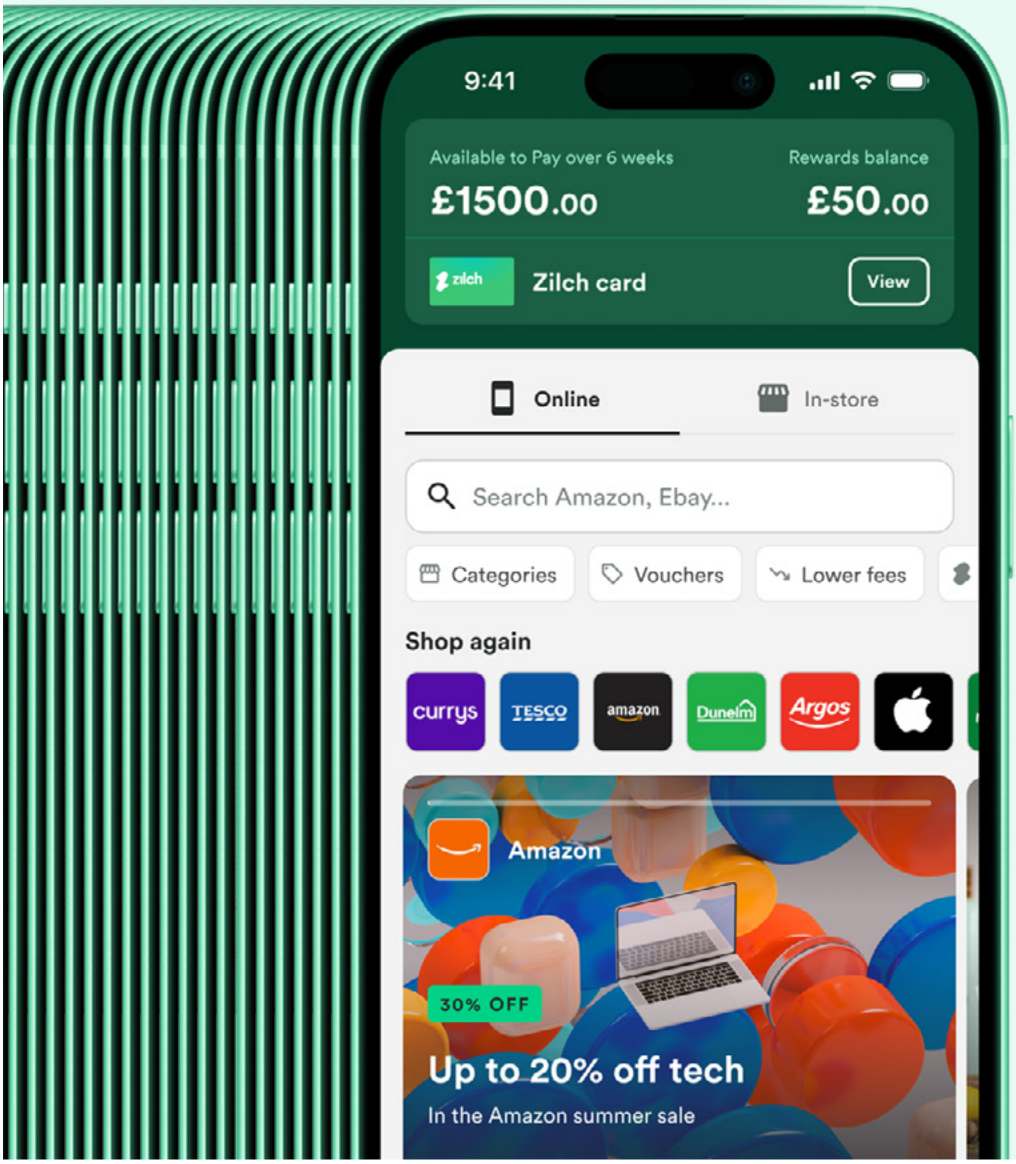
Our Advertising-Subsidised Payments Network (ASPN) explained.

Our model is a win-win for everyone. We partner with retailers to subsidise the cost of credit as well as offer rewards to customers who pay with debit. Customers shopping with Zilch will receive these benefits and in turn keep coming back to those retailers.



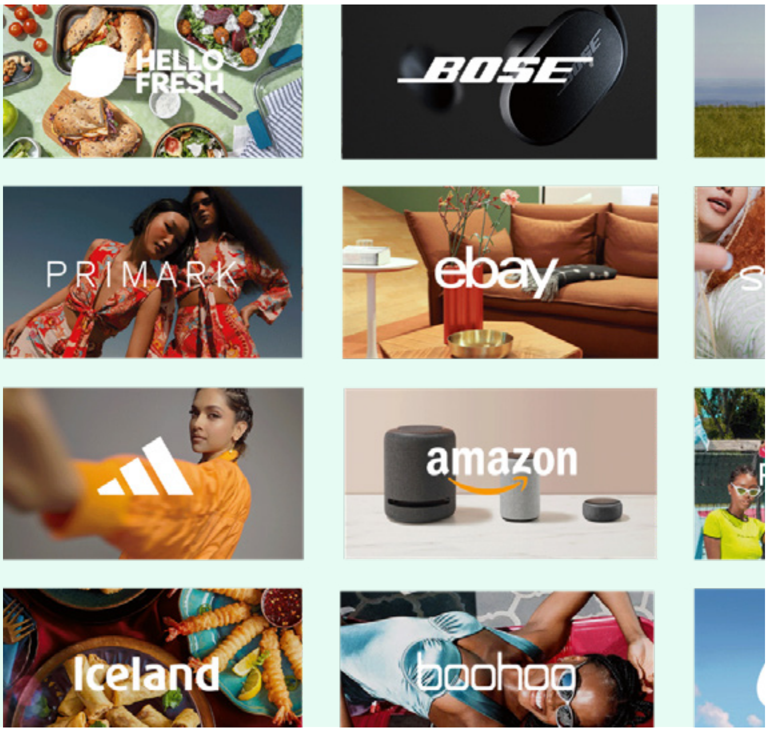
ASPN and the app.

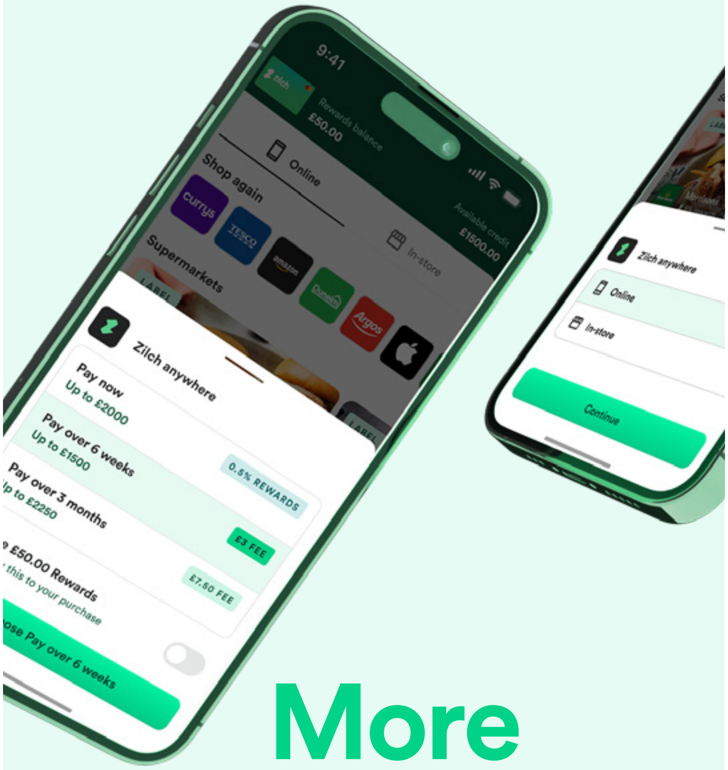
Thanks to ASPN, the Zilch app is packed with value for customers, enabling them to pay their way and get more in return.



More deals.

Exclusive offers, voucher codes, no fees, rewards, competitions. Customers will get more than they pay for on our app.



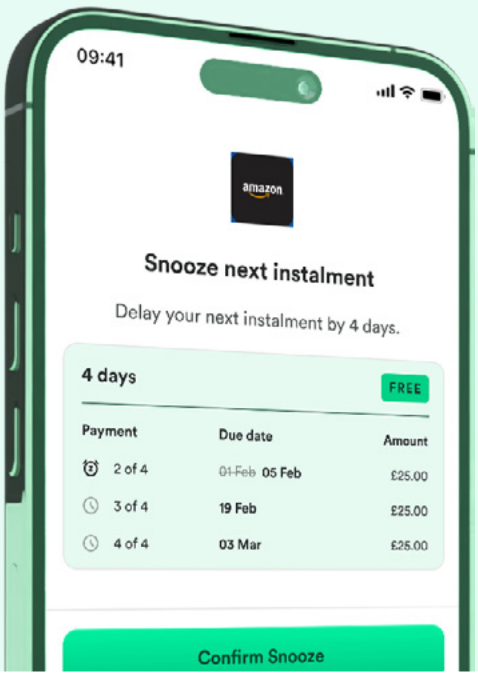


More choice.

Customers can choose to Pay over 6 weeks and over 3 months with no fees if the retailer has partnered with us. And there's also up to 8% back in Zilch Rewards if they choose to pay in full.

More control.

Customers can manage all their payments in one place, Snooze instalments if they need a little extra time and repay early whenever they like with no penalty. We can even help customers who pay on time to improve their credit scores.



Chief Financial Officer's Review.

Last year I highlighted that we would be focusing on delivering value-adding features for both customers and merchants, and in doing so growing volumes by attracting new customers and providing returning customers more meaningful ways to pay with Zilch. I am pleased to report that we did just that, increasing our active customer base by 56% and GMV by 43% to over £1.1 billion.

Against a backdrop where consumers have remained under pressure from rising costs to the extent that even non-discretionary spending habits have shifted, we have increased spend metrics across all cohorts of customers through deeper wallet penetration, more features supporting convenience and enhanced opportunities for customers to save money by purchasing through the app. On average, monthly spend per customer increased 18%, driven primarily by more customers using Zilch as their preferred way to pay. This resulted in our first month of GMV above £100 million in November 2023.

Our growth was value-accretive as we drove revenue up 90%, gross profit up 143%, while keeping credit losses, customer acquisition costs and operating costs well within plan, resulting in a reduction in operating loss of £29.1 million and reduction in operational cash burn (excluding investment in customer receivables) of £46.6 million.

	FY 2024	FY 2023
	£'000	£'000
Net cash used in operating activities	(41,102)	(50,161)
Change in receivables book	29,654	(7,885)
Adjusted net cash used in operating activities	**(11,448)**	**(58,046)**
Reduction in operational cash burn	46,598	

Entering FY 2025, we are well positioned to capitalise on our short customer payback periods, growing the business significantly whilst driving towards cash generation and our first months of profitability.

Fully Loaded Adjusted Gross Profit (Non-IFRS)	**FY 2024**	**FY 2023**
	£'000	£'000
Revenue	57,135	30,035
Cost of sales	(14,744)	(12,610)
Gross profit	**42,391**	**17,425**
Gross profit margin	**74%**	**58%**
Credit losses pertaining to returning customers	(13,832)	(9,992)
Interest related to funding of consumer receivables	(4,428)	(2,814)
Adjusted gross profit	**24,131**	**4,619**
Adjusted gross profit margin	**42%**	**15%**

Key performance indicators	**FY 2024**	**FY 2023**
Gross merchandise Value	£1,099 m	£767 m
Registered customers	4 million	3.35 million
Average order frequency	51x	45x
Annual spend per active customer	£1,864	£1,566

Gross Merchandise Value (GMV)

GMV grew 43% to £1.1 billion, benefitting from capturing incremental spend from customers, by providing more convenience-based payment journeys, as well as a growing user base. On average, UK monthly active users during the year increased 22% (56% when comparing March 2024 to March 2023) driven by strong customer acquisition campaigns across a diversified set of channels, including 40% of new users arriving to Zilch via unpaid organic channels. We introduced more convenience journeys outside of the app which resulted in capturing incremental transactions from customers, driving average order frequency up 15% to 51 times per year. Credit volume remained consistent with FY 2023 at 81% of GMV.

Revenue	**FY 2024**	**FY 2023**
Merchant derived revenue	£17.4 m	£12.1 m
Consumer derived revenue	£39.7 m	£17.9 m
Total operating revenue	**£57.1 m**	**£30.0 m**
Revenue take rate	5.4%	4.1%

Merchant-derived revenue

Merchant-derived revenue increased 43% to £17.4 million (FY 2023: £12.1 million), accounting for 30% (FY 2023: 40%) of total revenue, and affiliate revenue take rate (as a component of merchant derived revenue) improved by 13% year on year. Mix of overall GMV skewed towards consumer-derived revenue as a result of incremental GMV being captured from new convenience journeys and value-added features released during the period.

