PREMIUM CREDIT

Creating opportunities through convenient payments

Annual Report and Financial Statements
2023

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

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2023 highlights

Adjusted EBITDA
£83.5m
+4.9% (2022: £79.6m)

Total assets
£2,530m
+13.1% (2022: £2,236m)

Value of loans originated
£5.0bn
+10.1% (2022: £4.5bn)

Loan loss ratio
0.21%
+0.10p.p. (2022: 0.11%)

Booked income
£223.8m
+£52.5% (2022: £146.8m)

Number of loans issued
2.6m
+8.3% (2022: 2.4m)

Operating profit
£61.6m
-9.1% (2022: £67.8m)

Total income
£143.2m
+15.7% (2022: £123.8m)

Alternative performance measures ('APM'): In the table above, Total Income, Total assets and Operating profit are IFRS measures. Management also use a number of APMs to assess performance – in the highlights shown above, these are Loan loss ratio (representing Net credit losses for the year divided by Amount of loans originated over the year), Booked income (representing the expected amount of interest we will charge our customers for loans originated during the year), and Adjusted EBITDA. A table detailing Adjusted EBITDA reconciliation to our Profit before tax can be found on page 31, and certain definitions and reconciliations to statutory financial information can be found in our KPIs on page 33.

The measures Value of loans originated and Number of loans issued are neither IFRS measures nor APM.

"The continued success of our well-defined strategy has driven our impressive performance in 2023."

Tara Waite
Chief Executive Officer

➜ Go to p.08 to read the CEO's review

Chairman's introduction

Maintaining **momentum** in 2023

"On a personal level, I am honoured and privileged to have led the business in what has been a fantastic year of continued growth and success. As we head into 2024, we have strong momentum and are well positioned to continue our progress and journey."

Scott Egan
Chairman

A year on from our change in ownership, the Premium Credit team has made great progress and performed strongly yet again. With record levels of loan origination and continued significant new business wins it was a year to be proud of.

Of course, no business is immune to macroeconomic conditions, but Premium Credit has demonstrated resilience and agility in the face of domestic and global uncertainties. We have extensive experience in navigating headwinds, and this year has proved that again, with only short-term impacts on our strong financial performance. Importantly, the underlying performance of the business is stronger than ever.

We never forget that the accessibility and affordability of insurance are of critical importance to society. Premium Credit plays a vital role in ensuring that businesses and individuals have an affordable path to protect their risks in these challenging times. We remain 100% committed to helping them do just that with the customer at the heart of everything that we do.

Talented team, strong results

I went into my first full year as Chair with three key priorities: ensuring the transition of ownership did not impede business performance, improving strategic clarity, and ensuring a closer alignment between the Board and management. I am pleased to say we have achieved these objectives.

2023 marked a year of considerable regulatory change. Premium Credit has shown that it consistently holds itself to the highest standards in this regard and both management and the Board spent much time on this important topic during the year. We support the regulatory direction and want our customers to see Premium Credit as a brand associated with high standards and levels of service.

Importantly I want to express my appreciation to our valued customers, both existing and new, whose continued trust and support have been vital in propelling our growth.

We never take your right of choice or loyalty for granted.

Our business is all about people and it is important as Chair that I recognise the hard work and efforts of the Premium Credit team. Across the year, I have had the chance to meet with them and I continue to be impressed with the focus and dedication to supporting our customers. It is important that I say thank you to them all for what they do every day.

Paving the way for future success

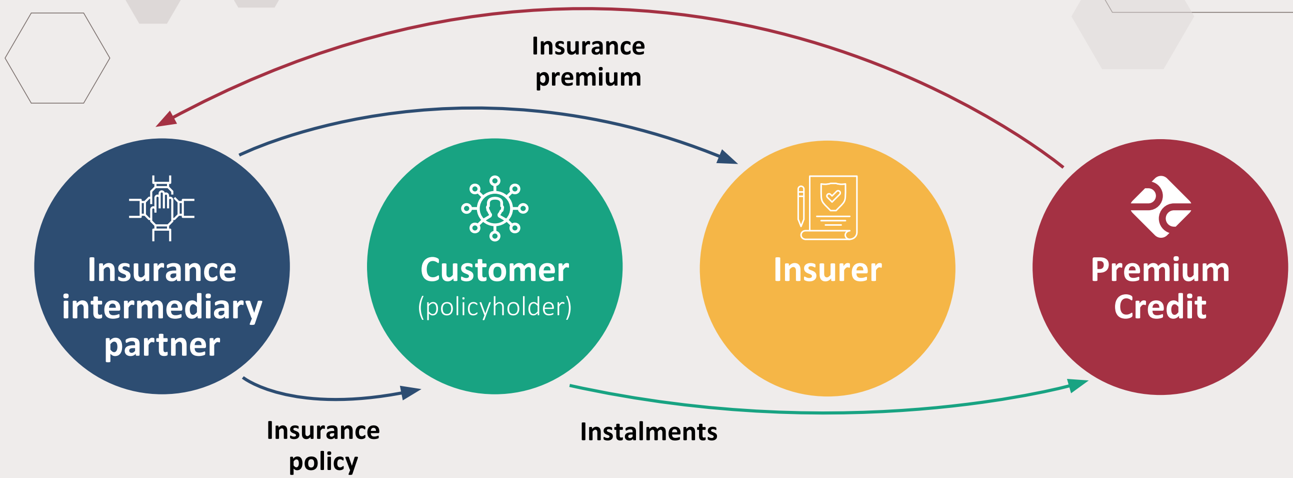
As we look to 2024 and beyond, there is much to be excited about. Businesses thrive on momentum, and we have that in abundance. We look forward to setting new records for the business in 2024 and continuing to serve our customers well. I am confident that we will continue to go from strength to strength and I look forward to watching it happen.

