zilch

2025

Zilch Holdings Limited
2025 Annual Report

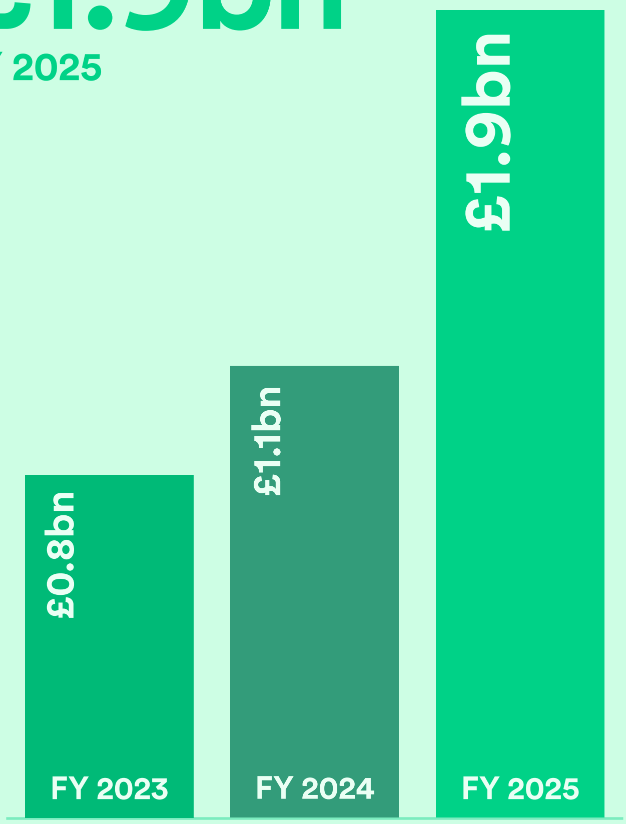
Zilch Holdings Limited

Registration number:
11887457

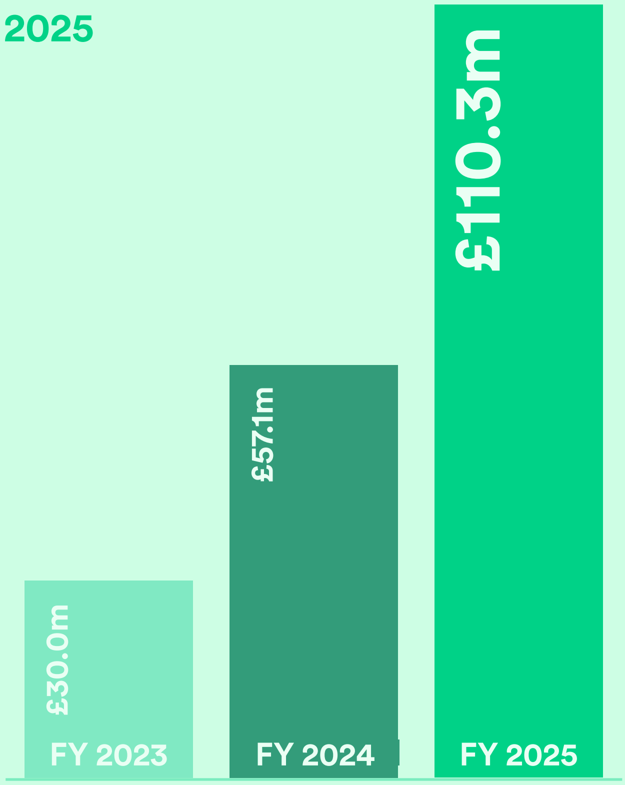
111 Buckingham Palace Road
London, SW1W 0SR
United Kingdom

2025 Our best performance so far

GMV £1.9bn
FY 2025

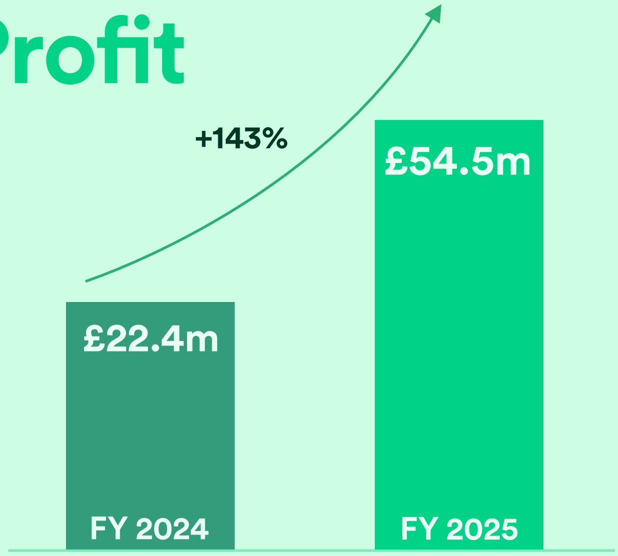


Revenue £110.3m
FY 2025



79% Reduction in Net Losses

Gross Profit



Gross Profit Margin

49%

FY 2025 10%
up from FY 2024

57x

FY 2025

Average Order Frequency
vs 51x in FY 2024

Spend per Active User

£2,369

27% up from FY 2024

UK's Fastest-Growing

Unicorn

Financial
Times 2025
FT1000
Report

6.08%

0.64% up from FY 2024

Revenue Take Rate

FY 2025

Flexible ways to pay.
Pay over 6 weeks.
Pay over 3 months.
Pay now.
No interest.
No late fees.
No jargon.
No hidden charges.
Instant Rewards.
Exclusive offers.
Snooze payments.
Build your credit score.
Grow your credit limit.
Support that suits you.
Apply in minutes.
Decision in minutes.

Spend with benefits.

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

Zilch is the first direct-to-consumer-merchant payments and lending platform building a proprietary ad-enabled network.

Working from first principles, Zilch is redefining the multi-trillion advertising and payments markets by combining the best of debit, credit, and financial wellbeing into a single, intelligent product. The result is an accelerating flywheel of value that serves both customers and merchants.

With Zilch, millions of people can shop online or in-store, anywhere in the world – and choose how they pay. Earn up to 5% cashback in Zilch Rewards when customers Pay now, or spread the cost interest-free over six weeks or up to three months with Pay over time options.

Authorised by the FCA since April 2020 for consumer credit, we have built our platform around doing the right thing for consumers by design. That includes offering direct access to our high-intent customers, and enabling those customers to save through personalised deals and discounts driven by our usage of first-party data and machine learning.

We are not just changing how people pay. We are reshaping what people expect from credit – intelligent, credit-building, and designed around them.


9:41
VISA
Available credit
£2250.00
Rewards balance
£50.00
Categories
Vouchers
Lower fees
Big deals.
Shop
Account
Help
VISA

We're growing. *Fast.*

2018
Zilch founded.

2020
Product publicly launched with Pay over 6 weeks.

Series A funding of £15m.

FCA authorisation granted for consumer credit.

2021
1 million registered customers.

Series B funding of £83m.

£50m debt facility provided by Goldman Sachs Asset Management with ability to increase to £125m.

Series C funding of £80m.

2022
Series C extended by £42m bringing total to £122m.

Achieved positive net transaction margin.

2023

Zilch Up and Classic rolled out to new customers increasing accessibility of credit.

Partnership signed with leading UK debt charity StepChange.

First provider of BNPL to impact customer scores and report to all major UK credit referencing agencies.

2024

Monthly GMV exceeded £200m for the first time.

Pay over 3 months launched to qualifying customers.

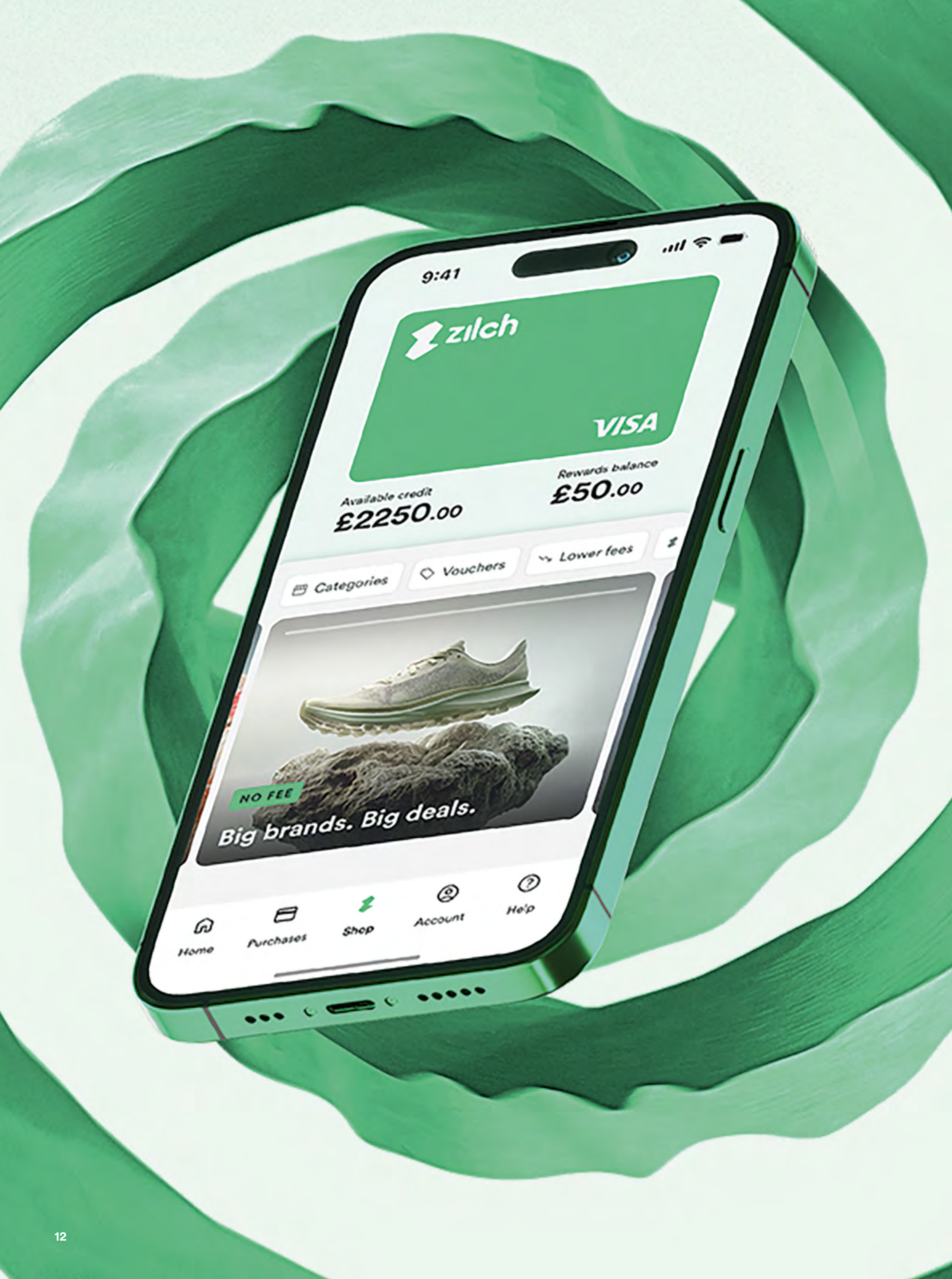
Zilch X launched.

Initial securitisation of £150m raised, led by Deutsche Bank and two global credit funds, with ability to increase to £400m.

2025

Ranked the UK's fastest-growing tech unicorn by the Financial Times, Deloitte, and The Sunday Times.

5 million registered customers.


9:41
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Vouchers
Lower fees
NO FEE
Big brands. Big deals.
Home
Purchases
Shop
Account
Help

Business model & strategy

What Zilch does.

Zilch is an ad-enabled technology platform built at the intersection of payments, advertising and credit. 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 our mobile app connecting our customers to merchants.

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 those with the weakest credit profiles, facing the highest costs and further damaging their financial health. Zilch aims to disrupt this cycle.

Where Zilch is.

Founded in the UK and headquartered in London, Zilch also operates an innovation and technology development hub in Krakow, Poland.

Who Zilch serves.

We have a diverse 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 underwriting model is built to align commercial success with consumer wellbeing. Credit is offered with repayment options of six weeks or up to three months. There are no interest charges, no late fees and no penalties.

We only succeed when our customers succeed. We do not profit from customers being unable to repay their debt when due.

Zilch's Business model.

Zilch is a financial media network with a unique ad-enabled platform that empowers consumers to unlock more value from every transaction. This creates a two-way network from which we generate a diversified and growing set of revenue streams.

Merchant.

Merchants view Zilch not as a payments tool, but as a high-conversion advertising platform.

Our Zilch app attracts high-intent customers, ready to make a purchase, helping to drive the maximum return for our merchant partners on their advertising spend.

Merchants pay performance-based affiliate commissions linked to basket size and advertising fees for premium placement. In return, they gain conversion rates far beyond traditional digital ads – without the inefficiency.

As a consequence of our D2C model, we own the relationship with the end customer – and are able to generate additional revenue through insightful, anonymised first-party data that helps merchants optimise campaigns and product strategy. Zilch also earns interchange revenue across the network – creating multiple, defensible revenue streams.