Take rate expansion came as a result of negotiating stronger commission rates with many key retailers. Revenues from advertising on the Zilch storefront grew well ahead of GMV, more than doubling, thanks to an expanded sales team and supported by increasing app engagement.

Interchange rates remained stable in line with prior year. Monetisation of data, a recurring source of revenue that is linked to customer interactions grew over 25%.

Consumer-derived revenue

Consumer-derived revenue increased 122% to £39.7 million (FY 2023: £17.9 million). The substantial increase was driven by the revenue stream being in place through the course of the full financial year (having fully been rolled out halfway through FY 2023), the optimisation of pricing on partially subsidised purchase journeys via the app, incremental GMV captured as we rolled out new convenience-based purchase journeys outside of the app and the rolling-out of value-added features such as Snooze to a wider audience of qualifying customers.

Gross profit

Gross profitability increased 143% to £42.4 million (FY 2023: £17.4 million). Our gross margin has increased to 74%, up from 58% in FY 2023. Cost of sales rose 17%, in contrast to the revenue growth of 90% and GMV growth of 43%, as we focused on cost control and renegotiated with some of our key suppliers. Our costs from core suppliers for issuing, processing and acquiring declined by 10% year-over-year on a per-transaction basis given our strong relationships with these partners and ability to leverage our increasing scale.

We adjusted the rewards cashback offered to customers on our debit product to more clearly delineate the app journey as the most cost-effective way for a customer to pay. In turn this resulted in a lower overall rewards expense, with the mix of rewards earned from customers moving primarily to app-based journeys to encourage engagement through the app.

Credit losses

We are particularly pleased to report another strong period for credit loss performance with a significant reduction in write-offs to GMV of 1.3% compared with 1.8% in FY 2023 and 6.6% in FY 2022.

The improvement in credit losses is driven in part by segmentation of the product offering into Up (our entry-level product from a credit-rating and affordability perspective) and Classic (catering to customers through the credit and affordability spectrum). Segmenting the customer base allowed us to tailor underwriting for these segments along with introducing a higher-downpayment offering to entry-level customers on Up which saw early-lifecycle loss performance improve dramatically for these cohorts. In addition, the roll-out of credit reporting to the major UK credit rating agencies drove positive customer outcomes with delinquency and defaults improving as a result.

Finance costs

The interest rate increases throughout FY 2023 persisted into FY 2024 and we saw increased interest expense on our funding facility as a result of the underlying benchmark increases in SONIA (Sterling Overnight Index Average).

The majority of finance costs increase to £7.3 million (FY 2023: £3.9 million) was driven by expansion of the receivables book as we drew down on the credit facility to fund the book. The short-duration nature of our product provides us protection against a high-interest-rate environment as we continuously recycle capital meaning we have a low ratio of outstanding borrowing from our credit facility to overall credit GMV generated by customers.

Adjusted gross profit (Non-IFRS)

Management consider a fully costed measure of gross profit alongside IFRS-defined gross profit as useful for reporting and decision making, as it includes the costs associated with financing, alongside credit losses from returning customers, as these costs are linked to volume. Using this measure, Zilch reported a tremendous 420% improvement to £24.1 million. Adjusted gross margin was 42% (FY 2023: 15%).

Customer Acquisition Costs (CAC)

Costs associated with acquiring new customers, including lead generation, onboarding and credit losses associated with new customers, were lower on an absolute basis in FY 2024 at £6.1 million (FY 2023: £9.2 million), a 34% reduction. During FY 2024, all aspects of CAC showed significant improvements in incremental costs, with lead generation costs declining as we strategically shifted our lead mix towards aggregators to harness cost efficiency and scale our funnel, alongside reactivated referrals. On average 40% of leads came from organic channels.

Onboarding costs improved as we optimised the journey our customers follow from registration to spending. Forced churn losses reduced as we saw the continued improvement from our underwriting reduce early-lifestyle defaults. In contrast to the prior year, FY 2024 marks a period of renewed customer growth, and we strategically sought to increase customer acquisition to harness the lower relative cost of acquisition. Our retention from these newer cohorts continues to improve as fewer customers default, and more find ongoing value in the product offering.

Operating costs

Our expenses have declined 6% to £68.2 million (FY 2023: £72.4 million) with the decline a continued validation of our cost-conscious approach and careful vendor selection. We realised savings in consulting and professional fees, alongside marketing, and managed to curtail inflationary pressures on technology and software spend. Staff costs were broadly flat year on year.

Net loss after tax

Net loss after tax was £50.1 million (FY 2023: £71.8 million) in FY 2024, including share-based payment expenses of £18.7 million (FY 2023: £13.7 million). Cash burn related to operating activities significantly improved alongside the bottom-line result, with cash outflow from operating activities of £41.1 million compared with £50.2 million in FY 2023. Excluding the change in cash committed to the receivables book, the change in cash burn was an improvement of £46.6 million. Our operating loss improvement is accelerating, and we are on track to post our first months of cash generation and profitability in the coming financial year.

Looking ahead

Our focus for FY 2025 is on the UK business, deepening the value proposition for customers and growing the business sustainably towards profitability. As part of our strategic decision-making we curtailed the US operations at the end of FY 2024, preferring to invest cash that would have been committed to operational burn and customer acquisition in the US operation into the UK business instead, where our returns profile is highly compelling and measurable. We will retain optionality to expand the US operation when market conditions allow (specifically the ability to raise significant growth capital) by keeping the operation live with key vendors and maintaining our regulatory status in the US.

FY 2024 has been characterised by a period of disciplined growth, laser-focused on profitable unit economics and improving near-term cashflows. We are increasingly capturing wallet share from customers and translating this into margins. Our product roadmap and the wider team give us confidence that the future for Zilch is bright and I look forward to reporting again periodically on our progress.

Section 172 and stakeholder engagement.

Generating value for our stakeholders.

Under Section 172 of the Companies Act 2006, the directors of the Company are taking steps as required to promote the value and success of the Company for the benefit of its stakeholders while making a positive impact.

Our stakeholders include our customers, employees, investors and regulators, while also considering the environment. Our stakeholders are pivotal to the strategy and endeavours of the Company. The Board of Directors is committed to a quarterly Governance Board meeting to:

1. Retain oversight of matters of strategic importance, including long-term objectives, whilst delegating day-to-day decision making to the executive management team; and
2. Ensure that interests of the stakeholders are balanced with continuing to generate value and making a positive impact.

In this report we summarise how the Board considers our main stakeholders in its decision-making.

a) Customers

We consider our customers in everything we do. Zilch has revolutionised how consumers pay for goods by turning the traditional model of high-interest consumer credit on its head. We do this by focusing on building products and features that make accessing consumer credit easier, easier to understand and more cost-effective for our customers.

What do our customers want?

We have a wide range of customers and understand exactly what they want in relation to consumer credit.

These include:

- **Flexible ways to pay**
- **Credit-building capabilities**
- **Subsidised cost of credit with no interest or hidden fees**
- **Responsible underwriting of credit limits**
- **The tools to stay on top of purchases and payments**
- **Tailored offers and rewards**
- **World-class customer service**

Responsible spending and affordability rules are built into the service to help customers avoid getting stuck in unserviceable debt cycles. In the event a customer fails to make a repayment, their service is immediately suspended to ensure they do not become further indebted. Zilch does not charge any late fees but gives the customer the option to extend their repayment period for a small fee if their payment is not yet due. We have a Customer Success team that is dedicated to product support via live chat, email and telephone.

b) Interests of employees

Retention of key staff is critical. The Company continues to invest in employment training and development. Our ability to operate and fulfil our mission relies on the dedication and passion of our people and teams. Their commitment to creating the products and services our customers love is what drives Zilch.

We have appropriate incentive and career development arrangements as our people are the most important resource we have.

What do our employees want?
We work hard to understand how our colleagues feel and listen to what they want. These include:

- **Belief in the product and vision**
- **Growth, training and career development**
- **Benefits and rewards**
- **Being part of a diverse world class team**

We maintain a safe, healthy and sustainable environment for our employees. We provide support to staff for mental and physical well-being. Employees have access to private healthcare and online therapy. Our commitment to diversity, inclusivity and equal opportunities is reflected in the Company's employee policy. There is no toleration of any form of discrimination.

c) Maintaining a reputation for high standards of business conduct

The Board is invested in ensuring that high standards of business conduct are embedded throughout all levels of the organisation. Zilch is regulated by the FCA and operates in a rapidly evolving regulatory environment. Our lending products must comply with UK regulations applicable to customer lending transactions and financial promotion.

What do the regulators want?
The open conversations we have with regulators are key to ensuring regulatory compliance. Regulators are focused on:

- **Customers being treated fairly**
- **Due care taken to ensure lending is undertaken responsibly**
- **Transparent clear communication with customers and regulators**

To support the pace of the growth at Zilch, we have continued to invest heavily in our Risk and Compliance capability throughout the year. Zilch ensures appropriate risk assessments and compliance audits are carried out on an ongoing basis.

Zilch has a code of conduct and policies addressing areas of focus including conflicts of interest, anti-bribery and corruption policy and anti-money laundering. All employees adhere to these policies and undergo annual training.

d) Community and Environment

Zilch is committed to environmental sustainability and recognises the direct impact of our business. We have implemented policies to increase the Company's energy efficiency.

What does the community want?

We believe that the community wants:

- **Consideration of environmental impacts**
- **Social impact and responsibility**

Zilch operates a hybrid working week for employees, reducing the need for travel, and therefore reducing carbon footprint. Also, Zilch has introduced the Electric Car Scheme salary sacrifice benefit for qualifying employees, allowing for any required travel to be eco-friendly.

e) Strong Supplier Relationships

Our suppliers support us in a wide range of activities and areas of the business. The Board is conscious of the importance of lasting relationships with suppliers.

What do our suppliers want?
Our suppliers place importance on:

- **Quality and efficiency**
- **Collaboration and communication**

These relationships are built over time and on trust by ensuring value is obtained by all. The Group's policy in relation to suppliers is to pay them within credit terms specified, provided that the supplier is also complying with all relevant terms and conditions.

f) Acting fairly among members

Zilch recognises the importance of acting fairly among its stakeholders and considers it whenever a decision is being made. Zilch will continue to maintain good relationships with important groups such as suppliers, customers, stakeholders and employees, which is central to promoting the success of the Company.

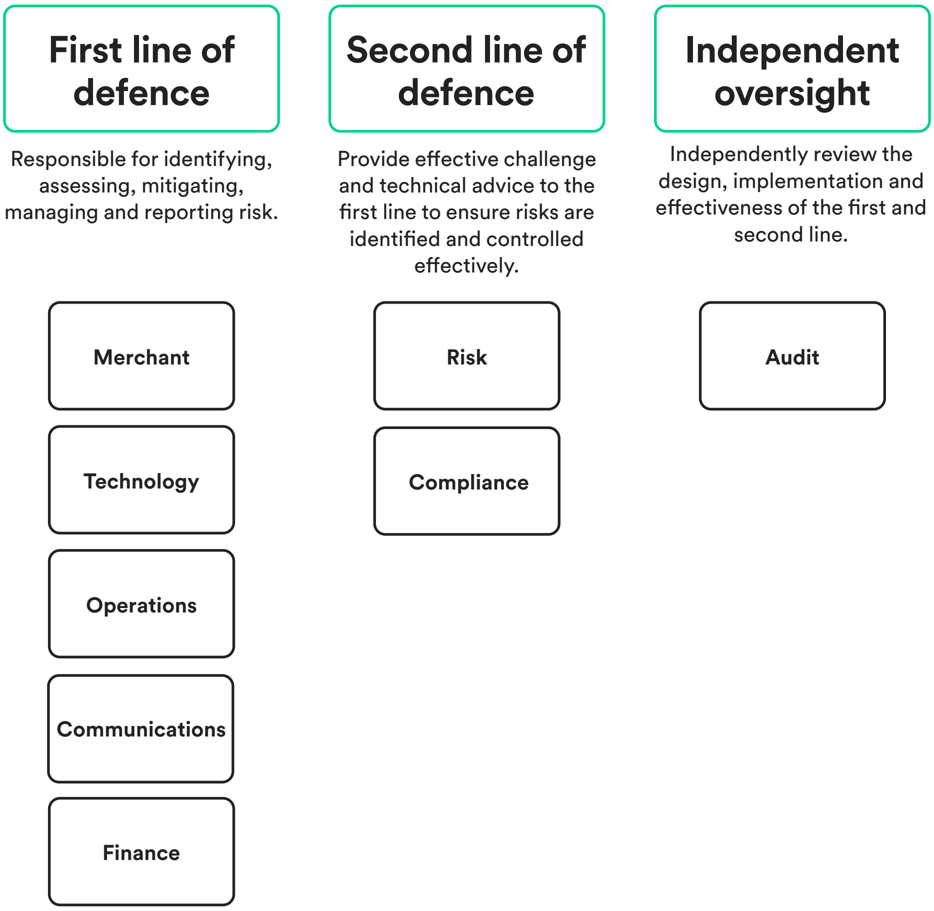
Risk and compliance overview.