Scott Egan
Chairman

Our business

An **award-winning specialty finance** provider operating in the UK and Ireland

Premium Credit provide instalment financing to corporates and individuals, supporting the purchase of insurance policies and other services. In 2023 we used our leading, integrated servicing technology to allow 2.6 million customers to pay for over £5 billion of services through a network of c. 3,000 partners.



How we do it – example of a journey for insurance premium finance

A customer purchases an insurance policy (or other payment-in-advance service such as school fees) from one of our intermediary partners.

The intermediary partner offers to arrange finance for the payment, enabling the customer to spread the cost of the service.

We fund the intermediary partner, and collect the loan from the customer in monthly instalments.

In the event of a default, we cancel the insurance policy (or other service) and depending on business line and product, recover its remaining value from the service provider. For most lending to consumers we have additional recourse to the intermediary partner.

Our intermediary partners

Our intermediary partners, including insurance brokers, insurance providers, membership organisations, schools and leisure facility providers, 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 technology that delivers seamless journeys for them and their customers, and our strong focus 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 over two 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.

Our business model

Premium Credit has a unique business model, working with a diversified network of intermediary partners to provide seamless financing for our customers. The twelve facets of our business model are summarised on this page. In 2023, this enabled customers of 2.6 million loans to pay for over £5.0 billion of services through a network of c. 3,000 partners.

Our purpose remains **our North Star**

We deliver on this purpose by understanding customer and partner needs, delivering compliant instalment finance propositions, through convenient journeys enhanced by technology and superior service. Our strategic focus in 2023 built on the strong work delivered in 2022.

Though 2023 saw further economic and geopolitical uncertainty, we have continued to work closely with partners to ensure the inclusion of a fair instalment finance option to each of their new or renewing customers, a central theme to our strategy.

We continuously monitor how our markets are evolving, current trends, the drivers of change and the opportunity this presents in the short, medium and long term. We have explored value chain opportunities in our target markets, gathering insights and gaining a better understanding of partners and their customers.

This improved understanding of our target markets, the partners we work with and the customers we support has helped us refine our strategic focus in 2024, as shown to the right.

The relentless focus on customers and partners has seen us grow our origination further by 10% in 2023 and become the leading provider of instalment finance for the insurance industry and other specialist lending sectors in the UK and Ireland.

We believe we remain well placed to continue our growth journey in 2024 and beyond.

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

Our long range plan:
As a customer and partner focused leading tech-enabled provider of convenient payment options, we will out-grow and out-earn our peers and continue our growth trajectory

Our top priorities:
Through our drive to achieve 100% offer of finance:

Insurance

Personal lines broker
Win new and increase penetration with existing partners

Commercial lines broker
Win new and increase penetration with existing partners

Insurers & affinity
Win new partners with targeted propositions

Specialist lending

Tax
Drive direct proposition & increase penetration with existing partners

Education
Enhance propositions & increase penetration with existing schools

Sports, professions & leisure
Maintain penetration with existing partners in target markets

Our culture:

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 & passion

Sustainability
➜ Read more on page 10

Colleague Value Proposition
➜ Read more on page 17

Our strategy continued

Progress against our **strategic objectives** in 2023

Existing partners

- Our partner engagement approach, called 'Premium Programme' continues to deliver strong growth and provide a scalable foundation for future success. We have seen an improvement of customers choosing instalment finance with these partners.
- We continue to deliver exceptional partner retention rates, having renewed contracts with a variety of Personal and Commercial Lines partners.
- We continue to invest in our platforms and software house integrations to make it easier for our partners to deal with us.
- Building on our Sales function restructure, which won the CIPD People Management Awards 'Best organisational development or organisational design initiative', we have made additional key hires to strengthen the teams in target markets, particularly in the Insurer, Tax and Education markets.
- Voted for by partners, we won the Insurance Choice 'Premium Finance Provider of the Year' Award, for a record fourth time. In Tax, we also won 'Professions Funder of the Year' at the Meet the Funder Awards.

New partners

- We remain in a period of robust growth within Personal and Commercial Lines, with wins that include A-Plan (part of Howden group) and Policy Expert.
- We have successfully onboarded key partners and their customers, including Somerset Bridge.
- We have continued to see solid growth in the regional broking market as a direct result of our investment in people.
- In Specialist Lending we have continued to win or renew leading independent schools such as Gordonstoun, The King's School, Harrow or Winchester. We have seen continued success with our Appointed Representative programme.