Consumer.

Consumers stay and continue to use the product for the trust – knowing Zilch works for them, not against them. Consumers may incur an upfront fee when shopping outside the app or with an out-of-network merchant – but our goal is always to subsidise the cost of credit wherever possible, while offering maximum convenience online, in-store, and anywhere in the world.

Every touchpoint is designed to deliver value, clarity and control – no interest, no hidden fees, no debt traps. Instead, consumers gain flexibility, build credit profiles and engage with a platform engineered to act in their best interest.

Smarter products. Greater flexibility.

2025 in focus. *Our product highlights.*

Up, Classic, and X

Our new segmented product structure now consists of Up, Classic and X. We've tailored credit products to each customer's unique profile, delivering the right level of empowerment, protection and affordability based on their individual financial circumstances.

Pay over 3 months

We introduced Pay over 3 months – ideal for managing larger purchases. With thousands of subsidised merchants, customers can shop smarter and with more control.

Expanding Snooze

Snooze is now available across all credit purchases – with extended flexibility. Customers can delay payments by up to 8 days, giving them more breathing room when it matters most.

Rewarding loyalty

Our merchant network is bigger than ever – with more partners offering both subsidised credit and up to 5% instant Rewards on debit purchases. Customers can now discover more value through immersive brand stories, intelligent search and dynamic vouchers.

Zilch Travel

Zilch Travel lets customers book flights and holidays through our partnership with lastminute.com. Customers can earn maximum Rewards or spread the cost over time, fee-free. It is travel reimagined – with value at its core.

Zilch Compare

Zilch Compare helps customers find and switch to better insurance deals, integrated into the Zilch ecosystem, it delivers savings, simplicity and smarter financial choices.

Chief Executive Officer's *Review.*

Dear Shareholders,

It's been an extraordinary year at Zilch. We're building something powerful – empowering people with unprecedented control over their money. And it's clearly working.

Exceptional growth

July 2024 marked a defining milestone in our journey as we celebrated our first quarter of operating profit. Reflecting back, it's remarkable how quickly we've evolved from just an idea into a leading fintech. Opening 2025 the Financial Times recognised Zilch as the UK's fastest-growing fintech unicorn in their annual FT1000 report – a distinction reinforced by The Sunday Times Tech 100 survey that recognised Zilch as the fastest-growing tech unicorn, underscoring our rapid growth trajectory.

For FY 2025, revenue increased 93% along with Gross Merchandise Value (GMV) rising 73%, resulting in a 5-year compound annual growth rate (CAGR) of 378% on revenue and 285% on GMV. We are extremely proud to have continued delivering this sustained level of growth at scale which, along with our strong unit economics, has allowed us to move towards profitability, with net losses down 79%. Our growth is as much a result of successful product development as it is ongoing customer acquisition. As our product offering has widened to give customers more rewarding ways to spend, we have seen more customers across the credit curve using Zilch for the first time, whilst also expanding our returning customer base. These customers are now using Zilch more frequently as their primary payment method, with 27% more spend per customer compared to FY 2024.

Our £150m securitised debt deal, led by Deutsche Bank, is foundational. It not only supports our current momentum but also strategically positions us to drive £8 billion in annual commerce going forward.

In Spring 2024, we launched our Pay over 3 months product – built for larger, considered purchases. It now represents 14% of total volume, showing strong initial adoption and early repeat behaviour. In 2025, we transitioned from Mastercard and signed a multi-year strategic partnership with Visa – expanding our acceptance footprint to over 150 million merchants worldwide. With the launch of our first physical Visa card in the UK scheduled for September 2025, we're positioning Zilch at the centre of everyday consumer spend – increasing wallet share, visibility, and usage frequency across channels.

Artificial intelligence

At the end of FY 2025, Zilch successfully implemented an advanced AI-driven workflow, boosting customer issue resolutions without sacrificing personal customer interaction. This innovation helps maintain flat customer service costs despite rising volume.

Additionally, our adoption of AI for 100% quality assurance enhances protection for vulnerable customers and boosts retention. We've also upgraded our underwriting processes, integrating credit bureau data, open-banking information, and our unique event-driven insights, enabling faster, smarter credit decisions. As a result, new customers' first-month GMV increased by 27% year-over-year with similar loss rates.

We continue to partner with companies like Amazon Web Services (AWS), NVIDIA and others, to make accelerated gains with the use of AI across the board and are actively working on an agentic commerce solution for our customers.

Exceptional people

Great companies are built by exceptional teams.
To that end, we were delighted to have welcomed Mark Wilson to our board in August. Mark's impressive background as former CEO of AIA, Aviva and current main board member at BlackRock brings critical expertise, helping guide Zilch toward sustained profitability, governance and paving the way for a successful public listing.

Leading through regulation and recognition

Where some lenders see regulation as a challenge, we've always seen it as infrastructure for trust. Zilch was authorised for consumer credit by the FCA in 2020, and with the FCA's long-anticipated BNPL regulation due in 2026, we're ahead of the curve – backed by robust affordability checks and full compliance readiness.

Recent market concerns have only reinforced the need for responsible, regulated platforms to lead – and Zilch is doing just that. In 2024, we were invited by the FCA to speak at its 10-year Sandbox anniversary – alongside the Lord Mayor of London and sector leaders. Our inclusion, also highlighted on the FCA's website, reflects a deep commitment to integrity – and underlines why I have full confidence in the team guiding Zilch's next phase of growth.

In closing, I want to thank our team for their resilience, and our investors for their continued support. We remain focused on disciplined execution and long-term value creation as we enter the next chapter of our journey.

Onwards and upwards.

Philip Belamant

Chief Financial Officer's *Review.*

FY 2025 has been a remarkably successful year for Zilch, with our financial performance echoing our singular position in the market. Our flywheel drives value for both our network of merchants as well as our customers, and it is because of this unique proposition, we were able to achieve a 93% increase in revenue to £110m. Across the board we made significant gains, with margins improving alongside revenue growth resulting in a 79% reduction in losses demonstrating the business' strong operating leverage.

GMV grew by 73% to £1,893m, driven in part by onboarding more customers (customers completing a transaction during the year grew by 36%), but primarily due to deeper wallet penetration as our base of returning customers increased spend by 27% to £2,369 per year on average, equating to 57 transactions per year. This engagement with the product was a result of us giving customers more of what they need, including the ability to pay over three months, and more ways to drive value for instance, through insurance and travel deals. This led to our largest month of trade thus far, tipping over £200m GMV in December 2024.

Our growth was also profitable with gross profit margin increasing to 49%, a 10% expansion in margins. To achieve this, we increased take rate through a combination of new ways for customers to use the product, along with improving deals with merchants all whilst driving down cost of sales through lower margin funding and negotiating better terms with key suppliers. The fixed cost base grew slightly on the back of much greater volume as we continued to exercise strong discipline in spending across the business. This resulted in a loss after taxation of £10.5m, compared with £50.2m in the prior year, an improvement of 79%.

Consolidated statement of profit or loss	**FY 2025 £'000**	**FY 2024 £'000**	**Movement £'000**	**%**
Revenue	**110,333**	**57,135**	**53,198**	**93%**
Credit revenue	75,661	38,597	37,064	96%
Transaction revenue	21,741	12,758	8,983	70%
Feature revenue	3,130	1,145	1,985	173%
Advertising revenue	9,801	4,635	5,166	111%
Cost of sales	**(55,804)**	**(34,696)**	**(21,108)**	**61%**
Provision for credit losses	(27,378)	(12,688)	(14,690)	116%
Interest expenses	(9,336)	(7,264)	(2,072)	29%
Transaction costs	(19,090)	(14,744)	(4,346)	29%
Gross profit	**54,529**	**22,439**	**32,090**	**143%**
Gross profit margin	**49%**	**39%**	**10%**	**26%**
Administrative expenses	(59,676)	(55,534)	(4,142)	7%
Share-based payment expense	(6,455)	(18,672)	12,217	(65%)
Finance costs	(188)	(79)	(109)	138%
Other income	1,314	1,632	(318)	(19%)
Loss before taxation	**(10,476)**	**(50,214)**	**39,738**	**(79%)**
Income tax (charge)/credit	(24)	157	(181)	(115%)
Loss after taxation	**(10,500)**	**(50,057)**	**39,557**	**(79%)**

Key performance indicators	FY 2025	FY 2024
Gross Merchandise Value	£1,893m	£1,094m
Average order frequency	57.0x	51.5x
Annual spend per active customer	£2,369	£1,864

Revenues
Revenues increased 93% to £110.3m (FY 2024: £57.1m) driven by our strong GMV performance combined with further take rate expansion.

Our Credit, Feature and Transaction revenues expanded faster than overall GMV, with our revenue take rate increasing to 6.08% (FY 2024: 5.44%) as we delivered more value to both Customers and Merchants.

Credit and Feature revenues increased 98% to £78.8m (FY 2024: £39.7m) driven by continued improvements in our pricing, most notably from the rollout of Pay over 3 months. Our new longer duration offering resulted in higher average fees per transaction and resulted in a stronger mix of purchase journeys via the app, allowing customers to benefit from subsidised journeys.

Transaction and Advertising revenues expanded 81% to £31.5m (FY 2024: £17.4m) representing over a quarter of total revenues. Commercial performance was strong with a record year of advertising placements on our app, leveraging enhancements we have made to the storefront in the year, including stories and featured deals with participating merchants.

More cost effective and flexible source of funding
In June 2024, we refinanced our existing loan facility, signing a deal led by Deutsche Bank, along with two major credit funds, creating a new securitisation vehicle. We have tripled the available committed capacity with this funding arrangement from the prior year to £150m and expect further increases in FY 2026 in line with growth. Given the fast-turning nature of our receivables book, this underpins approximately 20x of annual origination volume (£3bn).

Our new funding source has helped us scale GMV in a capital efficient manner, allowing us to more efficiently fund peak periods of activity. The commercial terms, including improved cost of funding for the deal, reflect the increased maturity and conviction in Zilch.

Our lower cost of funding has resulted in us improving interest expense relative to revenue by one third.

Gross profit margins
Gross profit increased 143% to £54.5m (FY 2024: £22.4m). Our margin has increased to 49%, up from 39% in FY 2024. Cost of sales has continued to benefit from scale, as we signed new commercial terms with our card infrastructure suppliers, allowing us to reduce transactional cost of sales. This was enabled by strong volume growth allowing us to become a preferred customer for our infrastructure partners.

During the year, we went live with our unique dual-acquirer strategy, allowing us greater technical redundancy. Combined with our reduction in funding costs, we were able to lower cost of sales relative to GMV year-over-year by 7%.

Credit losses
Credit losses relative to GMV were 1.5% (FY 2024: 1.2%). The relative increase year-over-year was a result of increased new customer onboarding through the prior 18 months, bringing the overall age of customers on book down slightly. Further, stronger gross profit margins allowed us to adjust underwriting to allow for more profitable volume, whilst remaining well within our internal risk limits.

We expanded our proposition to include longer tenor loans, with Pay over 3 months growing through the second half of the year, now representing approximately 14% of GMV.

Customer Acquisition Cost
We drove more investment in customer acquisition in FY 2025 compared with the prior year, increasing spend from £6.1m to £9.8m, an increase of 62%. The largest increase was on higher cost lead generation channels as we broadened our mix of channels to increase leads, including customers with relatively higher credit scores, allowing us to achieve a record year for customer growth.

Despite the strong investment into growth, our investments have scaled favourably with the overall bottom line, resulting in customer acquisition costs relative to revenue falling from 10.6% to 8.9%. This improvement is driven by healthy payback periods where we recover a large component of initial investment within months of the customer joining Zilch.

Demonstrating operating leverage and scale
Our Income Statement is increasingly benefitting from the scale and operating leverage inherent in our business model. Administrative expenses increased 7% to £59.7m (FY 2024: £55.5m). The rate of cost increases relative to our topline growth is testament to our focus on disciplined cost control, eschewing inflationary pressures and cost leakage.

Administrative expenses relative to revenue have sharply decreased from 97% to 54%. This has enabled growing gross profits to fall through to the bottom line, creating strong earnings leverage. Operating loss reduced by £27.9m to £5.1m (FY 2024: £33.1m operating loss). We are particularly pleased to report such a result after a few short years of Zilch's history.

Loss after taxation
Net loss after tax was £10.5m, 79% lower than in FY 2024 (£50.1m). Last year, I wrote that progress towards profitability was accelerating, and I am delighted to present these results, demonstrating the tremendous success the team have been able to deliver, by focusing on serving the customer and building solutions that scale.

Cashflow

Adjusted operating cash flows were £15.0m (FY 2024: £32.9m outflow) as the strong reduction in losses was combined with a tight focus on working capital and conversion of receivables to cash. During the year, we were able to draw down a further £79.4m of securitisation funding to enable our loan originations, helping us fund a £64.0m increase in consumer loan receivables.