Zilch's Risk Management Framework creates a structured approach and common language to support the management and operations of the Group. The framework allows us to effectively and efficiently identify, measure, monitor and control risks in line with our governance, culture and risk appetite.

Governance.

Management within the group.

Within the Group, Zilch uses the 'three lines of defence' model, with first line taking primary responsibility for risks of the Group; supported by second line, which reports to the Chief Risk Officer, who supports and monitors first line of defence's controls; and a third line, whose principal function (whether through internal or external audit assurance) provides independent assurance on the effectiveness of first and second line controls.



The first line of defence has responsibility for our product design, build, test, implementation and on-going support of our customers and merchants. Finance works across business lines to create the strategic long-term plan against which the business then delivers.

The second line of defence includes risk and compliance teams, who work across the business to ensure that the Group operates within the risk appetite approved by the Board, and that our products, policies and processes are designed to be compliant with local regulatory requirements.

The third line of defence includes audits of the operational processes and controls across the Group, performed by both internal and independent external auditors from time to time.

Principal risks.

Zilch's Risk Management Framework is supported by a detailed set of policy and control requirements which creates a common and consistent language that can be applied across all legal entities with Group-wide policies, supplemented with any additional local requirements. Principal Risks allow us to aggregate risks together to form a common understanding across common activities and allow the concept of multiple policy owners working seamlessly together, rather than building a policy framework which is solely "functionally" aligned. We currently have five principal risks which are as follows:

Principal risk – Conduct

Description	Mitigation
Conduct risk is the risk of poor outcomes for, or harm to, our customers arising from the delivery of our products and services. Conduct risk incorporates policies covering Anti-Bribery and Corruption, Anti-Money Laundering and Politically Exposed Persons (PEPs), Complaints, Consumer Duty, Financial Promotions and Whistleblowing.	Zilch has a wide range of conduct-related policies which are built upon the policies and guidance given by the FCA for each risk type. The policy environment continues to develop and as such there is a risk that firms' interpretations can vary from the FCA's updated intentions. For example, in 2023 Consumer Duty went live for FCA-regulated firms. A new Consumer Duty policy which set out the key controls and responsibilities to adhere to the requirements was introduced. However, Consumer Duty is new to the industry and the FCA continues to share best practice which we review to ensure that our controls continue to cover what we believe are the expectations of the FCA. Zilch mitigates the risks of poor outcomes by having clear policies and procedures for each of these risks. Cases which require additional oversight are escalated to senior managers and decisions are documented and retained such that we are able to review and adapt (if needed) policies and processes if new guidance is issued. We actively engage with the FCA and share data and information with them openly. We continually monitor, assess and evolve our policies to ensure they remain up to date.

Principal risk – Credit and Fraud

Description	Mitigation
Credit risk is the risk of loss to the Group from the failure of customers to fully repay their obligations to the Group, or the fraudulent behaviour of customers, staff or other third parties. Credit Risk incorporates policies covering Collections and Credit Risk.	The macro-economic environment always remains a key risk and FY 2024 saw a period where interest rates rose and levelled out at 5.25%. Expectations earlier in the year were for a significant risk of a recession but in the end the UK economy had a soft landing with a shallow recession. Whilst economic conditions have stabilised, governments around the world remain highly indebted. Inflation, whilst stabilising, still significantly impacts consumers and global economic conditions remain extremely sensitive to external factors such as oil prices and threat of conflicts. Zilch mitigates credit risk through active monitoring and control. We have several levers, including assessing the affordability and credit score criteria for new customers; the setting of pricing for new products and services; and offering additional options and services to customers who are delinquent to maximise repayment and recovery. For example, we have a repayment portal supported by a third party and more flexible ways of paying. The portal provides a much broader range of repayment methods and allows customers to set up repayment plans easily. Whilst delinquency outcomes have remained well within our expectations given the economic uncertainty, our credit strategy remains under constant monitoring to ensure that we adapt appropriately.
Fraud risk is characterised by third parties making fraudulent applications or attempting to take over customer accounts. The risk is persistent as fraudsters continue to use even more complex tools to avoid detection.	Fraud risk is mitigated via a detailed set of specific fraud controls and dedicated fraud analysts who use enhanced IDV controls; multi-factor authentication; fraud models and rules based on customer behaviour; and blocking of fraudulent merchants or accounts, to proactively manage our fraud profile, keeping it within risk appetite.

Principal risk – Financial

Description	Mitigation
Financial risk is the risk that the Group has insufficient liquidity to meet its contractual obligations, has insufficient capital to support its business or that changes in FX or interest rates materially impact the Group's liquidity or capital.	Zilch uses both debt and equity to ensure that we have the funding in place to support both our corporate strategy and customer demands. Both debt and equity markets have been impacted by the changing macro-economic uncertainty and our business strategy is sensitive to the price and availability of debt and equity. We are sensitive to FX rates as our capital is used for operations in the UK and US, although our US currency risk is significantly reduced as the use of capital in the US is significantly reduced with the focus on UK operations. Zilch mitigates these risks by having a multi-year business planning horizon which allows us to both plan for and put in place arrangements which support this plan. For example, our debt securitisation has performance rule sets, and we actively monitor them to ensure that the portfolio performs as intended to maximise funding. We take proactive actions where necessary and ensure that updated funding costs are taken into account when reviewing and deciding on new products. Whilst we have positive active engagement with all our funders, the size and availability of debt and equity funding over the longer term will always remain key risks to the business that need to be actively managed. We also plan our cash demands over the horizon and use both spot and forward hedges when and where appropriate to help mitigate currency volatility.

Principal risk – Operational

Description	Mitigation
Operational risk is the risk of losses caused by flaws, failures or disruption in our people strategy, processes or systems. Operational risk incorporates policies covering: "HR Handbook" and "People Security"; "Expense Management" and "Vendor Management"; and IT policies covering "Acceptable Use", "BCP & Security Incident Management", "Information Classification and Management", "IT Communications and Software Development" and "Information Security".	Zilch provides a seamless service to customers via their Zilch Account, but that service also involves services provided by a significant set of external partners who support our data stack which is also constantly evolving. For example, poor system performance or availability would impact customers' abilities to access our products and services and could lead to dissatisfaction with the service and a loss of future business. Our customers expect great customer service and quick resolution when an issue does occur. The ongoing effective operation by both Zilch and the services we consume from partners is key to ensuring we provide customers the product and the on-going design and availability of these services is a key risk. Zilch mitigates these risks by working with leading suppliers, having a detailed release framework (including documentation, testing and roll-out strategies), active monitoring of the entire environment and a tiered incident response structure for each part of our system. We also apply the highest standards of IT security and controls and have our SOC 2 and ISO 27001 accreditation. We apply a number of leading perimeter IT security controls to both deflect, defend and secure our IT environment as we see a growing trend across all firms from increased levels of cyber-attacks.

Principal risk – Reputational

Description	Mitigation
Reputational risk is the risk of failure to meet stakeholders' expectations as a result of any behaviour, action or inaction by Zilch that may cause a negative view of the Group. Reputational risk controls and governance are set by policies covering "Disclosure Signoff" and "Senior Managers Regime".	We hold ourselves to the highest standards via strong governance, culture and operations - an example being applying for an FCA authorisation for consumer credit from inception. Whilst we are very different to point-of-sale BNPL firms, we are seen as being similar in terms of challenging the status quo of traditional lending. Therefore, we can be impacted by negative press and sentiment to the broader sector, as well as needing to ensure we abide by specific requirements, such as the Senior Managers Regime, given that we are FCA-authorised. Zilch mitigates the risks to our reputation through governance, controls, business strategy and support for highest standards. We have publicly supported the intentions to roll out regulation to the BNPL sector and work proactively with HMT and the FCA on this matter. We continue to do what we believe is the right thing - not just the requirement. For example, once the credit reference agencies were able to accept BNPL reporting, we committed to sharing our data with all three agencies rather than just the ones we work with.

Governance overview.

Board leadership and company purpose.

Our Board consists of highly skilled professionals who contribute a diverse array of skills, perspectives and corporate experience to the boardroom. Together, they are responsible for ensuring the long-term success of Zilch for the benefit of its stakeholders. The Board leads and guides the development of strategy and oversees its implementation by management.

To maximise effectiveness and ensure adequate time and attention are given to key matters, the Board has delegated authority in specific areas to its principal Board Committees. Details of the Board's duties throughout the year are outlined on page 29.

Additionally, the Board oversees the Group's operations within a defined framework of policy and controls, enabling risk assessment and management within established parameters. Further discussion on this can be found in the Management within the group and Principal risks sections on page 25 to page 27.

The Directors are responsible for ensuring that the policies and behaviours established by the Board are effectively communicated and implemented throughout the business.

Vision, culture and values.

The Board sets the clear tone from the top by satisfying itself that Zilch's mission, culture and values are aligned with its strategy.

Vision

To eliminate the high cost of consumer credit. For good.

Culture

The Board sustains our culture through its decisions, strategies and behaviour. Since the cultural tone of a business starts in the boardroom, maintaining our culture is a key factor in the Board's succession planning. Our culture is vital to the strength of our business, and we aim to align it with our mission, strategy and values.

The Board monitors and evaluates the Group's culture through regular management meetings and feedback from employee engagement surveys, broader stakeholders and our external advisors.

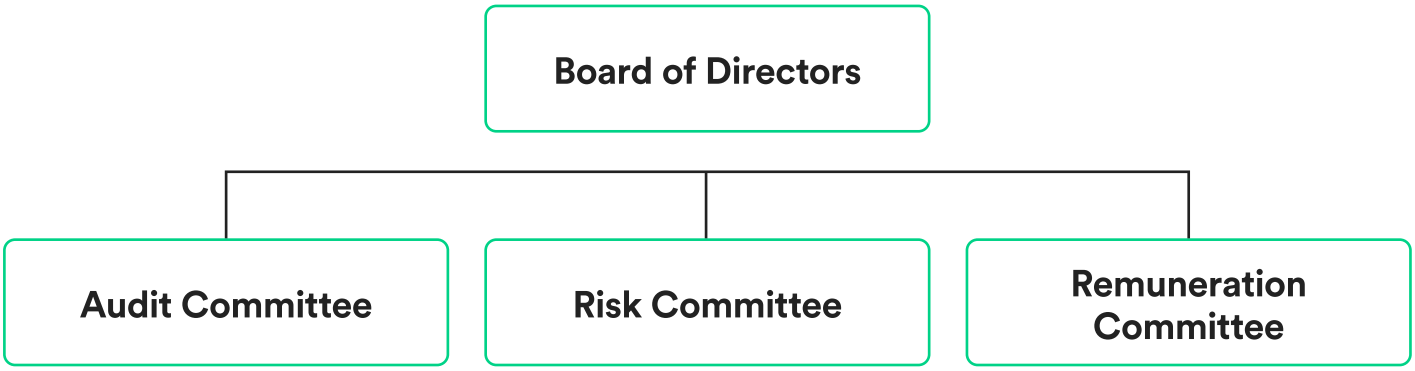
Values

The mission and culture flow to the values of the company. At Zilch, our actions are driven by a set of core values that ensure we consistently deliver the best for our customers and team. Our values are:

- "Customer first. Always." Every decision we make keeps our customers' best interests at heart.
- "Do it now. Do it fast." If you have an idea, share it and make it happen - we'll provide the support you need.
- "Be responsible." You're entrusted to seize opportunities and make a significant impact.
- "Transparency." We thrive because we're open, honest and passionate about our work.
- "Think scale." With big ambitions, we approach everything we do with a mindset for growth.

Governance at Zilch.

Zilch has a well-defined and robust governance accountability framework across the Group led by the Board and its dedicated sub-committees. Within the Group there are clearly identified roles and responsibilities which set out how our executive and Board-level governance interact with one another and align to the 'three lines of defence' model.



Board Oversight

The Board, led by the Chairman, has overall responsibility for governance across the Company. The Board meets at least quarterly with clear terms of reference which include reviewing and approving the strategic business plan; setting the culture of the Company for long-term success on behalf of investors, customers, regulators and staff; and reviewing the on-going performance of the Company against the strategic plan. The Board consists of:

- **Serge Belamant, Chairman and Co-founder.**
- **Philip Belamant, CEO and Co-founder.**
- **Sean O'Connor, Co-founder and Non-Executive Board Member.**
- **Pavel Chernyshov, Independent Non-Executive Board Member.**

The Board is supported in its governance of the Company with three dedicated sub-committees:

Audit Committee

Which has responsibility for the review and challenge of the integrity of the financial accounts and external reporting; reviewing internal and external reports from audit functions; and review and challenge of operational performance of the Company.

Risk Committee

Which has responsibility for the review and challenge of the structure and performance of the risk management framework including approving the Company's risk appetite; acting as governance oversight of whistleblowing; and approving the action plan for and future oversight of implementation of Consumer Duty across the Company.