Propositions enhancements

- Consumer Duty was a critical regulatory initiative, culminating in the production and publication of Fair Value Assessments by target market for all regulated propositions. These were shared with all partners helping them to act where appropriate.
- We have launched our new commercial underwriting system to all partners, which is driving further efficiency and speed to decision for our partners and their customers.
- We have further enhanced our digital virtual assistant, PRIMA, to support customers manage their accounts, including improved payment functionality.
- Our new suite of benchmarking reports, launched last year, supports our partners in the management of their business, and continues to receive positive feedback from partners in the UK and Ireland.

New propositions

- Our new proposition pipeline remains strong, with new initiatives explored, piloted and where appropriate, launched in our target markets. In 2023, this included enhancements to our insurance and education propositions.
- In particular, we have focused on an 'equity light' loan proposition targeted at insurance partners who currently provide in-house premium finance programmes, are keen to find an alternative provider for that solution, but do not require full payment of the premium upfront. For those partners, Premium Credit can settle the funded amounts by way of multiple disbursements during the term of the loan, rather than a single payment.

Our **strategic pillars**

Delivery of our '100% Offer' strategy is driven by three strategic pillars, all underpinned by our market-leading technology enabling further growth in coming years.

Frictionless digital journeys

Deliver growth and efficiencies through digitally enabled customer and partner journeys.

In 2023 we used focus groups, surveys and the Premium Programme to inform our priorities and investment plans. As part of this, we fully deployed our Loan origination module, which significantly shortens the time and effort to assess and accept new commercial customers, notably through the integration of multiple third-party data sources. We have further enhanced our extensive API capability with our directly integrated partners and major insurance broking software partners such as Acturis and Open GI. These increase the business transacted in real time with straight through processing without manual intervention, providing a seamless experience for partners and customers. This enabled us to smoothly onboard new high-volume books of business with minimum impact on partner processes or customers. We also invested in our digital capabilities to grow our Education and Tax channels, providing even smoother experiences for parents and tax customers, informed by rich insight from our onsite analytics and optimisation tools.

Actionable insight

Generate income and improve margins through the effective management of customer, partner and performance data.

This year has seen the recruitment of a new Head of Data, who has continued to focus on delivering actionable insight and business value. As a result, our Credit and Sales teams have access to information-rich, interactive dashboards that provide insight on customer onboarding, credit performance and renewals across our commercial business. In parallel, step changes are being made to how data is defined, created, controlled, shared, used and monitored across Premium Credit and our partners. These changes are improving our data quality and consistency, which will drive our digital and automation agenda. Over the next 12 months we will be building out our enhanced data strategy and associated execution plan, continuing to deliver actionable insights to our internal and external data consumers and completing the move of our data technology to the cloud.

Flexible operating model

Improve customer and partner experience by creating the best teams, processes and capabilities.

We continue to embed our flexible operating model so that our colleagues have the skills to be able to best support our customers and partners. This year included the launch of the Sales Academy, that saw our national sales teams come together to develop skills and share best practice. This work was recognised as outstanding by the Chartered Institute of Personnel and Development ('CIPD'), where we won the Best Organisational Development or Organisational Design Initiative of 2023. Capability models have been launched for our Digital, Finance and Change functions and embedded into performance plans with clear development and career pathways. We continue to work with all areas of the business to ensure colleagues are supported as they build their careers. Our hybrid working model combining home working and in-person meetings for collaboration gives colleagues improved flexibility and work life balance whilst enabling them to connect with each other and support customers and partners.

Market leading technology

Technology remains at the centre of Premium Credit's key competencies, underpinning our customer journeys and partner relationships.

2023 saw significant growth of customer numbers and therefore transactions through our platforms and systems. Our investment in technology enables us to deliver scalability, using data to focus on areas to automate and digitise while also ensuring resilience of service to our partners and customers. Our move to a cloud infrastructure model provides a highly adaptable approach to readily support new partners, significant customer book migrations, and manage market seasonality. Full transition to the cloud will conclude in 2024. We have continued to invest significantly in cyber security controls, tools and services. Our primary focus is on prevention, supplemented by comprehensive monitoring to detect potential threats. We have recognised the importance of ensuring we have the right talent and leadership to drive the organisation and strategy forward by strengthening the team under our new Chief Product and Technology Officer.

Chief Executive Officer's review

Continuing our **growth trajectory**

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

Tara Waite
Chief Executive Officer

This year, the Company has delivered impressive results yet again, surpassing previous lending and profitability achievements. This exceptional growth can be attributed to the consistently successful execution of our strategic initiatives and favourable market conditions fuelling strong demand for our products.

We have achieved a great deal this year. We have continued to deliver on our strategy and successfully grown our business. It is a testament to the hard work and dedication of the entire team at Premium Credit, and I would like to thank them for their unwavering commitment. Given the success of our strategic approach to date and the advantageous market environment, I am confident the business will continue to expand in 2024 as demand for our products increases.

November marked the first anniversary of TowerBrook Capital Partners' ownership of Premium Credit, and it has proved to be an extremely positive and fruitful partnership.