Adjusted operating cash flows	FY 2025 £'000	FY 2024 £'000
Operating cash flows	(64,430)	(45,643)
Movement in debt facility	79,446	12,695
Adjusted operating cash flows	**15,016**	**(32,948)**

Looking forward

We are well placed across all KPIs, with significant funding reserves to take advantage of the market share opportunity in the UK and beyond through FY 2026. We continue to enhance our scalable platform, product and operations to drive long-term value and take advantage of opportunities to expand into new verticals. We look forward to building on the deep foundations we have built over the last six years as we continue to drive unparalleled value for our customers and stakeholders.

Generating value for our stakeholders.

The Directors of Zilch Holdings Limited (the Company) take steps to promote the value and success of the Company for the benefit of its stakeholders as a whole, in accordance with section 172 of the Companies Act 2006.

We consider our key stakeholders to be our customers, employees, investors and regulators, while also being mindful of the environment. The long-term impact of our choices on our stakeholders is pivotal to the decision-making process at Zilch. Accordingly, the board of directors (the Board) meets at least quarterly to retain oversight of matters of strategic importance and ensure the interests of our stakeholders are balanced with the desire to generate value and make a positive impact overall. In this report we summarise how the Board considers our main stakeholders in its decision-making.

Customers

We consider our customers in everything we do at Zilch. We have transformed 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, more readily understandable and more cost-effective for our customers.

We have a wide range of customers whose needs in relation to consumer credit vary widely. We work hard to understand their needs, which include:

- **Flexible ways to pay**
- **Credit building capabilities**
- **Subsidised cost of credit through the app**
- **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 and support**

We are cognisant of the needs of our vulnerable customers in particular. Accordingly, responsible spending and affordability rules are built into the service to help customers avoid finding themselves in unserviceable debt cycles. Zilch gives the customer the ability to extend their repayment period for a small fee before the payment due date.

In the event a customer fails to make a repayment, their ability to use the pay over time products is suspended to ensure they do not become further indebted and Zilch does not charge any late fees.

We have an excellent Customer Support team which is dedicated to supporting customers through live chat and telephone seven days a week.

Interests of employees

Retention of our talented workforce is critical to the success of the business. The Company continues to invest in training and professional development for our staff, alongside having appropriate incentives and career development opportunities in place. Our ability to operate and fulfil our mission relies on the passion and dedication of our people and teams. Their commitment to creating the products and services our customers love is what drives Zilch.

We work hard to understand how our teammates feel and listen to what they want. These include:

- **Belief in the strategy, product and mission**
- **Sense of belonging and inclusivity**
- **Growth, training and career development**
- **Benefits and rewards**
- **A diverse, world-class and impactful team**

We maintain a safe, healthy and sustainable environment for our employees. We provide support to employees for mental and physical well-being, including providing access to private healthcare and online therapy. Our commitment to equal opportunities is reflected in the Company's Employee Handbook and across all our recruitment adverts.

We have zero tolerance for discrimination or harassment of any kind.

Maintaining a reputation for high standards of business conduct

We ensure that high standards of business conduct are embedded throughout the organisation. Our main operating company, Zilch Technology Limited, is regulated by the Financial Conduct Authority and therefore we operate in a regulated environment. Our products must comply with UK regulations applicable to consumer lending transactions and financial promotion.

The open conversations we have with regulators are key to ensuring regulatory compliance and continued good relations. Our aim is to ensure:

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

We assess the composition and capability of our Risk and Compliance team on an ongoing basis, to ensure it can support the pace of growth at Zilch. Appropriate risk assessments and compliance audits are carried out regularly.

Zilch has various policies in place addressing areas of focus, including consumer duty, conflicts of interest, anti-bribery and corruption and anti-money laundering. All employees adhere to these policies and undergo annual training as appropriate.

Community and environment

Zilch is committed to environmental sustainability and recognises the impact of our business on the environment. We have implemented policies to improve Zilch's energy efficiency.

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 commuting on a daily basis and therefore reducing carbon footprint. Zilch has also made available the UK Government’s Electric Car Scheme for qualifying employees, enabling required car travel to be eco-friendly.

Strong supplier relationships

We have a wide range of suppliers who support us across various areas of the business. We are highly aware of the importance of lasting relationships with our suppliers.

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 agreed credit terms, provided that the supplier is also complying with all relevant terms and conditions.

Acting fairly among members

Zilch recognises the importance of acting fairly for its stakeholders and taking into account all of their needs and wants when making key decisions.


9:41
zilch
VISA
Available credit
£2250.00
Rewards balance
£50.00
Categories
Vouchers
Lower fees
NO FEE
Big brands. Big deals.
Fashion
NO FEE

Governance & Risk.

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.

Management within the group.

Within the Group, Zilch uses the ‘three lines of defence’ model. The first line takes primary responsibility for managing the Group’s risks, supported by the second line, which reports to the Chief Risk Officer and is responsible for supporting and monitoring the first line of defence’s controls. The third line – whether through internal or external audit – provides independent assurance on the effectiveness of first and second line controls.

First line of defence

Responsible for identifying, assessing, mitigating, managing and reporting risk.

- Product
- Technology
- Operations
- Finance
- Communications

Second line of defence

Provide effective challenge and technical advice to the first line to ensure risks are identified and controlled effectively.

- Risk
- Compliance

Independent oversight

Independently review the design, implementation and effectiveness of the first and second line.

- Audit

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 create 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 that 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, current rules for Consumer Lending are primarily driven by a combination of Consumer Credit Act from 1974 and FCA Handbook. The FCA are embarking on a wide-ranging update of consumer rules to streamline the requirements. As these requirements become clear, we review them and update our policies and procedures to ensure that we will remain in compliance with the requirements. 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 can 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 2025 saw a period where interest rates fell and levelled out at 4.5%. The new UK government in 2024 set out an agenda to create economic growth, but early 2025 has seen global concerns of the impact tariffs and protectionism are going to have on the global economy. Whilst Zilch's credit risk is primarily to consumers, their behaviour is impacted by a range of micro and macro factors such as unemployment expectations, inflation, and interest rates. 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 identity verification (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 foreign exchange (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. In 2024, Zilch completed a refinancing of its debt with a new securitisation structure led by Deutsche Bank. This new debt facility runs to 2026 and has ability to upscale volumes. Equity markets were starting to return to some stability in late 2024 but early 2025 has seen a return to significant volatility. Our FX risk is significantly reduced as our capital is currently funding solely our UK operations. Zilch mitigates these risks by having a multi-year business planning horizon that allows us to both plan for and put in place arrangements that 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 considered 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. The ongoing 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 towards 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 HM Treasury 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.

Our Board consists of highly skilled professionals who are, together, responsible for ensuring the long-term success of Zilch for the benefit of its stakeholders. The Board leads and guides the development of the Group's strategy and oversees its implementation by the Leadership team.

To maximise effectiveness and ensure adequate time and attention is given to key strategic matters, the Board has delegated authority in specific areas to four Board-level Committees, details of which are set out below.

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 information on this can be found in the Risk Management and Principal Risks section.

The Directors are ultimately responsible for ensuring that the policies and behaviours established by the Board are effectively communicated and implemented in everything we do at Zilch.

Mission, vision and values.

The Board sets the tone from the top, ensuring that Zilch's mission, vision and values are aligned with its strategy. Since the cultural tone of a business starts in the boardroom, maintaining our culture is a key factor in Board and Executive succession planning.

The Board monitors and evaluates the Group's culture through regular meetings with Leadership and feedback from employee engagement surveys, broader stakeholders and our external advisors. It also holds a deep dive into culture during a Board meeting at least annually.

Mission
Our mission is to inspire and nurture financial wellbeing for customers by democratising access to ad-subsidised credit that is affordable, easy to understand and highly personalised, whilst driving unmatched value for businesses.

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

Values
At Zilch, our actions are driven by a set of core values, which flow from our mission and vision, and help us to ensure we consistently deliver the best for our customers and teams. Our values are:

1. **"Do it": Use your initiative. We trust you.**
2. **"Do it brilliantly": Without ego.**
3. **"Do it the right way": Even when no one's watching.**
4. **"Do it for our customers": Every decision matters.**

Governance at Zilch.

Over the year, we have focused on maturing our approach to governance to keep pace as we grow. This included the insertion of the Company as the financial holding company on 3 April 2024, to support our long-term goals, and the adoption of a well-defined and robust Corporate Governance Framework, to manage governance effectively across Zilch. In addition, we have invested in our corporate governance expertise and capabilities internally.

Day-to-day management of the business has been delegated by the Board to the Chief Executive Officer, who has established an Executive Committee to assist with this delegated authority. The Executive Committee meets on a weekly basis and escalates matters to the Board as appropriate. As a further layer of executive-level governance, our Leadership team applies our policies throughout the business and helps to identify any potential risks worth escalating to the Board.

Board composition

On insertion of the Company into the Group, we appointed the same directors as those appointed to the Board of Zilch Technology Limited given their deep knowledge of the business and the diverse array of skills, perspective and experience they bring to Board-level decision making. This expertise was enhanced during the year with the appointment of Mark Wilson as an Independent Non-Executive Director. Mark was formerly CEO and President of AIA, before assuming the role of Group CEO at Aviva. He currently serves on the Board at BlackRock. Since Mark's appointment, the majority of the Board are non-executive directors, two of whom are considered independent.

Board composition and future planning will be a priority as we move into FY 2026.

Board oversight

The Board, led by the Chairperson, has overall responsibility for governance across the Group. The Board meets at least quarterly and additionally makes decisions via written resolution when appropriate. The Board has adopted Matters Reserved for the Board, which set out the key matters that are reserved for Board approval, including approving the business plan and reviewing ongoing performance against this, setting the tone from the top and approving any changes to regulatory permissions within the Group.

The Board consists of:

- **Serge Belamant, Co-founder, Chairperson and Non-Executive Director**
- **Philip Belamant, Co-founder, Chief Executive Officer and Director**
- **Sean O'Connor, Co-founder and Director**
- **Pavel Chernyshov, Independent Non-Executive Director, Board Audit Committee Chairperson and Board Risk Committee Chairperson**
- **Mark Wilson, Independent Non-Executive Director**

The Board is supported in its oversight and its responsibilities by four Board-level Committees, which are set out below. Terms of reference set out the scope and responsibilities of each Committee and further enhance our efforts to develop governance at Zilch.

Audit Committee

Whose primary responsibility is to assist the Board in its financial reporting obligations, including the review and challenge of the integrity of the annual report and accounts and external reporting; monitoring internal controls; and reviewing internal and external audit reports.

Risk Committee

Whose primary responsibility is to assist the Board in fulfilling its risk governance and oversight responsibilities, including the review and challenge of the structure and performance of the risk management framework; and maintaining oversight of whistleblowing.

Remuneration Committee

Which oversees the design of an overall remuneration policy and philosophy for the Group and approves specific remuneration arrangements for the Company and major subsidiary undertakings.

Nominations Committee

Which assists with keeping the composition of the Board under review and leading the appointments process for nominations to the Board and the boards of major subsidiary undertakings, as well as ensuring that there are suitable succession plans in place for Board and senior management.

Directors' report.

Group Directors' report for the year ended 31 March 2025.

The Directors present their Annual Report and the audited Consolidated Financial Statements for the year ended 31 March 2025 for the Company and the Group.

Directors

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

- **Philip Belamant**
- **Serge Belamant**
  (appointed as a Director on 3 April 2024)
- **Pavel Chernyshov**
  (appointed as a Director on 3 April 2024)
- **Sean O'Connor**
  (appointed as a Director on 3 April 2024)
- **Mark Wilson**
  (appointed as a Director on 27 August 2024)

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 consolidated statement of profit or loss is set out on page 40 and shows the loss for the year. There were no dividends paid in the current or previous financial year.

Our approach to engagement with other stakeholders

We've included a statement in line with our Section 172 requirements under 'Section 172 and stakeholder management' on page 22.

Our approach to the environment

The Companies Regulations 2018 implemented the UK Government's policy on Streamlined Energy and Carbon Reporting (SECR). The Group meets the mandatory reporting criteria under this policy by having consumed more than 40 MWh 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 the Group's emissions under Scopes 1 and 2 for the financial year ended 31 March 2025, with comparative figures for the year ended 31 March 2024.

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 2025	FY 2024[1]
Energy consumption used to calculate emissions (kWh)	**519,640**	**355,300**
Organisational emissions		
Emissions from combustion gas (tCO_2e) (Scope 1)	66.98	45.78
Emissions from purchased electricity in buildings (tCO_2e) (Scope 2)	27.17	21.74
Total organisational emissions (tCO_2e)	**94.15**	**67.52**
Carbon intensity ratio		
Carbon emissions per FTE ($kgCO_2e$/FTE)	362.15	282.51

[1]The 2024 comparative disclosure has been restated. Refer to the Methodology section below for further information.

Methodology
Our emissions are calculated utilising the average kWh per square foot in a standard office space, based on the total space that was occupied during FY 2025 and FY 2024. Due to limitations in accessing actual consumption data, we have relied on these industry averages as a reasonable estimation method. We have also shown above our Carbon Emissions per FTE, which was calculated by taking our total estimated annual $kgCO_2e$, divided by the average full-time equivalent for the year. In this reporting period, the methodology and data sources have been updated to reflect more relevant benchmark figures and therefore the comparative disclosures have been restated.