Remuneration and Nominations Committee

Which reviews, oversees the design of and makes recommendations to the Board on the remuneration policy and framework to ensure that it is aligned to the long-term interests of the Company and its relevant stakeholders. The Board's governance arrangements are consistent with corporate governance standards. The Committee leads the process for Board appointments and ensures there are succession plans in place for the Board and senior management positions.

Directors' report.

Group Directors' report for the year ended 31 March 2024.

The Directors present their Annual Report and the audited Consolidated Financial Statements for the year ended 31 March 2024.

Directors

The names of all persons who were Directors during the year and up to the date of signing are:

- **Serge Belamant**
- **Philip Belamant**
- **Sean O'Connor**
- **Pavel Chernyshov**

Director confirmations

Each of the Directors in office at the date the Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Result and dividends

The statement of comprehensive income is set out on page 38 and shows the loss for the period. There were no dividends paid in the current or previous financial year.

Our approach to the environment

The Companies Regulations 2018 implemented the UK Government's policy on Streamlined Energy and Carbon Reporting (SECR). Zilch Technology Limited meets the mandatory reporting criteria under this policy by having consumed more than 40,000kWh during the financial year. We continue to monitor our ongoing activities and aim to reduce our impact on the environment in relation to governance, strategy and risk management.

The table below presents Zilch Technology Limited emissions under Scope 1 and 2, during the financial period ending 31 March 2024, and comparatively 31 March 2023. Our main climate impact related to the occupied office at 111 Buckingham Palace Road.

Scope 1 - **these are direct emissions that are a result of our business operations. For Zilch, this includes combustion of natural gas in the occupied office.**

Scope 2 - **these are the indirect emissions that occur as a result of Zilch's business operations. For Zilch, this includes electricity consumed in the occupied office.**

	FY 2024	FY 2023
Energy consumption used to calculate emissions (kWh)	**391,282**	**199,040**
Emissions from combustion of gas (tCO2e) (scope 1)	**0.02**	**0.01**
Emissions from purchased electricity in buildings (tCO2e) (scope 2)	**145.24**	**95.09**
Total organisational emissions (tCO2e)	**145.26**	**95.10**
Carbon intensity ratio:		
Carbon emissions per FTE (kgCO2e/FTE)	**618.13**	**459.39**

Methodology
Our emissions were calculated utilising the average kWh per square foot in a standard office space, over the total space that was occupied during the 2024 and 2023 financial years. We have also shown above our Carbon Emissions per FTE, which was calculated by taking our total estimated annual kgCO2e, divided by the average full-time equivalent for the year.

Energy efficiency
This year the focus has been on understanding our carbon footprint to determine what action is needed to reduce and improve it. Therefore, there has not been any specific action taken during the year to reduce our carbon emissions output, however this will be a focus of ours going forward.

Research and development activities
We have applied to claim a Research and Development (R&D) Expenditure Credit from HMRC for the financial year, see note 6. This is a result of investment in innovative technologies related to our platform and product. Expenses we incurred that meet IAS 38 criteria are recognised as intangible assets and amortised over their expected useful life.

Political donations
We haven't made any donations to any registered UK political party or other EU political organisation.

Acquisition of own shares
We have not purchased any of our own shares.

Branches
We don't have any branches in or outside of the UK.

People
As at 31 March 2024, the Group employed 245 people (including contractors).

Matters covered in the Strategic report
As permitted by section 414c of Companies Act 2006, the Directors have elected to disclose information required to be in the Directors' report in the Strategic report.

Events after the balance sheet date
Events occurring after the reporting period are disclosed in note 31 of the consolidated financial statements.

Other than those identified within note 31, there are no other events after the reporting period.

Disclosing information to the auditor
To the Company's and Directors' knowledge, there is no relevant information which the auditor is not aware of, in connection with preparing its report.

Auditor
In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Grant Thornton as auditor of the Group.

This report was approved by the board of Directors and signed on its behalf by:

Philip Belamant
Date: 30 September 2024

Statement of Directors' responsibilities.

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

The Directors are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements and other information included in Directors' report may differ from legislation in other jurisdictions.

Philip Belamant
Date: 30 September 2024

Financial statements.

Auditor's report.

to the members of Zilch Technology Limited and its subsidiaries.

Opinion

We have audited the financial statements of Zilch Technology Limited ("Company") and its subsidiaries (the "Group"), which comprise the Consolidated Statement of Profit or Loss and Comprehensive Income, the Consolidated and Company Statement of Financial Position for the year ended 31 March 2024, and the related notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, Group's financial statements:

- give a true and fair view in accordance with IFRS as adopted by the European Union of the assets, liabilities and financial position of the Group and the Company as at 31 March 2024 and of the Group financial performance and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. The Audit engagement partner considered the experience and expertise of the engagement team (including industry specialists, ITGC specialists, valuation experts etc as applicable) to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

The group engagement team shared the risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management board and legal functions on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group's regulatory and legal correspondence and review of minutes of board meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing
- challenging assumptions and judgements made by management in their significant accounting estimates, including share options, client receivables, allowance for credit losses, accounting for taxes and other provisions.
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

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

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

Cathal Kelly (Senior Statutory Auditor)

For and on behalf of

Grant Thornton/Grant Thornton (NI) LLP

Chartered Accountants & Statutory Auditors

Dublin

Ireland

30 September 2024

Consolidated statement of profit or loss and comprehensive income

	Note	2024 £'000	2023 £'000
Continuing operations			
Revenue	5	57,135	30,035
Cost of sales		(14,744)	(12,610)
Gross profit		**42,391**	**17,425**
Administrative expenses	6, 7	(68,221)	(72,354)
Operating loss		**(25,830)**	**(54,929)**
Share-based payment expenses	26	(18,672)	(13,660)
Finance costs	9	(7,344)	(3,888)
Other income	10	1,632	361
Loss before taxation		**(50,214)**	**(72,116)**
Corporation tax	11	157	339
Loss after taxation		**(50,057)**	**(71,777)**
Total comprehensive loss for the year		**(50,057)**	**(71,777)**

Loss for the year attributable to:			
Owners of the parent		**(50,057)**	**(71,777)**
Other comprehensive income:			
Foreign exchange on translation		23	123
Total comprehensive loss for the year, net of tax attributable to:			
Owners of the parent		**(50,034)**	**(71,654)**

Consolidated statement of financial position

	Note	2024 £'000	2023 £'000
Assets			
Non-current assets			
Property, plant and equipment	14	298	354
Right-of-use assets	13	4,356	986
Intangible assets	15	1,847	1,371
Other receivables	17	563	-
Total non-current assets		**7,064**	**2,711**
Current assets			
Trade and other receivables	16	5,966	6,899
Consumer loan receivables	16	60,439	30,785
Cash and cash equivalents	17	45,448	61,648
Current tax assets	11	183	1,408
Total current assets		**112,036**	**100,740**
Total assets		**119,100**	**103,451**
Equity			
Share capital	24	1	1
Share premium	25	210,748	187,940
Warrant reserve	27	200	3,238
Foreign currency translation reserve		85	62
Share-based payments reserve	26	53,429	34,645
Retained earnings		(211,245)	(161,188)
Equity attributable to owners of the parent		**53,218**	**64,698**
Total equity		**53,218**	**64,698**
Liabilities			
Non-current liabilities			
Lease liabilities	20	3,499	-
Other financial liabilities	22	1,694	26,936
Total non-current liabilities		**5,193**	**26,936**
Current liabilities			
Trade and other payables	19	7,111	4,246
Lease liabilities	20	1,011	1,049
Other financial liabilities	21	52,567	6,523
Total current liabilities		**60,689**	**11,818**
Total liabilities		**65,882**	**38,754**
Total equity and liabilities		**119,100**	**103,451**

The consolidated financial statements were approved and authorised by the Board and were signed on its behalf by:

Philip Belamant
Date: 30 September 2024

Company only statement of financial position

	Note	2024 £'000	Restated 2023 £'000
Assets			
Non-current assets			
Property, plant and equipment	14	259	318
Right-of-use assets	13	3,812	986
Intangible assets	15	1,845	1,369
Long-term deposits	17	563	-
Investment in subsidiaries	12	310	182
Total non-current assets		**6,789**	**2,855**
Current assets			
Trade and other receivables	16	66,318	38,047
Cash and cash equivalents	18	41,683	52,809
Current tax assets	11	183	1,408
Total current assets		**108,184**	**92,264**
Total assets		**114,973**	**95,119**
Equity			
Share capital	24	1	1
Warrant reserve	27	200	3,238
Share premium	25	210,748	187,940
Share-based payments reserve	26	53,429	34,645
Retained earnings		(162,645)	(80,918)
Profit / (loss) for the year	28	(48,365)	(81,727)
Total equity		**53,368**	**63,179**
Liabilities			
Non-current liabilities			
Lease liabilities	20	3,228	-
Other financial liabilities	22	1,694	1,807
Total non-current liabilities		**4,922**	**1,807**
Current liabilities			
Trade and other payables	19	44,015	22,561
Lease liabilities	20	708	1,049
Other financial liabilities	21	11,960	6,523
Total current liabilities		**56,683**	**30,133**
Total liabilities		**61,605**	**31,940**
Total equity and liabilities		**114,973**	**95,119**

The financial statements were approved and authorised by the Board and were signed on its behalf by:

Philip Belamant
Date: 30 September 2024

Consolidated statement of changes in equity

	Share capital	Share premium	Share-based payment reserve	Warrant reserve	Foreign exchange reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	**1**	**187,940**	**34,645**	**3,238**	**62**	**(161,188)**	**64,698**
Shares issued	-	23,442	-	-	-	-	23,442
Employee share-based compensation	-	-	18,784	-	-	-	18,784
Warrants exercised	-	-	-	(3,038)	-	-	(3,038)
Transaction costs deducted from equity	-	(634)	-	-	-	-	(634)
Transactions with owners	**-**	**22,808**	**18,784**	**(3,038)**	**-**	**-**	**38,554**
Loss for the year	-	-	-	-	-	(50,057)	(50,057)
Other comprehensive income/(loss)	-	-	-	-	23	-	23
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**23**	**(50,057)**	**(50,034)**
At 31 March 2024	**1**	**210,748**	**53,429**	**200**	**85**	**(211,245)**	**53,218**

	Share capital	Share premium	Share-based payment reserve	Warrant reserve	Foreign exchange reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	**1**	**193,811**	**6,153**	**1,686**	**(61)**	**(89,411)**	**112,179**
Shares issued	-	10,436	-	-	-	-	10,436
Employee share-based compensation	-	-	13,737	-	-	-	13,737
Warrants issued	-	-	-	1,552	-	-	1,552
Transaction costs deducted from equity	-	(16,307)	14,755	-	-	-	(1,552)
Transactions with owners	**-**	**(5,871)**	**28,492**	**1,552**	**-**	**-**	**24,173**
Loss for the year	-	-	-	-	-	(71,777)	(71,777)
Other comprehensive income/(loss)	-	-	-	-	123	-	123
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**123**	**(71,777)**	**(71,654)**
At 31 March 2023	**1**	**187,940**	**34,645**	**3,238**	**62**	**(161,188)**	**64,698**

Company only statement of changes in equity

	Share capital	Share premium	Share-based payment reserve	Warrant reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	**1**	**187,940**	**34,645**	**3,238**	**(162,645)**	**63,179**
Shares issued	-	23,442	-	-	-	23,442
Employee share-based compensation	-	-	18,784	-	-	18,784
Warrants exercised	-	-	-	(3,038)	-	(3,038)
Transaction costs deducted from equity	-	(634)	-	-	-	(634)
Transactions with owners	**-**	**22,808**	**18,784**	**(3,038)**	**-**	**38,554**
Loss for the year	-	-	-	-	(48,365)	(48,365)
Other comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**(48,365)**	**(48,365)**
At 31 March 2024	**1**	**210,748**	**53,429**	**200**	**(211,010)**	**53,368**

	Share capital	Share premium	Share-based payment reserve	Warrant reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2022 (restated)	**1**	**193,811**	**6,153**	**1,686**	**(80,918)**	**120,733**
Shares issued	-	10,436	-	-	-	10,436
Employee share-based compensation	-	-	13,737	-	-	13,737
Warrants issued	-	-	-	1,552	-	1,552
Transaction costs deducted from equity	-	(16,307)	14,755	-	-	(1,552)
Transactions with owners	**-**	**(5,871)**	**28,492**	**1,552**	**-**	**24,173**
Loss for the year	-	-	-	-	(81,727)	(81,727)
Other comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**(81,727)**	**(81,727)**
At 31 March 2023 (restated)	**1**	**187,940**	**34,645**	**3,238**	**(162,645)**	**63,179**

