CREATING OPPORTUNITIES THROUGH CONVENIENT PAYMENTS

Annual Report and Financial Statements **2024**

Our Purpose

We proudly support our community of customers and partners in creating opportunities through convenient payments

Strategic Report

Governance Report

Financial Statements

2024 highlights

> "In 2024, we achieved our largest ever year-on-year EBITDA growth, proving the success of our strategy.

Tara Waite
Chief Executive Officer

Alternative performance measures ('APMs'): On this page, total income, and risk adjusted income are IFRS measures. Management also use a number of APMs to assess performance – in the highlights shown on this page, this includes Adjusted EBITDA. A table detailing an Adjusted EBITDA reconciliation to our profit before tax can be found on page 12, and certain definitions and reconciliations to statutory financial information can be found in our KPIs from page 15.

The measures volumes originated and committed volumes of non-funded propositions are neither IFRS measures nor APM.

Total income

£184.9m

+29.1% (2023: £143.2m)

2024	£184.9m
2023	£143.2m
2022	£123.8m

Volumes originated

£5.5bn

+10.0% (2023: £5.0bn)

2024	£5,483m
2023	£5,005m
2022	£4,544m

Adjusted EBITDA

£113.3m

+35.7% (2023: £83.5m)

2024	£113.3m
2023	£83.5m
2022	£79.6m

Risk adjusted income

£171.9m

+31% (2023: £131.2m)

2024	£171.9m
2023	£131.2m
2022	£118.7m

Committed volumes of non-funded proposition

£0.9bn

+200% (2023: £0.3bn)

2024	£900m
2023	£300m
2022	N/A

Chairman's introduction

DELIVERING ACCORDING TO PLAN IN 2024

"Not only have we seen an incredibly strong performance in 2024, we have also unlocked new markets which will help fuel our growth in 2025. Our pipeline of opportunities is full and the business has strong momentum.

Scott Egan
Chairman

2024 has been a year of incredibly strong performance for Premium Credit. A 14% increase in volumes originated and a growth of 29% in total income drove record levels of profitability for the Company. An amazing achievement by the team and a lot to be proud of.

As Chair of the Company, I get to see how hard the team work to deliver these results but importantly I see their relentless focus on having our customers and partners at the heart of everything that they do.

The focus on continuing to evolve and develop our products and processes has never been more important. 2024 was pivotal in this respect as we developed our offering for Insurers and Affinity partners, who have typically managed premium finance in-house, unlocking a new addressable market of over £12 billion and agreeing new contracts worth close to £1 billion in annual volumes in this space.

Regulatory clarity

2024 brought increased regulatory scrutiny of the premium finance market. Premium Credit as the market leader welcomes this focus to bring increased clarity and consumer protection to the market. We believe this is positive for the market and importantly, aligns completely with the ethos of the Company. The Board and the Executive Team have spent considerable time during the year focusing on this area.

Continued on next page

Chairman's introduction
continued

As I said last year, the accessibility and affordability of insurance remains critical to society, and Premium Credit plays a vital role in ensuring that both individuals and businesses have an affordable and convenient path to protecting their risks.

Hard work behind our strong performance

I would like to thank all of our customers and partners, both existing and new, whose trust and support in our products and services have propelled us to these record levels of performance. We never forget that you have a choice in where you place your business, and we feel privileged and honoured that you choose Premium Credit.

My special thanks go to my amazing colleagues who work incredibly hard every day to make this Company what it is. Performance is only ever the outcome of hard work and dedication and on behalf of the Board I thank you for all that you do every single day.

Exciting opportunities ahead

2025 promises to be another exciting year for Premium Credit, building on our record performance in 2024. Our pipeline of opportunities is full and the business has strong momentum, including the tremendous opportunities we see in non-funded solutions and Specialist Finance. Most importantly, the company has the ambition and drive to continue to do even better in every aspect in 2025, setting new standards and records as we go – with our customers and partners always at the heart of all that we do.

Scott Egan
Chairman

Our strategy

Increasing the number of **our Growth Engines**

Premium Credit is an award-winning provider of funded and non-funded instalment solutions through intermediary partners in the UK and Ireland. We provide instalment solutions to corporates and individuals, supporting the purchase of insurance policies and a range of other annually charged fees and services. In 2024 we used our leading, integrated servicing and fit-for-purpose technology to allow 2.9 million customers to pay for over £5.5 billion of services.

Implementing our strategy

In 2024, we launched two key transformation programmes in aid of this ambition: one is focused on evolving our technology and shifting the business to an agile model to accelerate delivery of new product features; the other is focused on smoothing our customer and partner journeys by streamlining processes wherever possible to provide the best experience to our customers and our intermediary partners.

Widening our addressable market

Recognising a market need from Insurers and Affinity brands for regulatory compliant customer journeys, technology, rapid service delivery and cost-efficiency at scale, effective from 2025 we will move from two business units - Insurance Services (encompassing Broker and Insurer & Affinity) and Specialist Finance (encompassing Education, Tax and Sports, professions & leisure) to an increased number of business units, as we consider the impact of our non-funded solutions to our business.

This strategic expansion provides access to our compelling proposition, whilst allowing partners to utilise their own funding sources. It increases our target addressable market from the current £9 billion per annum to over £21 billion per annum. Premium Credit's value to partners comes from providing services such as affordability checks and consumer duty adherence.

Our Strategy

Growth Engines

		Insurance services		Specialist finance		
		Brokers Deliver a market leading experience and maximise penetration	**Insurers & affinity** Expand our foothold with insurance providers through our compelling proposition	**Education** Grow penetration in priority segments	**Tax** Grow volumes through market leading experience	**Sports, professions and leisure** Grow steadily
Funded Solutions	Funding to intermediary provided by Premium Credit	✓	✓	✓	✓	✓
Non-Funded Solutions	Funding to intermediary provided by third party		✓			

Enablers

Product & Technology
Accelerate our ability to deliver by moving to a product-centric structure and modernise our tech stack

Operations
Improve customer and colleague experience by delivering operational excellence

Risk Management
Elevate risk, compliance and legal to be a differentiating part of our value proposition

Finance
Support our growth ambitions

Our strategy continued

Our insurance services strategy

Broker channel

In the Broker channel, our strategic objective is to offer convenient payment options in a clear, frictionless and compliant way to the ever-growing number of customers through our netwrok of existing and new broker partners.

We are relentlessly focused on the experience of our existing broker partners through service quality, digital journeys, great service and trusted relationships.

For our customers, we are focused on ensuring our products deliver a convenient, seamless and fair-value compliant way of financing their insurance needs.

Insurer & Affinity channel

We are seeing significant growth opportunities in this market with Insurers and Affinity partners who have typically managed premium finance in-house.

Partners are outsourcing to Premium Credit to leverage our expertise by using our compliant processes, including credit and affordability checks, vulnerable customer processes and consumer duty adherence.

In this channel, some partners do not require our funding - we call this our 'non-funded' proposition.

Growth in this channel is an exciting new component of our strategy over the next few years, with a sizeable target addressable market, which we estimate to be over £21 billion, compared to c.£9 billion in the Broker-only market.

2024 has been a hugely successful year in this channel, having agreed ground-breaking contracts worth £900m in annual volumes.

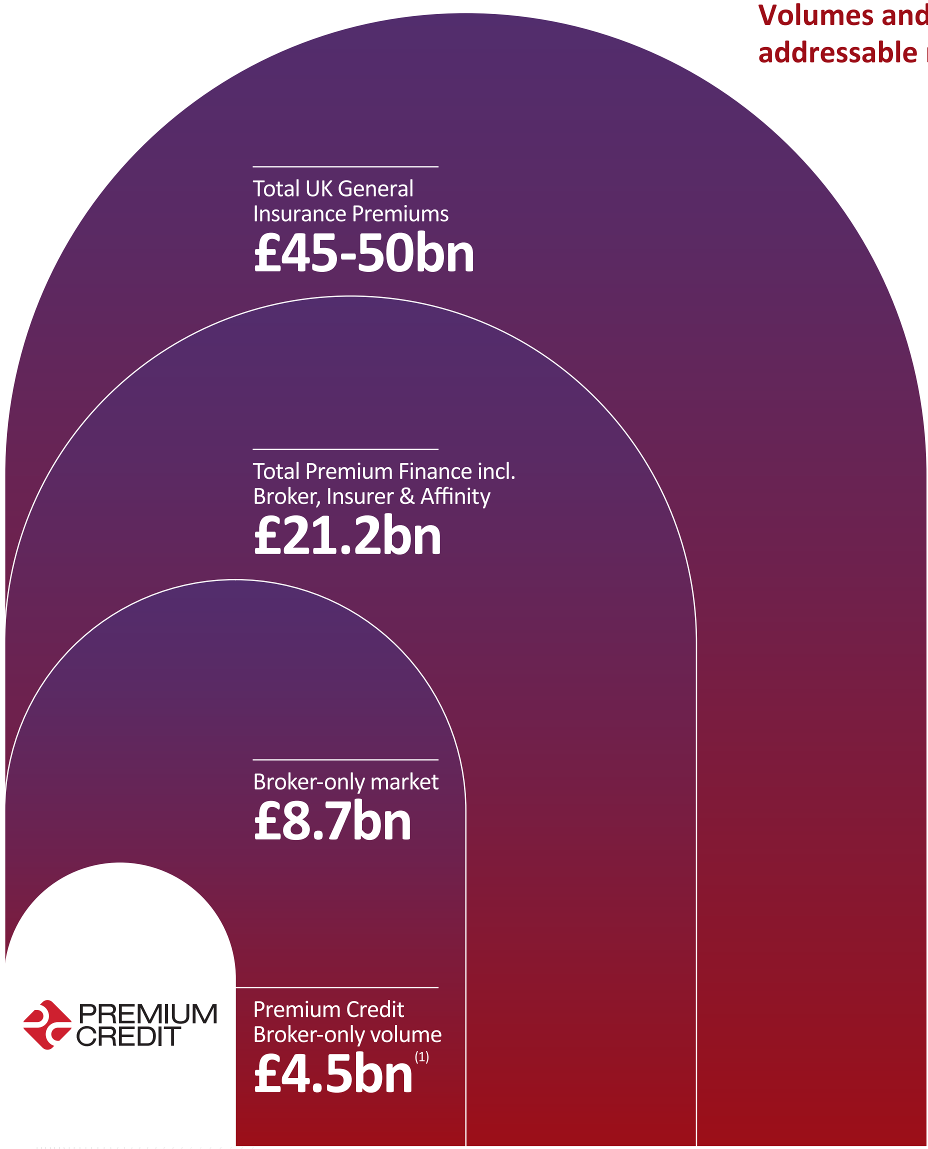
Our Specialist Finance strategy

Our Specialist Finance business has continued to see significant growth.

Our Tax business grew volumes by 29% in 2024 through a refreshed proposition, strong leadership, and great partner relationships, evidenced by winning the 'Professions Funder of the Year' award at 'Meet the Funder Expo'.

Our Education business has grown both through our Professional Training and our School Fee Plan offerings. Our products prove to be a useful mechanism for schools and parents looking to manage VAT being applied to school fees - we anticipate this will continue into 2025.

Volumes and target addressable market



(1) Premium Credit Broker-only volume excludes £320m of Insurer and Affinity volume already live in 2024. The figures above, other than Premium Credit's own volumes, are Premium Credit estimates.

Our strategy continued

Strategy led by our purpose

We are a purpose-led organisation, who proudly supports our community of customers and partners in creating opportunities through convenient payments. With a strong set of colleague values and alignment to our Sustainability agenda, we are committed to being a force for good.

Our focus throughout 2024 remained on further improving customer and partner experiences by investing in seamless digital journeys, great service and building trusted relationships with our partners and customers, with a single goal: ensure our payment options are as convenient as possible.

That relentless focus saw us grow our volumes by close to 10% in 2024 and serve just under 3 million customers, to cement our place as the leading provider of instalment solutions for the insurance industry in the UK and Ireland, and a growing provider of solutions to other Specialist Finance sectors.

Our intermediary partners

We operate through a network of c.3,000 intermediary partners, including insurance brokers, insurance providers, membership organisations, schools and leisure facility providers, who outsource the provision of instalment finance for their customers to Premium Credit.

As a B2B2C provider, we have high brand awareness and strong, long-term partner relationships, which are multi-faceted across their sales, operations and IT functions.

Partners choose to work with us because of our track record of reliable service, our innovative and robust technology that delivers seamless journeys for them and their customers, and our strong focus and experience on regulatory compliance.

Our customers

We enable our end-customers to purchase critical products, allowing them to make the annual cost of mandatory or important payments more affordable, by spreading them over regular instalments.

In serving almost three million individuals, SMEs and corporate clients, we focus on strong customer outcomes, as reflected by our customer satisfaction scores and our 'Excellent' rating on Trustpilot.

Purpose & values:

We proudly support our community of customers and partners in creating opportunities through convenient payments

Stand together
Work as one team

Stand up
Be relied upon to get it done

Stand true
Act with honesty and integrity

Stand out
Embrace originality, courage and passion

Our strategic enablers

STRONG ENABLERS TO FUEL THE GROWTH

Our enablers underpin our Growth Engines. In 2024, and throughout 2025, we have and will continue to invest in our risk management capabilities as a core part of our offering. In line with this ambition, we welcomed Rohit Ghai as our Chief Risk Officer.

Technology remains our key enabler. We are accelerating the delivery pace through agile ways of working, delivering new features every two weeks.

Our investments in technology also assist us in delivering operational excellence. Together with simplified processes, we have further improved both customer and partner journeys, enabling us to onboard 86% of our customers without manual intervention.

Finally, we are enhancing our finance capabilities, transforming our reporting framework to provide even better quality financial analysis across the increased number of business units. In parallel we continue to optimise our funding programmes.

Processing over
35 million
Direct Debits annually

Over
2.9 million
customers

Our business model

Premium Credit has a unique business model, working with a diversified network of intermediary partners to provide seamless solutions for our customers. The main aspects of our business model are summarised on this page.

Customer-centric business allowing customers access to critical insurance products

- Commitment to increasing the accessibility of insurance for end-customers
- Compliance-driven culture with high emphasis on Consumer Duty, fair value and affordability
- Strong corporate culture underpinned by high Sustainability standards

Leading financial services platform with established market presence

- Leading player in insurance premium services with large market share and long-term relationships with the largest insurance intermediaries
- Partner of choice for insurance carriers on outsourcing premium finance through our non-funded product
- Well positioned specialist finance services, with strong performance in Tax and Education

Delivering an attractive financial profile

Consistent growth in volumes, revenue and EBITDA across economic cycles

Large target addressable market, further increased through non-funded solutions

- Operating in a £50 billion UK General Insurance market, supporting our partners in delivering a premium finance product to their clients
- Large addressable market for our Specialist Finance business supported by a refreshed proposition

Well-invested and robust technology-based service model

- Best-in-class and well invested tech platform, delivering efficiency and powering scalability across funded and non-funded solutions
- Product-led organisation, allowing nimble development of product propositions

Chief Executive Officer's review

MAINTAINING OUR MOMENTUM

"We have continued to deliver on our strategy and successfully grown our business."

Tara Waite
Chief Executive Officer

The Company continues to go from strength to strength, delivering another set of outstanding results. Our growth trajectory is built on a consistent, long-term strategy that maximises our strengths and unlocks new opportunities by evolving our offering.

Our markets face different conditions. The UK is experiencing low growth while the Irish economy is performing well. Despite this, we continue to see strong demand for our products and these macroeconomic circumstances are not affecting our ability to grow.

This market demand and the successful execution of our strategic initiatives have seen us continue to surpass our past achievements and deliver against our purpose.

Performance

Our success is driven by providing a range of products that customers and businesses need. This year saw us achieve our strongest financial performance to date, with our adjusted EBITDA reaching an all-time high of £113.3 million (compared to £83.5 million in 2023), meaning we also achieved our largest ever year-on-year growth.

This was built on further increases in both our loans originated (£5.5 billion; 2023: £5.0 billion) and total income (£184.9 million; 2023: £143.2 million).

Strategic progress

Our strategy remains unchanged and continues to serve us well as we evolve from being a lender to becoming a broader service provider to the insurance industry.

In recent years, we have targeted winning new partners in emerging channels, particularly providing premium finance services to Insurers, self-funding brokers and Affinity brands. Having been successful in winning or onboarding a number of these partners in 2023 and 2024, we identified that their requirements could be best served by the development of a new non-funded product.

Continued on next page

Chief Executive Officer's review continued

Pivoting to build and deploy a non-funded solution quickly and efficiently is testament to our adaptability, ability to deliver propositions and products that meet our partners' needs, and our customer-driven decision-making. It has been a significant development for us as a business to move into this space and successfully partner with leading Insurers.

Going forward, it also means we can target a new range of businesses and onboard them without needing to increase our funding facilities.

Alongside these new opportunities, we have continued to focus on growing with our existing intermediary partnerships and expanding our Specialist Finance division, with solid performance delivered in our priority areas of Education and Tax this year.

As always, we have also made further investments in our key strategic enablers of technology, operational excellence and risk management, enhancing both our customer journeys and our operational leverage.

Across all our propositions, we have a strong pipeline of customers to onboard and new opportunities to ensure our momentum continues in 2025.

Working with the regulator

In 2024, the FCA launched a study to assess fair value, compliance and competition in the premium finance market. Following our successful implementation of the FCA's Consumer Duty standards, we welcome the new study and support its goal to bring further clarity and consumer protection to the market. We have dedicated resources to engage with the study and will work with the regulator to help them understand our products, processes and more. Ultimately, we believe that higher regulatory standards can only be a positive for our business and our customers.

ESG and people

It's been another year of progress against our ESG agenda. We added short- and long-term targets to our Sustainability strategy and launched it to the business at our January 2024 town hall. To encourage ongoing engagement, a series of communications and a new intranet hub highlighted how colleagues can get involved. This has led to significant growth in colleague volunteering and increased engagement with learning and development opportunities.

Other focus areas have included spotlighting our work on social mobility and vulnerable customers and relaunching our Code of Conduct as a Code of Ethics with a speak-up tool.

To reinforce oversight and accountability for ESG, we established Executive Committee sponsors for each strategic pillar and improved reporting to the appropriate Executive and Board committees.

We retained our Silver Medal from EcoVadis in February 2024 and remain committed to taking action in line with their recommended improvements.

Outlook

Though we are in a period of political and economic turbulence, I remain confident in our ability to continue our growth trajectory throughout 2025 and beyond. Our products remain critical for consumers and businesses, and more than ever, we are demonstrating our ability to respond to their needs and deliver positive outcomes.

Our capacity to seize new opportunities, as well as our resilience and ability to navigate obstacles is a great strength of Premium Credit and I believe they will continue to drive our success in the coming year.

Tara Waite
Chief Executive Officer

Chief Financial Officer's review

ENSURING CONSISTENT GROWTH

"Our strategy has continually strengthened our financial position over a number of years."

Andrew Chapman
Chief Financial Officer

As the economic uncertainty of recent years stabilised through 2024, we have delivered our strongest financial performance to date.

2024 has been a year of strong financial performance, as we saw the focus we have put into transforming our business model over recent years translate into an excellent financial performance.

Against our long-term strategy to grow with existing intermediary partnerships and seek new growth opportunities, we've onboarded some material new partners and Insurers and seen significant traction in the Specialist Finance space, particularly within Tax. With further onboarding taking place, we have a strong pipeline of new business to continue our momentum in 2025.

We have maximised the opportunities created by expanding our role in the insurance ecosystem, especially with those partners who do not require funding from us. Achievements include winning several new partners in this space, with committed non-funded volumes of £0.9 billion per annum.

As we begin a new year, we are conscious of the continued relevance of our product, which will allow businesses to manage their liquidity as they take on the additional fiscal burden announced by the Government in their autumn budget. We can do this as a result of the layers of credit protection inherent in the business model.

We are fully supportive of the FCA study on Insurance Premium Finance and its potential to drive higher regulatory standards. We are also aware of the Court of Appeals' decision on motor finance, and we are confident that having analysed it and taken independent legal advice, we do not see any contingent liabilities in our business.

We are confident as we enter 2025. Our proven strategy has delivered consistent growth and continually strengthened our financial position over a number of years, and we have exciting opportunities to further grow our role in the sector.

Financial review

We saw a record year for the business in 2024: With macroeconomic stability alongside volume growth driving an increase in our net interest income of 32% and our Adjusted EBITDA of 36%.