TowerBrook has continued to demonstrate a strong belief in our existing strategy and direction of travel, and their wholehearted commitment to helping us achieve our goals is acknowledged and appreciated throughout the entire business. As a certified B Corporation, their responsible ownership and recognition of our ESG progress and shared ambitions in this area further highlight their excellent stewardship.

Performance

The Group has an exceptional track record of sustained performance across different market environments and a history of strengthening our market position when economic conditions are challenging. Amid the ongoing volatility, we know our products will continue to be indispensable for our valued customers.

This is reflected in another robust set of financial results, including an increase in loans originated (£5.0 billion, 2022: £4.5 billion) and record levels of both Total income (£143.2 million, 2022: £123.8 million) and Adjusted EBITDA (£83.5 million, 2022: £79.6 million). Despite unprecedented growth surpassing expectations, the fluctuating interest rate environment continued to have a short-term impact on our EBITDA. Like other lenders, we pass on increased costs to our customers, as per our business model. However, rapidly changing interest rates temporarily increase our cost base until we recoup those costs further down the line. Stabilising interest rates then allow us to catch up, leading to increased profitability.

Throughout this record year, our core purpose remained at the heart of everything we did, as we strived to support our growing numbers of customers and partners and consistently maintained our responsiveness to their needs.

Strategic progress

The continued success of our well-defined strategy has driven our exceptional performance. By fostering growth through our existing partners and exploring new areas of expansion, we have achieved significant milestones in line with our predetermined plans.

Notably, we have made significant advancements within our mature broker channel through the ongoing implementation of our Premium Programme. This successful initiative will continue in the coming year, rolling out to even more partners, and we are excited to reap the benefits, which will fuel our future growth.

We have also enjoyed significant success in further developing our proposition and products for our emerging channels, including providing premium finance services to some insurers, self-funding brokers and affinity brands.

In 2023, this included winning a strategic partnership with AXA, a major player in the insurance market, highlighting our leading position in the premium finance sector.

In specialist lending, we have experienced impressive growth in our priority areas of Education and Tax. We have new leadership and teams in place to maximise the opportunities these important segments present, and this will continue to be a key strategic focus throughout 2024 and beyond.

As part of our ongoing efforts to enhance customer and partner journeys, we are dedicated to investing in technology across all aspects of our operations to maximise efficiency. Launching our new workflow platform is a significant achievement – helping our partners submit and keep track of business and providing automated approvals wherever possible, ensuring an effective and seamless journey. We will continue to leverage technology across our organisation, and there will be further enhancements in the coming year.

ESG and people

In recognition of the importance of our ESG responsibilities, we are committed to ensuring that our operations and growth strategy align with sustainable practices while effectively managing our impacts.

ESG is not a 'once and done' for Premium Credit; it is a way of life for us, and we have made further progress this year as we focus on our ESG KPIs and continue the excellent progress of our Equality, Diversity and Inclusion Council. This has been validated again in 2023 by our improving EcoVadis score.

Our Sustainability activity is overseen by a number of senior leaders in the business, signalling the importance we place on getting our ESG commitments right. In 2023, we invested further in the team by appointing our first Sustainability Manager to drive our sustainability agenda further and ensure that our sustainability initiatives are integrated throughout the Company.

Outlook

We all face challenging and uncertain economic conditions as households and businesses come under pressure from rising borrowing costs, higher taxes and increasing living expenses. Against this unpredictable backdrop, our products are even more critical for consumers and businesses. We remain steadfast in our commitment to customers wherever we can. Our successful implementation of the FCA's new Consumer Duty rules built on our history of putting our customers' needs first and showed that our core purpose is more relevant than ever.

The outlook is highly positive for Premium Credit. We have a well-defined strategy, a talented team, a supportive Board, a comprehensive ESG framework and exciting market opportunities to maximise. Our key areas of focus for the next year will be to build on the exceptional progress made in 2023 and continue to deliver on the core objectives we set for 2024 while also continuing to seek new opportunities to achieve further growth in the coming years.

Tara Waite
Chief Executive Officer

ESG report: Overview

Our approach to Sustainability has **multiple facets**

Our approach to Sustainability encompasses four pillars: Our planet, Our colleagues, Our customers and partners, and Our responsibility.

Our approach to Sustainability is committed to contributing meaningfully to society, colleagues, customers and partners, while building a resilient business. As part of this commitment, in June 2023 we introduced a Sustainability Manager to enhance our approach amongst increasing regulation, standards and reporting requirements.

We have refreshed our Sustainability Committee to improve our focus and evolved our Sustainability strategy to focus on four pillars: Our Planet, Our Colleagues, Our Customers & Partners, and Our Responsibility.

Each of these pillars has an Executive sponsor to focus on our targets and provide challenging conversations to drive activity and change.

Within our strategy, our primary focus areas remain consistent to ultimately align to the new pillars and the standards of Sustainability Accounting Standards Board, (SASB) and Task Force on Climate-related Financial Disclosures (TCFD). We acknowledge that standards continue to evolve and are monitoring these changes. We remain committed to reporting broader metrics.