Consolidated statement of cash flows

For the year ended 31 March 2024

Consolidated	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Loss for the financial year		(50,057)	(71,776)
Adjustments for:			
Interest payables		79	267
(Increase) / decrease in trade and other receivables		2,315	(935)
Decrease in trade and other payables		7,216	2,934
(Increase) / decrease in customer loan receivables		(29,654)	7,885
Increase / (decrease) in other financial liabilities		5,436	(7,119)
Depreciation and amortisation	13, 14, 15	2,265	1,530
Debt issue costs		2,783	1,074
Income tax credits	11	(157)	218
Impairment of goodwill and intangibles		-	2,105
Share-based payment expenses	26	18,672	13,656
Net cash used in operating activities		**(41,102)**	**(50,161)**
Cash flows from investing activities			
Acquisition and disposals of intangible assets (net)	15	(835)	(62)
Purchase and disposals of tangible assets (net)	14	(241)	(98)
Net cash used in investing activities		**(1,076)**	**(160)**
Cash flows from financing activities			
Proceeds from issuance of shares		20,404	8,976
Interest paid		(4,351)	(2,815)
Loans advanced		12,695	7,303
Capital raising costs		(634)	(1,074)
Repayments of lease liabilities		(2,159)	(1,049)
Net cash from financing activities		**25,955**	**11,341**
Net decrease in cash and cash equivalents		(16,223)	(38,980)
Cash and cash equivalents at the beginning of the year		61,648	100,505
Effect of exchange rate changes		23	123
Cash and cash equivalents at the end of the year		**45,448**	**61,648**

Company only statement of cash flows

For the year ended 31 March 2024

Company	Note	2024 £'000	Restated 2023 £'000
Cash flows from operating activities			
Loss for the financial year		(48,365)	(81,727)
Adjustments for:			
(Increase) in trade and other receivables		(26,889)	(1,959)
Increase in trade and other payables		21,453	18,999
Increase / (decrease) in other financial liabilities		5,495	(8,697)
Depreciation and amortisation	13, 14, 15	1,886	1,522
Income tax credit	11	(157)	218
Impairment of goodwill and intangibles		-	2,105
Share-based payment expenses	26	18,672	13,657
Net cash used in operating activities		**(27,905)**	**(55,882)**
Cash flows from investing activities			
Acquisition and disposals of intangible assets (net)	15	(830)	(101)
Purchase and disposals of tangible assets (net)	14	(168)	(55)
Investments in subsidiaries		(128)	-
Net cash used in investing activities		**(1,126)**	**(156)**
Cash flows from financing activities			
Proceeds from issuance of shares		20,404	10,516
Capital raising costs		(634)	-
Repayments of lease liabilities		(1,865)	(1,049)
Net cash from financing activities		**17,905**	**9,467**
Net decrease in cash and cash equivalents		(11,126)	(46,571)
Cash and cash equivalents at the beginning of the year		52,809	99,380
Cash and cash equivalents at the end of the year		**41,683**	**52,809**

Notes to financial statements.

1 General information

Zilch Technology Limited (the "Company") is a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales, registered number 11488502. The address of the registered office is 111 Buckingham Palace Road, London, England, SWIW 0SR. The consolidated financial statements for the year ended 31 March 2024 consist of the Company and its subsidiaries, which together make up the Group.

The nature of the Company's operations and principal activities are described above in the Strategic Report.

2 Accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) including standards and interpretations issued by the International Accounting Standards Board and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

All financial information is presented in pounds sterling ('£'), which is the Group's presentation currency, rounded to the nearest thousand (£'000), unless otherwise stated. They have been prepared using the historical cost convention except that as disclosed in the accounting policies below, including financial assets and liabilities measured at fair value through profit or loss ("FVTPL"). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Company has taken advantage of the following disclosure exemption in preparing the financial statements, as permitted by the Companies Act 2006 section 408:

- Individual profit or loss account where group accounts are prepared.

Preparation of financial statements requires management to make significant accounting judgements, estimates and assumptions, which have been disclosed below in note 3.

2.2 Going concern

The consolidated financial statements have been prepared on a going concern basis which assumes that the Group will continue to meet its liabilities as they fall due.

The Group's loss for the financial year amounted to £50.1 million (2023: £71.8 million). The Group had net assets of £53.2 million (2023: £64.7 million) at year end, including a cash balance of £45.4 million (2023: £61.6 million). There was a total of £9.4 million (2023: £22.1 million) undrawn amount on the existing credit facility with Goldman Sachs. This credit facility has been replaced with a new credit securitisation agreement led by Deutsche Bank for an initial £100 million commitment for funding customer loan receivables originated by the Group before signing date.

The Directors have reviewed the Group's business plan, including consolidated statement of profit or loss, and cash flow forecasts up to March 2028, funding and key risks, and considered its loss-making position. The business plan reflects the current economic conditions reflecting the capital markets environment and other macroeconomic factors. The Directors also considered the impact of key existing risks on the Group business plan as disclosed in the Risk Report.

Having undertaken this assessment the Directors have a reasonable expectation that the Company and Group have sufficient resources to continue to meet their liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements and the Board considers it appropriate to prepare the financial statements on a going concern basis.

2.3 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings. A subsidiary is an entity where the Company has control over that investee. The Company controls an investee when it has the power to govern the financial and operating policies of the investee to obtain benefits from its activities. This means having power over the investee, the exposure to variable returns from involvement with the investee and the ability to use power over the investee to affect the amount of the Company's returns.

The results of subsidiary undertakings acquired or disposed of during the financial period are included from, or up to, the effective date of acquisition or disposal. Uniform accounting policies have been adopted across the Group. The acquisition method of accounting is used to account for business combinations by the Group.

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

2.4 New standards and interpretations not yet adopted

The Group has not adopted any new or updated standards or interpretations that have been issued or early adopted any standards or interpretations that have not yet come into effect. There are no other new or updated standards or interpretations that are effective for the first time for the financial year beginning on or after 1 April 2023 that would be expected to have a material impact on the Group.

2.5 Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency of Sterling by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

On consolidation, assets and liabilities have been translated into Sterling at the closing exchange rate as at the reporting date. Income and expenses have been translated into GBP at the monthly exchange rates over the reporting period. Exchange differences are charged/credited to other comprehensive (expense)/income and recognised in the currency translation reserve in equity.

2.6 Revenue

Revenue is recognised at the fair value of the consideration received or receivable net of VAT and trade discounts. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenues are recognised when identified performance obligations have been fulfilled in accordance with IFRS 15 'Revenue from Contracts with Customers' and can be categorised as follows:

Merchant-derived

Interchange revenue

Interchange revenue is related to fees paid between issuing and acquiring banks for the acceptance of card-based transactions. Interchange is paid to the company by the relevant card scheme. The Company earns interchange revenue at a percentage of total settlements. The performance obligation is satisfied when a customer makes a purchase (either Pay over 6 weeks, Pay over 3 months or Pay now).

Commission income from merchants ("Affiliate" revenue)

Affiliate revenue is marketing fees paid by merchants in exchange for successful checkout by customers introduced by the Company. Affiliates are accessed either through an indirect agreement (provided via an affiliate network) or a direct agreement with the merchant. The performance obligation is satisfied at the time of checkout by the end-consumer. The Company recognises revenue when it has been approved by the affiliate on a monthly basis. For any pending commissions not yet approved revenue is estimated using historic decline rates.

Advertising revenue

Advertising revenue relates to marketing services provided to certain merchants and is invoiced monthly. Advertising revenue is recognised over the period of the service contract with the merchant.

Consumer-derived

Commission income from consumers ("Express", "Partially subsidised" and "Out-of-network" fees)

Express fees are paid directly by the customer on checkout where they have purchased from a merchant, utilising credit to split the cost over installments, without following the app purchase journey, opting instead to transact using the virtual card through their device wallet.

Partially subsidised fees are paid directly by the customer on checkout where they have purchased from a merchant which has either an indirect (provided via an affiliate network) or a direct agreement with the Company, but the rate agreed with the merchant is too low to fully subsidise the cost of the transaction for the customer.

Out-of-network fees are paid directly by the customer on checkout where they have purchased from a merchant which does not have an indirect (provided via an affiliate network) or a direct agreement with the Company. The performance obligation is satisfied when a customer makes a purchase, and any loan is executed. Revenue is recognised in the transaction month.

The Group applies the practical expedient in IFRS 15.121 (i.e. non-disclosure of remaining performance obligations as per IFRS 15.120) on the basis that all performance obligations are expected to be satisfied within a contract period of less than 1 year.

All consideration from contracts with customers is included in the transaction price. There is no non-cash consideration or adjustment for the effects of the time value of money given there are no long-term customer contracts.

Returns and reversals

Every affiliate has a different returns policy, in most instances up to a maximum of 180 days. Interchange revenue is refundable upon a customer return and notification by the merchant. Out-of-network fees for which there is a subsequent return are nonrefundable.

Returns are provided for based on historic return rates. At the period end, other receivables in respect of consumer loans are credited and other payables are debited, representing amounts due back from the merchants via the Merchant Issuer.

2.7 Cost of Sales

Cost of Sales represent the direct cost of issuing and processing a transaction and acquiring the payment from the customer, and utilised customer rewards.

2.8 Customer Acquisition Costs

Customer Acquisition Costs include the cost of acquiring and onboarding new customers, provision for rewards related to customer referrals and loan write-offs attributable to new customers who have defaulted.

2.9 Finance costs

Finance costs represent bank charges and interest payable on other liabilities recognised using the effective interest rate method. This is presented net of bank interest received.

2.10 Taxation

Income taxes consist of current tax and deferred tax. Income taxes are reported directly in the income statement except when the underlying transaction is reported directly against equity or other comprehensive income, in which case also the accompanying tax is reported in equity or other comprehensive income.

Deferred tax is reported according to the balance sheet method for all temporary differences between an asset's or a liability's tax base and its carrying amount in the balance sheet. Deferred tax assets are reported for non-utilised tax relief to the extent it is probable that the relief will be able to be offset against future taxable surpluses. Deferred taxes are estimated according to the tax rate that is expected to apply at the time of taxation.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

2.11 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Computer & office equipment 3 years
- Capitalised software 3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Any impairment identified is charged in the consolidated statement of profit or loss and other comprehensive income.

2.12 Leases

The Group assesses the contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. As at 31 March 2024, the Group is a lessee in its lease arrangements, and is not a lessor.

The Group applies a single recognition and measurement approach for all lessee leases, except for the short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (defined as leased assets, when new, with a value of five thousand pounds or less). The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying assets are available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset, otherwise the right-of-use asset is depreciated over the duration of the lease agreement. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented in the consolidated statement of financial position alongside property and equipment, and periodically reviewed for impairment.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the rate implicit in the lease if it is readily determinable. However, if the rate implicit in the lease is not readily determinable, the Group uses Bank of England borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.
In addition, the carrying amount of lease liabilities is remeasured if there is a modification or change of lease term (payments depending on interest or rate, or assessment of an option to purchase the underlying asset).

As a practical expedient, IFRS 16 'Leases' permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has elected this practical expedient and will not separate lease and non-lease components.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2.13 Intangible assets

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible assets are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows:

- IT build development expenditure 3 - 5 years

IT build development expenditure capitalised relates to a high-performance credit granting and payment processing platform integrated with third-party systems. A useful life of five years is based on expert knowledge provided by the product development team. Amortisation methods, useful lives and residual values are reviewed at each balance sheet date.

For internally developed customised software, expenditure on the research phase of projects to develop new software for IT is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Group intends to, and has sufficient resources to, complete the project;
- The Group has the ability to use or sell the software; and
- The software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.
Intangible assets capitalised in respect of Domain names are held at cost and reviewed annually for impairment.

2.14 Licence

Licences are assessed for impairment annually or when there are indicators of impairment, and any impairment will be charged to the consolidated statement of profit or loss. Licences have indefinite useful lives.

2.15 Goodwill

Goodwill is recorded when the consideration paid for an acquisition of a business exceeds the fair value of identifiable net tangible and intangible assets acquired. Goodwill is assessed for impairment annually or when there are indicators of impairment, and any impairment will be charged to the consolidated statement of profit or loss. Goodwill has an indefinite useful life.

2.16 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. This definition is also used for the consolidated statement of cash flows.

2.18 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, the Group makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. Where the carrying amount exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.19 Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.20 Financial assets

Financial assets are subsequently classified into the following specified categories:

- financial assets at fair value through profit or loss, including held for trading; or
- amortised cost.

The classification depends on the nature and purpose of the financial asset (i.e. the Group's business model for managing the financial assets and the contractual terms of the cash flows) and is determined at the time of initial recognition.

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not held at amortised cost are held at fair value through profit or loss.

2.21 Trade and other receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Specific provision for impairment is made through profit or loss when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

2.22 Consumer loan receivables

Consumer loan receivables in respect of Pay over 6 weeks transactions are receivable in instalments over a period of 6 weeks from the transaction date. The Company provides credit to the consumers over time but settles with the merchant at the point of sale. Zilch collects payment from consumers via a Merchant Acquirer, and therefore takes on the settlement risk on behalf of the merchant. Consumer loan receivables are recognised and carried at the lower of the transaction purchase amount less any instalments paid, and the recoverable amount, taking into account factors such as financial difficulty and fraud. General provision for impairment of consumer loan receivables is determined using the simplified approach for the recognition of expected credit losses in accordance with IFRS 9 'Financial Instruments' as set out below.