Management basis income statement (unaudited)[1]

£ million	2024	2023	Change £m	Change %
Volume of loans originated				
Premium Finance UK & Ireland	**4,855.6**	4,446.4	409.2	9.2%
Specialist Finance	**627.7**	558.8	68.9	12.3%
Total volumes	**5,483.3**	5,005.3	478.0	9.5%
Booked Income	**261.1**	223.8	37.3	16.7%
Profit & Loss				
Interest Income	**241.1**	188.8	52.3	27.7%
Interest Expense	**(91.6)**	(75.7)	(15.9)	21.0%
Net Interest Income	**149.5**	113.0	36.5	32.3%
Fee income	**37.9**	33.9	4.0	11.8%
Total Income	**187.4**	146.9	40.5	27.6%
Net Credit Losses	**(12.5)**	(10.6)	(1.9)	17.9%
Additional Provision	**(0.5)**	(1.5)	1.0	(66.7)%
Credit Losses	**(13.0)**	(12.0)	(1.0)	8.3%
Risk Adjusted Income	**174.4**	134.9	39.5	29.3%
Operating Costs	**(61.1)**	(51.3)	(9.8)	19.1%
Adjusted EBITDA[2]	**113.3**	83.5	29.8	35.7%
Reconciliation from Adjusted EBITDA to IFRS Profit before tax				
Depreciation and amortisation	**(6.8)**	(5.7)		
Investment in new information technology & business transformation	**(4.5)**	(4.3)		
Strategy Review costs[3]	**(2.3)**	(3.2)		
Amortisation and write-offs of Securitisation Programme fees	**(2.3)**	(2.9)		
Foreign currency loss	**(0.4)**	(1.4)		
Operational restructuring costs	**(1.6)**	(1.4)		
Interest on unused Securitisation facilities	**(0.2)**	(0.8)		
Other[4]	**(5.4)**	(2.2)		
Profit before tax	**89.8**	61.6		

1. For internal management reporting purposes, in preparing the management basis income statement certain items are presented differently to the statutory income statement. The main differences are observed in respect (a) fee income, as certain fees are treated as interest income for statutory purposes but not in our management reporting, and (b) operating costs, as FX gains or losses and certain one-off items are treated as administrative expenses for the statutory purposes but not in our management reporting. See Note 5 to the financial statements for the detail of statutory net interest income and Note 8 to the financial statements for the detail of statutory administrative expenses.
2. Adjusted EBITDA represents profit for the year before taxation, interest payable and similar charges (other than interest expense of our Securitisation Programme), depreciation and amortisation (including the amortisation of any fees of our Securitisation Programme), certain transaction costs, one-time information technology initiatives and other non-operating costs including restructuring costs. Adjusted EBITDA is not specifically defined under, or presented in accordance with, IFRS or any other generally accepted accounting principles and should not be considered as an alternative to profit for the year or any other performance measures derived in accordance with IFRS. The Company may incur expenses similar to the adjustments in this calculation in the future and certain of these items could be considered recurring in nature. The presentation of Adjusted EBITDA should not be construed as an inference that the Company's future results will be unaffected by unusual or non-recurring items. In evaluating Adjusted EBITDA, the Company encourages the reader to evaluate each adjustment and the reasons it considers it appropriate as a method of supplemental analysis.
3. This comprises costs relating to the review of the Company's Strategy and Value Creation Plan £2.3 million (2023: £2.5 million) and Equity review costs £nil (2023: £0.7 million).
4. In 2024, this mainly represents people costs £3.0 million (2023: £1.1 million), costs relating to share-based payments £0.7 million (2023: £0.7 million), costs relating to property not in use £0.8 million (2023: £0.4 million), consultants' costs incurred on strategic reviews of our business and our technology platforms, enhancing future financial accounting and reporting systems £0.6 million (2023: £nil) and finance charges on IFRS 16 leased assets £0.3 million (2023: £0.2 million).

Financial review continued

Volumes

The volume of loans originated was a record £5.5 billion this year (2023: £5.0 billion). Our insurance premium finance lending grew by 9.2% to £4.9 billion (2023: £4.4 billion), driven primarily by a combination of new partner wins and increased penetration of our product with these partners.

Origination in our Specialist Finance business increased by 12.3% to £627.7 million (2023: £558.8 million), driven primarily by increased business in our tax products (29.0% increase year-on-year or £64.7 million). Our Education business also performed well, lending £184.9 million despite delays in independent schools issuing invoices while they awaited the implementation of VAT on their fees.

Net interest income

Net interest income comprises interest earned on our loans to customers, less interest payable on our funding. Net interest income increased by 32.2% to £149.5 million (2023: £113.1 million).

Interest income increased by £52.3 million year-on-year to £241.1 million (2023: £188.8 million), driven by higher origination amounts and higher customer rates, as a result of a higher average interest rate environment in 2024 than in 2023, which has been passed to our customers.

Interest expense increased by £15.9 million to £91.6 million (2023: £75.7 million), as we borrowed more to fund the higher origination, and our borrowings saw a higher Sterling Overnight Indexed Average ('SONIA') rate in 2024 than in 2023, mirroring the movements in the UK Base Rate.

Our interest expense ultimately reflects the interest rates obtained by the various special purpose vehicles of the Securitisation Programme and the Securitisation Facility (see 'Funding' below for further details)

Fee income

Fee income includes missed payment fees, reminder fees for unsigned contracts and facility fees charged at the inception of a loan. These represent the recovery of costs incurred by the business. Fee income was up £4 million year-on-year to £37.9 million. The majority of this increase was generated through a rise in the number of missed payments, which resulted in an increase in missed payment fees to £19.3 million (2023: £16.2 million); in turn, the majority of the increase is due to a higher number of customers rather than a deterioration in credit quality. In 2024 we continued to use a proactive approach in waiving missed payment and reminder fees for customers subject to temporary financial difficulties or otherwise presenting indications of vulnerability.

Credit losses and provisions

The loans we originate benefit from a number of layers of protection. These vary by product but can include pro-rata refundability of the service we have financed and recourse against the intermediary partner for any losses. In addition, the mandatory or essential nature of the products we finance result in lower levels of defaults. This in turn translates into low levels of credit losses.

In 2024, write-offs on loans to customers, net of recoveries, were £12.5 million (2023: £10.6 million). The increase is broadly in line with the increase in volume of business and reflects a stabilised macro environment during the year, as well as a robust underwriting policy.

Operating costs

Operating costs increased by £9.8 million or 19.2% year-on-year. This reflects 2023 inflation which was included in colleagues' salaries from February 2024, as well as an increase in headcount both in our operations and our sales functions.

Cash

At 31 December 2024, the Company had a cash balance of £70.5 million, an increase of 37.7% from 2023 (£51.2 million).
We increased our cash position despite continuing to invest in the growth of our loan book.

Loans to customers

Loans to customers increased by £226.2 million to £2,418.0 million at 31 December 2024 (2023: £2,191.8 million). Those loans which had already been disbursed to our partners (the 'outstanding funded principal balance') as at 31 December 2024 amounted to £1,712.4 million (2023: £1,534.7 million), with the difference between the loans to customers and the outstanding funded principal balance representing payables due to our intermediary partners.

Financial review continued

Funding

We obtain external funding through a master trust securitisation programme (the 'Securitisation Programme'), a separate securitisation bank facility (the 'Securitisation Facility') and through an unsecured revolving credit facility ('RCF'). The Securitisation Programme is ultimately financed through loans from standalone special purpose vehicles ('SPV') that issue either public asset-backed term notes on the capital markets or variable funding notes to a syndicate of banks.

The Securitisation Programme has two outstanding public asset-backed securities, one issued in May 2023 for £428 million with a reinvestment period end-date of May 2026 and a final legal maturity of May 2028, and the other issued in June 2024 for £380 million, with a reinvestment period end-date of July 2027 and a final legal maturity of July 2029.

During 2024, we repaid a public asset-backed securities issue at its first call date, for an amount of £459 million.

The public asset-backed issues are rated by Moody's and DBRS, with up to 87% of the issuance rated Aaa/AAA.

The Securitisation Programme also comprises a £858 million (2023: £826 million) variable funding notes facility (the 'VFN') with a reinvestment period end-date of December 2026.

The VFN was established in 2012 and has benefited from regular extensions or amendments; it is provided by a syndicate of banks and was increased from £826 million to £858 million in September 2024.

Post year-end, in January 2025, the VFN was extended for another three years to January 2028, and its size was increased to £1,036 million.

Finally, the Securitisation Programme comprises a £40 million (2023: £40 million) variable funding notes facility (the 'ITN'), designed to provide funding against receivables that would become ineligible for funding through public asset-backed securities or our VFN in certain circumstances. The ITN facility was undrawn as at 31 December 2024 (2023: £nil). Post year-end the ITN facility was extended in January 2025 for another three years, to January 2028.

The Securitisation Facility was established in November 2022, and finances certain asset classes originated by our Specialist Finance division. The Securitisation Facility's size as at 31 December 2024 was £80 million (2023: £80 million) and had a reinvestment period end-date of November 2025. Post year-end, in February 2025, the Securitisation Facility was extended for another three years to February 2028, and its size was increased to £125 million.

The Securitisation Programme and Securitisation Facility (excluding the ITN facility) had a total size at 31 December 2024 of £1,746 million (2023: £1,793 million). As at that date, £1,604 million was drawn down (2023: £1,465 million).

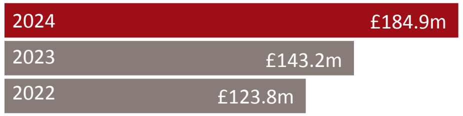
The undrawn portions of the Securitisation Programme and the Securitisation Facility represented £142 million as at 31 December 2024 (2023: £328 million), and £365 million when taking into account the January 2025 amendments to the size of the facilities. These undrawn portions are available to fund growth in the business.

We also benefit from a £35 million bank revolving credit facility ('RCF') (2023: £35 million), which has been granted to our parent company Platinum Credit Bidco Limited, but is available for us do draw upon through an intercompany loan. The RCF matures in May 2029, and was not drawn as at 31 December 2024 (2023: £nil).

As highlighted by the various recent public and private issuances, the Company continues to attract strong appetite from banks and institutional investors for its various funding instruments despite the unfavourable economic backdrop of the past few years.

Our KPIs

Total income



Definition

Net interest income (£168.1 million) plus fee income (£25.1 million) minus commission expense (£8.3 million).

Performance commentary

Our Total income grew by 29.1% year-on-year. Net interest income grew by 31.6%, driven by higher origination amounts and higher customer rates through a pass-through of interest rate movements year-on-year. Fee income grew to a smaller extent, by 16.0%, mostly as a result of the increase in the number of our customers.

Total income margin

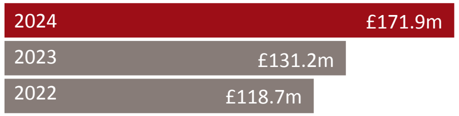
Definition

Total income (£184.9 million) divided by average funded receivables (£1,552 million).

Performance commentary

Our total income margin improved in 2024, as some of the increases in interest rates on our liabilities experienced in 2023 were only passed onto our assets (our loan book) upon new origination in 2024, while interest rates remained relatively stable in 2024.

Risk adjusted income



Definition

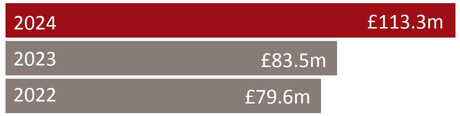
Total income of (£184.9 million) minus net credit losses of (£13.0 million).

Performance commentary

Our Risk-adjusted income improved further in 2024, driven mainly by the growth in Total income.

While the amount written off on loans to customers has increased year-on-year, the relative levels of write-offs in 2024 remain modest. This reflects fundamentals of our business model, which are not very sensitive to the underlying macroeconomic conditions.

Adjusted EBITDA



Definition

See the definition of Adjusted EBITDA and a table detailing reconciliation to our Profit before tax on page 12.

Performance commentary

We generated a record high Adjusted EBITDA in 2024. The increase year-on-year is primarily driven by an increase in Total income, while operational expenses increased at a more modest pace reflecting an improved operating leverage, and credit losses also only recorded modest growth in comparison, reflecting the fundamentals of our business with its multiple layers of credit protection.

Our KPIs continued

Loss ratio

2024	0.23%
2023	0.21%
2022	0.11%

Definition

Amounts written off in 2024 (£12.5 million) divided by the volume originated over the year (£5.5 billion).

Performance commentary

The credit quality of the book remains strong, driven by the layers of credit protection embedded in the majority of our products, and the short duration of our loan book. Since the vast majority of our loans have a maturity date of 12 months or less, each renewal allows for updated underwriting criteria to be applied.

While the loss ratio in 2024 is higher than 2023, the difference is marginal (0.02 percentage point) and does not reflect an underlying movement in credit quality. The loss ratios of both 2024 and 2023 are in line with levels seen pre-Covid, while our 2022 performance still reflected the positive impact of a number of governmental assistance programmes, further reducing our credit risk.

Volumes originated

2024	£5,483m
2023	£5,005m
2022	£4,544m

Definition

Total value of loans granted over the year, net of cancellations and mid-term adjustments.

Performance commentary

The business originated £5.5 billion this year, with our insurance premium finance lending growing by 9.2% to £4.9 billion (2023: £4.4 billion), and our Specialist Finance business increasing by 12.3% to £627.7 million (2023: £558.8 million).

The growth in insurance premium finance was driven by new partner wins and increased penetration rates, while in Specialist Finance, this was driven primarily by increased business in our tax products.

Committed non-funded volumes

2024	£900m
2023	£300m
2022 - N/A	

Definition

Total value of loans committed to be originated through non-funded products, once onboarded and stabilised. This refers to expected volumes in 2026, through contracts or letter of intents already signed.

Performance commentary

Following the development of the non-funded products in 2023 and the signing of a letter of intent with a large partner, which was converted to a long-term contract in 2024, another two partners either signed a long-term contract or a letter of intent in 2024.

Securitisation Programme

2024	£1,746m (92% drawn)
2023	£1,793m (81% drawn)
2022	£1,453m (89% drawn)

Definition

The total amount of funding available at year-end through our Securitisation Programme. In brackets is the percentage of the programme utilised at that date.

Performance commentary

In 2024, we successfully refinanced a maturing Public ABS instrument in Q2, upsizing the new issuance in the process. We also increased the size of our VFN.

Post-balance sheet, in Q1 2025, we extended and increased the amount of both our VFN and our Securitisation Facility. The amended size of the Securitisation Programme is £2,001m, for which the pro-forma drawn percentage on 31 December 2024 was 80%.

Our KPIs continued

Employee engagement

Definition

Results of our most recent engagement survey.

Performance commentary

In 2023, we aligned our employee engagement measures to the approach we use for both customers and partners, the Net Promoter Score (‘NPS’). Our 2024 Employee NPS was +29, an increase of 4 points over 2023.

While the methodologies are not entirely comparable, we estimate the 2022 result was similar to that of 2023.

Our employees particularly appreciated the Company’s culture and environment, the collaboration and support within their teams, and the ability to make a difference.

Customer complaints

Definition

Reportable customer complaints per 100,000 loans written. This is supplemented by the total number of reportable complaints made to the Financial Ombudsman (‘FOS’).

Performance commentary

The rate of complaints has slightly increased year-on-year, as we have onboarded more Personal Lines customers as a percentage of the overall book during 2024, a line of business that has a higher propensity to complain.

The overall rate of complaints remains low, a result of our focus on customer journeys and customer compliance. Only a very small proportion of those get referred to the FOS. Of those referred, seven were upheld in favour of the customer in 2024 (four in 2023 and six in 2022),

	2024	2023	2022
Customer complaints per 100,000 loans	368	329	272
Complaints referred to FOS	52	62	20

Trustpilot score

Definition

An overall measurement of customer satisfaction based on reviews received on Trustpilot.com, based on time span, frequency and Bayesian average of the reviews.

Performance commentary

We receive over 2,000 reviews each month. Our customer satisfaction level in 2024 was stable at 4.5 (2023: 4.5), which reflects the critical nature of our products for our customers, the efficient customer onboarding journey, and our strong compliance culture.

Reviews 92,995 – ‘Excellent’ score

Risk management - Chief Risk Officer's review

BUILDING OUR RISK AND COMPLIANCE CAPABILITIES

Rohit Ghai joined Premium Credit in October 2024. As Chief Risk Officer, he leads our Risk, Compliance and Legal functions. He has held multiple risk and compliance-focused leadership roles, most recently with PayPal UK, and brings international experience and expertise across a wide range of critical risk, regulation and compliance management areas.

"Proactively engaging with regulators and industry bodies is a key focus for Premium Credit, and an area where we can support our partners.

Rohit Ghai
Chief Risk Officer

Premium Credit is committed to significant, ongoing investment in its strategic objectives, including enhancing its risk and compliance capabilities for the future.

I am delighted to have joined Premium Credit at a particularly exciting time for the business. From my first contact with the Executive Team and the Board, I was very impressed with the commitment towards effective risk management and regulatory compliance, and ensuring these capabilities are integral to the Company's strategic and growth journey.

Having met more people across the business in my first few months in the role, I have been struck by how passionate everyone is about doing the right thing for the Company, its partners and, most importantly, our customers. This was demonstrated by the focus on effectively supporting the FCA's Premium Finance Market Study, and the enterprise-wide effort over the last few years to implement the Consumer Duty regulations.

Those are just two recent developments in a rapidly changing regulatory landscape. Proactively engaging with regulators and industry bodies will be among my key focus areas during my first year with the organisation.

We are keen to support the regulator on the Premium Finance Market Study as it assesses value and competition in the market, believing it is an opportunity to reaffirm our high standards of responsible and compliant business.

Similarly, we will continue to mature our Consumer Duty capabilities as best practices emerge across the industry. Finally, we are focused on delivering on the FCA's new requirements around product sales data in 2025.

We will be looking to support our partners through this period of regulatory change. It is critical to our business that our partners are aligned with our focus on compliance and driving good outcomes for our customers.

Other focus areas for 2025 will include reviewing and monitoring the impact of broader economic trends, supporting Premium Credit's strategic objectives, and monitoring the risks related to AI.

I look forward to growing our influence as a risk and compliance leader within the premium finance industry. As the business grows, so does its complexity and the need for effective risk management. As such, we will continually assess where we can further enhance our capabilities throughout 2025 and beyond.

Managing risk is a **core aspect of our management and governance**

Premium Credit's risk management processes seek to balance risk and potential reward, allowing us to achieve our strategic priorities while operating within our risk appetite.

Risk appetite

Our risk appetite aligns with our goals of pursuing appropriate and managed risks as we strive to fulfil our strategic objectives, all while upholding our reputation as a safe and trusted financier of choice.

Through risk identification, data analysis, and risk measurement, as well as transparent decision-making, we manage risks within our defined limits.

While we may accept moderate risk exposure in limited areas and timeframes in order to pursue attractive commercial opportunities, we maintain zero tolerance for higher risk positions. Should such situations arise, they are managed within limits in strictly defined timeframes.

We structure our approach to responsibilities related to risk management and internal controls in line with the size and complexity of our business. A robust risk management framework and an embedded risk culture ensure that risk awareness and appropriate behaviours and decision-making regarding risk-taking are upheld throughout the Company.

These elements collectively support a Company-wide approach to managing risk which seeks to:

- establish clear roles, responsibilities, and reporting lines;
- encourage a risk-aware culture;
- incorporate risk management into strategic planning, projects and operations;
- provide a framework for identifying, measuring, monitoring and reporting significant risks;
- monitor the effectiveness of controls and adherence to policies and procedures;
- obtain independent assurance on the effectiveness of controls; and
- determine the boundaries for business risk-taking.

Risk management framework

We manage our principal risks using our enterprise risk management framework to ensure alignment of risk management, strategy and governance, so that

- the business operates within a clearly understood risk appetite;
- risks are managed with robust systems, controls and reporting; and
- risk management is supported with appropriate corporate governance structures.

Board and Committees

- Approval and oversight of strategy execution
- Top-down risk identification and assessment, and review of stress-testing
- Strategy development process including assessment of key risks and mitigants
- Set Premium Credit's risk appetite
- Review risk out of appetite or tolerance

Executive management

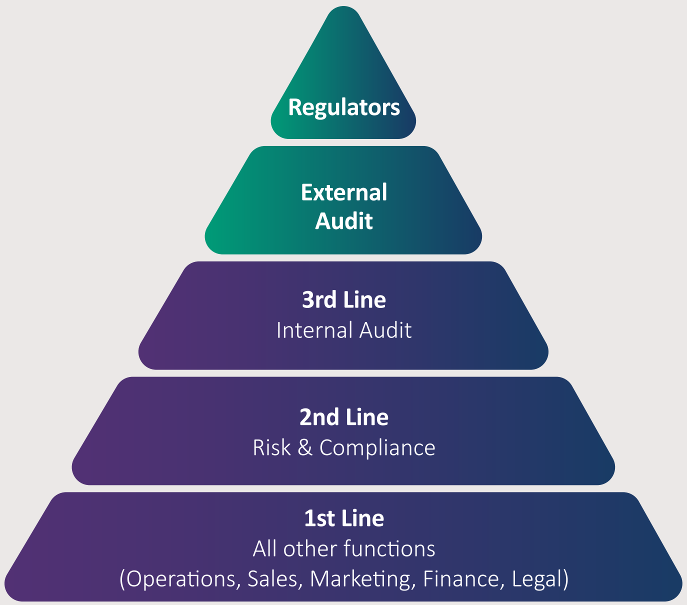
- Establishment and execution of Premium Credit's strategy
- Identification of strategic risks and mitigation plans
- Assurance, oversight and monitoring of risks, processes and controls
- Execution of top-down reviews

Business unit functional heads

- Execution of bottom-up reviews
- Translation of strategic objectives and regulatory requirements into operational plans
- Identification of functional risks and mitigation plans
- Monitoring of performance and compliance against key objectives and regulatory requirement

Risk management continued

Three lines model



Underwriting

Our approach to underwriting is based on sophisticated individual credit assessments and is combined with the automated scoring system for efficient decision-making. The system combines applicant information with data from credit reference agencies to develop a comprehensive understanding of an applicant's creditworthiness and borrowing preferences.