Energy efficiency
This year we have continued to develop our understanding of 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.

Group reorganisation
On 3 April 2024, the Zilch Technology Limited shareholders entered into a share-for-share exchange agreement where shareholders of Zilch Technology Limited exchanged their shareholding for shares in the new holding company, Zilch Holdings Limited, being the new ultimate parent of the Group. As a result, Zilch Holdings Limited became the ultimate parent of the Group, with 100% investment in Zilch Technology Limited. The restructure does not constitute a business combination under IFRS 3 'Business Combinations'. As such, the comparative and current period reserves of the Group are adjusted to reflect the Share Premium and Merger Reserve of Zilch Holdings Limited as if it had always existed.

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 12. 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 have not made any donations to any registered UK political party or other political organisation.

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

Branches
We do not have any branches in or outside of the UK.

People
As at 31 March 2025, the Group employs 289 people (including contractors).

The Group has a recruitment policy to ensure that all applications for employment, including those made by disabled persons, are given full and fair consideration in light of the applicant's aptitudes and abilities. There is also an equal opportunities policy to ensure that all employees are treated equally in terms of employment, training, career progression and promotion. Where employees develop a disability during their employment, every effort is made to continue their employment and arrange for appropriate training and support as far as is reasonably practicable.

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

- how the Directors have engaged with employees and taken account of their interests; and,
- how the Directors have engaged with suppliers and customers in a business relationship with the Company.

Events after the balance sheet date
Zilch Finance 2 Limited, a special purpose entity, owned and managed by Wilmington Trust (London) Limited, was the legal borrower under a syndicated loan facility provided by Goldman Sachs Asset Management. Following repayment and termination of this facility, the members resolved to voluntarily wind up the company on 22 October 2024. Zilch Finance 2 Limited was formally dissolved on 10 July 2025.

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, an ordinary resolution is to be proposed to the shareholders for the reappointment of Grant Thornton as auditor of the Group.

This report, alongside the Strategic Report was approved by the Board of Directors and signed on its behalf by:

Philip Belamant
Date: 25 July 2025


Spend
with
benefits.
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zilch
VISA
Rewards balance
£50.00
Available credit
£2250.00
Categories
Vouchers
Lower fees

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 Group financial statements in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) and the Parent Company financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

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 Parent 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 Parent 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 Parent Company's transactions and disclose with reasonable accuracy at any time the financial positions of the Group and Parent Company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

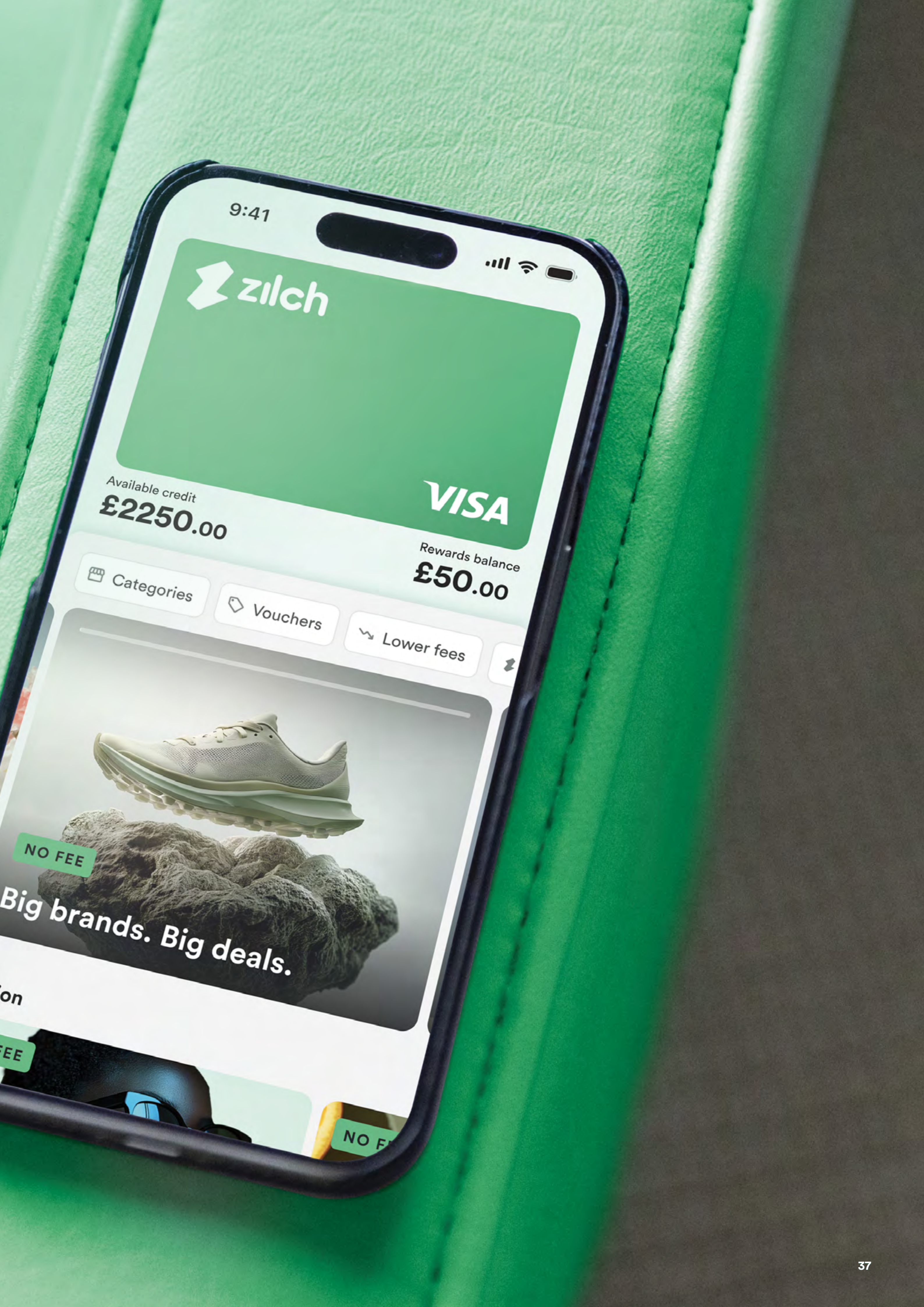
The Directors are also responsible for safeguarding the assets of the Group and the Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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: 25 July 2025

Financial statements.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VISA
Available credit
£2250.00
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Vouchers
Lower fees
NO FEE
Big brands. Big deals.

Auditor's report.

To the members of Zilch Holdings Limited and its subsidiaries.

Opinion

We have audited the financial statements of Zilch Holdings 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, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year ended 31 March 2025, and the related notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in the preparation of the Group consolidated financial statements is applicable law and UK-adopted International Accounting Standards (UK-adopted IAS). The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and accounting standards issued by the Financial Reporting Council, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Zilch Holdings Limited's financial statements:

- give a true and fair view in accordance with UK-adopted International Accounting Standards of the assets, liabilities and financial position of the Group as at 31 March 2025 and of the Group's financial performance and cash flows for the year then ended;
- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company as at 31 March 2025; 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

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. 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 been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group 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 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 UK-adopted IAS and United Kingdom Generally Accepted Accounting Practice, including FRS 101, 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the 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 the 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 UK-adopted IAS 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 Financial Conduct Authority Handbook, Data Privacy law, Employment Law, Environmental Regulations, and Health & Safety, 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 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.

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

- enquiries of management and board 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/directors' 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 provision for credit losses in respect to consumer loan receivables, share-based payments valuation and capitalisation of internally generated intangible assets.
- 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
Chartered Accountants & Statutory Auditors
Dublin
Ireland
25 July 2025

Consolidated statement of profit or loss and comprehensive income

	Note	2025 £'000	2024[1] £'000
Revenue	5	**110,333**	**57,135**
Credit revenue		75,661	38,597
Transaction revenue		21,741	12,758
Feature revenue		3,130	1,145
Advertising revenue		9,801	4,635
Cost of sales		**(55,804)**	**(34,696)**
Provision for credit losses	17	(27,378)	(12,688)
Interest expenses	6	(9,336)	(7,264)
Transaction costs		(19,090)	(14,744)
Gross profit		**54,529**	**22,439**
Administrative expenses	7	(59,676)	(55,534)
Operating loss		**(5,147)**	**(33,095)**
Share-based payment expense	29	(6,455)	(18,672)
Finance costs	10	(188)	(79)
Other income	11	1,314	1,632
Loss before taxation	7	**(10,476)**	**(50,214)**
Income tax (charge)/credit	12	(24)	157
Loss after taxation		**(10,500)**	**(50,057)**
Loss for the year attributable to:			
Owners of the parent		**(10,500)**	**(50,057)**
Other comprehensive income:			
Foreign exchange on translation		37	23
Total comprehensive loss for the year net of tax attributable to:			
Owners of the parent		**(10,463)**	**(50,034)**

[1]Comparative information has been reclassified. Refer to note 32 for further information.

Consolidated statement of financial position

Company number: 11887457

	Note	2025 £'000	2024[1] £'000
Assets			
Non-current assets			
Property, plant and equipment	14	320	298
Right-of-use assets	13	2,928	4,356
Intangible assets	15	4,199	1,847
Other receivables	18	563	563
Total non-current assets		**8,010**	**7,064**
Current assets			
Trade and other receivables	16	7,748	5,966
Consumer loan receivables	17	112,846	48,808
Cash and cash equivalents	19	62,349	45,448
Current tax assets		220	183
Total current assets		**183,163**	**100,405**
Total assets		**191,173**	**107,469**
Equity			
Share capital	26	1	1
Share premium	27	851	-
Merger reserve	28	210,748	210,748
Warrant reserve	30	200	200
Foreign currency translation reserve		122	85
Share-based payments reserve	29	59,600	53,429
Retained loss		(221,745)	(211,245)
Equity attributable to owners of the parent		**49,777**	**53,218**
Total equity		**49,777**	**53,218**
Liabilities			
Non-current liabilities			
Lease liabilities	21	1,722	3,499
Other financial liabilities	23	121,076	-
Other liabilities	24	1,978	1,694
Total non-current liabilities		**124,776**	**5,193**
Current liabilities			
Trade and other payables	20	8,504	7,111
Lease liabilities	21	1,908	1,011
Other financial liabilities	22	6,208	40,936
Total current liabilities		**16,620**	**49,058**
Total liabilities		**141,396**	**54,251**
Total equity and liabilities		**191,173**	**107,469**

[1]Comparative information has been reclassified. Refer to note 32 for further information.