2.23 Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables and consumer loan receivables. The amount of expected credit losses ("ECL") is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses for trade receivables and consumer loan receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms of the receivable.

The amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade and consumer loan receivables which are reported net, such provisions are recorded in a separate allowance account included in the provision in other non-current liabilities with the loss being recognised within administrative expenses in the consolidated statement of profit or loss. On confirmation that the receivable will not be collected the gross carrying value of the asset is written off against associated provision.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.24 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Trade and other payables
Short-term payables are measured at the transaction price. Other financial liabilities are measured at fair value or subsequently at amortised cost using the effective interest method as detailed below.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL. A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other gains and losses' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

The Group has designated to measure convertible loan note instruments as financial liabilities at FVTPL under the simplified approach permitted by IFRS 9. As the instruments contain embedded derivatives, they have been designated as at FVTPL on initial recognition and as such the embedded conversion feature is not separated. All transaction costs related to financial instruments designated as fair through profit or loss are expensed as incurred.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.25 Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Warrant awards
Warrant awards issued to capital introducers, entitling the holder a right to acquire a fixed number of shares in the Company in the future for a fixed price upon certain trigger events, are classified as equity instruments where the likelihood of a trigger event occurring is probable. Such warrant awards are measured at the future subscription price upon recognition and are not subsequently remeasured.

Advanced subscriptions
Cash received as consideration under advanced subscription agreements is recognised within equity where there is an irrevocable commitment under the terms of the agreement to acquire shares in the Company in the future.

2.26 Share-based payments
The Group engages in equity-settled and cash-settled share-based payments transactions in respect of services received from employees.

Equity-settled awards
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date in line with IFRS 2 'Share-based Payment'. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 26.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding credit to equity.

Cash-settled awards
For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability in line with IFRS 2. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss.

2.27 Pensions
The Group operates a defined contribution pension plan for its employees. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the consolidated statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.28 Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.29 Statement of cash flows
The statement of cash flows is reported using the indirect method. The statement is divided into cash flows from operating activities, investing activities and financing activities. Operating activities stem mainly from revenue-producing activities of the entity. Operating cash flows include cash received from customers and cash paid to suppliers and employees. Investing activities are the acquisition and disposal of long-term assets and other investments that are not considered to be cash equivalents. Financing activities are activities that alter the equity capital and borrowing structure of the entity.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses, and the accompanying disclosures. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. As at 31 March 2024, the Group had the following critical accounting estimates and assumptions:

i. Provision for credit losses in respect of consumer loan receivables

Management estimates the required impairment of consumer loan receivables at the balance sheet date applying an expected credit loss model using a provision matrix. Management use the 'simplified' approach permitted under IFRS 9, which allows entities to recognise lifetime expected losses on assets without the need to identify significant increases in credit risk.

Our estimates are driven by a number of factors, including the likelihood of default, the potential amount of loss incurred if delinquent, our assessment of the credit risk associated with the receivable and their probability weightings. Due to the short nature of the consumer loan receivables, wider macroeconomic factors do not significantly impact the provisioning for credit losses.

Using data and market observations from inception (January 2019) to the reporting date, management have calculated historical loss rates for instalments. Total credit losses comprise bad debts, fraud and "forced churn" debts, which refers to new customers who fail payments and are not allowed back on to the Group platform.

ii. Employee share option and award scheme vesting periods based on the probability and timeline of conditional exit events occurring, such as a public listing or sale

Management have estimated the probability of exit events relevant to share-based payment transactions based on their business plans and financial forecasts.

The fair value of the equity instruments is calculated using the Black-Scholes model. This requires estimation of various inputs to the model, including the expected volatility of share price, risk-free interest rate and time to expiration. Refer to note 26 for further details.

At each year end, the Group assesses its estimates of the number of shares and awards that are expected to vest, and revises if deemed necessary. It recognises the impact in the consolidated statement of profit or loss and a corresponding adjustment to equity.

Management has concluded that there are no critical accounting areas of estimation.

4 Financial risk management

The Group's activities expose it to a variety of financial risks: capital risk, credit risk and interest rate risk. To manage these risks, management operate a risk management programme focused on monitoring market trends in the fintech industry, debt collection procedures for consumer loans and use of reputable third-party acquiring and issuing facilities to help manage cash flow.

Credit risk management

Credit risk is the risk of loss to the group from the failure of customers to honour their obligations either due to default or where a transaction was initiated fraudulently (by a first or third party). The controls and governance are set by policies covering "Credit Risk" and "Fraud".

We use a range of leading security tools and controls to identify, protect and control access to our systems for both our customers and staff. We use multifactor authentication both internally and for customers and use a wide range of fraud tools including enhanced IDV to secure our customers' account. Whilst we work with leading providers of system protection, and we remain alert to all new developments, our business remains sensitive to the ongoing effectiveness of those controls against a rapidly evolving set of threats.

The Group offers customers an unsecured credit account with our main credit products being the "Pay over 6 weeks" plan, a 42-day loan, and the "Pay over 3 months" plan, a 90-day loan. These products include controls to manage how and where they can be used. We have a significant amount of mitigation controls in place over the individual credit limit available to each customer. We are constantly monitoring customers' performance by cohort and can adapt risk controls but a significant weakening in the UK economy would impact credit performance. There are no profit or loss charges arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss.

As a material risk to the Group, management attention is directed towards establishing credit risk tolerance and implementing effective risk mitigation measures.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. Concentration of credit risk with respect to unsecured credit accounts to customers is minimal due to the broad range of customer demographic.

Interest rate risk

In line with the inflationary pressures, high interest rates significantly changed the operating landscape as the Group saw private equity funding taper and customer spending start to shift, given the impact of the cost of living.

Continued volatility in interest rates and inflation may adversely impact the Group's customers' spending levels and ability and willingness to pay outstanding amounts owed to the Group. Higher interest rates may lead to higher payment obligations on the Group's future credit products, or to their lenders under mortgage, credit card, and other loans. Therefore, higher interest rates may lead to increased delinquencies, charge-offs and allowances for loans and interest receivable, which could have an adverse effect on the Group's operating results. Interest-rate risk is the possibility that changes in interest rates will result in higher financing costs from interest-bearing financial liabilities.

The Group is exposed to interest-rate risk from floating interest rate borrowings in relation to the Goldman Sachs facility described in note 22. In a stressed scenario, a change of 100 basis points in the interest rates of interest-bearing liabilities at the reporting date would have changed profit or loss and equity by £406,000 (2023: £279,000).

Capital risk management

Capital risk is the risk that the Group has an insufficient level or composition of capital to support its business operations and to meet any capital requirements. The capital of the Group comprises the called-up share capital in relation to ordinary shares and retained earnings. The Group's capital structure is governed by a shareholder agreement. The Group's objective when managing capital is to ensure the Group continues as a going concern and is able to meet its liabilities as and when they fall due.

Liquidity risk

Liquidity risk refers to the possibility that the Group may be unable to fulfil its financial obligations. The Group manages its liquidity requirements by projecting daily cash inflows and outflows from its operations.

The Group's objective is to maintain cash to meet its liquidity requirements. This objective was met for the reporting periods by keeping all cash as readily available.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables are considered sufficient for the current cash outflow requirements.

The credit facility provided by Goldman Sachs has been replaced with a new credit securitisation agreement led by Deutsche Bank for an initial £100 million commitment for funding customer loan receivables originated by the Group before signing date. Refer to note 22 for more details.

Refer to note 23 for the Company's financial liabilities measured at amortised cost and the maturities of these liabilities.

5 Revenue

An analysis of revenue by source is as follows:	2024	2023
	£'000	£'000
Merchant derived:		
Interchange revenue	12,758	8,885
Affiliate, advertising and other	4,636	3,256
Consumer derived:		
Out-of-network and other fees	39,741	17,894
Total	**57,135**	**30,035**

6 Loss for the year

Loss for the year is stated after charging:		2024	2023
	Note	£'000	£'000
Research and development - including relevant staff costs		843	1,018
Depreciation of property, plant and equipment	14	298	267
Depreciation of right-of-use assets	13	1,609	1,301
Amortisation of intangibles	15	358	207
Expected lifetime credit losses and write-offs pertaining to returning customers		13,832	9,992
Customer acquisition costs *		6,084	9,232
Share-based payments expense	26	18,672	13,660
Restructuring fees		2,062	-
Audit fees		153	150

* Customer acquisition costs include expected lifetime credit losses pertaining to new customers of £1.9 million (FY 2023: £3.7 million).

7 Staff costs

Staff costs including Directors' remuneration were as follows:		2024	2023
	Note	£'000	£'000
Wages and salaries *		20,320	22,512
Social security costs		2,117	2,493
Defined contribution pension expenses		487	418
Share-based payment expenses	26	18,672	13,660
Total		**41,596**	**39,083**

The average monthly number of employees including Directors during the year was as follows:	2024	2023
	No.	No.
Product	111	96
Service	124	111
Staff	**235**	**207**
Directors	**4**	**2**

* Wages and salaries include contractor costs of £2.7 million (FY 2023: £3.6 million).

8 Director and key management personnel remuneration

Key management personnel are persons responsible for planning, directing and controlling the operations of the Group. No benefits have accrued under defined contribution schemes in the period (2023: nil). This represents the total remuneration paid to all directors.

	2024	2023
	£'000	£'000
Wages and salaries	448	342
Share-based payments	1,171	586
Total	**1,619**	**928**

This represents the remuneration of the highest paid director.

	2024	2023
	£'000	£'000
Wages and salaries	290	292
Share-based payments	1,046	484
Total	**1,336**	**776**

9 Finance costs

	2024	2023
	£’000	£’000
Interest expense on loans held at amortised cost	4,428	2,814
Debt issue costs	2,783	1,074
Other finance costs	133	-
Total	**7,344**	**3,888**

10 Other income

	2024	2023
	£’000	£’000
Interest income from deposits	868	228
Interest income from bank	169	133
Other income	595	-
Total	**1,632**	**361**

11 Taxation

Corporation tax	**2024**	**2023**
	£'000	**£'000**
Current tax	(157)	(339)
Total	**(157)**	**(339)**

The tax credit for the year can be reconciled to the loss before tax as follows:	**2024**	**2023**
	£'000	**£'000**
Loss before tax on continuing operations	**(50,214)**	**(72,116)**
Loss on ordinary activities multiplied by the standard corporation tax in the UK of 25% (2023: 19%)	**(12,554)**	**(13,702)**
Effects of:		
Expenses not deductible for tax purposes	4,489	3,854
Capital allowances	(43)	(12)
Unrecognised deferred tax for carried forward tax losses	8,093	9,860
Research and development tax credit	(142)	(339)
Total tax credit for the period	**(157)**	**(339)**

Factors affecting tax charges

In March 2021, the Chancellor announced an increase in the corporation tax rate from 19% to 25% with effect from 1 April 2023. In October 2022 it was further announced that the increase will go ahead and therefore the corporation tax rate will increase to 25% from 1 April 2023, affecting companies with profits of £250,000 and over, whereas small companies with profits up to £50,000 will continue to pay corporation tax at 19%, with profits between these two figures being subject to a tapered rate.

Tax losses

Unused tax losses at the period end date for which no deferred tax asset has been recognised total circa £149.1 million (2023: £117.5 million). Due to the start-up nature of the business, the timing and extent of future profits remains uncertain and cannot be reliably estimated at the balance sheet date.

12 Investment in subsidiaries

On 7 July 2021, the Group acquired 100% ownership in Neptune Financial Inc. (now Zilch USA Inc.). This was fully impaired as at 31 March 2024 as a result of the curtailed operations in the USA.

Zilch Poland Sp. Z o.o. was incorporated on 8 September 2022 with operations commencing in April 2023. This is a centre for engineering and innovation which does not provide services to customers and is 100% owned by the Group.

Cost	**2024**	**2023**
	£'000	**£'000**
Balance as at 1 April	182	2,287
Additions	310	-
Impairment	(182)	(2,105)
As at 31 March	**310**	**182**

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

			Aggregate of share capital and reserves at:	
Name	**Ownership %**	**Nature of Business**	**2024**	**2023**
			£'000	**£'000**
Zilch Finance 1 Ltd	100	Factoring and financial intermediation	1	1
Zilch USA Inc.	100	Provider of credit	16,422	20,656
Zilch Poland Sp. Z o.o.	100	Software engineering and development	310	-

Zilch Finance 1 Ltd was incorporated on 26 November 2020 in England and Wales. The registered office address is 111 Buckingham Palace Road, London, England, SW1W 0SR.

Zilch USA Inc. (previously Neptune Financial Inc.) was incorporated on 7 November 2016 in Delaware, USA. The registered office address is 1111 Brickell Avenue, STE 1870, Miami FL 33131.