The principal factors in the lending decision are the applicant's ability and propensity to repay the loan when evaluating credit risk, even in cases where there is the benefit of contract refundability or recourse against our intermediary partner. Core information is assessed through documentation and statistical data to assess the applicant's ability to pay the amounts contracted in the loan agreement.

Emerging risks detection

We can pinpoint emerging risks through our dynamic approach to reviewing regulatory change, sector trends, and other external factors. Our risk registers take account of both top-down and bottom-up input, allowing the identification of granular risks alongside more significant strategic and operational risks.

Operational resilience

In recent years, there has been a particular emphasis on operational resilience, in part driven by regulatory requirements, delivered notably through technology enhancements. To maintain operational resilience, we regularly test our business continuity and incident management protocols. Our ISO 22301 accreditation complements our operational resilience framework and indicate our readiness to protect against, reduce the likelihood of, respond to and recover from disruptive incidents. This ensures a fast, efficient and seamless response to such situations.

Ongoing conflicts around the globe, and impact on economic environment

We continue to monitor the potential impacts of ongoing global conflicts on our business and our stakeholders - these have remained minimal thus far. We also continue to monitor the presence of inflationary pressures on our customers. We also remain confident in our approach to analysing and reacting to resulting regulatory changes.

Climate change

Through our Sustainability Committee, we have created a framework that actively monitors the effects of climate change and the associated risks for the financial services sector and our business operations. See page 34 for more information.

Long-term viability

Amidst the ongoing conflicts around the globe, and a challenging economic climate in the UK, our business has demonstrated remarkable resilience. The strength and flexibility of our business is illustrated by our hybrid work model, solid performance, and strong stakeholder relationships.

Additionally, our funders acknowledge our track record of financial performance which is reflected in the support they continue to provide.

Message from the Chair of the audit, risk and compliance committee

2024 has been another year of strong progress in Premium Credit's risk management capabilities in an environment of robust growth and increased regulatory focus on the financing sector.

Premium Credit endeavours not only to be fully compliant with evolving regulatory guidelines and security requirements, but to leverage the expertise gained to provide best-of-class support and service to our customers.

Key risk and compliance achievements in 2024 include:

- The recruitment of a Chief Risk Officer to reinforce the team, strengthen our capabilities and ensure focus on navigating the rapidly changing regulatory landscape.

> "We leverage our expertise in risk management for the benefit of our customers and partners in a continually evolving regulatory environment.
>
> **Kory Sorenson**
> Chair of the Board's Audit, Risk and Compliance Committee

- Further progress on effectively embedding Consumer Duty legislation: enhancing the monitoring of good customer outcomes, establishing a dedicated Customer Outcomes Forum and implementing annual Consumer Duty Board reports.
- Enhancement to our fair value assessment process: increasing our presence with our partners on monitoring fair value outcomes and flagging any areas where customers may not be receiving good value.
- A relaunched Code of Conduct as our Code of Ethics with a new whistleblowing tool to encourage employees to raise concerns anonymously.
- Strong engagement with the FCA on its Premium Finance Market Study: we welcome the Market Study and recognise the opportunity to support the regulator in gaining a better understanding of the industry.

On Sustainability, we continue to progress on our strategy: being a force for good for our planet, our colleagues, our customers and partners. A detailed assessment of our future obligations under EU sustainability legislation was undertaken to ensure full compliance and preparedness.

Technology continues to play a significant role in managing and mitigating the risks to our business. Recent investments are reinforcing the security of our environment and enabling additional automation in key areas for enhanced oversight, data usage and protection and efficiency.

The committee would like to thank our colleagues for their rigour and dedication to making Premium Credit best in class in regulatory, risk and compliance, and for turning challenges into opportunities to make the firm an industry leader in supporting our customers and partners in an evolving landscape.

Principal risks and mitigation

Our day-to-day operations expose us to a variety of risks. Below is a summary of the risks and uncertainties which could prevent the achievement of our strategic objectives, of how we seek to mitigate those risks, and the change in the perceived level of each risk category in the last financial year.

This analysis represents our risk position as presented to, and discussed by, the Audit, Risk and Compliance Committee as part of its ongoing monitoring of our risk profile. This summary does not represent a complete statement of all potential risks and uncertainties we face, but rather those which we believe have the potential to have a significant impact on our financial performance and future prospects.

Strategic risk

Description	Mitigation	Risk direction
The risks that impact Premium Credit's ability to achieve the corporate and strategic objectives of income/profit and lending book growth, whilst maintaining a reputation as the safe and trusted financier of choice, as reflected in the strategic plan.	• We have maintained a strong record of successful operations throughout our 36-year history, through ongoing improvements to our service proposition. • We are active in industry-wide groups that identify and address market trends. • Our business model naturally establishes barriers to entry, leveraging scale, diversified distribution with term contracts, integrated technology solutions, our position at the forefront of the regulatory agenda, strong risk management and efficient funding. • We monitor competitors' products, pricing, and positions, enabling us to continuously review and update our own proposition as needed. • We continue to see M&A activity in our partner markets. Premium Credit has been well placed to benefit from the consolidation of key strategic partners.	No change

Key (shown post mitigation)

- Increase
- No change
- Decrease

Principal risks and mitigation continued

Financial and Market risk

Description	Mitigation	Risk direction
The risk that Premium Credit has insufficient capital or liquidity to support stressed conditions, normal operations or growth plans.	• The day-to-day management of the business' liquidity is overseen by its treasury function, which is also responsible for funding. • A forecast of short-term cash balances is produced and monitored daily. • We maintain sufficient cash balances to cover operational needs, as well as cover for unexpected liquidity challenges stemming from the challenging economic environment. • We ensure sufficient headroom in our funding facilities and manage their maturities conservatively. The majority of the funding is supplied by a Master Trust Securitisation Programme that provides access to public markets funding alongside a syndicate of bank funders. • We have increased funding facilities to support growth of the business. • Our loans have short maturities that makes our results less sensitive to changes in interest rates. • In the event of interest rate increases above a contractual minimum, the business has the ability to reprice future lending.	No change

Credit and Counterparty risk

Description	Mitigation	Risk direction
The risk that Premium Credit extends inappropriate loans to customers or producers or sets inappropriate exposure levels with individual partners or Insurers.	• Our robust Credit Policy is coupled with onboarding procedures that are subject to governance and oversight. • 'Cost of Living' support for customers is a priority focus for the management team. • We have strong affordability risk assessment and underwriting policies in place setting out comprehensive criteria for lending. Furthermore, we have rigorous and robust collections and recovery processes in place to manage arrears. • We continuously and proactively update our underwriting criteria in response to various stages of economic uncertainty. • The short maturity of our loans ensure rapid impact on our loan book's performance in response to changes in underwriting criteria.	No change

Key (shown post mitigation)

- Increase
- No change
- Decrease

Principal risks and mitigation continued

Regulatory and Legal risk

Description	Mitigation	Risk direction
The risk that a change in laws and regulations will materially affect Premium Credit's business or markets; or that Premium Credit is exposed to fines, censure, legal or enforcement action due to failing to comply with applicable laws, regulations, codes of conduct or legal obligations.	• We maintain open and transparent relationships with our regulators. • We have a robust and comprehensive governance framework in place. This includes a Board and multiple sub-committees responsible for key operational, financial, regulatory, and compliance functions that ensure issues are escalated and resolved efficiently. • Compliance conducts an annual risk-based Assessment Plan, which centres on annual themes selected considering the current regulatory landscape and business-driven management information. • We undertake Regulatory Horizon Scanning to ensure the identification of future regulatory changes, allowing the business to adapt to change. • Each new partner is reminded of their regulatory responsibilities and provided with detailed guidance on how to apply the FCA CONC Rulebook. • The Board and management team monitor the industry and regulatory environment and put in place mitigants to ensure we continues to provide our customers the outcomes they expect. • Premium Credit has a formal process in place for the implementation of PS24/3: Consumer Credit – Product Sales Data Reporting). The FCA have introduced three new Product Sales Data ('PSD') returns into its Supervision manual due in quarter three 2025. • Following the launch of the Premium Finance Market Study (MS 24/2.1), Premium Credit has actively and constructively engaged the Financial Conduct Authority ('FCA') on the study, through information sessions and response on the request for information. The FCA expects to publish a progress update and proposed next steps during the first half of 2025. • Premium Credit has followed a methodical approach on assessing any impact of the Court of Appeal judgment in the cases of Johnson v FirstRand Bank Limited, Wrench v FirstRand Bank Limited and Hopcraft v Close Brothers on 25th October'2024. This included a detailed review of the motor finance ruling, and to understand any potential read across into premium finance and the way it is sold. The conclusion of this detailed review is that our current disclosures are sufficient given the significant differences in our sales practices and the nature of our disclosures when compared with those in motor finance.	Increase

Key (shown post mitigation)

- Increase
- No change
- Decrease

Principal risks and mitigation continued

Governance and Organisational risk

Description	Mitigation	Risk direction
The risk that Premium Credit's governance, processes and organisational design does not support the overall corporate objectives or deliver good outcomes to stakeholders.	• Our governance framework promotes the long-term sustainable success of the business. This creates value for shareholders and society. It also aligns with our purpose, values, and strategy, integrated into our corporate culture, policies, and practices. • We have created a unique, people-centric culture which allows the business to best serve its partners and customers. • We have a deep pool of skilled staff who operate collaboratively to drive value for customers, partners and stakeholders. • Our robust recruitment process focuses on hiring of high-quality candidates with the desired values and behaviours.	No change

Financial Crime risk

Description	Mitigation	Risk direction
The risk that Premium Credit does not take appropriate measures to ensure that both our own and our customers' assets remain protected from abuse and fraud at all times.	• We have adopted a holistic approach to financial crime that sets the minimum control requirements in key risk areas, such as anti-bribery and corruption ('ABC'), anti-money laundering and counter-terrorist financing ('AML'), and anti-tax evasion facilitation ('ATEF') and sanctions. This combined approach allows us to identify and manage relevant synergies and connections between the key risk areas. • We ensure that due diligence checks are conducted in accordance with our Policy for all partners and customers being onboarded and on an ongoing basis. These include ID&V checks, adverse media searches, sanction screenings and other regulatory requirements. • Our ongoing sanctions monitoring remains essential to mitigate the risk of financial crime.	No change

Outsourcing risk

Description	Mitigation	Risk direction
The risk of inappropriate outcomes to Premium Credit, our producers, customers and other stakeholders from outsourcing and the use of external suppliers.	• We maintain strong relationships with our partners, customers and software house integrators. • We ensure that all material outsourcing is supported by appropriate documentation, adheres to Service Level Agreements ('SLA'), and is controlled through monitoring and reporting aligned with risk appetite metrics. • Premium Credit maintains a strong, long-term relationship with Tech Mahindra, who provide development, support and cyber services both domestically and internationally. • We perform periodic on-site visits, including compliance as appropriate.	No change

Key (shown post mitigation)

- Increase
- No change
- Decrease

Principal risks and mitigation continued

Technology and Cyber risk

Description	Mitigation	Risk direction
The risks threatening the assurance that our technology platform is secure, scalable and resilient with functionality fit for end-customer, producer and regulatory purposes.	• Our platform is efficient and scalable, underpinned by leading technology. • We operate a sector-leading technology architecture, providing a platform for profitable, sustained growth as well as further innovation and differentiation. • Our infrastructure, applications and security logs are monitored by a 24/7 Security Operations Centre which provides alerts as threats are detected. • All of our workstations and servers are equipped with advanced next-generation anti-malware technology. • We have automated solutions that enable early threat detection and allow for the formulation of a consistent response plan. • We conduct thorough external assessments annually to retain relevant certifications and accreditations.	No change

Operational risk

Description	Mitigation	Risk direction
The risk of financial loss and/or reputational damage resulting from inadequate/inappropriate or failed internal processes, staff behaviours and systems, or from external events.	• Aligned with our risk management, strategy, and governance, the business operates within a clearly defined and understood risk appetite and capacity. • Our operational risk framework is appropriately designed, integrated into key roles and responsibilities spanning the Board, Executive Team, business (1st line), risk function (2nd line) and internal audit/assurance function (3rd line). • We have proactive Board and senior management oversight and consideration of all key risks, including operational risks and not limited to (reactive) issue management. • We can demonstrate culture and tone from the top that embeds effective risk management challenge in all key decision-making processes. This culture supports the timely identification, escalation, and management of material risks.	No change

Key (shown post mitigation)

- Increase
- No change
- Decrease

Chief Operations and People Officer's review

DIGITALLY ENHANCING OUR PROCESSES FOR CUSTOMERS AND PARTNERS

"We're accelerating our tech and AI strategies to further deliver positive customer experiences.

Josie Pileio
Chief Operations and People Officer

By investing in market-leading technology across all aspects of our operations, we have increased our capacity and scalability while creating a smoother experience for our customers.

Over the past few years, we have been working to improve our customer and partner journeys through increased automation. From achieving automated onboarding for over 90% of personal line customers to introducing our loan origination module, which significantly shortens the time and effort to assess and accept new business customers, we have made significant progress against our frictionless digital journeys strategic pillar.

These systems not only increase efficiency and offer a smoother experience for our customers, but also ensure robust and consistent decision-making for approvals, meaning we are optimising our loan acceptance rate within our risk appetite.

With this new technology and supporting processes established in our operating model, our focus in 2024 turned to continuous improvement and operational excellence, all guided by ongoing engagement with our customers and partners and our unwavering focus on providing affordable and inclusive lending.

For example, this year, we made enhancements to Prima, our virtual assistant. We've introduced new functionality to enable personal lines customers to make and edit payments, reinstate Direct Debits, and access and edit their banking and account details.

For customers who still need to contact us, we're pleased to have retained strong first-time resolution rates, with 90% of enquiries resolved in a single contact during 2024. This also demonstrates that we're equipping our contact centre colleagues with better information and insight, thereby improving their experience as well.

Looking forward, we have solid foundations to build on and lots of opportunities ahead of us. I will be working closely with our Chief Product and Technology Officer to accelerate our technology and AI strategies over the coming years as we remain focused on leveraging the right technology to improve our offering, always keeping our purpose of creating opportunities through convenient payments in mind.

Building on the work we started this year, we will also look to further embed continuous improvement and operational excellence capabilities into the fabric of the business. We are confident that our work will ensure our solutions stay relevant, that we deliver positive customer experiences, and that we can continue to support the sustainable growth of Premium Credit.

Gender Pay Gap report

Our guiding principles are to create an environment where people are treated fairly and have access to equal opportunities.

Composition of the workforce

As at 5 April	Female representation 2024	2023		Trend since Gender Pay Gap report snapshot (as at 31 December 2024)	
Total workforce	**56%**	55%	↑	↔	**56%**
Total managers	**50%**	47%	↑	↔	**50%**
Executive Team	**43%**	33%	↑	↓	**38%**
Board	**29%**	29%	↔	↔	**29%**

Gender Pay Gap

	Difference between men and women (Mean)		Difference between men and women (Median)	
	2024	2023	**2024**	2023
Hourly rate (this is a prescribed calculation based on fixed pay)	**29.3%**	29.9%	**38.8%**	39.6%
Bonus amount	**43.3%**	12.2%	**44.2%**	26.0%

As part of our Equality, Diversity & Inclusion strategy and in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we publish an annual gender pay gap report, which can be found on our website. The regulations dictate the snapshot to be as at 5 April 2024.

We are pleased to have our workforce comparatively represented between males and females, with females representing 55% of our workforce, and an increased proportion between the time of the snapshot and the end of the year.

We are also pleased to see a slight decrease in our mean gender pay gap of 0.6 percentage points from 2023 and of 0.8 percentage points for the median gender pay gap.

This means that the median hourly earnings (excluding overtime) is 38.8% lower for females than it is for males across the organisation, or in other words the average female employee would earn 61.2p for every £1 earned by a male employee.

The slight decrease in the median gender pay gap can be attributed to a number of females joining the organisation in senior manager roles as we develop our product and technology services.

It is important to note, the Government Equalities Office define the gender pay gap as the calculated difference between average hourly earnings (excluding overtime) of men and women, as a proportion of average hourly earnings (excluding overtime) of men's earnings. It is a measure across all jobs at Premium Credit, not of the difference in pay between men and women for doing the same job. We remain confident in the Company paying equal pay for equal work.

Our efforts in reducing the gender pay gap are focused on increasing the proportion of women in more highly paid roles, notably through greater female representation in technical areas such as IT. We have continued this journey in 2024 with the introduction of capability frameworks and clear career pathways across the business.

Gender Pay Gap report continued

Gender bonus gap

An all-Company bonus scheme is in place where eligibility is open to all colleagues regardless of grading or position, however there are certain circumstances where colleagues will not be eligible, or a bonus is not paid based on short tenure, salary-sacrifice, performance or non-compliance.

The gender bonus gap is an equality measure that shows the difference between the average annual bonus that colleagues receive.

Based on all bonuses paid within the reporting year, the mean and median gaps have increased compared to last year. The median gap has increased by 18.2 percentage points and the Mean Gap by 31.1 percentage points.

However, this increase was expected as some exceptional factors were reported in 2023: a one-off cost-of-living payment awarded to colleagues in the lower quartile, where there are a greater number of females occupying these entry level roles, and several bonuses awarded to colleagues in the upper quartile in recognition of their efforts through a sale transaction. We are pleased to see that compared to 2022, which was a standard reporting year, the median gap has decreased by 6.9 percentage points and the mean gap has reduced by 0.4 percentage points.

As 23% of females elect to work part-time , their bonus pay will be pro-rated, thus impacting the median and mean bonus gap overall.

We recognise there is still work to do to ensure that we maintain a low gender bonus gap and we will continue our focus to develop females for more senior roles.

Key actions

Reducing the gender pay gap continues to be a focus for the Company and the Equality, Diversity & Inclusion Council has a clear roadmap of initiatives being rolled out in 2025 to further reduce the gap. Our hybrid work model continues to support flexible working where employees can feel enabled to balance work and home lives.

Key actions in 2025 will be to:

- Create career pathways and opportunities to retain talent and support individuals to move to the next level of management.
- Support roles as part-time/job share where possible and ensure that our recruitment & selection, pay and bonus practices remain free of unconscious bias.
- Continue to support colleagues in improving and maintaining physical and mental wellbeing in the workplace.
- Embed the mentoring programme that has been launched to continue to develop talent.
- With the introduction of the Women's Health, Gender Balance and Family and Carers Employee Resource Groups create a structure where they are able to shape policy and promote and advocate for women.
- Continue to use AI in adverts and job descriptions to identify any unconscious bias and create greater diversity on recruitment panels.

Our cultural dashboard 2024

The purpose of the dashboard is to enable us to assess how we are doing against our organisational purpose, vision and values and through the culture that is created by the actions of our leaders and our colleagues. Compiled and monitored at an executive level, it is also presented to the Board on a quarterly basis. It focuses on four areas of performance.

What our customers and partners say and feel about Premium Credit and how we compare with our peer competitors

What our colleagues, both past and present, think about working for Premium Credit and the culture we espouse

How the organisation is performing – do our actions match our words and our ownership of these deliver the right outcomes for our customers, colleagues and partners

How we are perceived in the wider community and what impact our culture has on the environment and the role we play in our business dealings

Our cultural dashboard 2024 continued

Customer and partner sentiment

What our customers and partners say and feel about Premium Credit and how we compare with our peer competitors.

What we've done in 2024

- Strong customer and partner sentiment measures, which have remained stable throughout the year.
- We won the Professions Funder of the Year award at 'Meet the Funder Expo'.
- We won the Premium Finance Partner of the Year 2024 award at the Insurance Choice Awards.

Key metrics

- Customer satisfaction ('CSAT'): 94% (target: 75%) (2023: 94%).
- Combined Net Promoter Score ('NPS'): +78 (target: +60) (2023: +81).
- Trustpilot score: 4.5 (target: 4.5) (2023: 4.5).
- First contact resolution rate: 90% (2023: 90%).

Organisational temperature

How the organisation is performing – do our actions match our words and does our ownership of these deliver the right outcomes for our customers, colleagues and partners?

What we've done in 2024

- Mandatory training every quarter on a wide variety of themes including Financial Crime, Business Continuity or Consumer Duty.
- Large number of non-mandatory courses delivered across the business, covering leadership, systems training, job-specific training or soft skills.

Key metrics

- Compliance training completion UK: 100% (2023: 100%).
- Reportable breaches (GDPR or non-financial conduct): none (2023: none).
- Whistleblowing incidents: none (2023: none).

Our cultural dashboard 2024 continued

Colleague sentiment

What our colleagues, both past and present, think about working for Premium Credit and the culture we espouse.

What we've done in 2024

- Introduced a New Starter Buddy Programme to ensure every new colleague feels supported from their first day in our firm.
- Boosted our inclusive leadership journeys, enabling in the process our engagement score in the category "people are respectful of each other" to increase to 86%, from 76% in the year prior.
- Winter and summer Town Halls and party event; Christmas socials.