Following our independent external assessment completed by EcoVadis last year, we made a range of improvements that have seen us further improve our performance and retain our silver medal with a higher score.

Our colleagues remain the heart of our business, and by listening to their feedback and taking action to support them, we are building a strong positive culture and a great place to work. We recognise it is their hard work delivering excellent customer service that keeps our customers and partners coming back to us.

Colleague feedback was instrumental to the relaunch of our Colleague Value Proposition at our all-staff town hall in July 2023. The feedback translated to initiatives addressed by senior managers; these are helping us build an environment where talent is properly recognised, developed, and rewarded, colleagues understand how they make a meaningful difference each day and ultimately feel fulfilled personally and professionally.

As we continue to deliver our Sustainability strategy, we take pride in our achievements as we deliver on our commitment to being a force for good. We are however aware that this is an ongoing journey and recognise that our business, our colleagues and our industry all have a responsibility to play an active role.

Our Sustainability Strategy

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:

- Reducing greenhouse gas emissions
- Impact of climate change
- Sustainable sourcing

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 have access to equal opportunities.

Primary focus:

- Colleagues engagement
- Equality, Diversity & Inclusion
- Learning & development
- 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.

Primary focus:

- Customer privacy & Data security
- Access & affordability
- Selling practices & Product labelling
- Partner training & support

Our responsibility

We are a responsible employer and partner, whose corporate values and policies enable us to conduct our business in an honest, open and ethical manner.

Primary focus:

- Business model resilience
- Supply chain management
- Business ethics
- Competitive behaviour

Our Sustainability Committee's main duties

- Ensure the delivery of the Sustainability strategy, providing ongoing review and, as appropriate, recommendations for further enhancements.
- Ensure the Sustainability strategy and agenda are embedded into all relevant areas of the business operation.
- Monitor and assess emerging risks & opportunities as ESG standards evolve, and provide an update to the Board and the Executive Committee.
- Review statements, disclosures and reports to ensure we meet legal and regulatory obligations.

Our **journey**

2020 – First EcoVadis assessment

We selected EcoVadis, a respected ratings platform, to perform an independent review of our sustainability activities. We were awarded a Bronze medal.

2021 – Sustainability Committee

A new Sustainability Committee, dedicated to our ESG agenda was formed.

2021 – Annual EcoVadis assessment

We reviewed areas for improvement and aligned our efforts to drive progress across the business. We were awarded a Silver medal.

2021 – Sustainability framework created

Based on a robust materiality assessment we created a new ESG framework, committing to a broader range of ESG topics monitored by our Sustainability Committee.

2022 – Annual EcoVadis assessment

We completed our third EcoVadis assessment which showed an improvement in our overall score driven by a significant improvement in our Environmental actions. We were awarded a further Silver medal.

2022 – Formed the Equality, Diversity and Inclusion Council

The Council drives activities to create an inclusive environment where diversity is recognised as essential to the creation of a high performing culture.

2022 – Introduced a Sustainability Policy

We created a Sustainability Policy that sets out our commitment to Sustainability aligned to our Framework with clear governance that includes reporting through the Executive Committee to the Board.

2020

2021

2022

2023

2023 – Launched our Colleague Networking Group

Colleagues have come together to form networks for Black Minority, Menopause, LGBTQ+, Mental Health First Aiders, Asian and Middle Eastern Networks.

2023 – Hired a Sustainability Manager

Recognising the increasing importance of Sustainability and our commitment to being a force for good, we hired a Sustainability Manager to drive our Sustainability agenda.

2023 – Environmental Policy Statement

We agreed the commitments laid down in our new Environmental Policy Statement, which can be found on our website.

2023 – Annual EcoVadis Assessment

Our EcoVadis assessment score improved further year-on-year from 68 to 71, reflecting a higher score in the Ethics category.

2023 – Refreshed Sustainability Strategy

In October we included our customers and our partners as part of our refreshed Sustainability Strategy.

2024

2024 – New colleague networks planned

Three new colleagues engagement networks are being created: Families and Carers, Women's health and Neurodiversity.

2024 – Annual EcoVadis Assessment

Ahead of this, we will drive progress and improvements through the recommendations provided by EcoVadis and extending these to support our Partners in their Sustainability journey.

ESG report continued

Our 2023 performance

Ecovadis sustainability rating

Ecovadis helps us manage our ESG risk and compliance and drive impact by guiding sustainability performance improvement. The assessment gives us a clearer picture of our sustainability practices in four themes: Environment, Labour & Human Rights, Ethics and Sustainable Procurement.

Once we receive the feedback from Ecovadis, we build the recommendations into our sustainability agenda for the year, to continue to improve and progress.

Score increase

We are delighted to once again be awarded a 'Silver' Medal in 2024 for our performance in 2023.

Our Ecovadis total assessment score improved further, from 68 to 71, reflecting a higher score in the Ethics category. Our focus for 2024 and beyond will be to review our sustainable procurement and environmental scores and put actions in place to continue to improve.

Our **Planet**

Premium Credit is committed to protecting and reducing our impact on the environment. In 2023 we introduced a new Environmental Policy.