Zilch Poland Sp. Z o.o. was incorporated on 8 September 2022 in Krakow, Poland. The registered office address is Aleja 29 Listopada 20/, 31-401 Kraków.

In accordance with IFRS 10 'Consolidated Financial Statements', the subsidiaries have been consolidated in the Group financial statements by combining the assets, liabilities, equity, income, expenses, and cash flows of the subsidiaries with those of the parent and eliminating the cost of the investment. Transactions and balances with subsidiaries have been eliminated on consolidation.

Interest in other entities

The Company has interest in a special purpose entity Zilch Finance 2 Limited ("ZF2"), wholly owned and managed by Wilmington Trust (London) Limited. ZF2 was incorporated on 30 June 2021 in England and Wales. The registered office address is 1 Kings Arms Yard, 3rd Floor, C/O Wilmington Trust Sp Services (London) Limited, London, England, EC2R 7AF.

ZF2 is the legal borrower of Goldman Sachs Asset Management loan facility used by the Group (refer to note 22 for further details). On 2 September 2021, the Company entered into the Receivables Sales and Purchase Agreement with ZF2. Under the terms of this agreement, the proceeds from the issue of the loan were used by ZF2 to have assigned to it the right, title and interest in a portfolio of unsecured consumer loans from the Company. The Receivables Sales and Purchase Agreement grants ZF2 the right to require the Company to repurchase any defaulted receivables past due and any voluntarily terminated receivables. Accordingly, substantially all the risks and rewards of the portfolio of consumer loans sold to ZF2 have been retained by the Company.

ZF2 does not meet the definition of the legal subsidiary of the Company. However, due to the nature of the transaction described above, it gives rise to the risks and rewards that are, in substance, no different than if it was a legal subsidiary of the Company. Its assets, liabilities, equity, income, expenses and cash flows were consolidated with those of the Company and transactions and balances with this entity have been eliminated on consolidation.

13 Right-of-use assets

Right-of-use assets are the office buildings in the United Kingdom, USA and Poland.

Group & Company	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Cost				
Opening balance	2,948	2,948	2,987	2,987
Additions	4,979	4,130	794	794
Disposals	(2,948)	(2,948)	(833)	(833)
Closing balance	**4,979**	**4,130**	**2,948**	**2,948**
Accumulated depreciation				
Opening balance	1,962	1,962	906	906
Depreciation expenses	1,609	1,304	1,301	1,301
Disposals	(2,948)	(2,948)	(245)	(245)
Closing balance	**623**	**318**	**1,962**	**1,962**
Carrying value	**4,356**	**3,812**	**986**	**986**

14 Property, plant and equipment

Group	Office equipment	Computer equipment	Total
	£'000	£'000	£'000
Cost			
Balance at 1 April 2023	53	732	785
Additions	23	237	260
Disposals	(29)	(32)	(61)
Balance at 31 March 2024	47	937	984
Accumulated depreciation			
Balance at 1 April 2023	39	391	430
Depreciation expenses	6	292	298
Disposals	(21)	(21)	(42)
Balance at 31 March 2024	24	662	686
Carrying amount			
Balance at 31 March 2024	23	275	298
Balance at 31 March 2023	13	341	354

Group	Office equipment	Computer equipment	Total
	£'000	£'000	£'000
Cost			
Balance at 1 April 2022	19	675	694
Additions	34	73	106
Disposals	-	(15)	(15)
Balance at 31 March 2023	53	732	784
Accumulated depreciation			
Balance at 1 April 2022	7	164	171
Depreciation expenses	32	234	267
Disposals	-	(8)	(8)
Balance at 31 March 2023	39	391	430
Carrying amount			
Balance at 31 March 2023	13	341	354
Balance at 31 March 2022	12	511	523

Company	Office equipment £'000	Computer equipment £'000	Total £'000
Cost			
Balance at 1 April 2023	17	677	694
Additions	23	165	188
Disposals	(3)	(32)	(35)
Balance at 31 March 2024	37	810	847
Accumulated depreciation			
Balance at 1 April 2023	11	366	377
Depreciation expenses	6	221	227
Disposals	(3)	(12)	(15)
Balance at 31 March 2024	14	575	589
Carrying amount			
Balance at 31 March 2024	23	236	259
Balance at 31 March 2023	6	312	318

Company	Office equipment £'000	Computer equipment £'000	Total £'000
Cost			
Balance at 1 April 2022	17	630	647
Additions	-	62	62
Disposals	-	(15)	(15)
Balance at 31 March 2023	17	677	694
Accumulated depreciation			
Balance at 1 April 2022	6	158	164
Depreciation expenses	5	215	220
Disposals	-	(8)	(8)
Balance at 31 March 2023	11	366	376
Carrying amount			
Balance at 31 March 2023	6	312	318
Balance at 31 March 2022	11	472	483

15 Intangible assets

Group	Domain name	IT build development	Capitalised development costs	License	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Balance at 1 April 2023	689	1,054	-	1,949	1,128	4,820
Additions	-	408	836	-	-	1,244
Balance at 31 March 2024	689	1,462	836	1,949	1,128	6,064
Accumulated amortisation						
Balance at 1 April 2023	-	372	-	1,949	1,128	3,449
Amortisation expenses	-	207	151	-	-	358
Transfer	-	410	-	-	-	410
Balance at 31 March 2024	-	989	151	1,949	1,128	4,217
Carrying amount						
Balance at 31 March 2024	689	473	685	-	-	1,847
Balance at 31 March 2023	689	682	-	-	-	1,371

Group	Domain name	IT build development	License	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
Balance at 1 April 2022	689	1,017	1,949	1,128	4,783
Additions	-	161	-	-	161
Transfer	-	(124)	-	-	(124)
Balance at 31 March 2023	689	1,054	1,949	1,128	4,820
Accumulated amortisation and Impairment					
Balance at 1 April 2022	-	190	-	972	1,162
Amortisation expenses	-	207	-	-	207
Impairment	-	-	1,949	156	2,105
Transfer	-	(25)	-	-	(25)
Balance at 31 March 2023	-	372	1,949	1,128	3,449
Carrying amount					
Balance at 31 March 2023	689	682	-	-	1,371
Balance at 31 March 2022	689	826	1,949	156	3,620

Company	Domain name	IT build development	Capitalised development costs	Total
	£'000	£'000	£'000	£'000
Cost				
Balance at 1 April 2023	688	1,054	-	1,742
Additions	-	4	836	840
Transfer	-	(24)	-	(24)
Balance at 31 March 2024	688	1,034	836	2,558
Accumulated amortisation				
Balance at 1 April 2023	-	372	-	372
Amortisation expenses	-	204	151	355
Transfer	-	(14)	-	(14)
Balance at 31 March 2024	-	562	151	713
Carrying amount				
Balance at 31 March 2024	688	472	685	1,845
Balance at 31 March 2023	688	681	-	1,369

Company	Domain name	IT build development	Total
	£'000	£'000	£'000
Cost			
Balance at 1 April 2022	688	1,017	1,705
Additions	-	161	161
Transfer	-	(124)	(124)
Balance at 31 March 2023	688	1,054	1,742
Accumulated amortisation			
Balance at 1 April 2022	-	190	190
Amortisation expenses	-	207	207
Transfer	-	(25)	(25)
Balance at 31 March 2023	-	372	372
Carrying amount			
Balance at 31 March 2023	688	681	1,369
Balance at 31 March 2022	688	826	1,514

16 Trade and other receivables

Group & Company	Group	Company	Group	Restated Company
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Trade receivables	57	57	174	174
Consumer loan receivables	60,439	60,439	30,785	30,028
Other receivables	2,292	2,284	3,911	3,911
Prepayments	1,979	1,900	1,959	1,612
Accrued income	1,638	1,638	855	821
Intercompany	-	-	-	1,501
Total	**66,405**	**66,318**	**37,684**	**38,047**

Refer to note 29 for the restatement in company only Trade and other receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance or consumer loan receivables. The following table details activity in the allowance for credit losses:

Group & Company	Group	Company	Group	Company
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Allowance at beginning of period	**6,388**	**6,118**	**13,766**	**13,766**
Net increase in Provision for credit losses	14,371	14,125	12,843	11,731
Charge offs	(9,128)	(8,612)	(20,221)	(19,379)
Allowance at end of period	**11,631**	**11,631**	**6,388**	**6,118**

Zilch maintains an allowance for credit losses at a level sufficient to absorb expected credit losses based on evaluating known and inherent risks in Group's loan portfolio. The allowance for credit losses is determined based on the current estimate of expected credit losses over the remaining contractual term using historical loss rates.

Zilch uses historical loss rates on credit loans to determine different loss patterns for different customer groups; New Customer (Forced Churn) and Returning Customer (Expected Credit Loss).

Provision for rewards utilisation
Customers can earn up to 8% cashback in rewards on 'Pay now' transactions. Zilch provides for the utilisation of 90% (FY 2023: 65%) of total rewards issued. The following table details activity in the allowance for rewards:

Group & Company	Group	Company	Group	Company
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Allowance at beginning of period	**363**	**353**	**237**	**237**
Provision for rewards	1,698	1,693	3,838	3,829
Rewards utilised	(1,946)	(1,931)	(3,712)	(3,713)
Allowance at end of period	**115**	**115**	**363**	**353**

17 Long-term deposits

Group & Company	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Long-term deposits	563	563	-	-
Total	**563**	**563**	**-**	**-**

18 Cash and cash equivalents

Group & Company	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Cash at bank	23,856	20,091	35,635	26,796
Money market funds	21,592	21,592	26,013	26,013
Total	**45,448**	**41,683**	**61,648**	**52,809**

19 Trade and other payables

Group & Company	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Restated Company 2023 £'000
Trade payables	5,890	4,339	3,456	2,770
Social security and other taxes	591	496	578	520
Other payables	630	39,180	211	19,271
Total	**7,111**	**44,015**	**4,245**	**22,561**

Refer to note 29 for the restatement in company only Trade and other payables.

20 Lease liabilities

Group & Company	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Current	1,011	708	1,049	1,049
Non-current	3,499	3,228	-	-
Total	**4,510**	**3,936**	**1,049**	**1,049**

Lease liabilities are included on the face of the statement of financial position in Other financial liabilities (current and non-current respectively).

Lease payment due

Group

	Within 1 year	1-3 years	Total
Lease payments	1,219	3,615	4,834
Finance charges	(208)	(116)	(324)
Net Present Value	**1,011**	**3,499**	**4,510**

Lease payment due

Company

	Within 1 year	1-3 years	Total
Lease payments	880	3,351	4,231
Finance charges	(172)	(123)	(295)
Net Present Value	**708**	**3,228**	**3,936**

The changes in the Group and Company's lease liabilities arising from financing activities can be classified as follows:

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Balance at 1 April	1,049	1,049	2,117	2,117
Cash flows:				
Recognition of right-of-use assets	5,015	4,130	794	794
Repayments	(1,633)	(1,302)	(1,295)	(1,295)
Interest	79	59	24	24
Disposals	-	-	(591)	(591)
Balance at 31 March	**4,510**	**3,936**	**1,049**	**1,049**

21 Other financial liabilities: Current

Group & Company	Note	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Debt facility		40,607	-	-	-
Provisions	16	11,770	11,770	6,471	6,471
Deferred consideration		-	-	2	2
Shares to be allocated and other		190	190	50	50
Total		**52,567**	**11,960**	**6,523**	**6,523**

22 Other financial liabilities: Non-current

Group & Company	Note	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Share-based payments scheme liability	26	1,694	1,694	1,807	1,807
Debt facility		-	-	25,129	-
Total		**1,694**	**1,694**	**26,936**	**1,807**

In July 2021, the Group obtained a commitment from Goldman Sachs Asset Management of £50 million for a flexible drawdown facility. The facility is secured by a fixed and floating charge created in September 2021 over the assets of the parent Company. As set out in the facility agreement, the repayment of the debt facility by amortisation of the underlying receivables is due to begin in September 2024 with the expectation that the facility will be fully repaid within a three-month period given the repayment profile of the underlying receivables.

A separate entity, ZF2, is the legal borrower; however, the Group is in substance expected to utilise the facility to develop the 'Pay over 6 weeks' and 'Pay over 3 months' service offerings and ancillary products/services. Further to this, Goldman Sachs Asset Management also invested a further circa £7 million in equity. The debt issues costs of £2.8 million (2023: £1.1 million) were expensed in the year.

The facility contains certain covenants and restrictions, including certain financial maintenance covenants, and requires payment of a monthly unused commitment fee of 0.75% per annum on the undrawn balance available. The Group is also required to maintain a cash balance in aggregate of at least £10 million in order to continue to draw down against the facility, further should the Group balance in aggregate be less than £10 million for a period greater than 90 days, this would trigger an early amortisation of the facility. Commitment fees for the financial year totaled £131,000 (FY 2023: £188,000). As at 31 March 2024, Zilch has drawn £40.6 million (2023: £27.9 million) of a possible £50 million.