Key metrics

- Annual engagement survey results — eNPS score: +29 (2023: +25).
- Glassdoor score: 4.4 (target: 4.0) (2023: 4.4).
- Employee turnover: 16.8% (2023: 16.4%). Turnover in our contact centre is higher, in line with industry trends, and is included in this figure. Excluding the contact centre our turnover was 9.8%.
- Absence ratio: 3.3% (2023: 2.6%). Absenteeism has increased in 2024, but is in line with what we observe across the external market.

Societal sentiment

How we are perceived in the wider community and what impact our culture has on the environment and the role we play in our business dealings.

What we've done in 2024

- Introduced a quarterly 'Community Award' which recognises a colleague or team who has been a force for good and positively contributed to their community.
- Prepare an all-Company Town Hall on Sustainability, with activities showcasing each the four pillars of our Sustainability strategy. Our colleagues individually or in groups submitted 31 ideas, 13 of which have been implemented, with the remaining 18 being reviewed.
- Our Code of Conduct Policy has been repositioned to the Business Code of Ethics and outlines how we can build trust with customers and partners, operate responsibly and build trust with our communities.

Key metrics

- Annual EcoVadis benchmarking survey result done in February 2024: Silver rating, score of 71/100.
- Employee car fleet: 67% electric (2023: 58%).

ESG Report: overview

OUR APPROACH TO SUSTAINABILITY **HAS MULTIPLE FACETS**

Premium Credit has successfully integrated Sustainability into its core, fostering responsibility and sustainable practices across the organisation. Our colleagues are actively encouraged to understand the impact of their roles on business success and contribute to creating an inclusive work environment.

In the last 18 months, we have repositioned, restructured, and refreshed our Sustainability strategy and professionalised our approach. This included hiring our first Sustainability Manager.

Our strategy has helped our colleagues gain a deeper understanding of the importance of Sustainability, how their roles impact the Company and the ways they can actively contribute. It has also highlighted our ongoing journey and the continuous improvement of our Sustainability efforts.

Our Sustainability primary focus areas remain aligned to the sector theme for reporting on the standards of the Sustainability Accounting Standards Board ('SASB') and the standards of the Task Force on Climate-related Financial Disclosures ('TCFD'). TCFD provides us with a valuable best practice framework for the governance of climate-related risks and opportunities. This year we completed a TCFD assessment, which identified existing areas of strong performance and areas where improvements can be made. We will be taking these actions forward in 2025. For 2024, we voluntarily report on portions of these standards.

As we advance with our Sustainability strategy, we take pride in the progress we've made in fulfilling our commitment to being a force for good. However, we recognise that this is an ongoing journey, and there is still room for growth. We acknowledge that our business, our colleagues, and our industry all share a responsibility to actively contribute to this effort.

Advancing our ESG strategy

We continue to make progress against each area of our ESG strategy. From improving the way we make decisions, report progress and keep colleagues updated to the delivery of targets aligned to our strategic pillars.

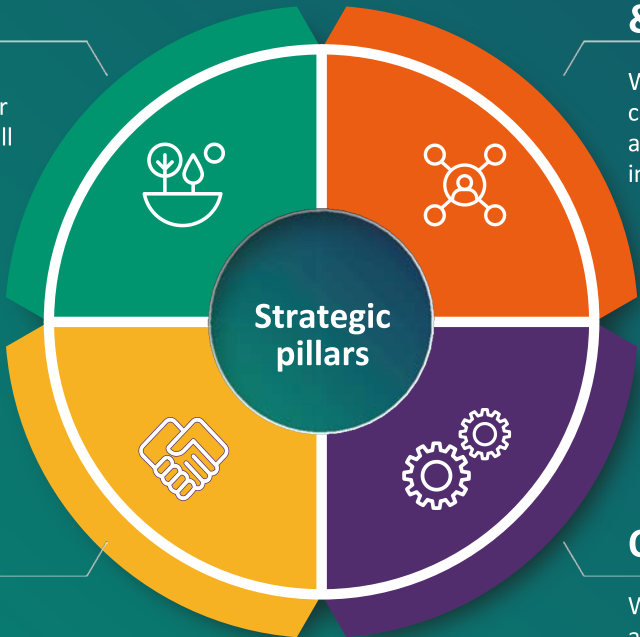
Getting the foundations right

- Sustainability Committee
- ESG Standards
- EcoVadis Score
- Communication

Pillars

Our planet

We understand the importance of protecting our planet not only in our own operations, but in the lives of all our customers and communities.



Our customers & partners

We are aware of the contribution we can make in creating a fairer society and are committed to having a positive impact on our customers and partners.

Our colleagues

We are committed to being an inclusive employer, treating everyone fairly with access to equal opportunities.

Our responsibility

We are a responsible employer and partner, who conducts our business in an honest, open and ethical manner.

2024 ESG strategy highlights

67%
Proportion of car fleet that is electric
See page 37

210%
Increase in volunteering days
See page 39

9
Employee Resource Groups
See page 40

+29
Employee Engagement Score eNPS
See page 40

Assessed our Full Carbon Footprint to understand where we need to focus emission reductions.

ESG report

OUR JOURNEY

2020

- First EcoVadis Assessment
- Prepared progress improvement plan

2021

- Formed Sustainability Committee
- EcoVadis Assessment
- ESG Framework created
- Materiality Assessment

2022

- EcoVadis Assessment
- EDI Council formed
- Launched Sustainability Policy
- ESG Roadmap created

2023

- EcoVadis Assessment
- Refreshed Sustainability Strategy
- Created Employee Networks
- Launched Environmental Policy

2024

- EcoVadis Assessment
- Sustainability Targets
- ExCo Sponsors for Pillars
- Sustainability Goal created for all colleagues

OUR PLANET

We understand the importance of protecting our planet not only in our own operations, but in the lives of all our customers and communities.

Primary focus:
- Reduce greenhouse gas emissions
- Climate change
- Sustainable sourcing

Our approach

Premium Credit is committed to protect the environment and reduce our impact on it. Managing our greenhouse gas ('GHG') emissions is a focus of 'Our Planet' strategy. This year we worked with Energise, a Net Zero and Sustainability consultancy, to understand GHG emission sources across all three Scopes and formulate a strategy to accurately measure and build reduction plans.

Our actions and performance

In 2024 we agreed three medium- and long-term targets. Progress against each is shown in the table to the right.

Sustainable sourcing

We are mindful of the considerable waste generated by collateral for corporate events and the conference market and will continues to work closely with suppliers who are aligned with us on our approach to Sustainability.

Targets	Progress
Achieve transition to 100% of our fleet cars being Electric Vehicles or Hybrid by 2030.	• 67% of our car fleet is electric. • We are on track for all company cars to be electric by 2030.
Reduce our Scope 1 and Scope 2 emissions. Aim for Net Zero by 2050.	• Streamlining processes following recommendations from the Full Carbon Footprint Assessment report. • Investing in a platform to obtain accurate mileage data. • Workshop delivered to colleagues on material climate-related impacts, risks, and opportunities for the firm. • 'Respect Our Planet' campaign delivered sharing information on how colleagues can reduce emissions at home and in the office. • In 2025 we will be building our roadmap to Net Zero, and decarbonation measures will be put in place.
Our main suppliers (which we categorise as Tier 1) will be expected to meet our business standards and evidence ESG risk management by 2028.	• Internal Environmental Audit completed on our top 20 suppliers. • Developing action plan on ESG due diligence for Tier 1 suppliers to be implemented in 2025.

ESG report continued

Reducing GHG emissions

We aim to reduce our impacts on the environment, and have undertaken the following actions in 2024:

- At one of our all-Company Town Halls, we shared what Premium Credit are doing to reduce our impact on the planet and asked colleagues for their feedback. We have implemented or are working on 75% of their ideas.
- We launched the 'Respect Our Planet' campaign, kicking off with a lunch and learn event, sharing information on reducing energy and saving money at home. We engaged colleagues with competitions, a pledge wall, recycling labels and how to get involved.
- Our waste management supplier delivered a learning session on how colleagues can reduce their waste at home and in the office.

Reuse, recycling and waste

We strive to minimise the amount of waste we produce by promoting a 'reduce, re-use and recycle' approach. In our Leatherhead offices we have reduced our volume of waste by 24% year-on-year.

In addition to recycling, all office furniture and stationery is exchanged between our offices and printing is limited as most of our workforce continues to work remotely.

In 2025, we will further improve our recycling waste to have separate bins for glass and food waste.

Climate change

We continue to embed climate-related considerations into our governance and strategy through recommendations set out by the TCFD. A gap analysis was completed against our current position. Although we are not in scope for TCFD or the Corporate Sustainability Reporting Directive ('CSRD'), we intend to align with these standards.

We aim to have our first Climate-related Report ready for 2025.

SECR report

In 2024, working with external consultants, we recalculated our 2023 GHG emissions to include more in-depth data for our new offices in Dublin and London. The new data, with the intensity ratio now based both on market-based and location-based emissions, is shown on the table to the right. The 2024 data is based on the operational control approach.

	Energy (kWh)			Emissions (tCO2e)		
	2024	2023	2022	**2024**	2023	2022
Scope 1 – Combustion	**168,393**	261,369	88,750	**35.88**	56.60	16.4
Scope 2 – Purchased Electricity	**540,690**	561,477	510,486	**137.01[(1)]/ 112.72[(2)]**	138.32[(1)]/ 117.21[(2)]	98.7
Scope 3 – Indirect Energy use	**26,427**	59,720	338,657	**6.39**	14.43	83.6
Total	**735,510**	**882,566**	**937,893**	**179.29[(1)]/ 154.99[(2)]**	**209.34[(1)]/ 188.23[(2)]**	**198.7**
Turnover (£m)				**189.9**	143.2	n/a
Intensity ratio: tCO2e/£m				**0.97[(1)]/ 0.84[(2)]**	1.31[(1)]/ 1.31[(2)]	n/a

(1) Market-based
(2) Location-based

OUR COLLEAGUES

We recognise how important our colleagues are to our culture and success. We are committed to being an inclusive employer where everyone is treated fairly and has access to equal opportunities.

Primary focus:

- Colleague Engagement
- Diversity, Equity & Inclusion
- Learning & Development
- Communities

Summary

Our colleagues are the heartbeat of our Company. Their diverse talents, perspectives and efforts shape our success and drive us forward. We build supportive, innovative, and thriving environments where everyone can excel and grow.

Our culture

We believe in creating and nurturing an environment where there is flexibility to enjoy fulfilling personal and professional lives, the assurance that talent will be properly recognised, developed, and rewarded, and the chance to make a meaningful difference each day.

We continue to build on our offering through our Colleague Value Proposition including increased holiday entitlement, extended paternity leave, increased long service awards, mentoring and buddy programmes, Wellbeing events and Charity fundraising opportunities.

Our actions and performance

Targets	Progress
Identify focus areas and implement actions for leaders to be able to enhance colleague experiences and engagement score.	• 2024 Engagement (employee Net Promoter Score) has increased to +29.
Train our leaders on inclusive leadership to support an open culture where people feel they belong. Train our leaders on effective recruitment to ensure any recruitment is free of unconscious bias.	• 125 managers trained on inclusive leadership. • 44 managers trained on recruitment.
Increase participation to our internal training hours by 10% on previous year.	• Training hours delivered to colleagues has increased by 30% year-on-year.
Increase our volunteering time.	• The number of colleagues taking up volunteering days has increased by 210% year-on-year.

ESG report continued

Colleague Engagement

Our 2024 Colleague Engagement score ‘eNPS’* increased by 4 points in 2024 to +29. We were pleased to see 93% of our colleagues answering this survey.

Engagement champions, who are volunteers from each department and work with teams to implement actions based on colleague feedback, continue to implement a range of initiatives to improve our culture. In 2024, 97% of proposed initiatives have been implemented.

We launched the New Starter Buddy Programme to ensure every new colleague feels supported from their first day in our firm. By pairing new employees with experienced team members from across the business, we’ve fostered a sense of belonging and collaboration. Praised for bridging teams and providing a ready point of contact, the programme helps new starters integrate smoothly into both their roles and the broader Company culture.

* Employee Net Promoter Score (‘eNPS’) can range from -100 to 100. eNPS scores between 10 and 30 are considered 'good,' while those between 50 and 70 are considered ‘excellent’.

Dignity at work

At Premium Credit we have a zero tolerance for harassment and discrimination of any form. To ensure our colleagues feel they can speak out on mistreatment at work, we have introduced an independent speak-up portal where colleagues can make anonymous reports. Our Whistleblowing policy and Dignity at Work policies are part of our refreshed Code of Ethics.

Diversity & Inclusion

We strive to be a business that values inclusiveness and embraces difference, where our colleagues are engaged and empowered to deliver results because these decisions come from a diverse set of views.

Our Diversity, Equity & Inclusion Council continues to focus on developing three key areas: allyship & creating connections, a diverse workforce at all levels and linking with our wider community. We expanded our Employee Resource Groups which now cover:

- Neurodiversity Network
- Women’s Health & Fertility Network
- Family & Carers Network
- Gender Balance Network
- Men’s Mental Health Network
- Menopause Network
- Asian & Middle Eastern Network
- LGBTQ+ Network
- African Caribbean & British Heritage Network

Each of our Employee Resource Groups are voluntary, colleague-led groups that foster a diverse, inclusive workplace aligned with our Equality Diversity and Inclusion objective. Some of our highlights for 2024 were the launch of our Menopause Policy, promotion of the elective use of pronouns on email signatures, celebration of Eid Mubarak and Pride month. We led a panel discussion for International Women’s Day focusing on breaking glass ceilings, and for International Men’s day, focused on mental health.

Learning & Development

We create a culture of opportunities for our colleagues to understand their natural skills and preferred ways of working. We have grown our Learning & Development Team to ensure we have a workforce which is supported with the right knowledge, skills & competencies required to deliver our business strategy within an engaged, empowered and inclusive culture.

Learning and Development (‘L&D’) continued to be central to empowering our people and driving success. In 2024 this included:

- Increasing the number of course topics delivered to ensure that all colleagues have diverse learning opportunities. In some months up to 43 different topics were delivered.
- Engaging more people on their development journey: in 2024 1,775 days of training were delivered.

ESG report continued

- Leadership development remains a cornerstone of our strategy, with colleagues having the opportunity to attend a number of Leadership programmes and have access to workshops that develop their HR skills. In 2024, 359 colleagues attended leadership courses across topics.
- Feedback from 195 responses has been overwhelmingly positive, with an exceptional satisfaction score of 4.63 out of 5 for the Learning & Development Team. This reflects the value and trust our colleagues place in our programmes.

Communities

Premium Credit is committed to supporting local and national charities. We encourage our colleagues to use their one-day volunteering and fundraising matching scheme. This year our colleagues voted for Macmillan as our charity partner.

Wellbeing

We promote an environment that supports health and wellbeing for all colleagues, particularly those working at home. As part of this vision, it is important that we develop mental health awareness among colleagues and encourage open conversations about mental health and the support available. Highlighted webinars and live events for our colleagues include: Reframing Neurodiversity for Better Mental Health, The Stress Container, Beat Stress & Build Resilience, and How to Prioritise your Mental Health and Wellbeing.

All colleagues and their families have access to an Employee Assistance helpline, and we have over 20 trained Mental Health First Aiders. Listening to our colleagues is an important aspect of engagement for us and this means introducing the right tools to support their wellbeing.

Health & Safety

We understand the importance of creating a working environment that is safe for all our colleagues. We sensibly manage risks to protect our colleagues, ensure mandatory Health & Safety training is complete and monthly complete site audits.

We offer a hybrid workplace, where we come together to collaborate. We ensure a Display Screen Equipment ('DSE') Assessment is completed for all colleagues and include support and equipment to prevent medical problems.

Report of incidents

Type of accident and reporting	
Accidents reportable under the RIDDOR Regulations 2013	None
Fatal accidents	None
Health and safety-related prosecutions	None

OUR CUSTOMERS & PARTNERS

We are aware of the contribution we can make in creating a fairer society and are committed to having a positive impact on our customers and partners.

Primary focus:

- Customer Privacy & Data Security
- Access & Affordability
- Selling Practices & Product Labelling
- Partner Training & Support

Summary

With a challenging economic landscape remaining even though it is stabilising, our products remain essential for our customers. Our purpose of striving to support our customers and partners has remained at the heart of everything we do.

Protecting customer privacy

We understand the importance of keeping information secure and confidential, both for our business and customers we work with. We are committed to protecting and respecting the privacy of our customers. The Privacy Notice on our website sets out the basis on which any personal data we collect will be processed by us: www.premiumcredit.com/privacy-notice.

Data security and cybersecurity

Data protection regulations demand heightened responsibility from organisations that possess personal information.

Targets	Progress
Ensure customer information is, used fairly, lawfully, and transparently and for explicit purposes. With no reportable breaches.	• 100% colleagues trained on Customer Privacy, Data Security and Cyber Protection. • Retain ISO 27001:2022. • No breaches occurred.
Review, evolve and communicate how our products and propositions are accessible, affordable, and inclusive, representing fair value with controls in place to identify vulnerability.	• Introduction of a Customer Outcomes Committee. • Progression with signposting for customer vulnerability training for contact centre specialist team. • Annual fair value assessment in place and reviewing with partners. • L&D Team build into training product and proposition accessibility.
Collaborate with our customers & partners to help support the Sustainability agenda.	• Premium Credit hosted Insurance X-Change event on social mobility. 70 people attended from across the industry.

We are committed to enhancing our information security and data privacy initiatives, continually improving protections and procedures to ensure the safety of the data entrusted to us. We do not sell any customer's data to third parties.

We possess certifications in ISO 27001:2022, a global security standard that defines optimal practices for how organisations ought to handle their data and address information security risks by establishing an information security management system.

ESG report continued

Our cybersecurity training and initiatives help ensure that employees possess a strong awareness of cyber threats. We maintain an insurance policy to cover cyber incidents and have third-party verification for both the management and technical aspects of our cybersecurity infrastructure. In 2024, we experienced no breaches in data security.

Access & Affordability/Selling Practices & Product Labelling

We are constantly evaluating the affordability of our products and expanding accessibility to a broader customer base. Our focus has been on enhancing support for vulnerable customers. A dedicated working group addresses areas for improvement, enhancing positive changes to the experience of vulnerable customers. These improvements include clearer communication through revised language and additional information on our website to better assist our customers.

The introduction of a 'Customer Outcomes Committee' to our governance framework provides continual focus on the culture and practices of the organisation, ensuring the promotion of positive customer outcomes and compliance with all appropriate regulation.

Partner Training & Support

The Partner Learning and Development team has had an incredibly productive 2024, supporting partners across both Insurance Solutions and Specialist Finance. Over the year, we have delivered more than 1,000 training sessions and have provided support to over 8,000 delegates. We pride ourselves on keeping up to date with technological and regulatory changes, ensuring our training and resources are tailored to meet our partners' needs. Some of the key initiatives we have focused on this year include the launch of bite-sized training sessions for school bursars to help them prepare for upcoming VAT changes, the creation of video tutorials enabling our colleagues to provide immediate support to partners, and keeping system guides and other key documents up to date to reflect enhancements in our customer and partner portal.

Premium Finance Partner Award

We were thrilled to be honoured as the Premium Finance Partner of the Year 2024 at the Insurance Choice Awards. This accolade holds special significance as it is bestowed upon us by our valued partners. We extend our heartfelt gratitude to all our partners for their unwavering support, and we sincerely thank them for contributing to our success in receiving this prestigious award.

OUR RESPONSIBILITY

We are a responsible employer and partner, operating in an honest, open and ethical manner.

Primary focus:
- Business model resilience
- Supply chain management
- Business ethics
- Competitive behaviour

Summary

We remain committed to ethical and compliance standards and design our governance structures to inform business decisions and improve the way we serve our customers & partners efficiently and effectively.

Code of Ethics

We relaunched our Code of Ethics in 2024 reinforcing our values, promoting integrity, fairness, and responsibility. The code complements our policies and standards and introduces our independent 'speak-up' tool.

We expect all our colleagues to act with integrity and honesty as they work with others to deliver for our stakeholders. This also means treating all stakeholders fairly and respectfully whilst adhering to our key regulators' requirements and principles.

Targets	Progress
Build a roadmap by the end of 2024 for the identification of risks and opportunities on climate risk.	• Workshop held to build on our risks & opportunity identification. We will continue this into 2025.
All new suppliers categorised as Tier 1 and Tier 2 will be expected to meet our business standards and evidence ESG risk management including human rights and emissions by 2030.	• Planning is underway on reviewing our business standards for suppliers.
Refresh our Code of Conduct and relaunch as Code of Ethics, promoting awareness, an internal/external 'speak-up' tool and 100% completion of specific training.	• Campaign has been built to relaunch our Code of Conduct as a Code of Ethics. • 100% completion of compliance training. • Independent speak-up line launched.
No breaches of Competition Law and ensure this element is covered in risk management training.	• No breaches have occurred

Whistleblowing

Our Whistleblowing policy is a safe way for colleagues who may have serious concerns about misconduct or breaches of the law to come forward and voice those concerns.