Primary focus:
- Reducing greenhouse gas emissions
- Climate change
- Sustainable sourcing
- Communities

Our strategic focus involves reducing our carbon emissions through improvements to energy efficiency in our operations and business travel, promoting recycling, and reducing the waste we send to landfill.

To achieve this, we:

- Comply with all environmental legislation for all countries where we operate.
- Reduce the environmental impact of our operations through various waste, water and energy efficiency initiatives.
- Minimise paper consumption and promotion of recycled materials wherever possible.
- Focus on energy efficiency by purchasing renewable energy and switching our vehicle fleet vehicles to electric, wherever feasible.
- Monitor and review our supply chain to encourage sustainable consumption.
- Provide our colleagues with environmental education and promote environmentally responsible behaviour, including energy saving best practice at work and at home.
- Choose environmentally friendly collateral and digital literature to support key market events.

We are taking a number of steps including setting up an Environmental Working Group to manage and action initiatives in line with our Environmental Management System.

Reducing greenhouse gas emissions

We actively manage our consumption of resources to improve efficiency, measure and take action to reduce our carbon footprint caused by our business activities. We are working with suppliers to help us reduce the waste generated from our own operations and incorporate re-use and recycling to avoid landfill.

Our London Office is located in a BREEAM excellent certified building, which sources renewable energy and LED lighting. We are working in our Leatherhead and Dublin locations to improve energy efficiency and waste management.

Over the last two years we have reviewed our hybrid working model, reducing the number of journeys colleagues have to make to the office. This has reduced our need for office space with the outcome of less emissions generated, however, we recognise some of our colleagues prefer an office environment to collaborate.

As a result in 2023 we saw an 8% increase in our Scope 2 data, mainly due an increased headcount with more people using our offices.

In 2022, improvements were made to the building management system reducing gas consumption and our Scope 1 data, with a further 6% reduction in 2023.

Reducing emissions linked to our business travel remains a focus. Our fleet of company vehicles is in the process of being changed to electric vehicles. Hybrid models are only available where the infrastructure is not in place, for difficult to reach locations. Our fleet of cars is currently 58% electric.

As we move into 2024, we will assess our carbon footprint across all three scopes to ensure we are capturing all the necessary data. This will enable us to set a baseline for reductions.

ESG report continued

Premium Credit donates desktops and laptops to 2econd Chance

2econd Chance is a computer recycling not-for-profit organisation committed to reducing e-Waste and a training provider for people furthest away from the job market. Alongside providing professional computer recycling services, they equip people not in employment with basic IT skills required to join today's labour market. Donating our IT equipment to them helps provide meaningful training and employment opportunities for people with learning difficulties and social, emotional and mental health needs.

Learn about 2econd Chance here: www.2econdchance.co.uk/

Reuse, recycling and waste

We are actively adopting a re-use approach to our surplus office furniture and redundant equipment from our UK offices. Our cleaning products remain eco-friendly and recyclable. Our washrooms dryers have been replaced with eco-friendly paper.

Climate change

We recognise Climate change is a significant global challenge which affects our colleagues, our customers, suppliers, and our business.

Our aim is to continually embed climate-related considerations into our governance and strategy through recommendations set out by the Taskforce on Climate-related Financial Disclosures (TCFD). This allows Premium Credit to provide clear and consistent information about the risks and opportunities presented by climate change and provide further transparency to our stakeholders.

As part of our commitment to reduce emission we ran an internal campaign providing our colleagues with energy-saving tips for their homes to reduce emissions. We also have a cycle to work scheme to support lower emissions through commuting.

Sustainable sourcing

Our aim is to consider environmental impact in the procurement of goods and services. Suppliers are requested to complete a due diligence questionnaire which includes Sustainability best practices. In the next year we seek to include in-depth Sustainability disclosure requirements. This should include the calculation of our emissions for goods or services procured, as well as supplier diversity.

As the business has a decentralised procurement function, in 2024 training will be provided to our staff on how to find sustainable suppliers.

Streamlined Energy and Carbon Reporting (SECR)

The table below shows our assessment of greenhouse gas emissions, excluding fluorinated gases, using the 'GHG Reporting Protocol – A Corporate Accounting and Reporting Standard' and in accordance with Defra's 'Environmental Reporting guidelines: including Streamlined Energy and Carbon Reporting requirements'. This covers Premium Credit's Leatherhead Office and all our business travel emissions.

	Energy (kWh)		Emissions (tCO_2e)	
	2023	2022	**2023**	2022
Scope 1 – Gas and generator fuel	**83,265**	88,750	**15.5**	16.4
Scope 2 – Electricity	**514,814**	510,486	**106.6**	98.7
Scope 3 – Transport fuel: business travel in Company cars or employee-owned vehicles where the Company is responsible for the fuel	**348,061**	338,657	**84.4**	83.6
Total	**946,140**	937,893	**206.5**	198.7
Intensity ratio: kWh and tCO_2e/sq.ft. occupied floor area	**22.48**	22.28	**0.00490**	0.00472

Our **Colleagues**

Our Colleagues are at the heart of everything we do. Our commitment to them is a crucial part of how we run a successful business.