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Group 2024 £'000	Group 2023 £'000
Balance at 1 April	27,912	20,533
Cash flows:		
Proceeds	12,695	7,379
Balance at 31 March	**40,607**	**27,912**

23 Financial assets and financial liabilities

Group & Company	Group	Company	Restated Group	Restated Company
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Financial assets				
Measured at amortised cost	111,853	108,001	99,332	90,856
Total	**111,853**	**108,001**	**99,332**	**90,856**
Financial liabilities				
Measured at fair value through profit or loss	1,694	1,694	1,807	1,807
Measured at amortised cost	47,718	44,015	29,374	22,561
Total	**49,412**	**45,709**	**31,181**	**24,368**

The Company applies the following fair value hierarchy that prioritises the inputs to valuation techniques used in measuring fair value. The hierarchy establishes three categories for valuing financial instruments, giving the highest priority to unadjusted quoted in an active market for identical assets or liabilities and the lowest priority to unobservable inputs.

Level 1 – Unadjusted quoted for identical assets or liabilities in an active market that the Company has the ability to access at the measurement date.

The Company currently does not hold assets or liabilities that would be classified as Level 1.

Level 2 – Quoted in the markets that are not active, quoted prices for similar assets or liabilities, recent market transactions, inputs other than quoted market prices for the assets or liabilities that are observable either directly or indirectly for substantially the full term, and inputs to valuation techniques that are derived principally from or corroborated by observable market data through correlation or other statistical means for substantially the full term of the asset or liability.

The Company currently does not hold assets or liabilities that would be classified as Level 2.

Level 3 – Inputs to the pricing or valuation techniques that are significant to the overall fair value measurement of the asset or liability are unobservable.

In this category, the Company includes:

- Financial assets that are debt instruments measured at amortised cost which comprise consumer loan receivables, trade and other receivables;
- Financial liabilities measured at amortised cost which comprise trade and other payables and loans held at amortised cost; and
- Financial liabilities measured at fair value through profit or loss which comprise convertible loan notes and cash-settled share-based payment liabilities. The directors consider that the carrying values of these assets and liabilities are a reasonable approximation of fair values of these instruments.

24 Share capital

Authorised, allotted, called up and fully paid:	2024	2023
	£	£
Balance at 1 April		
521,159 Founder Shares of $0.001 each (2023: 521,159 Founder Shares of $0.001 each)	521	521
628,930 Ordinary Shares of $0.001 each (2023: 602,713 Ordinary Shares of $0.001 each)	629	603
Total	**1,150**	**1,124**

Issued and fully paid:	2024	2023
At 1 April	1,124	1,114
Issued during the year	26	10
At 31 March	**1,150**	**1,124**

The Company has two classes of shares, Founder shares and Ordinary shares. All shares carry one vote per share and have rights to receive dividends and to participate in a distribution of capital (including on winding up) subject to the provisions of the articles of association.

25 Share premium

	2024	2023
	£'000	£'000
Balance at 1 April	187,940	193,811
Premium arising on issue of equity shares	23,442	10,436
Capital raising costs	(634)	(16,307)
Total	**210,748**	**187,940**

Share premium represents the credited difference in price between the nominal value of shares and the total subscription price of issued £0.001 ordinary shares during the period.

Capital raising costs are those costs directly attributable to the raising of further capital in the Company. All of the capital raising costs in FY 2024 were in the form of cash payments. In FY 2024, £634,000 of the capital raising costs were paid for the issuance of equity shares.

26 Share-based payments

The terms of the main current schemes from which the employees of the Group benefit are set out below.

Equity-settled share-based payments
The Company operates equity-settled share schemes for all employees of the Group. In accordance with the terms of the plan, employees are granted options to purchase ordinary shares in the Company for a fixed price over a vesting period ranging from immediately to three years from the grant date.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights.

Options may be exercised at any time from the date of vesting to the date of their expiry, which is the tenth anniversary of the date of the grant. If the options remain unexercised after the tenth anniversary from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest. Some options have non-market performance conditions attached to them, including targets for sales lead generation, whilst others have only a continued service condition attached.

Equity-settled share-based payments are accounted for based on the fair value at award grant date with the requisite expense recognised over the vesting period of the award. The Black-Scholes option pricing model is used to determine the fair value of equity options granted under the plan.

Restricted stock units
Restricted stock units (RSU) enable the Group to reward employees and provide those with an allowance of allocated Company shares in the future, contingent on an associated service-based condition and liquidity event condition being met.

The Group issued a total of 1,345 RSUs during the financial year that vest on a graded vesting scheme in line with the service and performance conditions. For the RSU schemes, the fair value is measured at grant date and expensed over the period in which the RSU holder become entitled to these rights. The liquidity event condition is a non-vesting condition and is factored into the vesting schedule. The fair value is measured as the fair value of the service and performance conditions, and the corresponding increase in liabilities.

Details of the share options outstanding during the year are as follows:

	Employee share options	Restricted stock units	Total	Weighted average exercise price	Weighted average fair value at grant date
	No.	No.	No.	£/share	£/share
Outstanding at 31 March 2022	**85,145**	**-**	**85,145**	**111.59**	**127.72**
Granted during the year	29,681	-	29,681	64.29	1,210.78
Cancelled during the year	(1,077)	-	(1,077)	420.46	131.87
Outstanding at 31 March 2023	**113,749**	**-**	**113,749**	**100.30**	**411.53**
Granted during the year	13,405	1,345	14,750	295.72	1,039.07
Cancelled during the year	(7,137)	-	(7,137)	283.23	949.26
Outstanding at 31 March 2024	**120,017**	**1,345**	**121,362**	**115.18**	**438.15**
Exercisable at 31 March 2024	**111,356**	**-**	**111,356**	**103.65**	**371.69**
Exercisable at 31 March 2023	87,821	-	87,821	74.42	318.82

The inputs into the Black-Scholes model are as follows:

	2024	2023
Expected volatility	40%	40%
Expected life	36 Months	36 Months
Risk-free rate	3.3 - 5.3%	2.0 - 3.5%

Expected volatility was determined by management taking into consideration the historical volatility of the Group's share price, fintech industry market trends as well as the start-up nature of the business.

For share options outstanding at the year end, the range of exercise prices is £0.001 - £1,259.75 and the range of grant date fair values is £48.00 - £1,259.75. The weighted average remaining contractual life at 31 March 2024 is 7 years and the weighted average remaining vesting period is 2 years.

The Group recognised a total charge of £17.0 million in relation to the schemes above for the year ended 31 March 2024 (2023: £12.3 million) in profit or loss with a corresponding credit to the share-based payment reserve within equity.

Cash-settled share-based payments

The Group issued notional share awards to certain employees which entitle the holder to a cash bonus payment upon certain trigger events occurring in the future, including a sale, change in control or listing. A bonus cash payment, equal to the proceeds payable to a shareholder of the Company holding an equal number of shares, is payable following a trigger event to the holder if: a) performance targets are met to the satisfaction of the management team; and b) employees continue to be in full-time employment with the Company.

In the year ended 31 March 2024, all notional share awards were converted into employee share option plans in the Company. The Group has reduced the liability of £1.8 million in respect of this cash-settled share-based payment plan for the year ended 31 March 2024, which included employer's national insurance contributions calculated at 13.8%. The Group has recorded total expenses of this conversion as £2.0 million in the period.

27 Warrants

During the year ended 31 March 2024, no warrants (2023: 1,232) were awarded to introducers of capital and 10,020 warrants (2023: nil) were exercised. Under the terms of the warrant instrument agreements, the warrants give the holders a right, but not an obligation, to subscribe to a fixed number of shares for a fixed price at a future date.

The subscription price ranges from nominal values of (£0.001) to £69.00, and is conditional upon a trigger event taking place, being an internal reorganisation, sale or listing. Based on management objectives and current forecasts, a trigger event is expected to occur and is deemed to be probable within 2 years from the 31 March 2024 year end date for the remaining 476 issued warrants not yet exercised.

The warrants are presented within equity on the basis that they are considered to meet the "fixed for fixed" in equity classification criteria under IFRS 9. The total fair value is £200,139 (2023: £3,238,227) for all warrants.

28 Profit or loss

The profit or loss account represents cumulative profits and losses net of all adjustments and transactions with owners (e.g. dividends).

29 Prior year Company only restatement

A Company only restatement has been made to correctly reflect intercompany balances and charges between Zilch Finance 2 Limited and the Company in FY 2023. This restatement resulted in an increase in the Consumer loan receivables line item within Trade and other receivables of £21.8 million, an increase in the Other payables line item within Trade and other payables of £19.8 million, an increase in loss for the year of £1.1 million and a decrease in accumulated losses of £3.9 million. This restatement has had no effect on the consolidated financial statements.

The following table summarises the impact on the Company's financial statements for the year ended 31 March 2023:

Company Only statement of financial position	**As reported**	**Restatement**	**As restated**
	£'000	**£'000**	**£'000**
Current assets			
Trade and other receivables	16,205	21,842	38,047
Total current assets	**70,422**	**21,842**	**92,264**
Total assets	**73,277**	**21,842**	**95,119**
Current liabilities			
Trade and other payables	3,502	19,059	22,561
Total current liabilities	**11,074**	**19,059**	**30,133**
Total liabilities	**12,881**	**19,059**	**31,940**
Equity			
Retained earnings	(84,775)	3,857	(80,918)
Profit / (loss) for the year	(80,653)	(1,074)	(81,727)
Total equity	**60,396**	**2,783**	**63,179**

Company Only notes to the financial statements

	As reported	**Restatement**	**As restated**
	£'000	**£'000**	**£'000**
Note 16 - Trade and other receivables			
Consumer loan receivables	8,186	21,842	30,028
Note 19 - Trade and other payables			
Other payables	212	19,059	19,271

30 Related party transactions

Refer to note 8 for details of Directors' remuneration and Key management personnel remuneration.

ZF2 is the legal borrower of Goldman Sachs Asset Management loan facility used by the Group (refer to note 22).

During the period, the portfolio of consumer loans acquired by ZF2 totaled £889.1 million (2023: £622.1 million) and repayments of principal on the portfolio totaled £835.2 million (2023: £600.2 million).

Unless otherwise stated, none of the transactions incorporate special terms and conditions.

In the opinion of the Directors, there is no overall controlling party at year end.

31 Events after the reporting period

Events occurring after the reporting period are summarised below and are all considered to be non-adjusting events. Between April 2024 and August 2024:

- **i.** the Group undertook a reorganisation of its corporate structure in April 2024. This reorganisation was effected by way of a share for share exchange, where shareholders of Zilch Technology Limited exchanged their shares for an equivalent number of shares in the new holding company, Zilch Holdings Limited, being the new ultimate parent of the Group. As a result, Zilch Holdings Limited now holds 100% of the shares of Zilch Technology Limited, which continues to operate as a wholly-owned subsidiary within the Group structure. The reorganisation did not result in any changes to the underlying business operations, management or control of the Group; and
- **ii.** the Group raised £100 million in a securitisation debt deal led by Deutsche Bank in June 2024. This securitisation debt deal will replace the Goldman Sachs debt facility as described in note 22 and will fuel our expansion strategy.

Glossary.

Active Users
users who have transacted at least once within the given reporting period.

Consumer-Derived Revenue
revenues we generate from consumer actions (fees).

Customer Acquisition Cost (CAC)
the expenses associated with acquiring a customer in each period (including lead generation; onboarding expenses and Forced Churn).

Average Order Frequency (AOF)
total transactions for the period divided per Active User.

Forced Churn
the credit losses applied to new customer cohorts based on the losses incurred on the transactions performed as a new customer.

Fully Loaded Adjusted Gross Profit
a non-IFRS metric that includes IFRS gross profit plus the interest expense associated with funding consumer receivables plus the credit losses pertaining to returning customers.

Gross Merchandise Value (GMV)
total value of merchandise sold via our platform in each period. GMV net of returns is adjusted for customer returns, and any other transaction reversals.

Merchant-Derived Revenue
revenues we generate from merchants (interchange; affiliates; data; tenancy and advertising).

Monthly Active Users
users that have transacted within a given month.

New Customer
a customer who has performed up to three transactions which have not yet been fully paid off.

Returning Customer
a customer who has paid off their first three transactions and has continued to transact.

Snooze
fee paid by consumer allowing them the ability to defer an instalment before it falls due.

Take Rate
revenue expressed relative to GMV net of returns.

Company information.

Registered Company Number

Registered in England and Wales
Company number 11488502

Incorporated on

27 July 2018

Registered Office

111 Buckingham Palace Road
London, SW1W 0SR
United Kingdom

Directors

Serge Belamant, Chairperson and Co-founder and Non-Executive Board member.

Philip Belamant, CEO, Co-founder and Director.

Sean O’Connor, Co-founder and Director.

Pavel Chernyshov, Independent Non-Executive Board member and Audit Committee Chairperson.

Independent Auditors

Grant Thornton
13-18 City Quay,
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Contact us

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