Colleagues can report concerns through our Whistleblowing process or our new independent speak-up tool. This can be done in an anonymous way if needed. In 2024 no whistleblowing reports were made.

ESG report continued

Human Rights, Modern Slavery & Human trafficking

Premium Credit respect and recognise the importance of human rights, and we comply with the requirements of the Modern Slavery Statement. Each year we publish our Modern Slavery and Human Trafficking Statement on our website, showing our progress in this area. There were no alleged breaches of the Modern Slavery Act in the reporting year.

All our colleagues are required to complete online training to recognise all forms of modern slavery across our business, supply chains and our communities.

Supply chain management

We aim to partner with suppliers who share our values and uphold equivalent standards of business conduct. Our Supplier Code of Conduct outlines the ethical expectations we have for our suppliers, aligning directly with the principles of our own Code of Ethics and emphasising our commitment to respect, honesty, and integrity.

It is crucial that our suppliers embrace similar values, promote ethical business practices, and operate in compliance with relevant laws and regulations in the regions where they conduct business.

We require that our suppliers have robust processes in place to uphold their own standards and that they are able to provide evidence of compliance when requested.

We verify adherence to this code through external assessments or audits and via ongoing supplier monitoring. In addition, we are committed to fostering continuous improvement by monitoring the performance of our suppliers and working collaboratively to enhance standards as needed.

Business continuity

We hold an accreditation with the international standard ISO 22301 which provides a best-practice framework for implementing an optimised business continuity management system, minimising business disruption and continue operating in the event of an incident.

We respond to any major or critical incident by following well-defined policies and processes that are regularly tested. The identification, assessment and reporting of incidents are central to our ability to demonstrate regulatory compliance, protect our customers, and safeguard our reputation through effective systemic risk management.

We conduct stress testing on our long-term capital planning, which is also applied to capacity planning. Our liquidity and resilience to losses undergo reverse stress testing. The results are reported and reviewed by the Asset & Liability Committee, the Executive Risk Committee, or the Board’s Audit, Risk, and Compliance Committee

Business model resilience

Our business model involves strategies to ensure the business can adapt and thrive in the face of changing market conditions, economic challenges, or unexpected disruptions. We have an agile approach to underwriting, hold regular assessments to our credit risk exposure by sector and include Environment, Social and Governance (‘ESG’) elements in our credit analysis.

In 2024, we have not had any legal proceedings against the Company relating to fraud, insider trading, anticompetitive behaviour, market manipulation or other financial industry laws.

ESG Report continued

Tax

Premium Credit is committed to ensuring it complies with not only the letter of the law, but also the intention of parliament, whilst maintaining value for its shareholders. This is achieved through segregated responsibilities within the businesses for tax compliance and liaising with a third party recognised tax expert. Our tax strategy can be found on our website.

Legal & regulatory environment management

We actively engage with regulatory bodies to ensure alignment between corporate and public interests, minimising the risk of environment or social impacts. Our commitment includes regular reviews of changes in the legal and regulatory framework and ongoing training for our teams to stay informed about evolving standards and best practices.

We monitor, manage risks and opportunities in relation to our legal and regulatory environment, in accordance with FCA regulations including:

- Senior Manager & Certification Regime
- Senior Management Arrangements
- Systems and Controls Sourcebook ('SYSC')
- Treating Customers Fairly ('TCF') and Conduct Risk.

Consumer Duty

We have continued to support our partners navigate the Consumer Duty requirements, and have begun work on the implementation of the new Consumer credit – Product Sales Data Reporting CP23/21, due to commence in 2025.

Operating for the benefit of all our stakeholders

The Board acknowledges that the long-term success of Premium Credit depends on the interests of all our stakeholders, which are taken into account in Board decision-making. The Directors engage proactively with stakeholders to understand their interests, ensuring informed decision-making. This drives the Company's long-term sustainable success through strategy development and implementation.

This section outlines the actions taken by the Directors to promote the success of the Company for the benefit of its stakeholders, in accordance with section 172 of the Companies Act 2006.

In meeting this responsibility during the year ended 31 December 2024, the Directors have had regard, amongst other matters, to:

(a) the likely consequences of any decisions in the long term;

(b) the interests of the Company's employees;

(c) the need to foster the Company's business relationships with partners, customers, suppliers, and others;

(d) the impact of the Company's operations on the community and environment;

(e) the Company's reputation for high standards of business conduct; and

(f) the need to act fairly between members of the Company.

Stakeholders	How we engage	Their material issues
Colleagues		
We strive to nurture a high-performance culture in which colleagues feel engaged and empowered to deliver on their objectives and take accountability for their work.	• Regular team meetings both online and face-to-face. • Fully open office to enable hybrid working. • Internal mental health first aiders. • Regular Company-wide employee Net Promoter Score ('eNPS') surveys. • Performance evaluations.	• Health in an uncertain world; wellbeing including mental health challenges of working from a home environment. • Training and development opportunities. • Career progression and recognition. • Compensation and incentives. • Living by our purpose and values. • Doing the right things for our communities and our environment.
Customers		
We support millions of retail, SME, and corporate clients with spreading the cost of essential products such as insurance, and do so in a responsible and compliant way.	• Customer feedback tools (Trustpilot, satisfaction surveys). • Dedicated complaints team within our contact centre. • Mechanics to support customers with financial difficulties.	• Appropriate products with clear information. • Seamless and intuitive products and solutions. • Further help and support where necessary. • Good customer service.

Operating for the benefit of all our stakeholders continued

Stakeholders	How we engage	Their material issues
Partners		
Our network includes more than 3,000 partners. These diverse relationships are crucial for allowing access to end-customers.	• Regular performance meetings. • Sharing of insights and analytics. • Co-development of sales and marketing strategies. • Internal training. • Ensuring that our regulatory approach (including the newly implemented Consumer Duty) is well understood.	• Seamless and intuitive products and solutions for their customers. • Building long-term partnerships.
Shareholders		
Effective communication with shareholders is vital to understand and meet their needs and expectations.	• Attendance at Board meetings. • One-to-one meetings. • Monthly performance reporting (financial and non-financial).	• Financial and operational performance. • Long-term growth. • Business model and strategy. • Capital allocation. • Dividends. • Living by our purpose and values.
Investors		
Investors in our asset-backed securities expect an appropriate return on investment.	• Monthly securitisation investor reporting. • Deal and non-deal roadshows.	• Return on investment. • Timely reporting. • Regular issuance. • Sustainability actions and reporting.
Regulators		
The Company works with regulatory and industry bodies and other relevant stakeholders to ensure we operate at the forefront of compliance.	• Regular, open and transparent reporting. • Proactive engagement. • Membership of industry bodies to ensure participation in industry-wide discussions.	• Compliance. • Financial security. • IT and operational resilience.

Operating for the benefit of all our stakeholders continued

Stakeholders	How we engage	Their material issues
Community		
We recognise our responsibilities to society and to the communities in which we operate.	• Updated Sustainability focus, including the hiring of our first Sustainability Manager, leading to increased number of actions. • Partnership with Insurance United Against Dementia. • Internal 'Team Premium' acting as ambassadors for our values and our community.	• Charitable and community support. • Environmental impact.

Approval of Strategic Report

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

Approved by the Board on 2 April 2025 and signed on its behalf by

Tara Waite
Chief Executive Officer

Board of Directors

Scott Egan
Non-Executive Chairman

A R

Scott has 25 years of insurance industry experience across both listed and private-equity backed businesses. He is currently the CEO of SiriusPoint, a global insurer and reinsurer, which he joined in September 2022. Previously he worked at Royal Sun Alliance plc initially as Group CFO and latterly as CEO of its UK and international business. He has held senior positions at a number of companies including Aviva, Zurich Financial Services, Brit Insurance and Towergate Broking. Scott holds an MBA from Cranfield University and is a qualified accountant.

Tara Waite
Chief Executive Officer

A

Tara became CEO in 2019. She has over 20 years' experience in financial services in both UK and International roles. Most recently she was Group CEO of Wonga Group Ltd, an international consumer lending business operating in Europe and South Africa. Prior to leading the Group, she was CEO of its UK consumer lending business, guiding it through its turnaround and regulatory authorisation. Her former principal roles include Managing Director of RSA Insurance Group's UK SME and Delegated Authority business, CEO of RSA's market leading business in Latvia, and management consultancy roles at Andersen and Ernst & Young. Tara is currently a Non-Executive Director on the board of Ageas UK. She holds a Bachelor's degree in Applied Physics from Trinity College Dublin, and a Master's degree in Applied Physics, and is also a visiting Fellow at Oxford University's Saïd Business School.

Andrew Chapman
Chief Financial Officer

A

Andrew became CFO in 2018. He joined Premium Credit in 2004, initially in the Financial Planning & Analysis team, before being appointed as Head of Treasury & Investor Relations team and then CFO. Andrew has had many achievements at Premium Credit, but a notable highlight was his role as business lead on its Securitisation Programme which won the prestigious IFR Award for EMEA Structured Finance deal of the year in 2017. Prior to joining Premium Credit, Andrew worked for Close Premium Finance for four years as Financial Controller. Andrew completed his training and qualified at RBS and holds FCCA status.

Kory Sorenson
Non-Executive Director

A R

Kory brings 30 years of experience in financial services and over a decade as a Non-Executive Director of public, private and non-profit companies across Europe and North America. She currently holds Audit, Risk, Remuneration and Sustainability Chair roles at, Pernod Ricard (FR), SGS SA (CH) and the AA Ltd (UK). She is Chairman of Comgest SA (FR) a privately-held asset manager in France. As an executive, Kory was Managing Director, Head of Insurance Capital Markets of Barclays Capital and held senior positions in Investment Banking at Credit Suisse, Lehman Brothers and Morgan Stanley. Kory holds a post-graduate degree in corporate finance from l'Institut d'études politiques de Paris, a Master's in applied economics from the University of Paris-Dauphine, and a Bachelor's in econometrics and political science from the American University in Washington, D.C. and has completed executive education programmes in leadership and governance with Harvard Business School, INSEAD and Stanford Business School.

Board of Directors continued

John Lumelleau
Non-Executive Director

A R

John is the former President and CEO of Lockton Companies, a position he held for 15 years.

Lockton is the largest privately held independent insurance broker in the US and a top ten insurance broker globally. In his tenure, Lockton grew from USD92 million in revenue in six offices to a global organisation with over USD1.3 billion in revenue and 85 offices. John continues to serve on the Board of Lockton, Inc. He has also served as Chair of Orchid Insurance, and on the Boards of Directors of The Council of Insurance Agents and Brokers and Missouri Chamber of Commerce 2030 Steering Committee. Currently, John serves on the Board of Directors of Insperity, Inc, the Management Advisory Board of TowerBrook Capital Partners and the Fordham University Board of Trustees.

Joseph Knoll
Investor Director

A R

Joe is a Managing Director of TowerBrook and sits on the firm's Investment Committee. Previously, he was a Director of York Capital where he helped build the European distressed and event-driven credit business. Joe also sat on numerous Boards, both Public and Private, on behalf of York. Prior to joining York in 2008, he was the founding member of the Principal Investing Group of Morgan Stanley based in London and New York. Joe started his career at Merrill Lynch in the leveraged finance team in New York and earned his B.S. from Yeshiva University. He is a Trustee of City Year UK and a member of the Advisory Council of Black Women in Asset Management.

Nikolay Skibnevsky
Investor Director

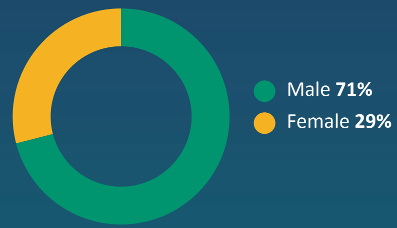
A R

Nik is a Principal at TowerBrook. Previously, Nik was an Associate at Goldman Sachs in London, focusing on Financial Institutions.

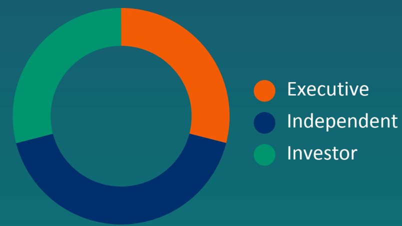
He holds a Master's degree in Economics from the Lomonosov Moscow State University.

Board composition

Gender diversity



Directorship type



Committee membership

- R Chair Committee
- A Audit Risk and Compliance Committee
- R Remuneration Committee

Executive Committee

Tara Waite
Chief Executive Officer

Joined 2019

See the Board of Directors on page 50 for Tara's biography.

Andrew Chapman
Chief Financial Officer

Joined 2004

See the Board of Directors on page 50 for Andrew's biography.

Jon Howells
Chief Commercial Officer, Premium Finance

Joined 2019

Jon has extensive experience of premium finance and insurance broking from the last 20 years having been Commercial Director at Close Brothers Premium Finance and having held senior broking roles at Hastings Direct, Premium Choice and Swinton.

Prior to broking, Jon held a number of sales and operational roles at GE Money.

Owen Thomas
Chief Sales Officer

Joined 2019

Owen's previous role was at RSA, where he led the strategy and engagement for global broker relationships worldwide, marketing and strategic account management across UK commercial lines and sales and distribution for the Global Risk Solutions P&L. Owen also co-founded the Global Corporate & Speciality division in his time at Aviva.

Key:

Consumer finance | Insurance | Technology | Regulation | Data | Funding

Premium Credit benefits from an experienced management team with a through-the-cycle track record. The particular areas of expertise of each executive are highlighted with the icons above.

Executive Committee continued

Josie Pileio
Chief Operations and People Officer
Joined 2019

Josie joined in 2019 with over 25 years' experience working in complex, fast paced and multi-site international organisations. She has successfully led large transformation programmes across Asia Pacific and more recently in Europe, including for C&A, a multinational chain of 1300+ department stores. Josie holds an MBA and is HR qualified and contributes to the achievement of commercial strategies through the development and implementation of effective operations and people solutions. Her international retail experience combined with her strong HR background, brings together a unique blend that helps drive customer excellence through happy and passionate colleagues.

Jennie Hill
Chief Commercial Officer, Specialist Finance
Joined 2023

Jennie has 25 years' experience working primarily in financial services, but also in wider sectors such as Insurance, Legal and Automotive. Most recently Jennie was the Chief Growth Officer for Simplyhealth accountable for reigniting the growth of this leading UK consumer health brand. Her former executive roles include Chief Commercial Officer of Slater & Gordon, Managing Director Distribution for Legal & General's General Insurance business as well as senior commercial roles with a variety of leading brands including American Express and the AA. Jennie is currently the Chair of the Board of TWR (This Woman Runs), the world's largest digital and in-person running community for women.

Giles Offen
Chief Product and Technology Officer
Joined 2024

Giles joined Premium Credit at the start of 2024 with the remit to move the Company to a product-centric approach underpinned by its digital platforms. Giles spent the last ten years at Just Group, a FTSE 250 Life insurer where he was CIO and sat across Digital, IT, Change and Data. At Just, Giles oversaw the merger of Partnership and Just Retirement delivering £50m of savings and created a digital garage and lab to drive the creation of new product and thinking in the organisation. Prior to Just Giles spent 15 years at RELX, notably creating a global eCommerce platform that deployed across 22 countries.

Rohit Ghai
Chief Risk Officer
Joined 2024

Rohit joined Premium Credit at the end of 2024. He brings significant Risk and Compliance leadership experience gained through key roles in the UK and internationally. Rohit joins us from PayPal UK where he was most recently the interim Chief Risk & Compliance Officer. Prior to PayPal, Rohit led multiple Risk leadership roles at Visa Europe including the Enterprise Risk and the Operational Risk functions for the business. Rohit started his career through GE's leadership programmes and held multiple Risk roles across GE Capital, with oversight of UK and international businesses.

Key:

Consumer finance | Insurance | Technology | Regulation | Data | Funding

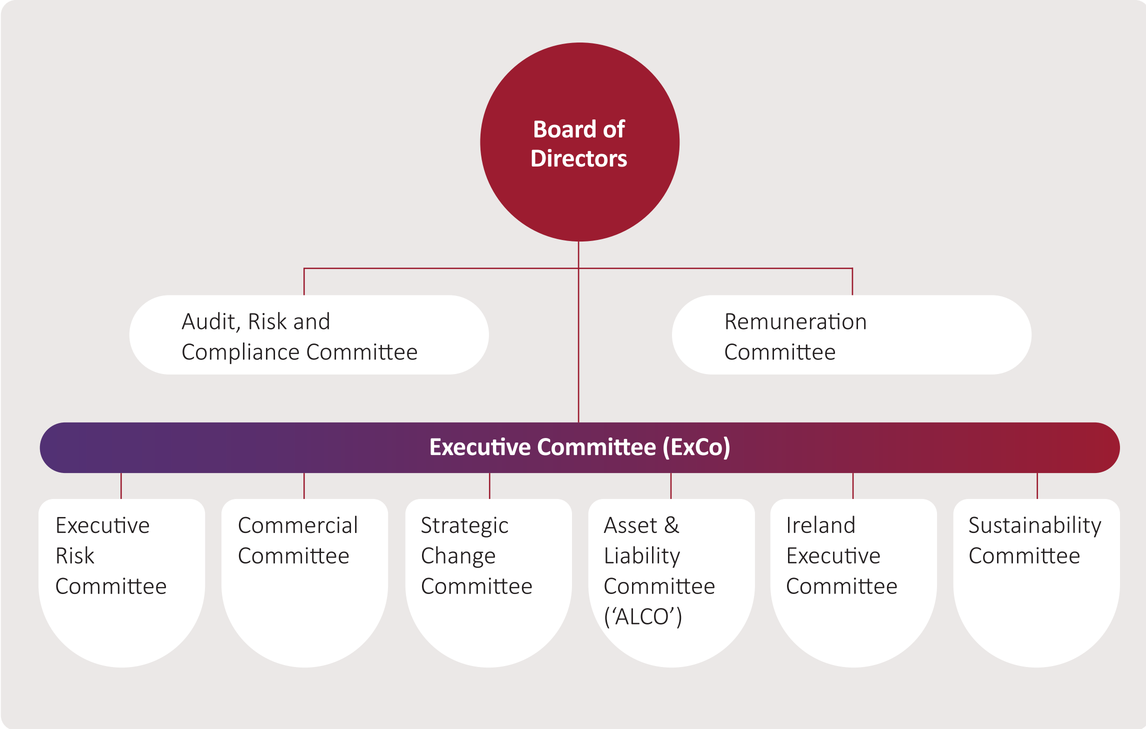
Premium Credit benefits from an experienced management team with a through-the-cycle track record. The particular areas of expertise of each executive are highlighted with the icons above.

Our corporate governance

The Board has overall responsibility for setting the strategic direction of the Company. It maintains a formal agenda outlining matters for its consideration and delegates all others to the CEO and the Executive Committee. Additionally, it has created two sub-committees to satisfy itself on the integrity and robustness of financial reporting, financial controls, and risk management, in turn reinforcing effective corporate governance.

The Chief Executive Officer has established the Executive Committee and its sub-committees to assist managing the business and executing its strategic objectives in a manner that is both effective and controlled. The Executive Committee provides general executive management of the business and facilitates cross-functional communication and liaison. The relevant Executive Committee member is accountable to the CEO and the Board for managing performance, identifying and mitigating risks, and developing the Company's strategy, long-term plan and annual budgets.

The structure of the sub-committees reporting to the Executive Committee is illustrated on the right. For further detail on each sub-committee, see page 55.



Our corporate governance continued

The Board

The Board determines the Company's strategy and oversees business performance, meeting at least four times during the year.

Each Board committee operates within agreed terms of reference and has access to the resources required to fulfil its duties. Directors unable to attend a meeting receive the relevant materials, and any input is relayed to meeting attendees.

Directors attended several additional meetings and contributed to discussions outside of the regular meeting schedule in 2024.

Significant matters addressed by the Board

- Review and approval of the 2023 Financial Statements;
- Review and approval of the 2024 Strategy, Budget and Long Range Plan;
- Ensuring the Corporate Governance Framework is fit for purpose;
- Review of performance in the context of the agreed Strategy and Budget;
- Review and approve where appropriate the recommendations from Board sub-committees relating to development and maintenance of policies and other matters within those sub-committees' terms of reference.

The Board has paid particular attention during the year to:

- The Company's engagements with the FCA and CBI;
- The impact of the macroeconomic environment and in particular BofE interest rates on the performance of the business;
- The industry activity in relation to disclosure of broker commissions; and
- The firm's implementation of the FCA Consumer Duty.

The Board's Audit, Risk and Compliance Committee ('BARCC')

The committee is responsible for reviewing and recommending financial statements to the Board, ensuring compliance of accounting policies and practices with accounting standards, and reviewing significant judgements, assumptions, and estimates in the preparation of financial statements. It reviews the scope and results of the annual external audit, maintains a relationship with auditors, and oversees the internal audit function and programme.

Additionally, the committee oversees and challenges the Company's risk management framework, including risk appetite, monitoring of risk metrics and performance, and regulatory compliance arrangements.

The committee comprises Kory Sorenson (Chair), Joseph Knoll, Nikolay Skibnevsky, Scott Egan, John Lumelleau, Tara Waite and Andrew Chapman. All committee members have recent and relevant financial experience.