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

Philip Belamant
Date: 25 July 2025

Consolidated statement of changes in equity

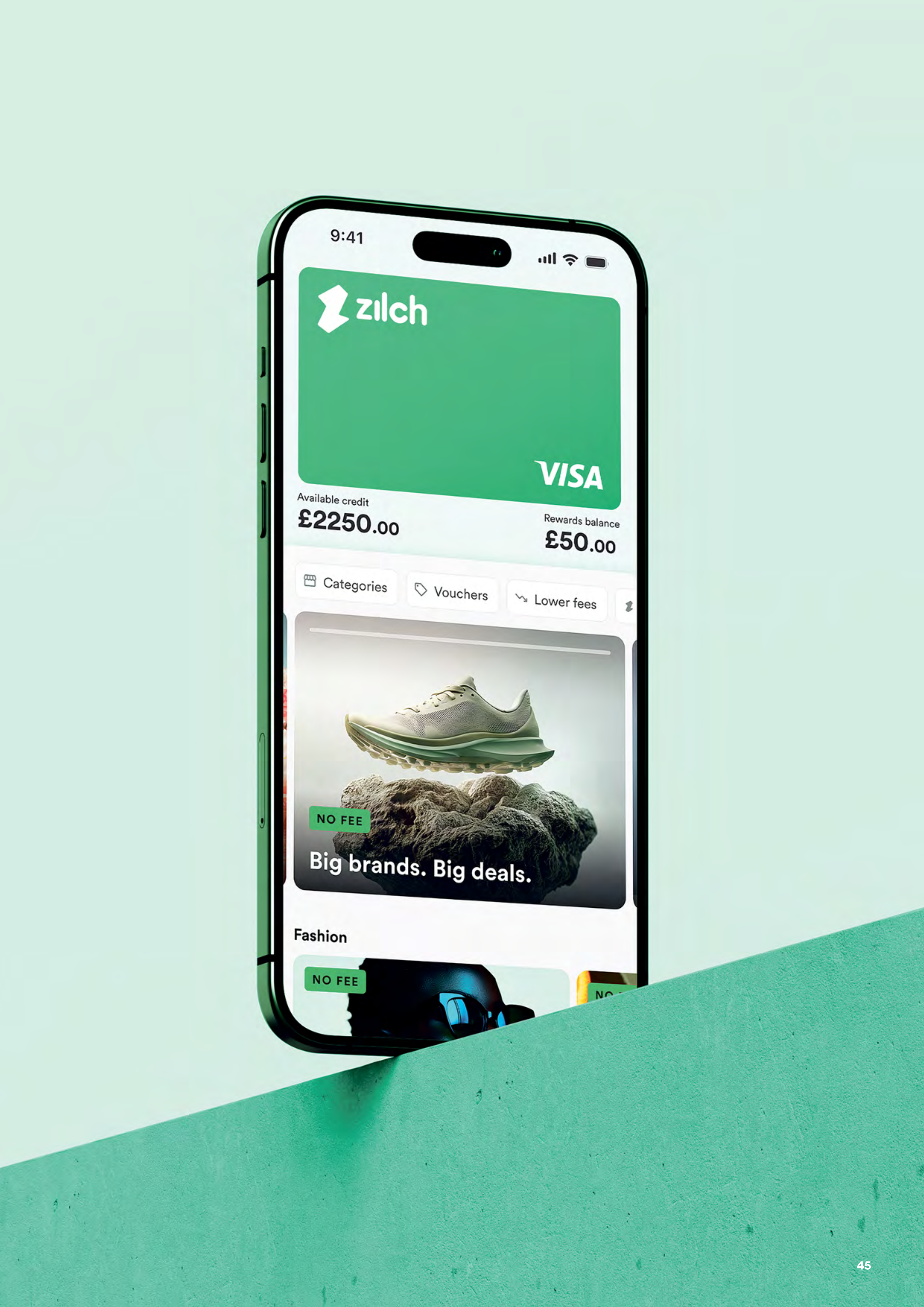
	Share capital	Share premium	Merger reserve	Warrant reserve	Foreign currency translation reserve	Share-based payments reserve	Retained loss	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2024	**1**	**-**	**210,748**	**200**	**85**	**53,429**	**(211,245)**	**53,218**
Shares issued	-	858	-	-	-	-	-	858
Share-based payment awards	-	-	-	-	-	6,171	-	6,171
Transaction costs deducted from equity	-	(7)	-	-	-	-	-	(7)
Transactions with owners	**-**	**851**	**-**	**-**	**-**	**6,171**	**-**	**7,022**
Loss for the year	-	-	-	-	-	-	(10,500)	(10,500)
Other comprehensive income	-	-	-	-	37	-	-	37
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**37**	**-**	**(10,500)**	**(10,463)**
At 31 March 2025	**1**	**851**	**210,748**	**200**	**122**	**59,600**	**(221,745)**	**49,777**

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

Consolidated statement of cash flows

	Note	2025	2024
		£'000	£'000
Cash flows from operating activities			
Loss after taxation		(10,500)	(50,057)
Adjustments for non-cash items and other adjustments included in the consolidated statement of profit or loss	19	42,047	37,974
Changes in operating assets and liabilities:			
(Increase) / decrease in trade and other receivables		(1,782)	2,315
Increase in trade and other payables		1,335	2,865
Increase in consumer loan receivables		(95,333)	(38,963)
(Decrease) / increase in other financial liabilities		(190)	223
Income taxes paid		(7)	-
Net cash used in operating activities		**(64,430)**	**(45,643)**
Cash flows from investing activities			
Acquisition of intangible assets	15	(3,456)	(835)
Purchases of property, plant and equipment	14	(217)	(241)
Net cash used in investing activities		**(3,673)**	**(1,076)**
Cash flows from financing activities:			
Proceeds from issuance of shares		6,737	20,594
Capital raising costs		(7)	(634)
Drawdown of debt facility	23	95,892	12,695
Repayment of debt facility	23	(15,000)	-
Debt issue costs	23	(1,446)	-
Repayments of lease liabilities		(1,209)	(2,159)
Net cash from financing activities		**84,967**	**30,496**
Net increase / (decrease) in cash and cash equivalents		**16,864**	**(16,223)**
Cash and cash equivalents at the beginning of the year		45,448	61,648
Effect of foreign exchange rate changes		37	23
Cash and cash equivalents at end of the year	19	**62,349**	**45,448**

Notes to financial statements.


9:41
zilch
VISA
Available credit
£2250.00
Rewards balance
£50.00
Categories
Vouchers
Lower fees
NO FEE
Big brands. Big deals.
Fashion
NO FEE

1 General information

Zilch Holdings Limited (the "Company") is a private company, limited by shares, registered in England and Wales with company number 11887457. The Company was incorporated on 18 March 2019 and replaced Zilch Technology Limited as the ultimate Parent Company of the Zilch Group, which comprises the Company and its subsidiaries, as part of the restructuring that took place in April 2024. The address of the registered office is 111 Buckingham Palace Road, London, England, SW1W 0SR. The consolidated financial statements for the year ended 31 March 2025 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 within the *Strategic Report* section of this report.

2 Material 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 UK-adopted international accounting standards (UK-adopted IAS) and 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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

On 3 April 2024, the Zilch Technology Limited shareholders entered into a share-for-share exchange agreement where shareholders of Zilch Technology Limited exchanged their shareholding for shares in the new holding company, Zilch Holdings Limited, being the new ultimate parent of the Group. As a result, Zilch Holdings Limited became the ultimate parent of the Group, with 100% investment in Zilch Technology Limited. The restructure does not constitute a business combination under IFRS 3 'Business Combinations'. As such, the comparative and current period reserves of the Group are adjusted to reflect the Share Premium and Merger Reserve of Zilch Holdings Limited as if it had always existed.

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 £10.5m (FY 2024: £50.1m). The Group had net assets of £49.8m at 31 March 2025 (FY 2024: £53.2m), including a cash balance of £62.3m (FY 2024: £45.4m).

In June 2024, the Group secured a £100m debt securitisation facility with Deutsche Bank. As part of this transaction, all outstanding financial obligations pertaining to Zilch Finance 2 Limited were settled by Zilch Finance 3 Limited and the collateralised loans financed under the debt facility were transferred to the new securitisation regime. This debt facility with Deutsche Bank was later increased from £100m to £150m via syndication to two credit funds, resulting in additional Senior Noteholders entering the debt facility arrangement.

At 31 March 2025, there was a total of £28.5m undrawn amount on the credit securitisation agreement led by Deutsche Bank. In the prior year, there was a total of £9.4m undrawn amount on the credit facility with Goldman Sachs.

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 *Governance & Risk* section of this report.

Having undertaken this assessment the Directors have a reasonable expectation that the Group and the Company 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's 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. Where the Group does not control the voting rights of a securitisation entity, but the Directors have determined that the Group otherwise controls those entities, they are treated as subsidiaries and are consolidated. Control is determined to exist if the Group has the power to direct the activities of the entity and is exposed to a variable return.

The following UK subsidiary will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 March 2025. The undertaking listed below is 100% owned by Zilch Holdings Limited.

Company name	Company number
Zilch Compare Limited	15647705

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 2024 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 the consolidated 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. Revenue is reduced for estimated customer 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:

Credit revenue

Fees charged to customers

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

Fees are also 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 Group, but the rate agreed with the merchant is too low to fully subsidise the cost of the transaction for the customer.

Additionally, out-of-network fees are also 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 Group. The performance obligation is satisfied when a customer makes a purchase, and any loan is executed. Revenue is recognised in the transaction month.

Transaction revenue

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 Group by the relevant card scheme. The Group 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).

Feature revenue

Snooze fees are charged when a customer opts to delay an eligible instalment on a Pay over 6 weeks or Pay over 3 months plan. Revenue is recognised in the month the customer elects to snooze, as the service is considered distinct and the performance obligation is satisfied at that point in time.

Advertising revenue

Tenancy revenue

Tenancy revenue relates to marketing services provided to certain merchants and is invoiced monthly. Tenancy revenue is recognised over the period of the agreement with the merchant with £2m recognised in the current year (FY 2024: £1m).

Affiliate revenue

Affiliate revenue is marketing fees paid by merchants in exchange for successful checkout by customers introduced by the Group. 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 Group 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.

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.

The Group does not charge interest or impose late fees on customer loans. Revenue is derived at the point of transaction. There is no accrual of interest income over time, and no variable consideration from interest or penalty fees applies. Accordingly, expected credit loss ("ECL") provisioning reflects only principal balances, as there are no finance charges or time-based revenue components.

Returns and reversals

Every merchant 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. Fees charged to customers for which there is a subsequent return are nonrefundable. Returns are provided for based on historic return rates.

2.7 Interest expenses

Interest expenses represent bank charges and interest payable on other liabilities recognised using the effective interest rate method. Debt issue costs are deducted from the carrying amount of the related debt and amortised over the term of the loan using the effective interest method.

2.8 Transaction costs

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

2.9 Customer acquisition costs

Customer acquisition costs include the cost of acquiring and onboarding New Customers, provision for rewards related to customer referrals and provision for credit losses pertaining to New Customers.

2.10 Finance costs

Finance costs represent interest expense on lease liabilities using the effective interest method over the lease term. The lease liability is initially measured at the present value of lease payments and subsequently increased by interest expense and reduced by lease payments made.

2.11 Taxation

Income taxes consist of current tax and deferred tax. Income taxes are reported directly in the consolidated statement of profit or loss 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 liabilities are always provided for in full.

2.12 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 consolidated statement of profit or loss 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 equipment 3 years
- Office equipment 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.

2.13 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 2025, 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 implicit rate is not readily determinable, the Group applies an appropriate incremental borrowing rate, reflecting the rate the Group would be able to borrow over a similar term in the relevant economic environment. 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.

2.14 Intangible assets

Research expenditure is recognised as an expense 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 estimated useful lives. The estimated useful lives of intangible assets are as follows:

- IT build development expenditure 3-5 years
- Capitalised development costs 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 (considered to have an indefinite useful life) are held at cost and reviewed annually for impairment, in accordance with IAS 36.

2.15 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.

2.16 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.

2.17 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 financial 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 the consolidated profit or loss.

2.18 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.

The Group currently holds only financial assets measured at amortised cost. No financial assets are measured at fair value through profit or loss.

2.19 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.

2.20 Consumer loan receivables

Consumer loan receivables in respect of Pay over 6 weeks, and Pay over 3 months transactions are receivable in instalments over a period of 6 weeks and 3 months respectively, from the transaction date. The Group 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 ECL in accordance with IFRS 9 'Financial Instruments' as set out below.

2.21 Impairment of financial assets

The Group recognises a loss allowance for ECL on consumer loan receivables in accordance with the simplified approach permitted under IFRS 9. The amount of 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 consumer loan receivables. The ECL 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.

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 consumer loan receivables which are reported net, the loss is recognised within cost of sales 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 the consolidated profit or loss.

2.22 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 fair value through profit or loss

The Group recognises cash-settled share-based payment liabilities at fair value through profit or loss. These liabilities are remeasured at each reporting date, with changes in fair value recognised in the consolidated profit or loss.

Financial liabilities measured subsequently at amortised cost

All other financial liabilities are measured 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 the consolidated profit or loss.

2.23 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.

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. The fair value of such warrant awards is measured at the grant date and is not subsequently remeasured.

2.24 Share-based payments

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

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 29.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting 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 the consolidated 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 the consolidated profit or loss.

2.25 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 Group in independently administered funds.

2.26 Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs directly attributable to the issuing of new shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Share Premium – comprises the difference between the value of the shares on issue and their nominal value;
- Merger Reserve – the merger reserve represents the difference between the nominal value of shares issued by the Company and the carrying amount of the net assets acquired as a result of a share-for-share exchange, accounted for as a common control transaction;
- Warrant Reserve – warrant reserves represent the cumulative fair value of warrants issued that meet the equity classification criteria under IFRS, recognised within equity at grant date and not subsequently remeasured, with movements arising from new issuances, exercises, or expirations reflected within this reserve;
- Foreign Currency Translation Reserve – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into GBP;
- Share-based Payments Reserve – comprises equity-settled share-based remuneration; and
- Retained Losses – comprises all current and prior period retained losses.

All transactions with owners of the Company are recorded separately within equity.

2.27 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 management judgement in applying accounting policies and estimation uncertainty

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 2025, the Group had the following key areas of estimation uncertainty.

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 to the reporting date, management have calculated historical loss rates for instalments. Total credit losses comprise bad debts and “forced churn” debts, which refers to new customers who fail payments and are not allowed back on to the Group platform. Receivables are charged off when there is no reasonable expectation of recovery.

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 29 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 judgements in applying the Group’s accounting policies.

4 Financial risk management

The Group's activities expose it to a variety of financial risks: capital risk, credit risk, interest rate risk and liquidity 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 identity verification (“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. Over the past year – we have built and launched a new decision service which allows us to roll out new models and controls much more quickly, and have expanded our use of machine learning-based models across both credit and fraud.

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.

Maximum exposure to credit risk

The maximum exposure to credit risk at the reporting date is shown below:

	2025	**2024**
	£'000	**£'000**
Cash and cash equivalents	62,349	45,448
Consumer loan receivables	112,846	48,808
Trade receivables	269	57
Other receivables	2,155	2,292
Total	**177,619**	**96,605**

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 debt securitisation facility described in note 23. 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 £828,000 (FY 2024: £406,000).