Primary focus:
- Colleagues engagement
- Equality, Diversity & Inclusion
- Learning & development
- Communities

Colleague Value Proposition

Designing and embedding our Colleague Value Proposition has been a focus for 2023 to ensure that we have a culture where colleagues feel motivated and able to achieve their full potential.

The proposition was designed in conjunction with colleagues through focus groups and feedback and then launched at our July 2023 Town Hall. Culture sits at the heart of the proposition and is supported by 4 key pillars: Careers that count, Rewards that matter, Healthy minds and bodies and a Chance to give back.

Engagement

We regularly gain feedback from colleagues to measure the temperature of our culture and this year introduced an eNPS (Employee Net Promoter Score*) to understand how likely our colleagues are to recommend Premium Credit as a good place to work and to measure engagement. At the end of 2023 our eNPS score was +25. While the methodologies used are not entirely comparable, we estimate the result to be similar to that of 2022.

Acting on any feedback is vital and since 2022 we have adopted Employee Engagement Champions that work with teams and senior management to identify improvements based on the feedback. In 2023 we identified 30 initiatives to progress and have already implemented 50% of those. Each of these initiatives tie back to our Colleague Value Proposition and support one of its pillars.

As well as regular surveys we encourage open and ongoing dialogue with colleagues via quarterly Townhalls, Leadership updates and colleague forums. Team Premium is an example of one of our forums where colleagues from different areas of the business come together to provide insight and feedback on a range of topics.

These methods of two way communication help us to remain connected to our colleagues and to encourage a feeling of being listened to and valued.

Recognition

Creating a culture where colleagues feel valued and recognised for the work that they do and the values they adopt is an important part of our culture. Individuals are recognised quarterly through our Premium Awards which include Service, Team, Leadership, Values and Community Awards.

On the Spot Recognition vouchers are also distributed on a regular basis to recognise the small day-to-day achievements that make people feel valued.

Work/life balance

We continue to adopt a hybrid working model where colleagues come together for collaboration. This enables individuals to work in the environment that works for them and helps to support a balanced home and work life.

* The employee Net Promoter Score (eNPS) is calculated by asking each respondent whether they would recommend the Company as a place to work, on a scale of 0 to 10. The percentage of promoters (scores of 9 and 10) minus the percentage of detractors (scores of 0 to 6) represents the NPS. It can range from -100 to 100. eNPS scores between 10 and 30 are considered 'good,' while those between 50 and 70 are considered excellent.

Diversity and Allyship

In November 2023, Premium Credit hosted the first ‘Diversity & Allyship’ event in collaboration with iCAN (the Insurance Cultural Awareness Network), AXA and Aviva: This was an excellent opportunity to gather with colleagues from across the industry to discuss the importance of ‘Building Diversity and Allyship’.

Panellists Erik Johnson, Ken Kittoe, Marjorie Adejumo & Michael Yabantu had the room gripped with sharing their personal experiences, discussion on how to become a better ally, the simple way leadership starts and the importance of employee resource groups (ERGs).

Diversity & inclusion

We appreciate that diverse and inclusive teams produce and deliver the best outcomes for our customers and partners. This is vital to Premium Credit's long-term success. We are committed to providing equal opportunities and promoting equality for all our colleagues.

Our Equality, Diversity & Inclusion (ED&I) Council have delivered a calendar of events throughout the year to raise awareness and understanding of different perspectives and experiences. This included external speakers, colleagues sharing their stories and newsletters. Colleagues have come together to celebrate Diwali and Pride Month, there have been panel discussions for Black History Month and International Women's Day and individuals have shared their stories for Deaf Awareness and Neurodiversity Week.

In addition to this all colleagues have completed unconscious bias training.

The ED&I Council expanded the Employee Resource Groups in 2023 which now cover:

- Black Minority Network.
- Asian & Middle Eastern Network.
- Menopause Network.
- LGBTQ+ Network.

In 2024 we will be launching networks for Neurodiversity, Family & Carers and Women's Health & Fertility. The groups give people the opportunity to come together to share experiences and highlight any areas that they feel would enhance the inclusivity of our culture.

The key topics of focus for ED&I in 2024 will be: Allyship & Creating connections, Diverse workforce at all Levels and Linking with our Wider Community.

Wellbeing

We promote a culture and environment that supports health and wellbeing and have invested in providing education sessions throughout the year in topics such as dealing with grief, managing your own mental health, spotting signs of cancer, supporting family members with dementia and maximising financial health.

We have 20 trained mental health first aiders and have trained managers on managing mental health. Colleagues also have access to various help lines should they need it.

Learning & development

We aim to support colleagues to build a successful and rewarding career and to provide the skills they need to reach their full potential in their roles. This year we have introduced several Capability models which clearly define career pathways so that colleagues understand the skills that they need to develop to move to the next stage of their career.

We launched a sales academy based on a thorough training needs analysis which was rolled out across all the sales teams. The work on this project led to the win of the CIPD People Management Award for Best Organisational Development Initiative or Design Initiative, in partnership with Q5 consultants.