The committee meets at least four times a year and has an agreed agenda linked to events in Premium Credit's financial calendar.

Typically, the Chair invites representatives from its outsourced internal auditors, a partner or representative from the external auditors and/or specialists attending to address specific items or make presentations during these meetings.

Significant matters addressed by the BARCC

The committee is a sub-committee of the Board and is responsible for reviewing, reporting its conclusions and making recommendations to the Board on a wide range of topics, in particular:

- The programme of audit work and relationship with the external auditors including auditors' independence;
- Review of the financial statements;
- The internal audit programme and the results of internal audit reviews;
- Areas of significant accounting judgement;
- Compliance with legislation, regulation and internal policy;
- The risk management framework;
- The risk appetite and key risk indicators;
- The lending portfolio and associated credit policy;
- Management of assets and liabilities, including liquidity and funding;
- The monitoring of liquidity, funding and loan covenant compliance;
- General controls over IT and other systems;
- Matters arising out of Premium Credit's operations; and
- Premium Credit's ethical and business standards, including Sustainability.

Our corporate governance continued

The committee has paid particular attention during the year to:

- The credit quality of the loan book in respect of the cost of living and impact of the wider economic conditions of the UK, as well as the impact of global conflicts;
- Oversight of the proposed FCA product sales data reporting due from Q3 2025;
- Review of customer outcomes monitoring and related remediation activities;
- The ability of the Company to withstand, detect and recover from threats to the security of information it holds;
- Fraud and general financial crime risk, and proactive risk management through controls and risk registers; and
- The impact of base rates movements on the cost of funding and availability of cash.

Internal audit

The committee reviews and approves the remit and scope of the outsourced internal audit function and ensures access to requisite resources and information.

The committee examines the findings from internal audit reviews and assesses progress made on actions agreed upon from prior audits.

During the year, the committee approved the Internal Audit plan based upon an evaluation of key risks. Fourteen internal audits were completed in 2024.

External audit

The committee is responsible for assessing the independence and effectiveness of the external auditors and making recommendations to the Board on reappointment. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

Whistleblowing

We have an established process in place that enables colleagues to confidentially report any elements of concern. This process is designed to ensure that no employee making such disclosure will suffer any subsequent disadvantage. The Chair of the Audit, Risk and Compliance Committee has ultimate responsibility for the whistleblowing framework.

Risk management

Premium Credit aims to achieve profitable growth by taking appropriate risks in a controlled manner. The Board has overall responsibility for defining Premium Credit's strategy and associated risk appetite.

Risk management is integral to Premium Credit's management, both at strategic and operational levels. The Company has implemented a framework supported by a formal governance structure to provide an enterprise-wide view of risk management, enabling the identification, measurement, monitoring, management, and of risks that could influence the achievement of strategic objectives.

The Audit, Risk and Compliance Committee oversee the risk management framework on behalf of the Board.

Our risk management framework, and principal risks and mitigating factors, can be found from page 19.

The Remuneration Committee

The Remuneration Committee reviews the Company's remuneration policy and makes recommendations to the Board on the remuneration of Executive Committee members. It establishes and monitors performance criteria for all incentive schemes. Alongside overseeing Directors' remuneration, the committee oversees any significant alterations to employee benefit schemes.

The committee is comprised of Non-Executive Directors; it meets twice during the year and its agenda is linked to the Company's financial calendar.

Our corporate governance continued

Significant matters addressed by the committee

The Remuneration Committee considered a number of topics, in particular:

- The Company's overall objectives and allocation of the Executive Committee's individual annual objectives and targets;
- The potential total bonus awards for the Annual Incentive Plan and Executive Incentive Plan, based on the achievement of annual objectives and targets, notably in terms of Adjusted EBITDA;
- The review and approval of executive, senior management and sales team incentive schemes; and
- The review of the Company's overall remuneration policy, reward and recognition schemes, equity allocations and other reward matters.

Executive sub-committees

The Executive Committee has several sub-committees to assist in managing the business, and implementing strategic objectives effectively.

Executive Risk Committee

The Executive Risk Committee consists of all the members of the Executive Committee and is attended by heads of the relevant risk functions. Chaired by the Chief Risk Officer, the committee is responsible for:

- Overseeing and monitoring operational risk management and compliance processes;
- Monitoring counterparty and conduct risk presented by any trading partner of the Company, and conduct risk in relation to the achievement of fair outcomes for customers;
- Monitoring credit risk exposure and managing overdue and impaired credit accounts;
- Making recommendations for credit risk appetite and continuously monitoring performance against guardrails;
- Considering key operational risk information such as loss events, emerging risks and control failures;
- Overseeing the maintenance of effective systems and controls to meet regulatory and conduct obligations, and for countering the risk posed to the Company by financial criminals; and
- Reviewing the quality, adequacy, resources, scope and nature of the compliance function, including the annual Compliance Monitoring Plan.

Commercial Committee

Chaired by the Chief Financial Officer, the Commercial Committee is responsible for the approval of transactions of a size that fall outside of individual Executive Committee members' but within Directors' approval limits.

Additionally, the committee is responsible for setting input metrics for the firm's pricing model, approving new intermediary partners above a certain size, and reviewing exceptions to cost recovery fees.

Strategic Change Committee

The Strategic Change Committee is chaired by the Chief Product and Technology Officer and is responsible for prioritising and monitoring the progress of the annual IT Plan, and for reviewing monthly updates for all IT and Change portfolio projects.

Asset and Liability Committee ('ALCO')

The ALCO's principal purpose is to identify, measure, control, monitor and review the financial risk management of the Company's balance sheet. It is chaired by the Chief Financial Officer and is responsible for monitoring all aspects of liquidity risk, funding risk and market risks, as well as the treasury policy and control framework.

Ireland Executive Committee

The Ireland Executive Committee is chaired by the Managing Director of Ireland. The committee is responsible for monitoring the sales, financial and operational performance of the Irish business.

Sustainability Committee

The Sustainability Committee is sponsored by the Chief Financial Officer. The Committee is responsible for monitoring the ESG framework and overall Sustainability performance of the business.

Directors' report

The Directors of Premium Credit Limited ('Premium Credit' or the 'Company') present their Annual Report and Financial Statements for the year ended 31 December 2024.

Business review, results and dividends

The principal activity of the Company is the financing of insurance premiums and other services in the UK and Ireland. The Company is incorporated in England & Wales and domiciled in the United Kingdom, with registration number 02015200. The Company also operates through a branch in the Republic of Ireland.

Our business model is outlined on page 8. The financial review on page 12 and the KPIs on page 15 contain highlights of the results for the year.

The strategy on page 4 and the Chief Executive Officer's review on page 9 provide details of our future outlook.

The Company generated a profit before tax for the year ended 31 December 2024 of £89.8 million (2023: £61.6 million), and no dividend was paid during the year (2023: £nil). The Directors do not recommend the payment of a dividend for this year.

Principal risks and uncertainties

The principal risks and uncertainties, and their mitigants, are described on pages 23 to 27.

Motor finance – Court of Appeal Judgment

We are monitoring developments in respect of a Court of Appeal Judgement on 25 October 2024 that upheld a conjoined appeal bought by three customers against two motor finance providers in respect of historical commission arrangements. The motor finance providers have subsequently received permission to appeal to the Supreme Court.

We note that there has been media speculation that the Court of Appeal Judgment could have adverse implications not just for motor finance providers but for finance providers more generally, including premium finance.

We have analysed the current and historical commission arrangements entered into by Premium Credit and taken specialist legal advice on the risk of successful claims being brought against the Company in connection with such arrangements. We note that there are important differences in the commission structures entered into, and the role played, by Premium Credit compared to the cases in the motor finance industry described above. We continue to be fully committed to ensuring that we satisfy all regulatory requirements.

Based on our analysis and the legal advice received we do not consider that Premium Credit has a present obligation arising from historical commission arrangements and that the risk of any related claims giving rise to a material outflow of cash or other economic resources is remote. On this basis the threshold is not met to disclose a contingent liability in relation to this matter in the Premium Credit financial statements.

Going concern

In order to assess the appropriateness of the going concern basis the Directors considered the Company's financial position, the cash flow requirements laid out in its forecasts for a period of 12 months from the date of approval of these financial statements, its access to funding, the assumptions underlying the forecasts and the potential risks and uncertainty affecting them. This included taking into account the risks associated with inflationary pressures on energy and commodities prices generated by the global macroeconomic uncertainty, and the resulting 'cost of living' issues.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, including a severe but plausible downside scenario, show that the Company will be able to operate within the level of its current working capital facilities.

Having reviewed these forecasts, and taken into account the forecast compliance position of the wider Platinum Credit Holdco Limited Group (pursuant to dependent loans across the Group), the Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has sufficient resources to continue in business for the foreseeable future, and for a period of at least 12 months from the approval of these financial statements. The Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Directors

The Directors who were in office during the year and up to the date of signing the financial statements were as follows:

- Scott Egan, Chairman
- Andrew Chapman
- Joseph Knoll
- John Lumelleau
- Victor Na (resigned 28 March 2024)
- Nikolay Skibnevsky (appointed 19 April 2024)
- Kory Sorenson
- Tara Waite

Directors' report continued

Directors' indemnity and liability insurance

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006.

The indemnity was in force throughout the last financial year and is currently still in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Directors' duties

The Directors have an obligation to act in accordance with a general set of duties which are set out in section 172 of the UK Companies Act 2006. The matters the Directors must have regard to are set out on page 47. The Directors consider that they have acted in accordance with those duties in the year ended 31 December 2024; explanations of how the Directors have considered those matters are included on pages 47 to 49.

Human rights and Modern Slavery Act

We respect all human rights and in conducting our business aim to act ethically and with integrity in all that we do. We operate in the UK and Ireland, and as such, are subject to the European Convention on Human Rights and the UK Human Rights Act 1998. We support the objective of the Modern Slavery Act 2015 and are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of the business.

We actively engage with suppliers to ensure that compliance with modern slavery legislation is achieved. We have not incurred any fines or prosecutions in respect of non-compliance, and there have been no alleged breaches of the Modern Slavery Act during 2024.

The Company's statement on modern slavery is published on its website at www.premiumcredit.com/modern-slavery-statement.

Health and safety policy

The Company's health and safety policy is designed to maintain a healthy and safe working environment, and to ensure the health, safety and wellbeing of all its employees, contractors, visitors to its premises, as well as those impacted by its operations in public areas. The health and safety policy is regularly reviewed and updated as required. The Chief Operations and People Officer ensures the proactive approach to safety and wellbeing in the workplace.

Since reopening our offices in September 2021, we have continued to use a hybrid working model. We have provided additional health and safety training in relation to home-working, and have undertaken home workstation assessments and PAT testing of Company equipment used at home, to ensure the wellbeing and safety of our colleagues.

There were no reportable incidents in the workplace during 2024.

Environmental, social and governance matters

We are committed to conducting our business in a manner that protects the environment. This means ensuring that all relevant environmental legislation and regulations are met and reducing consumption of these resources. For further details including SECR reporting see page 38.

Employee relations

The Company seeks to operate as a responsible employer and has adopted corporate values to promote standards designed to help employees in their conduct with one another and business relationships. Policies in place support equal opportunities and diversity, health and safety, and anti-bribery and corruption.

The Company gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities, and arranges appropriate training for employees of the Company who have become disabled persons during the period when they were employed by the Company. We are also committed to promoting equality for the training, career development and promotion of disabled persons employed by us.

Directors' report continued

Employee relations continued

More information on the Company's policies in respect of employment, training and career development can be found on page 39.

It is the Company's policy to conduct business in an honest, open and ethical manner. A zero-tolerance approach is taken to bribery and corruption, harassment, bullying and discrimination.

The Company operates competitive reward and benefit programmes, offers appropriate training and personal development programmes, and encourages the recognition of outstanding performance.

The Company embraces continuous development of individuals and teams and provides schemes to enable all staff to participate directly in the success of the Company.

The Company has an established whistleblowing framework which enables employees to raise issues when they feel it is appropriate, and which ensures that no employee making such disclosure will suffer any consequent disadvantage. There were no whistleblowing incidents in 2024 (2023: nil).

Research and development

The Company develops new products and services, and undertakes research and development on its IT systems to enhance its service offerings. Disclosure of the expenditure and capitalisation of development costs in the year may be found in Note 13 to the financial statements.

Supplier payment policy

The Company agrees appropriate terms and conditions individually with its suppliers. It seeks to abide by these terms provided that the supplier has also done so.

Donations

During the year the Company donated £10,517 (2023: £5,201) to charitable causes. The Company did not make any donations to political parties.

Post balance sheet events

On 16 January 2025, the Company extended the maturity date of the VFN facility in its Securitisation Programme to 17 January 2028, and increased its size to £1,036 million. On 6 February 2025, the Company extended the maturity date of its Securitisation Facility to 3 February 2028, and increased its size to £125 million.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' report continued

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

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

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have 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 Company's auditors are aware of that information.

This report was approved by the Board on 2 April 2025 and signed on its behalf by

Tara Waite
Director

Independent auditors' report

to the members of Premium Credit Limited

Report on the **audit of the financial statements**

Opinion

In our opinion, Premium Credit Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2024; the income statement, the statement of comprehensive income, and the statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Independent auditors' report continued

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and the Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to local employment laws and the Financial Conduct Authority (FCA) regulatory requirements, 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 financial statements such as the Companies Act 2006 and tax 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 increase revenue or reduce expenditure, and management bias in accounting estimates.

Independent auditors' report continued

Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of the disclosures in the Annual Report and Financial Statements against the specific legal requirements;
- Review of minutes of directors' meetings occurring during the year;
- Challenge of assumptions and judgements made by management in their significant accounting estimates;
- Review of internal audit reports in so far as they related to the financial statements;
- Performing risk based testing on manual journal entry postings; and
- Review of regulatory oversight plan, correspondence with FCA during the year and assessing the impact on the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Chris Shepherd
(Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors, London

2 April 2025

Income statement

For the year ended 31 December 2024

	Note(s)	**2024 £'000**	2023 £'000
Interest income	5	**262,241**	207,189
Interest expense	5	**(94,176)**	(79,443)
Net interest income	5	**168,065**	127,746
Fee income	6	**25,079**	21,648
Commission expenses	7	**(8,253)**	(6,175)
Total income		**184,891**	143,219
Administrative expenses	8	**(81,961)**	(69,592)
Impairment of loans to customers	8 &16	**(12,994)**	(12,045)
Operating profit	8	**89,936**	61,582
Finance income	10	**96**	275
Finance expenses	11	**(246)**	(216)
Profit before tax		**89,786**	61,641
Income tax expense	12	**(11,436)**	(5,481)
Profit for the financial year		**78,350**	56,160

Statement of comprehensive income

For the year ended 31 December 2024

	2024 £'000	2023 £'000
Profit for the financial year	**78,350**	56,160
Other comprehensive expenses		
Items that may subsequently be reclassified to the income statement:		
Foreign currency translation losses	**(2,336)**	(912)
Total comprehensive income for the year	**76,014**	55,248

Balance Sheet

As at 31 December 2024

	Note	2024 £'000	2023 £'000
Assets			
Non-current assets			
Intangible assets	13	**8,127**	9,185
Loans to customers	16	**4,608**	5,277
Right-of-use assets	15	**2,857**	4,231
Property, plant and equipment	14	**1,562**	1,491
Deferred tax assets	18	**279**	415
Prepayments and other receivables	17	**184**	390
Total non-current assets		**17,617**	20,989
Current assets			
Loans to customers	16	**2,413,348**	2,186,475
Prepayments and other receivables	17	**102,000**	269,616
Cash and cash equivalents	19	**70,505**	51,204
Corporation tax receivable		**–**	1,327
Total current assets		**2,585,853**	2,508,622
Total assets		**2,603,470**	2,529,611
Liabilities			
Non-current liabilities			
Lease obligations	20	**1,822**	3,352
Total non-current liabilities		**1,822**	3,352
Current liabilities			
Trade and other payables	21	**2,295,412**	2,103,761
Lease obligations	20	**1,652**	1,521
Provision for liabilities	22	**500**	500
Corporation tax payable		**985**	–
Total current liabilities		**2,298,549**	2,105,782

	Note	2024 £'000	2023 £'000
Total liabilities		**2,300,371**	2,109,134
Equity			
Retained earnings		**303,361**	419,126
Called up share capital	23	**10**	10
Other (deficit)/reserves	24	**(272)**	1,341
Total shareholders' funds		**303,099**	420,477
Total equity and liabilities		**2,603,470**	2,529,611

The financial statements on pages 62 to 90 were approved by the Board of Directors on 2 April 2025 and signed on its behalf by

Tara Waite
Director

Statement of changes in equity

For the year ended 31 December 2024

	Called up share capital £'000	Retained earnings £'000	Other reserves/ (deficit) £'000	Total equity £'000
As at 1 January 2024	**10**	**419,126**	**1,341**	**420,477**
Profit for the financial year	**–**	**78,350**	**–**	**78,350**
Foreign currency translation losses	**–**	**–**	**(2,336)**	**(2,336)**
Total comprehensive income/(expense) for the year	**–**	**78,350**	**(2,336)**	**76,014**
Share-based payments	**–**	**–**	**723**	**723**
Release of loans receivable from parent companies	**–**	**(195,189)**	**–**	**(195,189)**
Release of loan payable to parent company	**–**	**1,074**	**–**	**1,074**
As at 31 December 2024	**10**	**303,361**	**(272)**	**303,099**
As at 1 January 2023	10	362,958	1,570	364,538
Profit for the financial year	–	56,160	–	56,160
Foreign currency translation gains/(losses)	–	8	(920)	(912)
Total comprehensive income/(expense) for the year	–	56,168	(920)	55,248
Share-based payments	–	–	691	691
As at 31 December 2023	10	419,126	1,341	420,477

In the year to 31 December 2024 the Company participated in a Group reorganisation to simplify the legal structure. In connection with this, a number of loans payable to and receivable from parent companies were released. The releases have been accounted for directly in equity as they are transactions with shareholders.

Notes to the financial statements

1. General information

Premium Credit Limited (the 'Company') is a private limited company, limited by shares, which provides instalment and payment solutions, supporting the purchase of insurance policies and other services to corporates and individuals in the UK and Ireland. The Company is incorporated in England and Wales with company number 02015200, and domiciled in England, United Kingdom. The address of the registered office is: Ermyn House, Ermyn Way, Leatherhead, England, KT22 8UX.

The Company has a branch in the Republic of Ireland.

2. Basis of preparation and material accounting policies

2.1 Basis of preparation

The accounting policies and methods of computation are consistent with those applied in the 2023 Annual Report and Financial Statements. A summary of the principal accounting policies is set out below.

(a) Basis of preparation

The financial statements of Premium Credit Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). The financial statements have been prepared under the historical cost convention, to the extent required or permitted as set out in the relevant accounting policies and in accordance with the Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates and judgements. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The following exemptions from the requirements of FRS 101 have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of paragraphs 45(b) and 46 to 52 of International Financial Reporting Standard ('IFRS') 2 Share-based Payment.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - Paragraph 79(a)(iv) of IAS 1;
  - Paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - Paragraph 118(e) of IAS 38 Intangible Assets.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- The requirements of IAS 7 Statement of Cash Flows.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- The requirements of paragraphs 17 and 18a of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Company.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the company in which the entity is consolidated.

Notes to the financial statements continued

2. Basis of preparation and material accounting policies continued

(b) Going concern

The Company's principal risk stems from the credit quality of loans and advances and the Directors review the risks the Company may face on an ongoing basis.

In order to assess the appropriateness of the going concern basis the Directors considered the Company's financial position, the cash flow requirements laid out in its forecasts for a period of 12 months from the date of approval of these financial statements, its access to funding, the assumptions underlying the forecasts and the potential risks and uncertainty affecting them. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, including a severe but plausible downside scenario, show that the Company will be able to operate within the level of its current working capital facilities.

The Directors have reviewed these forecasts, and taken into account the forecast covenant compliance position of the wider Platinum Credit Holdco Limited Group, due to the potential repercussions on the Company, the Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has sufficient resources to continue in business for the foreseeable future, and for a period of at least 12 months from the approval of these financial statements.

As noted in the Directors' report, the Directors consider the risk arising of a material outflow of cash or other economic resources in respect of customer claims concerning commission arrangements to be remote, and on this basis no such outflow is assumed in the scenarios considered.

The Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(c) Taxation

Current tax is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date in the countries where the Company and its branches operate and generate taxable income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax in the future, with the following exception:

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(d) Foreign currency translation

Transactions in foreign currencies are recorded at the rate applicable at the date of the transaction. All monetary assets and liabilities expressed in foreign currencies are translated into Pound Sterling at rates of exchange at the end of the financial year. Differences between the translated transactions and subsequent cash settlements, or related translated balances, are recognised in the income statement.

The balance sheets for foreign operations are translated at the rate of exchange ruling at the reporting date. The income statement is translated using the average rate for the financial year. The exchange differences arising on the retranslation of opening net assets are taken directly to reserves.

(e) Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and money market funds investments.

(f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment when there are indications that the carrying value may not be recoverable. If an asset's carrying amount is determined to be greater than its recoverable amount it is written down immediately. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units 'CGUs'). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the financial statements continued

2. Basis of preparation and material accounting policies continued

(g) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent expenditure is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repairs and maintenance costs are charged to the income statement in the year in which they are incurred.