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.

At 31 March 2025, there was a total of £28.5m undrawn amount on the credit securitisation agreement led by Deutsche Bank. In June 2024, the Group secured a £100m debt securitisation facility with Deutsche Bank, housed in the separate legal entity of Zilch Finance 3 Limited (company no: 15603166). As part of this transaction, all outstanding financial obligations pertaining to Zilch Finance 2 Limited (company no: 13485116) and Goldman Sachs Asset Management were settled and the collateralised loans financed under the debt facility were transferred to the new securitisation regime.

Details of capital held can be found in the consolidated statement of financial position and notes.

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 in the year ended 31 March 2024 has been replaced in the current financial year with a new credit securitisation agreement led by Deutsche Bank for an initial £100m, and extended to £150m total facility by 31 March 2025. Refer to note 23 for more details.

As at 31 March 2025 the Group's financial liabilities held at amortised cost are made up of trade and other payables of £8.5m, which have a contractual maturity of less than one year, and the credit facility of £121.1m with a scheduled maturity of October 2027. These amounts do not include interest payable.

5 Revenue

Revenue is presented in disaggregated form within the consolidated statement of profit or loss, reflecting the nature and amount of revenue in accordance with IFRS 15. Accordingly, this note does not repeat those disclosures.

The majority of revenues were generated from UK-based customers in FY 2025 and FY 2024.

6 Interest expenses

	2025	2024[1]
	£'000	£'000
Interest expense on loans held at amortised cost	8,173	4,349
Debt issue costs	1,023	2,783
Other	140	132
Total	**9,336**	**7,264**

[1]Comparative information has been reclassified. Refer to note 32 for further information.

7 Loss for the year

Loss for the year is stated after charging:		2025	2024
	Note	£'000	£'000
Depreciation of property, plant and equipment	14	195	298
Depreciation of right-of-use assets	13	1,573	1,609
Amortisation of intangibles	15	1,104	358
Provision for credit losses pertaining to Returning Customers	17	27,378	12,688
Customer acquisition costs*		9,828	6,084
Share-based payment expenses	29	6,455	18,672
Restructuring fees		270	2,062
Audit fees		184	153

*Customer acquisition costs include provision for credit losses pertaining to New Customers of £3.9m (FY 2024: £1.9m).

During the year the Group capitalised £3.4m of development costs (FY 2024: £0.8m).

8 Staff costs

Staff costs including Directors' remuneration were as follows:	2025	2024
	£'000	£'000
Wages and salaries[1]	23,105	20,320
Social security costs	2,611	2,117
Defined contribution pension expenses	506	487
Share-based payment expense	6,455	18,672
Other	5	-
Total	**32,682**	**41,596**

The average monthly number of employees including Directors during the year was as follows:	2025	2024
	No.	No.
Product	117	111
Service	138	124
Staff	**255**	**235**
Directors	**5**	**4**

[1]Wages and salaries include contractor costs of £2.6m (FY 2024: £2.7m).

9 Director and key management personnel remuneration

Key management personnel are persons responsible for planning, directing and controlling the operations of the Group. Benefits accrued under defined contribution schemes in the period £32,809 (FY 2024: £10,000). The total remuneration paid to all Directors is as follows:

	2025	2024
	£'000	£'000
Wages and salaries	788	448
Share-based payments	699	1,171
Total	**1,487**	**1,619**

The remuneration of the highest paid director is as follows:

	2025	2024
	£'000	£'000
Wages and salaries	400	290
Share-based payments	653	1,046
Total	**1,053**	**1,336**

10 Finance costs

	2025	2024[1]
	£'000	£'000
Interest expense on lease liabilities	188	79
Total	**188**	**79**

[1]Comparative information has been reclassified. Refer to note 32 for further information.

11 Other income

	2025	2024
	£'000	£'000
Interest income[1]	623	1,037
Other income	691	595
Total	**1,314**	**1,632**

[1]Interest income includes interest from banks and deposits.

12 Taxation

Corporation income tax	2025	2024
	£'000	£'000
Current year	(10)	(157)
Adjustments in respect of prior year	34	-
Total	**24**	**(157)**

The tax charge/(credit) for the year can be reconciled to the loss before tax as follows:	2025	2024
	£'000	£'000
Loss before tax on continuing operations	**(10,476)**	**(50,214)**
Loss before tax multiplied by the standard corporation tax in the UK of 25% (2024: 25%)	(2,619)	(12,554)
Effects of:		
Expenses not deductible for tax purposes	3,468	4,489
Capital allowances	55	(43)
Movement in unrecognised deferred tax for carried forward tax losses	(631)	8,093
Research and development tax credit	(45)	(142)
Difference in corporation tax rate across the Group	(31)	-
Non-taxable income	(207)	-
Adjustment in respect of prior periods (current tax)	34	-
Total tax charge/(credit) for the period	**24**	**(157)**

Factors affecting tax charges

The changes to the UK Corporation Tax regime announced in 2021 came into effect from 1 April 2023 and remain applicable for the financial year ended 31 March 2025. Under the current structure, companies with taxable profits exceeding £250,000 are subject to the main rate of 25%. Companies with profits up to £50,000 continue to be taxed at the small profits rate of 19%, with marginal relief applying to profits between these thresholds, resulting in a tapered effective rate.

Tax losses

Unused tax losses at the period end date for which no deferred tax asset has been recognised total circa £135.5m (FY 2024: £140.5m). Due to the start-up nature of the business, the timing and extent of the future profits remains uncertain and cannot be reliably estimated at the balance sheet date.

13 Right-of-use assets

The right-of-use assets comprise three office buildings located in the UK, USA, and Poland, with lease terms remaining between 12 and 24 months as of 31 March 2025. None of the leases include termination options, with one containing a 3-year extension option.

	2025	**2024**
	£'000	**£'000**
Cost		
Opening balance	**4,979**	**2,948**
Additions	154	4,979
Disposals	-	(2,948)
Currency translation	(17)	-
Closing balance	**5,116**	**4,979**
Accumulated depreciation		
Opening balance	**623**	**1,962**
Depreciation expense	1,573	1,609
Disposals	-	(2,948)
Currency translation	(8)	-
Closing balance	**2,188**	**623**
Carrying amount	**2,928**	**4,356**

14 Property, plant and equipment

	Office equipment	Computer equipment	Total
	£'000	£'000	£'000
Cost			
Balance at 1 April 2024	**47**	**937**	**984**
Additions	-	217	217
Disposals	-	(63)	(63)
Currency translation	-	(2)	(2)
Balance at 31 March 2025	**47**	**1,089**	**1,136**
Accumulated depreciation			
Balance at 1 April 2024	**24**	**662**	**686**
Depreciation expense	10	185	195
Disposals	-	(63)	(63)
Currency translation	-	(2)	(2)
Balance at 31 March 2025	**34**	**782**	**816**
Carrying amount			
Balance at 31 March 2025	13	307	320
Balance at 31 March 2024	23	275	298

	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 expense	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	14	341	355

15 Intangible assets

	Domain name £'000	IT build development £'000	Capitalised development costs £'000	Total £'000
Cost				
Balance at 1 April 2024	689	1,462	836	2,987
Additions	-	12	3,444	3,456
Disposals	-	(11)	-	(11)
Currency translation	-	(11)	-	(11)
Balance at 31 March 2025	**689**	**1,452**	**4,280**	**6,421**
Accumulated amortisation				
Balance at 1 April 2024	-	989	151	1,140
Amortisation expense	-	221	883	1,104
Disposals	-	(11)	-	(11)
Currency translation	-	(11)	-	(11)
Balance at 31 March 2025	**-**	**1,188**	**1,034**	**2,222**
Carrying amount				
Balance at 31 March 2025	689	264	3,246	4,199
Balance at 31 March 2024	689	473	685	1,847

	Domain name £'000	IT build development £'000	Capitalised development costs £'000	Total £'000
Cost				
Balance at 1 April 2023	689	1,054	-	1,743
Additions	-	408	836	1,244
Balance at 31 March 2024	**689**	**1,462**	**836**	**2,987**
Accumulated amortisation				
Balance at 1 April 2023	-	372	-	372
Amortisation expense	-	207	151	358
Transfers	-	410	-	410
Balance at 31 March 2024	**-**	**989**	**151**	**1,140**
Carrying amount				
Balance at 31 March 2024	689	473	685	1,847
Balance at 31 March 2023	689	682	-	1,371

16 Trade and other receivables

	2025 £'000	2024 £'000
Trade receivables	269	57
Other receivables	2,155	2,292
Prepayments	2,252	1,979
Accrued income	3,072	1,638
Total	**7,748**	**5,966**

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

17 Consumer loan receivables

	2025 £'000	2024[1] £'000
Consumer loan receivables	112,846	48,808
Total	**112,846**	**48,808**

[1]Comparative information has been reclassified. Refer to note 32 for further information.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for consumer loan receivables.

The following table details the consumer loan receivable net of allowances for credit losses:

	2025 £'000	2024 £'000
Consumer loan receivables	**145,955**	**60,439**
Allowance for credit losses	(33,109)	(11,631)
Net consumer loan receivables	**112,846**	**48,808**

GMV related to credit purchases for FY 2025 was £1,617.0m (FY 2024: £889.2m) of which £145.9m was outstanding at the year end (FY 2024: £60.4m).

The following table details activity in the allowance for credit losses:

	2025 £'000	2024 £'000
Allowance at beginning of year	**11,631**	**6,388**
Net increase in provision for credit losses	31,295	14,580
Charge offs	(9,817)	(9,337)
Allowance at end of year	**33,109**	**11,631**

Zilch maintains an allowance for credit losses at a level sufficient to absorb expected credit losses based on evaluating known and inherent risks in the Group's loan portfolio. The allowance for credit losses is determined based on the current estimate of expected credit loss over the remaining contractual term using historical loss rates. Balances are written off when the probability of recovery is assessed as being remote.

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). The amounts recognised in the consolidated statement of profit or loss are presented below:

	2025 £'000	2024 £'000
Expected Credit Loss	27,378	12,688
Forced Churn	3,917	1,892
Total	**31,295**	**14,580**

18 Other receivables

	2025 £'000	2024 £'000
Long-term deposits	563	563
Total	**563**	**563**

19 Cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank	51,272	23,856
Money market funds	11,077	21,592
Total	**62,349**	**45,448**

Notes to the consolidated statement of cash flows
Adjustments for non-cash items and other adjustments included within the consolidated statement of profit or loss:

	Note	2025 £'000	2024 £'000
Depreciation of property, plant and equipment	14	195	298
Depreciation of right-of-use assets	13	1,573	1,609
Amortisation of intangible assets	15	1,104	358
Net increase in provision for credit losses	17	31,295	14,580
Movement in other provisions	22	190	(248)
Share-based payment expenses – equity-settled	29	6,171	16,978
Share-based payment expenses – cash-settled	29	284	1,694
Taxation charge/(credit)	12	24	(157)
Amortisation of debt issue costs		1,023	2,783
Interest expense on lease liabilities	21	188	79
Total non-cash items and other adjustments		**42,047**	**37,974**

20 Trade and other payables

	2025 £'000	2024 £'000
Trade payables	7,874	5,890
Social security and other taxes	30	591
Other payables	600	630
Total	**8,504**	**7,111**

All amounts are short-term. The carrying value of trade and other payables is considered a reasonable approximation of fair value.

21 Lease liabilities

	2025 £'000	2024 £'000
Current	1,908	1,011
Non-current	1,722	3,499
Total	**3,630**	**4,510**

Lease payments due

2025	Within 1 year	1-3 years	Total
Lease payments	2,019	1,747	3,766
Finance charges	(111)	(25)	(136)
Net present value	**1,908**	**1,722**	**3,630**

2024	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**

Changes in the Group lease liabilities arising from financing activities can be classified as follows:

	2025 £'000	2024 £'000
Balance at 1 April	4,510	1,049
Recognition of right-of-use assets	154	5,015
Repayments	(1,209)	(1,633)
Interest	188	79
Currency translation	(13)	-
Balance at 31 March	**3,630**	**4,510**

22 Other financial liabilities: Current

	2025	2024[1]
	£'000	**£'000**
Debt facility	-	40,607
Shares to be allocated	5,879	190
Other	329	139
Total	**6,208**	**40,936**

[1]Comparative information has been reclassified. Refer to note 32 for further information.

Debt facility

Refer to note 23 for further details of the debt facility liability.

Shares to be allocated

As at the reporting date, the Company had received £5.9 million (FY 2024: £0.2 million) in relation to shares to be allocated. These remain unallocated to shares at year-end and therefore recognised as a liability.

Other

Other financial liabilities are predominantly made up of a liability for rewards utilisation.