Depreciation is charged to the income statement on a straight-line basis to allocate the costs less residual value over the estimated useful life of an asset. Depreciation commences on the date that an asset is brought into use. Work in progress assets are not depreciated until they are brought into use and transferred to the appropriate category of property, plant and equipment. The estimated useful lives for property, plant and equipment are:

Equipment	3 to 10 years
Leasehold improvements	10 to 20 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in administrative expenses in the income statement.

(h) The Company's leasing activities and how these are accounted for

The Company leases buildings and vehicles. Rental contracts are typically made for fixed periods of six months to seven years. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices. However, for leases of property for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing; and
- makes adjustments specific to the lease, for example term, country, currency and security.

Notes to the financial statements continued

2. Basis of preparation and material accounting policies continued

(h) The Company's leasing activities and how these are accounted for continued

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

To optimise lease costs during the contract period, the Company sometimes provides residual value guarantees in relation to vehicle leases.

(i) Provisions for liabilities and charges and contingent liabilities

A provision is recognised where there is a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expected expenditure required to settle the obligation.

A contingent liability is a possible obligation that is dependent on the outcome of uncertain future events not wholly within the control of the Company, or a present obligation where an outflow of resources is not likely, or the amount cannot be reliably measured.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources is remote.

(j) Share capital

Ordinary shares are classified as equity.

(k) Dividends

Final equity dividends are recognised as a liability and deducted from equity in the year in which the dividends are approved by the Company's shareholder. Interim equity dividends are recognised and deducted from equity when paid. Dividend income is recognised in the income statement when the right to receive payment is established.

(l) Share-based payments

The fair value at the date of grant of share-based remuneration, principally ordinary C shares issued by Platinum Credit Holdco Limited, is calculated using an option pricing model and charged to the profit and loss in a straight line over the expected vesting period of the award, taking account of the number of awards that are expected to vest. All share-based payments are equity settled and the balance sheet entry is included in reserves.

(m) Pension costs

The Company participates in a defined contribution pension scheme operated by an independent fund manager. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the Company.

(n) New standards, amendments, IFRIC (Interpretations Committee) interpretations and new relevant disclosure requirements

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1.
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Notes to the financial statements continued

2. Basis of preparation and material accounting policies continued

2.2 Summary of material accounting policies

(a) Net interest income recognition

Financial instruments which are disclosed as loans and advances to customers include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement at fair value, including direct and incremental transaction costs, they are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less allowance for any expected credit loss ('ECL'). Calculation of the effective interest rate takes into account fees receivable that are an integral part of the instrument's yield, early redemption fees and transaction costs. The interest income calculated using this method is included in interest in the income statement. The ECL is recognised in the income statement in impairment on loans to customers.

(b) Fee and commission income recognition

Fees in respect of services are recognised on an accrual basis when the service to the customer has been provided. The arrangements are generally contractual and the cost of providing the service is incurred as the service is rendered. The price is fixed and always determinable. The Company generates fees from the financing of insurance policies and other instalment services underwritten or delivered by third-party insurers or suppliers. This is based on fee rates that are independent of the profitability of the underlying insurance policies or fee plan.

Fees received at the time of a specific event during a loan's life, such as chaser fees or on default, have a predetermined transaction price and are recognised when that service obligation has occurred. No fees have performance obligations which satisfy over time.

(c) Financial instruments

IFRS 9 Financial Instruments has three core areas: Classification and Measurement; Hedge Accounting; and Impairment.

Financial assets

Financial assets comprise cash and bank balances, loans to customers and other receivables. When sales are generated the financial assets are accounted for at trade date.

Classification and measurement

Financial assets are classified into one of three measurement categories:

(a) amortised cost;

(b) fair value through other comprehensive income ('FVOCI'); or

(c) fair value through profit or loss ('FVTPL').

Classification is based on the objectives of the Company's business model for managing its financial assets and the contractual cash flow characteristics of the instruments.

(a) Amortised cost

Financial assets that are held to collect contractual cash flows and where contractual terms comprise solely payments of principal and interest ('SPPI') are classified at amortised cost.

This category includes the Company's loan portfolios and cash and bank balances within a 'hold to collect' business model.

Financial assets at amortised cost are initially recognised at fair value, including direct and incremental transaction costs. Subsequent measurement is at amortised cost using the EIR methodology.

Notes to the financial statements continued

2. Basis of preparation and material accounting policies continued

(c) Financial instruments continued

The carrying amount of these assets is adjusted by any ECL allowance. Interest income is included in 'Interest income' using the EIR methodology.

(b) Fair value through other comprehensive income ('FVOCI')
Financial assets held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and where contractual terms comprise solely payments of principal and interest are classified and measured at fair value through other comprehensive income.

Financial assets at FVOCI are initially measured at fair value, including direct and incremental transaction costs. Subsequent measurement is at fair value, with changes in fair value being recognised in other comprehensive income, with the exception of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. Interest income from these financial assets is included in 'Interest income' using the EIR methodology.

On derecognition of a financial asset, the cumulative gain or loss previously recognised in other comprehensive income ('OCI') is reclassified from equity to profit or loss and recognised in 'Fair value gains/losses on financial instruments'.

(c) Fair value through profit or loss ('FVTPL')
Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL on initial recognition and at each reporting date.

Any gain or loss on an asset that is subsequently measured at FVTPL, and is not part of a hedging relationship, is recognised in profit or loss and presented in the income statement within 'Fair value gains/losses on financial instruments'. Interest income from these financial assets is included separately in 'Net interest income'.

Financial liabilities

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. After initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. The Company does not hold any financial liabilities classified as held for trading.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(d) Impairment of financial assets

The Company assesses all financial assets and off-balance sheet commitments for impairment at each reporting date. For the Company, this is primarily loans to customers. Under IFRS 9 a 'three-stage' model for calculating ECL is used, and is based on changes in credit quality since initial recognition as summarised below:

Stage 1: When a financial asset is first recognised it is assigned to Stage 1. If there is no 'significant increase in credit risk' from initial recognition the financial asset remains in Stage 1. Stage 1 also includes financial assets where the credit risk has improved, and the financial asset has been reclassified back from Stage 2. For financial assets in Stage 1 a '12-month ECL' is recognised.

Stage 2: When a financial asset shows a 'significant increase in credit risk' from initial recognition it is moved to Stage 2. Stage 2 also includes financial assets where the credit risk has improved, and the financial asset has been reclassified back from Stage 3. For financial assets in Stage 2 a 'lifetime ECL' is recognised.

Stage 3: When there is objective evidence of impairment and the financial asset is in default, or otherwise credit impaired, it is moved to Stage 3. For financial assets in Stage 3 a 'lifetime ECL' is recognised.

In relation to the above:

- **'Lifetime ECL'** is defined as ECL that results from all possible default events over the expected life of a financial instrument.
- **'12-month ECL'** is defined as the portion of the lifetime ECL that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

As most of the financial assets originated by the Company have a maturity of 12 months or less the 12-month ECL and the Lifetime ECL are the same.

Notes to the financial statements continued

2. Basis of preparation and material accounting policies continued

(d) Impairment of financial assets continued

On an ongoing basis, the Company assesses whether there has been a change in credit quality and, where necessary, financial assets are then moved through the stages accordingly as outlined below:

Significant increase in credit risk assessment – movement to Stage 2:

A 'significant increase in credit risk' ('SICR') is not a defined term, and is determined by management, based on their experience and judgement. Most Company loans are short-term agreements of less than 12 months. Based on its historical experience of performance of those loans and due to its short-term exposure, the Company applies a conservative approach for measuring SICR, a principle called 'one day one penny overdue' which means a loan account which is past due by one day is an indicator of significant increase in credit risk. Since the majority of the Company's customers pay by Direct Debit and the loans are only for a short period, it believes that for a customer to miss a payment or to be in arrears, provides a strong indication of SICR, excluding cases where the payment is delayed due to technical reasons. Where the Company has the right of automatic recovery from the intermediary partner ('recourse loans'), these loans are now included in Stage 2 although they do not represent a change to the loss given default. Credit risk due diligence is carried out on all intermediary partners and their financial, regulatory and trading performance is continuously monitored.

Default – movement to Stage 3:

Financial assets are considered to be credit impaired where there is objective evidence of the impairment including situations where the borrower is in breach of contract, is bankrupt, or experiences other significant financial difficulties which are expected to have a detrimental impact on their ability to pay interest or principal on the advance. The Company refers to these kinds of loans as 'terminated agreements'. In addition to the qualitative factors, the loans have to be at least 30 days past due to fall into termination category.

When loans are identified as credit impaired, interest income is calculated at amortised cost on the net carrying value of the loan ('carrying value net of the impairment provision') in line with the requirements of IFRS 9.

Improvement (movement back to a lower stage):

The loans in Stages 2 and 3 are assumed to be cured when the payments are up to date with a subsequent improvement in its credit quality to the extent that it no longer meets the definition of a credit-impaired asset. These loans are no longer included as 'one day one penny overdue' when the data is refreshed at month end.

Write off

The Company writes off loans when they are 180 days past due or there is no reasonable expectation of recovery, based on relevant indicators such as the borrower has absconded or become insolvent, or the company is dissolved. The total value of financial assets that had been written off but are still subject to enforcement activity at the 31 December 2024 was £4.8 million (2023: £7.1 million).

Calculation of ECL

At 31 December 2024, 99.8% (2023: 99.8%) of the outstanding loans had a remaining life of 12 months or less. As a result of this the 12 months and lifetime ECL calculations are broadly the same. The ECL computation is based on historical loss rates, where each division's loans are analysed independently. The Company considers this to be the Probability of Default ('PD').

The PD represents the likelihood that a borrower will default on their financial obligations within the specified timeframe of one year, and is applied to balances in each stage to derive the ECL.

The forward-looking aspect of IFRS 9 requires judgement regarding the impact of changes in the macro economy on the loans written by the business. In doing this we have considered, amongst other things, the impacts of the cost of living crisis, the Bank of England's base rate changes and levels of insolvencies. Further details of the significant accounting judgements and estimates are included in Note 3.

Due to the short-term nature of the products offered by the Company, there is a weak correlation between the performance of the portfolio and macroeconomic lead indicators. As a result, the Company uses limited multiple economic scenarios in assessing the PD at each impairment stage and expects the impact of this to be immaterial on the overall impairment calculation.

Notes to the financial statements continued

2. Basis of preparation and material accounting policies continued

(e) Intangible assets

Intangible assets that are acquired by the Company are stated at historical cost less accumulated amortisation and any impairment losses. Amortisation is charged to the Income statement on a straight-line basis over their estimated useful lives.

Internally generated intangible assets

Expenditure incurred on the development of software is capitalised only if the following criteria are met:

- Technical feasibility has been demonstrated;
- The intention to complete the development of the project is demonstrable (e.g. allocated budgets and resources, Board of Directors approval);
- Management is satisfied with the ability to use or sell the results of the project;
- It is probable that the asset created will generate future economic benefits (e.g. existence of the market for the results of the project);
- Adequate technical, financial or other resources to complete the development and to use or sell the software are available;
- Configuration of code for cloud computing is controlled by the Company;
- The development cost of the asset can be measured reliably; and
- It is not a research cost.

Only the costs that are directly attributable to generating the intangible assets are capitalised.

The following costs are not capitalised: Operational, General and Administration overheads, annual software licences, training, legal and professional fees related to disputes with suppliers.

Following the initial recognition of an internally generated intangible asset, the cost is amortised over the estimated useful life of the asset created. Amortisation commences on the date that the asset is brought into use. As assets categorised as Assets under construction or Work in progress are brought into use the assets are transferred to the appropriate classification within intangible assets. The estimated useful lives for such assets are:

Capitalised development costs/software	3 to 5 years

3. Critical accounting estimates and judgments in applying accounting policies

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. The Company's principal accounting policies are set out in this document. United Kingdom company law and FRS 101 require the Directors, in preparing the Company's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. Where accounting standards are not specific and management have to choose a policy, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires them to adopt policies that will result in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB Framework for the Preparation and Presentation of Financial Statements. The judgements and estimates involved in the Company's accounting policies that are considered to be the most important to the portrayal of its financial condition are discussed below. The use of estimates, assumptions or models that differ from those adopted by the Company would affect its reported results.

Notes to the financial statements continued

3. Critical accounting estimates and judgments in applying accounting policies continued

3.1 Critical accounting estimates

(a) ECL on financial assets

The measurement of ECL under IFRS 9 requires a number of significant estimates. ECL calculations are outputs of complex models with a number of underlying estimates regarding the choice of variable inputs and their interdependencies.

Specifically, estimation uncertainties relate to the assessment of whether credit risk on the financial asset has increased significantly since initial recognition, incorporation of forward-looking information in the measurement of ECL and key estimates for the recoverable cash flows.

These estimates are driven by a number of factors that are subject to change which may result in different levels of ECL allowances.

The economic impacts of the ongoing cost of living crisis, the Bank of England's base rate changes and levels of insolvencies have resulted in a change from historic norms in the repayment and termination profiles of the loans written by the business. Following the impacts of the macroeconomic environment, an overlay has been applied to the Company's standard ECL modelling to establish an appropriate impairment provision.

The modelling of this overlay includes assumptions of the drivers of the eventual loss, including future termination, collection and write-off rates, which have been impacted as a result of the ongoing cost of living crisis including the lingering effects of higher inflation, and the effects of real wage stagnation.

Estimating the impact of the changes in these drivers of the ECL model contains significant uncertainty. Therefore, modelled assumptions and the linkage to credit losses may underestimate or overestimate ECL in these conditions. An increase in termination rates of approximately 25.4% would result in an increase to the impairment provision for 2024 by £2.0 million (2023: 27.0%, £2.0 million).

The calculation of ECL and the associated areas estimated are detailed in Note 2.2 (d).

(b) EIR

In calculating the effective interest rate of a financial instrument, the Company takes into account all amounts that are integral to the yield. In the case of loans to customers, future cash flows and the expected average life of customer debt balances are estimated. A change in the estimate of any of the key variables in this calculation has the potential to significantly impact income recognised in the income statement.

3.2 Critical accounting judgements

(a) Development costs

The Company has capitalised internally generated intangible assets as required in accordance with IAS 38 Intangible Assets. Management has applied judgement in determining that software development activities in the course of construction will result in a deployable system. The recoverable amount of the assets has been determined based on value-in-use calculations which require the use of estimates of future economic cash flows. A change in the estimate of any future benefits has the potential to reduce the recoverable amount of the asset recognised.

Other estimates, assumptions and judgements are applied by the Company. These estimates, assumptions and judgements are also evaluated on a continual basis but are not significant.

4. Segmental reporting

The Company operates in one class of business, namely the financing of insurance premiums and instalment services, and in one geographical area, Europe. Accordingly, a segmental analysis of the Company's business is not provided.

Notes to the financial statements continued

5. Net interest income

	2024 £'000	2023 £'000
Interest receivable on:		
Interest income on loans to customers	**255,712**	200,882
Facility fee income	**12,818**	12,222
Cost of sales: incentives	**(6,289)**	(5,915)
Interest income	**262,241**	207,189
Interest payable on:		
Amounts owed to related party	**(94,176)**	(79,443)
Interest expense	**(94,176)**	(79,443)
Net interest income	**168,065**	127,746

Interest paid to related parties relates to a securitisation master trust which provided funding to the entity.

Interest payable on amounts owed to related party is Sterling Overnight Index Average ('SONIA') linked interest payable to standalone SPVs.

6. Fee income

	2024 £'000	2023 £'000
Administration fees	**25,079**	21,648
Fee income	**25,079**	21,648

The costs associated with generating administration fees income are primarily included in administrative expenses.

7. Commission expense

	2024 £'000	2023 £'000
Commission expense	**8,253**	6,175
Commission expense	**8,253**	6,175

Commission expense primarily relates to costs payable to our intermediary partners.

8. Operating profit

Administrative expenses

	2024 £'000	2023 £'000
Staff costs:		
Wages and salaries	**35,397**	28,342
Social security costs	**4,449**	3,736
Other pension costs	**1,971**	1,663
Total Staff costs	**41,817**	33,741
Non-staff costs:		
Other administration costs	**29,916**	26,355
Depreciation and amortisation	**6,822**	5,716
IT related expenditure	**3,008**	2,367
Foreign currency loss	**398**	1,413
Total non-staff costs	**40,144**	35,851
Total Administrative expenses	**81,961**	69,592

The main drivers of the increase in Other administration costs are Consulting services increase of £1.5 million and Software licences increase of £1.0 million.

Notes to the financial statements continued

8. Operating profit

Operating profit is stated after charging/(crediting):

	2024 £'000	2023 £'000
Impairment of loans to customers	**12,994**	12,045
Amortisation charge on intangible assets	**4,379**	3,697
IT related expenditure	**3,008**	2,367
Depreciation charge on property, plant and equipment and right-of-use assets	**2,442**	2,018
Operating lease rental	**(58)**	243

Impairment of loans to customers

	2024 £'000	2023 £'000
Amounts written off during the year as uncollectible, net of recoveries relating to loans held at prior year end	**6,398**	7,844
Amounts written off during the year as uncollectible, net of recoveries relating to loans written in the current year	**6,094**	2,732
Movement in expected credit losses allowance	**502**	1,469
Impairment of loans to customers	**12,994**	12,045

The increase in amounts written off on loans written in the year primarily relates to a single exposure.

Auditors' remuneration

The Company paid the following in respect of the audit of the financial statements of the Company and for other services provided.

	2024 £'000	2023 £'000
Company audit services	**591**	532
Total auditors' remuneration	**591**	532

Employees

The average monthly number of employees (including Executive Directors) employed by the Company during the year was 538 (2023: 483), and at year-end it was 583 (2023: 508). All employees are engaged in the financing of insurance premiums and instalment services and are split into the following functions:

	2024 Number	2023 Number
Operations	**266**	240
General and administration	**172**	157
Sales and marketing	**100**	86
Average monthly number of employees	**538**	483

The Company operates a defined contribution pension scheme on behalf of its qualifying employees. There were no outstanding or prepaid pension contributions at the balance sheet date (2023: £nil).

9. Directors' emoluments

The remuneration of the Directors paid by the Company during the year was as follows:

	2024 £'000	2023 £'000
Aggregate emoluments	**3,361**	2,488
Total emoluments	**3,361**	2,488

Directors' emoluments include amounts paid or accrued in respect of services to the Company and Platinum Credit Holdco Limited Group Directors. The costs of Directors' emoluments are borne by the Company.

Retirement benefits are accruing to two Directors (2023: two Directors) under the Company's defined contribution pension scheme. Contributions of £63.5 thousand (2023: £63.2 thousand) were paid during the year.

The total emoluments of the highest paid Director were £1.9 million (2023: £1.3 million). Contributions were made in respect of defined contribution schemes to the highest paid Director of £39.5 thousand (2023: £40.0 thousand).

Notes to the financial statements continued

10. Finance income

	2024 £'000	2023 £'000
Interest receivable on:		
Loans to Group undertakings	**96**	275
Finance income	**96**	275

11. Finance expenses

	2024 £'000	2023 £'000
Interest payable on:		
Lease liabilities	**246**	216
Finance expenses	**246**	216

12. Income tax expense

	2024 £'000	2023 £'000
Current tax expense - current year	**11,025**	5,051
Current tax credit - prior year	**(320)**	(46)
Total current tax	**10,705**	5,005
Deferred tax expense/(credit) - current year	**137**	(7)
Deferred tax credit - prior year	**(1)**	(3)
Total deferred tax	**136**	(10)
Foreign tax	**595**	486
Total foreign tax	**595**	486
Total tax expense	**11,436**	5,481

The main rate of corporation tax for the year ended 31 December 2024 increased to 25% from 19% from 1 April 2023. Legislation in respect of Pillar Two income taxes was substantively enacted in the UK on 20 June 2023. In 2023 the Group undertook an impact assessment alongside Towerbrook which confirmed that there is no expected impact on the Group from Base Erosion and Profit Sharing ('BEPS') Pillar 2.0.