Customers can earn up to 5% cashback in rewards on 'Pay now' transactions. Zilch provides for the utilisation of 90% of total rewards issued. The following table details activity in the allowance for rewards:

	2025	2024
	£'000	**£'000**
Allowance at beginning of year	**115**	**363**
Allowance for rewards	2,261	1,698
Rewards utilised	(2,071)	(1,946)
Allowance at end of year	**305**	**115**

23 Other financial liabilities: Non-current

	2025	2024
	£'000	£'000
Debt facility	121,076	-
Total	**121,076**	**-**

Prior to the current financial year starting 1 April 2024, the Group utilised a £50m debt facility with Goldman Sachs Asset Management, housed in the separate legal entity of Zilch Finance 2 Limited (company no: 13485116). The contractual maturity date of this facility was less than 12 months from the prior financial year end so was classified as a current liability. The balance on this facility at 31 March 2024 (£40.6m) is disclosed in note 22.

In June 2024, the Group secured a £100m debt securitisation facility with Deutsche Bank, housed in the separate legal entity of Zilch Finance 3 Limited (company no: 15603166). As part of this transaction, all outstanding financial obligations pertaining to Zilch Finance 2 Limited and Goldman Sachs Asset Management were settled and the collateralised loans financed under the debt facility were transferred to the new securitisation regime. The scheduled maturity date of the current facility is in October 2027 so is classified as a non-current liability.

Zilch Finance 2 Limited was dissolved on 10 July 2025 as a result of the financing being repaid.

Under the new agreement, Zilch Technology Limited is defined as the 'Originator' and 'Servicer' of loan receivables, which sells eligible receivables to the 'Issuer', Zilch Finance 3 Limited. The Senior Noteholders will advance an agreed rate for 'core' and 'non-core' purchased collateral as stipulated by the contractual terms of the facility.

The facility contains certain covenants and restrictions, including certain financial maintenance covenants, where infringement could trigger an early amortisation of the facility.

In the year ended 31 March 2025, the debt facility was increased from £100m to £150m via syndication to two credit funds, resulting in additional Senior Noteholders entering the debt facility arrangement. Senior Noteholders receive payment of both a utilised and unutilised fee, which is paid monthly by Zilch Finance 3 Limited, using revenue proceeds from the purchased receivables as operated by the 'Cash Manager', Zilch Technology Limited.

See note 2.3 for the accounting treatment of the debt securitisation facility within these consolidated financial statements. The transactions completed in the year ended 31 March 2025 did not impact the existing accounting policies applied within these consolidated financial statements.

The changes in the Group's debt facility arising from financing activities are classified as follows:

	2025	2024
	£'000	£'000
Balance at 1 April	**40,607**	**27,912**
Cash flows:		
Drawdown of debt facility	95,892	12,695
Repayment of debt facility	(15,000)	-
Debt issue costs	(1,446)	-
Total cash flows	**79,446**	**12,695**
Non-cash movements		
Amortisation of debt issue costs	1,023	-
Total non-cash movements	**1,023**	**-**
Balance at 31 March[1]	**121,076**	**40,607**

[1] In the prior year the debt facility was classified within 'Other financial liabilities: Current' based on the maturity date.

24 Other liabilities

	2025	2024
	£'000	£'000
Share-based payments scheme liability	1,978	1,694
Total	**1,978**	**1,694**

25 Financial assets and financial liabilities

	2025	2024
	£'000	£'000
Financial assets		
Measured at amortised cost	180,691	98,243
Total	**180,691**	**98,243**
Financial liabilities		
Measured at fair value through profit and loss	1,978	1,694
Measured at amortised cost	129,580	47,718
Total	**131,558**	**49,412**

The Group 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 Group has the ability to access at the measurement date.

The Group 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 Group 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 Group includes:

- financial assets measured at amortised cost comprise of cash and cash equivalents, trade and other receivables (excluding prepayments), and consumer loan receivables;
- financial liabilities measured at amortised cost comprise of trade and other payables and loans held at amortised cost; and
- financial liabilities measured at fair value through profit or loss comprise of 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.

26 Share capital

Allotted, called up and fully paid:	2025 £	2024 £
Balance at 31 March		
521,159 Founder shares of £0.001 each (FY 2024: 521,159 Founder shares of £0.001 each)	521	521
629,611 Ordinary shares of £0.001 each (FY 2024: 628,930 Ordinary shares of £0.001 each)	630	629
Total	**1,151**	**1,150**

	2025 No. of shares	2025 £	2024 No. of shares	2024 £
Issued and fully paid:				
At 1 April	**1,150,089**	**1,150**	**1,123,872**	**1,124**
Issued during the year	681	1	26,217	26
At 31 March	**1,150,770**	**1,151**	**1,150,089**	**1,150**

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.

27 Share premium

	2025 £'000	2024 £'000
Balance at 1 April	-	-
Premium arising on issue of equity shares	858	-
Capital raising costs	(7)	-
Total	**851**	**-**

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 2025 were in the form of cash payments. In FY 2025, £7,118 (FY 2024: £634,000) of the capital raising costs were paid for the issuance of equity shares. Refer to note 28 for details on FY 2024 capital raising costs.

28 Merger reserve

	2025 £'000	2024 £'000
Balance at 1 April	**210,748**	**187,940**
Premium arising on issue of equity shares	-	23,442
Capital raising costs	-	(634)
Total	**210,748**	**210,748**

On 3 April 2024, the Group executed a reorganisation of its corporate structure through a share-for-share exchange where Zilch Technology Limited's shareholders exchanged their shareholding for shares in the new holding company, Zilch Holdings Limited, being the new ultimate parent of the Group. All shareholders received one share in Zilch Holdings Limited for each share previously held in Zilch Technology Limited.

The Group has elected to account for the change in ownership of Zilch Technology Limited through Merger Accounting under section 612 of the Companies Act 2006. Under this approach, the Group is presenting the consolidated financial statements using the retrospective approach as if the Group had been formed in prior periods and always existed. The Directors decided on this approach given the underlying business activities and operations of the Group remain largely unchanged following the change in ownership.

29 Share-based payments

The terms of the main 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.

The options are subject to service-based vesting conditions and are only exercisable upon the occurrence of a defined liquidity event, which represent non-vesting conditions under IFRS 2. If the options remain unexercised after the tenth anniversary (or, in certain cases, after the fifteenth 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.

Cash-settled share-based payments
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 granted a total of 226 RSUs during the financial year (FY 2024: 1,345) that vested immediately and were expensed in full at grant date. For the RSU schemes, the fair value is measured at grant date and expensed in full at grant date in which the RSU holders 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, with a corresponding liability recognised in the consolidated statement of financial position. The liability is remeasured at each reporting date with any gain or loss recognised in the consolidated profit or loss.

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

	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 2023	**113,749**	**-**	**113,749**	**100.30**	**411.53**
Granted during the year	13,405	1,345	14,750	295.72	1,039.07
Forfeited 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**
Granted during the year	8,880	226	9,106	530.12	884.93
Forfeited during the year	(1,005)	-	(1,005)	523.86	911.71
Outstanding at 31 March 2025	**127,892**	**1,571**	**129,463**	**128.99**	**498.48**
Exercisable at 31 March 2025	**121,157**	**-**	**121,157**	**97.84**	**487.53**
Exercisable at 31 March 2024	111,356	-	111,356	103.65	371.69

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

	2025	2024
Expected volatility	40%	40%
Expected life	36 Months	36 Months
Risk-free rate	3.8 - 4.3%	3.3 - 5.3%

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 31 March 2025, the range of exercise prices were £0.001 - £1,259.75 and the range of grant date fair values is £395.30 - £1,259.75. The weighted average remaining contractual life at 31 March 2025 is 4 years and the weighted average remaining vesting period is 2 years.

The Group recognised a total charge of £6.5m in relation to the schemes above for the year ended 31 March 2025 (2024: £18.7m) in profit or loss. For equity-settled awards a corresponding credit to the share-based payment reserve within equity is recognised. For cash-settled awards a liability is recognised on the consolidated statement of financial position.

30 Warrants

During the year ended 31 March 2025, no warrants (FY 2024: nil) were awarded and no warrants (FY 2024: 10,020) 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 is a nominal value of £0.001, 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 deemed to be probable for the remaining 476 issued warrants not yet exercised (FY 2024: 476).

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 (FY 2024: £200,139) for all warrants.

31 Profit or loss

The profit or loss account represents cumulative profits and losses net of all adjustments and transactions with owners.

32 Prior year reclassifications

The reclassifications set out in this note are the result of changes in accounting policy, as also detailed below.

Gross profit

Consolidated statement of profit or loss and other comprehensive income

The Group previously presented all expenses relating to expected credit losses (“ECL”) on returning customers within administrative expenses, and interest on funding within finance costs. Following a reassessment of the nature of these costs, management has concluded that both ECL charges (FY 2024: £12.7m) and funding-related interest costs (FY 2024: £7.3m) are more appropriately reflected within gross profit.

Accordingly, the Group has reclassified these items in the consolidated statement of profit or loss to align with this revised presentation. The following table summarises the impact of the Group's financial statements for the year ended 31 March 2024.

	As reported 2024 £'000	Reclassifications 2024 £'000	As reclassified 2024 £'000
Cost of sales	**(14,744)**	**(19,952)**	**(34,696)**
Provision for credit losses	-	(12,688)	(12,688)
Interest expenses	-	(7,264)	(7,264)
Transaction costs	(14,744)	-	(14,744)
Gross profit	**42,391**	**(19,952)**	**22,439**
Administrative expenses	(68,221)	12,688	(55,534)
Operating loss	**(25,830)**	**(7,264)**	**(33,095)**
Finance costs	(7,344)	7,264	(79)
Loss before taxation	**(50,214)**	**-**	**(50,214)**

‘Interest expenses’ (note 6) has been introduced to present funding related costs that were previously included within ‘Finance costs’. The revised ‘Finance costs’ note (note 10) now solely reflects interest expense on lease liabilities.

Net allowance for credit losses

Consolidated statement of financial position

Previously, the Group presented the allowance for expected credit losses as a separate liability within the consolidated statement of financial position. Following a reassessment of presentation under IFRS 9, management has concluded that it is more appropriate to present the ECL allowance net within ‘Consumer loan receivables’. There is no impact to the consolidated total comprehensive loss previously recognised by the Group in the prior year.

Accordingly, the Group has reclassified the Net allowance for credit losses in the statement of financial position to present ‘Consumer loan receivables’ on a net basis.

	As reported 2024 £'000	Reclassification 2024 £'000	As reclassified 2024 £'000
Consumer loan receivables	60,439	(11,631)	48,808
Total assets	**119,100**	**(11,631)**	**107,469**
Other financial liabilities: Current	52,567	(11,631)	40,936
Total liabilities	**65,882**	**(11,631)**	**54,251**
Total equity	**53,218**	-	**53,218**

Notes to the consolidated financial statements

	As reported 2024 £'000	Reclassification 2024 £'000	As reclassified 2024 £'000
Note 17 – Consumer loan receivables	60,439	(11,631)	48,808
Note 22 – Other financial liabilities: Current			
Other (previously called "Provisions")	11,770	(11,631)	139

33 Related party transactions

Refer to note 9 for details of Director and Key Management Personnel remuneration.

In June 2024, the credit facility provided by Goldman Sachs has been replaced with a new credit securitisation agreement led by Deutsche Bank for a £150m commitment for funding customer loan receivables originated by the Group before signing date.

Zilch Finance 3 Limited is the legal borrower of the debt facility used by the Group (refer to note 23).

During the period, the portfolio of consumer loans acquired by Zilch Finance 3 Limited totalled £1,348.4m (FY 2024: £889.1m by Zilch Finance 2 Limited) and repayments of principal on the portfolio totalled £1,223.4m (FY 2024: £835.2m by Zilch Finance 2 Limited).

Value Ventures Management Limited is a related party of the Group through a connected person. Value Ventures Management Limited has an agreement to provide services to the Group on an arm’s length basis. For FY 2025, costs of £98,586 were incurred by the Group (FY 2024: £169,195). As at 31 March 2025, there were no amounts owed to Value Ventures Management Limited (31 March 2024: £20,000).

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.

34 Events after the reporting period

Zilch Finance 2 Limited, a special purpose entity, wholly owned and managed by Wilmington Trust (London) Limited, was the legal borrower under a syndicated loan facility provided by Goldman Sachs Asset Management. Following repayment and termination of this facility, the members resolved to voluntarily wind up the company on 22 October 2024. Zilch Finance 2 Limited was formally dissolved on 10 July 2025.

Company only statement of financial position

Company number: 11887457

	Note	2025 £'000	2024 £'000
Fixed assets			
Investment in subsidiaries	4	59,823	-
Current assets			
Trade and other receivables	5	6,691	0
Creditors: amounts falling due within one year	6	(5,879)	-
Net current assets		**812**	**0**
Total assets less current liabilities		**60,635**	0
Creditors: amounts falling due after more than one year	7	(284)	-
Net assets		**60,351**	**0**
Equity			
Share capital	9	1	0
Share premium	8	851	-
Merger reserve		53,367	-
Share-based payments reserve		6,171	-
Loss for the year		(39)	-
Total shareholders' funds		**60,351**	**0**

As permitted by section 408 of the Companies Act 2006, the Company's statement of profit or loss has not been included in these financial statements.

The Company recorded a loss for the year ended 31 March 2025 of £39,000 (FY 2024: nil).

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

Philip Belamant
Date: 25 July 2025

Company only statement of changes in equity

	Share capital	Share premium	Merger reserve	Share-based payments reserve	Retained loss	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	**0**	**-**	**-**	**-**	**-**	**0**
At 31 March 2024	**0**	**-**	**-**	**-**	**-**	**0**
Loss for the year	-	-	-	-	(39)	(39)
Total comprehensive loss	**-**	**-**	**-**	**-**	**(39)**	**(39)**
Transactions with owners in their capacity as owners:						
Shares issued during the year, including the impact of reorganisation	1	858	53,367	-	-	54,226
Share-based payment awards	-	-	-	6,171		6,171
Transaction costs deducted from equity	-	(7)	-	-	-	(7)
Transactions with owners recognised directly in equity	**1**	**851**	**53,367**	**6,171**	**-**	**60,390**
At 31 March 2025	**1**	**851**	**53,367**	**6,171**	**(39)**	**60,351**

1 General information

Zilch Holdings Limited (the 'Company') is a private company, limited by shares, registered in England and Wales with company number 11887457. The address of the registered office is 111 Buckingham Palace Road, London, England, SW1W 0SR. The Company's principal activity is that of a holding company.

2 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to the periods presented, unless otherwise stated. Amounts are presented in pounds sterling ('£'), rounded to the nearest thousand (£'000) unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Companies Act 2006, and Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared on a going concern basis under the historical cost convention. FRS 101 enables the financial statements of the Company to be prepared in accordance with IFRS but with certain disclosure exemptions. The main areas of reduced disclosure are in respect of equity-settled share-based payments, financial instruments, the statement of cash flows, and related party transactions with Group companies. The accounting policies adopted for the Company are otherwise consistent with those used for the Group which are set out in note 2 of the Group's consolidated financial statements. As permitted by section 408 of the Companies Act 2006, the statement of profit or loss of the Company is not presented as part of the financial statements. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. In the financial statements for the year ended 31 March 2025, the Company has not made any critical accounting judgements and key sources of estimation which are considered to be material in value or significance to the performance of the Company.

The Company is the ultimate parent of the Group. These financial statements are presented together with the consolidated financial statements of the Group in the same financial report.

Financial Reporting Standard 101 – reduced disclosure exemptions

This basis of preparation has enabled the Company to take advantage of the applicable disclosure exemptions permitted by FRS 101 in the financial statements. The following disclosures have not been provided as permitted by FRS 101:

- a cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- disclosures in respect of financial instruments;
- the effects of new but not yet effective IFRS; and
- statement of compliance with all IFRS.

The Company has also taken the exemption under FRS 101 available in respect of the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment' in respect of Group settled share-based payments as the consolidated financial statements of the Group include the equivalent disclosures.

2.2 Going concern

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

The Company's loss for the financial year amounted to £39,000 (FY 2024: nil). The Company had net assets of £60.4m (FY 2024: £0.0m) at 31 March 2025.

The Directors have reviewed the Company's business plan, including 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 *Governanc & Risk* section of this report.

Having undertaken this assessment the Directors have a reasonable expectation that the Company has 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 Exemption from preparation of consolidated financial statements

The financial statements contain information about FRS 101 (Reduced Disclosures) for Zilch Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

These Company only financial statements are consolidated in the Group financial statements of Zilch Holdings Limited.

2.4 Investment in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying values of investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable value.

2.5 Trade and other receivables

Debtors include amounts from Group companies.

2.6 Share-based payments

The Group engages in equity-settled and cash-settled share-based payments transactions in respect of services received from employees and others providing similar services. Refer to note 29 of the consolidated financial statements for further information.

2.7 Equity and reserves

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.

Other components of equity include the following:

- Share Premium – comprises the difference between the value of the shares on issue and their nominal value;
- Share-based Payments Reserve – comprises equity-settled share-based remuneration;
- Merger Reserve – comprises the difference between the net assets of Zilch Technology Limited and the nominal value of shares acquired by Zilch Holdings Limited as part of the share-for-share exchange which took place on 3 April 2024; and
- Retained Losses – comprises retained profit/(loss).

3 Employees and directors

Employees

The Company only had company directors during the year. All administrative and management functions are carried out by the Group's subsidiaries.

Directors

The emoluments of one director were borne directly by the Company during the financial year. The emoluments of the remaining directors were paid by a fellow group undertaking. The Company recognises an intercompany payable to the group undertaking in respect of these costs. Full disclosure of directors' remuneration is included in the consolidated financial statements of the Group.

4 Investment in subsidiaries

On 3 April 2024, the Group completed a reorganisation of its corporate structure through a share-for-share exchange where Zilch Technology Limited's shareholders exchanged their shareholding for shares in the new holding company, Zilch Holdings Limited, being the new ultimate parent of the Group. All shareholders received one share in Zilch Holdings Limited for each share previously held in Zilch Technology Limited.

As Zilch Holdings Limited now holds 100% of the shares of Zilch Technology Limited, the investment in the subsidiary arising from the share-for-share exchange has been recognised in accordance with IAS 27 Separate Financial Statements.

Cost

	2025 £'000	2024 £'000
Balance as at 1 April	-	-
Additions	53,368	-
Share-based payments capital contribution	6,455	-
As at 31 March	**59,823**	-

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

	Nature of investment (% Ownership)		
Name	**Direct**	**Indirect**	**Nature of business**
Zilch Technology Limited	100	-	Payments network
Zilch Compare Limited	100	-	Insurance comparison
ZFS1 Limited	100	-	Dormant
Zilch USA Inc.	-	100	Provider of credit
Z Loan Services LLC	-	100	Lending entity
Zilch Poland Sp. Z o.o.	-	100	Software engineering and development
Zilch Finance 1 Ltd	-	100	Dormant

Zilch Technology Limited was incorporated on 27 July 2018 in England and Wales. The registered office address is 111 Buckingham Palace Road, London, England, SW1W 0SR.

Zilch Compare Limited was incorporated on 15 April 2024 in England and Wales. The registered office address is 111 Buckingham Palace Road, London, England, SW1W 0SR.

ZFS1 Limited was incorporated on 9 June 2023 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.

Z Loan Services LLC (previously known as Juno Capital LLC) was incorporated on 24 February 2017 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.

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.

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
Zilch Technology Limited, a wholly owned subsidiary of the Company, has an interest in a special purpose entity Zilch Finance 3 Limited, wholly owned and managed by Wilmington Trust (London) Limited. Zilch Finance 3 Limited was incorporated on 29 March 2024 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.

Zilch Finance 3 Limited is the legal borrower of the Deutsche Bank syndicated loan facility used by the Group (refer to note 23 of the Consolidated Financial Statements for further details). Zilch Finance 3 Limited issues Senior Notes to the lending syndicate and Subordinated Notes to Zilch Technology Limited. On 6 June 2024, Zilch Technology Limited entered into a Receivables Sales and Purchase Agreement with Zilch Finance 3 Limited (as amended from time to time). Under the terms of this agreement, the proceeds received by Zilch Finance 3 Limited from the issuance of Notes are used to effect the assignment of the right, title and interest in a portfolio of unsecured consumer loans from Zilch Technology Limited to Zilch Finance 3 Limited on an ongoing basis. The Receivables Sales and Purchase Agreement grants Zilch Finance 3 Limited the right to require Zilch Technology Limited to repurchase any diluted or fraudulent receivables. The terms of the transaction documents effectively require Zilch Technology Limited to fund any defaulted receivables, with any collections received by Zilch Finance 3 Limited in relation to defaulted receivables paid directly to Zilch Technology Limited. Accordingly, substantially all the risks and rewards of the portfolio of consumer loans sold to Zilch Finance 3 Limited have been retained by Zilch Technology Limited.

Zilch Finance 3 Limited 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.

In the prior period, the Group had an interest in a special purpose entity, Zilch Finance 2 Limited, which was incorporated on 30 June 2021. Zilch Finance 2 Limited was wholly owned and managed by Wilmington Trust (London) Limited. Zilch Finance 2 Limited served as the legal borrower under the syndicated loan facility provided by Goldman Sachs Asset Management, which was previously utilised by the Group. Following the repayment and termination of this facility, a resolution was passed by the members of Zilch Finance 2 Limited to voluntarily wind up the company on 22 October 2024 and it is was formally dissolved on 10 July 2025.

5 Trade and other receivables

	2025 £'000	2024 £'000
Amounts owed by group undertakings	6,691	0
Total	**6,691**	**0**

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

6 Creditors: amounts falling within one year

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Shares to be allocated	5,879	-
Total	**5,879**	**-**

As at the reporting date, the Company had received £5.9m in relation to shares to be allocated. These remain unallocated to shares at year-end and therefore recognised as a liability.

7 Creditors: amounts falling due after more than one year

	2025 £'000	2024 £'000
Amounts falling due after more than one year:		
Share-based payments scheme liability	284	-
Total	**284**	**-**

8 Share premium

	2025 £'000	2024 £'000
Balance at 1 April	**-**	**-**
Premium arising on issue of equity shares	858	-
Capital raising costs	(7)	-
Total	**851**	**-**

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 2025 were in the form of cash payments. In FY 2025, £7,118 (FY 2024: nil) of the capital raising costs were paid for the issuance of equity shares.

9 Share capital

Allotted, called up and fully paid:	2025	2024
	£	£
Balance at 31 March		
521,159 Founder shares of £0.001 each (FY 2024: £nil)	521	-
629,611 Ordinary shares of £0.001 each (FY 2024: 1,000 Ordinary shares of £0.001 each)	630	1
Total	**1,151**	**1**

	2025	2025	2024	2024
	No. of shares	£	No. of shares	£
Issued and fully paid:				
At 1 April	**1,000**	**1**	**1,000**	**1**
Issued during the year	1,149,770	1,150	-	-
At 31 March	**1,150,770**	**1,151**	**1,000**	**1**

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.

10 Share-based payments

The Company has established both equity-settled and cash-settled share-based payment arrangements under which awards are granted to employees of its subsidiaries and others providing similar services. These arrangements fall within the scope of IFRS 2 'Share-based payment', as adopted in the UK.

For equity-settled share-based payments, the Company issues equity instruments to employees of group companies and others providing similar services. Although the awards are granted by the Company, the associated costs are borne by the employing subsidiaries. As a result, no expense is recognised in the Company's profit or loss. Instead, the Company recognises an increase in the cost of investment in the relevant subsidiaries to reflect the capital contribution.

For cash-settled share-based payments, the Company can settle the awards with general assets of the Company on behalf of group companies and recharges the cost to the employing subsidiaries. Consistent with the treatment of equity-settled awards, the Company recognises a corresponding increase in its investment in the relevant subsidiaries.

Further information on the Group's share-based payment arrangements, including the nature, terms, and valuation of the awards, is disclosed in the consolidated financial statements.

11 Auditor's remuneration

The Company has incurred audit fees of £5,000 (FY 2024: £nil) for the year.

12 Related party transactions

Refer to note 3 for details of Directors' remuneration.

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 31 March 2025.

13 Events after the reporting period

Zilch Finance 2 Limited, a special purpose entity, wholly owned and managed by Wilmington Trust (London) Limited, was the legal borrower under a syndicated loan facility provided by Goldman Sachs Asset Management. Following repayment and termination of this facility, the members resolved to voluntarily wind up the company on 22 October 2024. Zilch Finance 2 Limited was formally dissolved on 10 July 2025.

Glossary.

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

Advertising Revenue
revenue we generate from tenancy and affiliates.

Board
the board of directors of Zilch Holdings Limited.

The Company
Zilch Holdings Limited.

Credit revenue
revenue we generate from fees charged to customers.

Customer Acquisition Cost ("CAC")
the expenses associated with acquiring a customer in each period (including lead generation, onboarding expenses, referrals and forced churn).

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

Directors
the directors of Zilch Holdings Limited.

Feature Revenue
revenues from features of the platform (Snooze fees from customers and other features).

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

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.

GMV Net of Returns
GMV adjusted for customer returns, and any other transaction reversals.

The Group
Zilch Holdings Limited and its subsidiaries.

Net Losses
loss after taxation per the consolidated statement of profit or loss.

Net Transaction Margin
gross profit relative to GMV net of returns; a measure intended to reflect our ability to earn a margin relative to volume on our platform.

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.

Transactions
executing using Zilch to pay for the purchase of goods and/or services from a store or online as well as any refunds or adjustments that may apply.

Transaction revenue
revenue we generate from interchange.

Company information.

Registered Company Number

Registered in England and Wales
Company number 11887457

Incorporated on

18 March 2019

Registered Office

111 Buckingham Palace Road
London SW1W 0SR
United Kingdom

Directors

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

Philip Belamant, Co-founder, Chief Executive Officer and Director.

Sean O'Connor, Co-founder and Director.

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

Mark Wilson, Independent Non-Executive Director

Independent Auditors

Grant Thornton
13-18 City Quay,
Dublin, D02 ED70, Ireland.

Contact us

Get in touch at:
zilch.com/uk/contact