Factors affecting the total tax charge for the year are explained below:

	2024 £'000	2023 £'000
Profit for the financial year before tax	**89,786**	61,641
Profit for the financial year before tax, multiplied by the tax rate in the UK of 25% (2023: 23.52%)	**22,447**	14,498
Factors affecting tax expense for the year:		
Non taxable income	**–**	(21)
Expenses not deductible for tax purposes	**351**	270
Adjustment to prior years – current tax	**(320)**	(46)
Adjustment to prior years – deferred tax	**(1)**	(3)
Double tax relief	**(595)**	(486)
Overseas tax	**595**	486
Effect of group relief	**(11,041)**	(9,217)
Total tax expense	**11,436**	5,481

Notes to the financial statements continued

13. Intangible assets

2024	Assets under construction £'000	Software £'000	Total £'000
Net carrying value at 31 December 2023	1,217	7,968	9,185
Cost			
At 1 January 2024	**1,217**	**34,250**	**35,467**
Additions	**3,321**	**–**	**3,321**
Transfers	**(3,506)**	**3,506**	**–**
At 31 December 2024	**1,032**	**37,756**	**38,788**
Accumulated amortisation			
At 1 January 2024	**–**	**26,282**	**26,282**
Amortisation	**–**	**4,379**	**4,379**
At 31 December 2024	**–**	**30,661**	**30,661**
Net carrying value at 31 December 2024	**1,032**	**7,095**	**8,127**

2023	Assets under construction £'000	Software £'000	Total £'000
Net carrying value at 31 December 2022	3,380	4,360	7,740
Cost			
At 1 January 2023	3,380	27,048	30,428
Additions	5,153	–	5,153
Disposals	–	(114)	(114)
Transfers	(7,316)	7,316	–
At 31 December 2023	1,217	34,250	35,467
Accumulated amortisation			
At 1 January 2023	–	22,688	22,688
Amortisation	–	3,697	3,697
Disposals	–	(103)	(103)
At 31 December 2023	–	26,282	26,282
Net carrying value at 31 December 2023	1,217	7,968	9,185

Assets under construction relate to capitalised development costs not yet ready for use. Once completed and ready for use, these capitalised development costs are transferred to Software and are amortised from this date over the useful economic life.

Intangible assets amortisation on software is recorded in administrative expenses in the income statement.

Notes to the financial statements continued

14. Property, plant and equipment

2024	Leasehold improvements £'000	Equipment £'000	Total £'000
Net carrying value at 31 December 2023	898	593	1,491
Cost			
At 1 January 2024	**2,902**	**6,343**	**9,245**
Exchange loss on opening balance of foreign-held fixed assets	**–**	**(1)**	**(1)**
Additions	**277**	**650**	**927**
At 31 December 2024	**3,179**	**6,992**	**10,171**
Accumulated depreciation			
At 1 January 2024	**2,004**	**5,750**	**7,754**
Depreciation	**325**	**530**	**855**
At 31 December 2024	**2,329**	**6,280**	**8,609**
Net carrying value at 31 December 2024	**850**	**712**	**1,562**

2023	Leasehold improvements £'000	Equipment £'000	Total £'000
Net carrying value at 31 December 2022	1,188	891	2,079
Cost			
At 1 January 2023	2,902	6,711	9,613
Additions	–	212	212
Disposals	–	(609)	(609)
Transfers	–	29	29
At 31 December 2023	2,902	6,343	9,245
Accumulated depreciation			
At 1 January 2023	1,714	5,820	7,534
Depreciation	290	539	829
Disposals	–	(609)	(609)
At 31 December 2023	2,004	5,750	7,754
Net carrying value at 31 December 2023	898	593	1,491

See Note 27 Contingent liabilities and commitments for contractual commitments on capital expenditure.

Notes to the financial statements continued

15. Right-of-use assets

2024	Buildings £'000	Vehicles £'000	Total £'000
Net carrying value at 31 December 2023	3,645	586	4,231
Cost			
At 1 January 2024	**7,854**	**799**	**8,653**
Exchange loss on opening balance of foreign-held right-of-use assets	**(4)**	**–**	**(4)**
Additions	**–**	**219**	**219**
Disposals	**–**	**(24)**	**(24)**
At 31 December 2024	**7,850**	**994**	**8,844**
Accumulated depreciation			
At 1 January 2024	**4,209**	**213**	**4,422**
Exchange gain on opening balance of foreign-held right-of-use assets	**2**	**–**	**2**
Depreciation	**1,270**	**317**	**1,587**
Disposals	**–**	**(24)**	**(24)**
At 31 December 2024	**5,481**	**506**	**5,987**
Net carrying value at 31 December 2024	**2,369**	**488**	**2,857**

2023	Buildings £'000	Vehicles £'000	Total £'000
Net carrying value at 31 December 2022	3,150	280	3,430
Cost			
At 1 January 2023	6,500	301	6,801
Additions	1,421	569	1,990
Disposals	(67)	(71)	(138)
At 31 December 2023	**7,854**	**799**	**8,653**
Accumulated depreciation			
At 1 January 2023	3,350	21	3,371
Depreciation	926	263	1,189
Disposals	(67)	(71)	(138)
At 31 December 2023	4,209	213	4,422
Net carrying value at 31 December 2023	3,645	586	4,231

Notes to the financial statements continued

16. Loans to customers

	2024 £'000	2023 £'000
Gross loans to customers	**2,425,844**	2,199,158
Less: allowance for impairment	**(7,888)**	(7,406)
Net loans to customers	**2,417,956**	2,191,752
Split as:		
Current	**2,413,348**	2,186,475
Non-current	**4,608**	5,277

At 31 December 2024, £1,705.9 million (2023 restated: £1,535.3 million) of loans to customers had their beneficial interest assigned to SPV entities as collateral for securitisation transactions. The 2023 restatement includes an SPV which was not included in the prior year.

Although the beneficial interest has been assigned to an SPV, the assets remain on the balance sheet as they do not meet derecognition criteria because the Company still has the risk and rewards.

The following table shows impairment provisions for loans:

	2024 £'000	2023 £'000
1 January	**7,406**	5,950
Total charge offs relating to loans held at prior year end	**(6,398)**	(7,844)
(Over)/under provision from loans held at prior year end	**(1,008)**	1,894
Increase in provision	**7,909**	7,419
Foreign exchange adjustments	**(21)**	(13)
At 31 December	**7,888**	7,406

The table below shows stage allocation of the Company's loans, allowance for ECL together with ECL coverage ratio:

2024	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Loans to customers	**2,403,417**	**18,238**	**4,189**	**2,425,844**
Allowance for ECL	**(5,995)**	**(463)**	**(1,430)**	**(7,888)**
Net loans to customers	**2,397,422**	**17,775**	**2,759**	**2,417,956**
Coverage ratio	**0.25%**	**2.54%**	**34.14%**	**0.33%**

2023	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Loans to customers	2,176,531	17,260	5,367	2,199,158
Allowance for ECL	(5,230)	(550)	(1,626)	(7,406)
Net loans to customers	2,171,301	16,710	3,741	2,191,752
Coverage ratio	0.24%	3.19%	30.30%	0.34%

For loans where the Company has the right of automatic recovery from the intermediary partner ('recourse loans'), and the borrower has experienced an SICR event, these loans are included in Stage 2 £10.9 million (2023: £8.8 million) although they do not represent a change to the loss given default.

Notes to the financial statements continued

17. Prepayments and other receivables

	2024 £'000	2023 £'000
Amounts due from Group undertakings	**88,691**	257,328
Prepayments and other debtors	**13,493**	12,678
Prepayments and other receivables	**102,184**	270,006
Split as:		
Current	**102,000**	269,616
Non-current	**184**	390

The amount due from Group undertakings is unsecured and consists of a loan of £88.7 million (2023: £249.2 million) that relates principally to expenses paid by Premium Credit Limited on behalf of related parties, which is interest-free and repayable on demand. The 2023 balance included a second loan of £7.2 million made to Vendcrown Limited which was repayable on demand within three business days of written notice from the lender and which earned interest at a rate of 1% per annum, with a total accrued interest of £0.9 million, which was fully paid down and the facility was terminated during the year. During 2024, the Company rationalised the legal entity structure, where loan balances with several group undertakings were repaid.

Prepayments and other debtors of £13.5 million (2023: £12.7 million) includes £0.4 million (2023: £0.6 million) of fees relating to undrawn facilities.

18. Deferred tax assets

Deferred tax included in the balance sheet is as follows:

	2024 £'000	2023 £'000
Balance as at 1 January	**415**	405
Deferred tax (charge)/credit for the year attributable to:		
Deferred tax (charge)/credit in respect of current year	**(137)**	7
Adjustments in respect of prior year	**1**	3
Deferred tax asset as at 31 December	**279**	415

The deferred tax asset in the balance sheet is as follows:

	2024 £'000	2023 £'000
Deferred tax due/(payable) within 12 months	**59**	(11)
Deferred tax due in more than 12 months	**220**	426
Carrying amount at year end	**279**	415

There are no unused tax losses or unused tax credits (2023: nil).

The deferred tax asset in the balance sheet is as follows:

	2024 £'000	2023 £'000
Accelerated capital allowances	**278**	417
IFRS 9 Transitional Adjustment	**10**	13
s1308 R&D intangible fixed asset	**(9)**	(15)
Carrying amount at year end	**279**	415

Notes to the financial statements continued

19. Cash and cash equivalents

	2024 £'000	2023 £'000
Bank balances	**70,505**	51,204
Cash and cash equivalents	**70,505**	51,204

20. Lease obligations

(a) Liabilities

The balance sheet shows the following amounts relating to leases:

	2024 £'000	2023 £'000
Buildings	**3,011**	4,283
Vehicles	**463**	590
Lease obligations	**3,474**	4,873

No option exists in the contracts to extend or terminate the UK building leases; the Irish building lease may be terminated at any time with a three-month notice period. Vehicle lease contracts have the option to extend the term, or to terminate.

(b) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2024 £'000	2023 £'000
Depreciation (included in Administrative expenses)	**1,587**	1,189
Interest expense (included in Finance expenses)	**244**	216
Expense relating to short-term leases (included in Administrative expenses)	**1**	15

21. Trade and other payables

	2024 £'000	2023 £'000
Amounts owed to Group undertakings	**1,526,830**	1,373,546
Trade payables	**751,798**	715,399
Accruals	**15,160**	13,109
Social security and other taxes	**1,066**	1,127
Other creditors	**558**	580
Total trade and other payables	**2,295,412**	2,103,761

Amounts owed to Group undertakings of £1,526.8 million (2023: £1,373.5 million) consists of £1,529.6 million owed to standalone SPVs, offset by the Securitisation Programme set-up fees of £3.4 million (2023: £3.6 million) which are amortised over the behavioural life and an intercompany balance of £0.6 million (2023: £0.6 million) was owed to Platinum Credit Holdco Limited. The 2023 balance included an intercompany balance of £1.0 million owed to Pomegranate Acquisitions Limited, which was interest-free and repayable on demand, which was fully paid down and the facility was terminated during the year.

Intercompany balances with SPVs arise from securitisation transactions, including the issue of Sterling-denominated VFN notes and public asset-backed securities. VFN notes are issued or redeemed in proportion to the increase or decrease in the portfolio of loans to customers.

Notes to the financial statements continued

22. Provisions for liabilities

The Company had the following provisions for building dilapidations during the year:

	2024 £'000	2023 £'000
At 1 January	**500**	1,885
Settlement during the year	**–**	(1,500)
Under provision from settlement	**–**	115
At 31 December	**500**	500

Building dilapidation

The Company holds a provision in respect of dilapidations of leased buildings. The provision held at reporting date is management's best estimate of the anticipated economic outflow on the obligation of its currently leased buildings. During the prior year the Company settled a making good claim to a previously leased building with the landlord, and the provision was released.

23. Called up share capital

	2024 £'000	2023 £'000
Allotted and fully paid		
10,000 A Ordinary Shares (2023: 10,000) of £1 each	**10**	10
Called up share capital	**10**	10

	$	$
10,000 Ordinary Shares (2023: 10,000) of USD 0.01 each	**100**	100
Called up share capital	**100**	100

A Ordinary shares

- These only participate in the profits or assets of the Company if the holders of every other class of shares receives the sum of £1,000,000 (2023: £1,000,000) in respect of each share held by them.
- There is no right to vote attached to these shares in 2024 or 2023.

Ordinary shares which participate in dividends and distribution of capital equally and each have one vote per share.

24. Other (deficit)/reserves

	2024 £'000	2023 £'000
At 1 January	**1,341**	1,570
Foreign currency translation reserve	**(2,336)**	(920)
Share-based payments	**723**	691
At 31 December	**(272)**	1,341

25. Dividends

No dividend was paid or declared in 2024 or 2023 and none is proposed.

26. Share-based payments

An equity settled share-based payment scheme is operated by the Company's parent company, Platinum Credit Holdco Limited, for senior managers and Directors providing services to the Group. The Company recognises an expense for the scheme for the employee services received by the Company.

As at 31 December 2024 a total of 413,707 (2023: 413,707) Ordinary C shares of Platinum Credit Holdco Limited were held by Group employees. The Ordinary C shares have a remaining vesting period of 3 years. During the year the ultimate parent company, Platinum Credit Topco Limited, acquired nil (2023: 22,803) Ordinary C shares and allocated nil (2023: 39,090) to new subscribers. Platinum Credit Topco Limited acquires and holds shares from departing employees who no longer provide services to the Company, until these shares are re-issued to a new senior manager or Director joining the scheme and receiving the grant of share options.

Inputs into the option pricing model

The inputs into the option pricing model used to value the Ordinary C shares at the date of grant are as follows:

	9 Nov 2022
Expected volatility	**25%**
Expected term until exit	**5 years**
Risk free rate	**3.55%**
Dividend yield	**0.00%**

Notes to the financial statements continued

27. Contingent liabilities and commitments

Capital commitments

Capital expenditure authorised and contracted for but not provided in the financial statements amounts to £33,693 (2023: £134,792).

28. Financial instruments

(a) Classification of financial instruments under IFRS 9

The following tables analyse the financial assets and financial liabilities in accordance with the categories of financial instruments under IFRS 9.

2024	Amortised cost £'000	Total £'000
Assets		
Loans to customers	**2,417,956**	**2,417,956**
Amounts due from Group undertakings	**88,691**	**88,691**
Total financial assets	**2,506,647**	**2,506,647**
Liabilities		
Trade and other payables	**2,294,345**	**2,294,345**
Lease liabilities	**3,474**	**3,474**
Total financial liabilities	**2,297,819**	**2,297,819**

2023	Amortised cost £'000	Total £'000
Assets		
Loans to customers	2,191,752	2,191,752
Amounts due from Group undertakings	257,328	257,328
Total financial assets	2,449,080	2,449,080
Liabilities		
Trade and other payables	2,102,634	2,102,634
Lease liabilities	4,873	4,873
Total financial liabilities	2,107,507	2,107,507

(b) Fair values

The below table summarises the carrying value and fair value of financial assets and liabilities measured at amortised cost on the Company's balance sheet.

Were these instruments carried at amortised cost to be held at fair value, they would be held at the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Fair value			
2024	Carrying value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets					
Amounts due from Group undertakings	**88,691**	**–**	**88,691**	**–**	**88,691**
Total financial assets	**88,691**	**–**	**88,691**	**–**	**88,691**
Liabilities					
Amounts owed to Group undertakings	**1,526,830**	**–**	**1,529,873**	**–**	**1,529,873**
Trade payables and accruals	**767,516**	**–**	**–**	**767,516**	**767,516**
Lease liabilities	**3,474**	**–**	**3,474**	**–**	**3,474**
Total financial liabilities	**2,297,820**	**–**	**1,533,347**	**767,516**	**2,300,863**

The fair value of customer loans, excluding accrued interest since the last payment date, is £2,371.3 million, which is £1.1 million higher than the carrying amount excluding accrued interest since the last payment date. If these loans were held at fair value, they would be classified as Level 3.

For all other financial assets and financial liabilities recorded on the balance sheet, their fair value is approximately equal to their carrying value.

Notes to the financial statements continued

28. Financial instruments continued

(b) Fair values continued

2023	Carrying value £'000	Fair value Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets					
Amounts due from Group undertakings	257,328	–	257,328	–	257,328
Total financial assets	257,328	–	257,328	–	257,328
Liabilities					
Amounts owed to Group undertakings	1,373,546	–	1,373,391*	–	1,373,391*
Trade payables and accruals	729,088	–	–	729,088	729,088
Lease liabilities	4,873	–	4,873	–	4,873
Total financial liabilities	2,107,507	–	1,378,264*	729,088	2,107,352*

*restated

The restated fair value of customer loans, excluding accrued interest since the last payment date, is £2,150.9 million, which is £4.7 million lower than the carrying amount excluding accrued interest since the last payment date. If these loans were held at fair value, they would be classified as Level 3.

Loans to customers and Trade and other payables' Fair values and Carrying values have been restated after identifying a transposition in the prior year. Note that this did not impact the reported profit/loss or total assets/liabilities.

Maturity profile

Maturity analysis of the undiscounted contractual cash flows of the Company's assets and liabilities is shown below. These differ from the statement of financial position values due to the effects of discounting on certain balance sheet items and due to the inclusion of contractual future interest flows.

2024	Repayable on demand £'000	<1 year £'000	1–2 years £'000	2–5 years £'000	Total £'000
Financial liabilities					
Trade and other payables	–	**2,294,345**	–	–	**2,294,345**
Lease liabilities	–	**1,803**	**1,602**	**80**	**3,485**
Total financial liabilities	–	**2,296,148**	**1,602**	**80**	**2,297,830**
Financial assets					
Loans to customers	–	**2,489,452**	**4,753**	–	**2,494,205**
Amounts due from Group undertakings	**88,691**	–	–	–	**88,691**
Total financial assets	**88,691**	**2,489,452**	**4,753**	–	**2,582,896**
Maturity gap	**88,691**	**193,304**	**3,151**	**(80)**	**285,066**

2023	Repayable on demand £'000	<1 year £'000	1–2 years £'000	2–5 years £'000	Total £'000
Financial liabilities					
Trade and other payables	1,004	2,101,630	–	–	2,102,634
Lease liabilities	–	1,755	1,726	1,069	4,550
Total financial liabilities	1,004	2,103,385	1,726	1,069	2,107,184
Financial assets					
Loans to customers	–	2,257,687*	5,450*	–	2,263,137*
Amounts due from Group undertakings	257,328	–	–	–	257,328
Total financial assets	257,328	2,257,687*	5,450*	–	2,520,465*
Maturity gap	256,324	154,302*	3,724*	(1,069)	413,281*

*restated

Notes to the financial statements continued

29. Capital resources

It is the Company's policy to maintain a strong capital base, to expand it as appropriate and to utilise it efficiently throughout its activities to optimise the return to shareholders while maintaining a prudent relationship between the capital base and the underlying risks of the business.

The Company's objectives in managing capital are:

- to ensure that the Company has sufficient capital to meet its operational requirements and long-term strategic objectives;
- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for its stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital based on the Board's view of perceived credit risk, and the availability and cost of external financing alongside an assessment of the broader macroeconomic environment. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets, having particular regard to the relative costs and availability of debt and equity finance at any given time. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, issue or redeem other capital instruments, such as corporate bonds, or allow loans to customers to mature without subsequent advancement.

The Company is not subject to any externally imposed capital requirements.

	2024 £'000	2023 £'000
Profit for the financial year	**78,350**	56,160
Divided by:		
Opening equity	**420,477**	364,538
Closing equity	**303,099**	420,477
Average equity	**361,788**	392,508
Return on equity	**21.7%**	14.3%

Return on equity is defined by the Company as profit after tax divided by the average of the opening and closing equity positions. The debt and equity amount for the Company at 31 December 2024 and 31 December 2023 were as follows:

	Note	**2024 £'000**	2023 £'000
Debt			
Amounts owed to Company undertakings	21	**1,526,830**	1,373,546
Cash	19	**(70,505)**	(51,204)
Net debt		**1,456,325**	1,322,342
Equity		**303,099**	420,477
Total net debt plus equity		**1,759,424**	1,742,819

Notes to the financial statements continued

30. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with wholly owned companies. During the year the Company had the following transactions with the related parties, who are not wholly owned companies:

Transactions involving Directors and other key connected persons

At year-end the Company had loans to Directors of £82,657 (2023: £132,573), with interest payable at 2.25% (2023: 2.25%) per annum with total accrued interest of £2,001 (2023: £233), for the purpose of acquiring shares in Platinum Credit Holdco Limited and Platinum Credit Topco Limited.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

31. Pension commitments

Contributions to the defined contribution pension scheme during the year were £2.0 million (2023: £1.7 million). At year-end, there were no outstanding or prepaid contributions (2023: £nil).

32. Ultimate parent undertaking

The immediate parent undertaking is Pomegranate Midco Limited (2023: Vendcrown Limited).

The ultimate parent undertaking at 31 December 2024 is Platinum Credit Topco Limited, a company incorporated in Jersey. The largest and smallest Group in which the Company is consolidated is Platinum Credit Holdco Limited. The consolidated financial statements of Platinum Credit Holdco Limited are available from Ermyn House, Ermyn Way, Leatherhead, England, KT22 8UX. Platinum Credit Topco Limited is the largest company of undertakings for which financial statements are drawn up and of which the Company is a member.

Other entities in the Platinum Credit Holdco Limited Group referred to in this report (Platinum Credit Bidco Limited) are all 100% owned subsidiaries of the ultimate parent undertaking.

The ultimate controlling party is TowerBrook Capital Partners (U.K.) LLP, who act as sub-advisor to TowerBrook Investors V (Onshore), L.P., TowerBrook Investors V (892), L.P., TowerBrook Investors V (OS), L.P., TowerBrook Investors V (TE), L.P and TowerBrook Investors V Executive Fund, L.P.

33. Post balance sheet events

The shares in the Company were distributed from Pomegranate Midco Limited to Platinum Credit Bidco Limited on 21 January 2025.

In January 2025, the ITN and VFN facilities were extended for another 3 years, to 2028, increasing in size to £1,076 million. In February 2025, the Securitisation Facility was extended for another 3 years, to 2028, increasing in size to £125 million.