We have Leadership Programmes for both aspiring and existing leaders and support colleagues to complete apprenticeships and qualifications.

Communities

Each colleague is entitled to one day volunteering each year to support their preferred charity, and Premium Credit offers matching for individual fundraising events.

Colleagues throughout the year have volunteered or raised money for our partner charity Insurance Against Dementia as well as food banks, children's charities, cancer charities and foundations supporting people with disabilities.

Health & safety

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

As most of our colleagues work in a hybrid model, we ensure Display Screen Equipment (DSE) Assessments are completed, and include support and equipment to prevent medical problems.

Accident reporting

Event	How many in 2023
Accidents reportable under the RIDDOR Regulations 2013	None
Fatal accidents	None
Health and safety-related prosecutions	None

ESG report continued

Collaborate To Innovate

In 2023 we became the co-founders of the newly formed 'Insurance X-Change Group' alongside other major players in the sector: Aviva, AXA, Ardonagh, Arthur J Gallagher, Aon, Bravo Networks and WTW.

This group has come together to exchange knowledge, raise awareness and create a platform for businesses in the sector to come together and collaborate.

Our first event was held in November: 'Collaborate to Innovate' where the industry discussed what we can do to lead and attract multi-generational teams within our sector.

"It was great to learn from different views and we all gained lots of takeaways to put into practice."

Sarah Evans
Head of HR

Our **Customers & Partners**

With ongoing economic pressures challenging consumers, we continue to assess the affordability of our products for a wider range of customers.

Primary focus:

- Customer privacy & Data security
- Access & affordability
- Selling practices & Product labelling
- Partner training & support

Data security

Data privacy laws require increased accountability from companies that hold personal data, and every Premium Credit colleague has their part to play. We do not sell our customer data to third parties.

We continue to invest in our information security and data privacy programme and develop safeguards and processes to protect the security of the data that is entrusted to us.

We hold certificates in ISO27001:201, an international security standard that lays out best practices for how organisations should manage their data and manage information security risk by creating an information security management system (ISMS).

Our cybersecurity training and campaigns ensure that colleagues are 'cyber aware'.

We hold an insurance policy against cyber incidents and third-party assurance for both the governance and the technical infrastructure of our cybersecurity. In 2023 we had no data security breaches.

Customer privacy

Premium Credit is committed to protecting and respecting our customers privacy. Our Privacy Notice sets out the basis on which any personal data we collect is processed by us, and can be found on our website: www.premiumcredit.com/privacy-notice

Access & affordability/selling practices & product labelling

We continue to assess the affordability of our products and increase access for a wider range of customers. One of the areas we have focused on in particular is around vulnerable customers. This is particularly important in a challenging economic environment.

Through a series of working groups, we have continued to identify and delivered several positive changes to the vulnerable customer journeys. Some of these developments include changes to all our communications to ensure clear, jargon free wording is used and more changes to our website to provide further information to support our customers.

Throughout the year we hold a number of live online events, which are subsequently available to replay through our intranet. These allow our colleagues to have access to awareness of vulnerabilities first hand. Through our partnerships with the Alzheimer's Society and Insurance United Against Dementia our colleagues have had access to events on how to be a Dementia Friend to people living with dementia.

ESG report continued

Partner training & support

The Partner Learning and Development team have accomplished a lot during 2023, delivering over 1,000 sessions and providing support to over 6,000 delegates. We have been working with partners all across the UK to enhance their knowledge of Premium Credit's systems and processes, to boost their confidence when discussing premium finance, and to equip their teams with a diverse set of skills to help them excel in their roles.

We have also extended our expertise to assist other teams within Premium Credit, delivering training and building user guides for our tax and education partners.

Premium Finance Partner Award

In November, we were delighted to win The Premium Finance Partner of the Year 2023 at the Insurance Choice Awards. This award is especially precious to us as it is voted for by our partners. We appreciate all our partners support in helping us win this award.

Insurance choice awards Premium finance partner of the year Winner 2023 | Smart money people

Somerset Bridge

SOMERSET BRIDGE GROUP

Somerset Bridge is a large insurance broker providing insurance under the brands GoSkippy and Vavista.

They selected Premium Credit as finance partner in 2021 and started transitioning their business to us in 2022. One of the key drivers behind their choice was our approach to affordability assessments, which ensures strong compliance and good consumer outcomes.

The migration process was very smooth. Dave Taylor, Chief Customer Officer at Somerset Bridge, says: "The onboarding process, including integration with an insurance software house, went even better than I had hoped. It was a seamless migration to Premium Credit."

Since onboarding, Somerset Bridge have continued to appreciate our collaborative approach in areas as diverse as quarterly business reviews with members of our Executive Committee or insights around fair value.

"Our business is different from when we signed the initial contract, but the combination of Premium Credit's flexibility and industry knowledge continues to make it a strong partnership."

Dave Taylor

Freedom Brokers and Stella

FREEDOM BROKERS stella

Freedom Brokers was founded in 2017 with an aim to do things differently from the rest of the insurance industry.

We have been working with their founder and Chief Executive Officer Sam White since inception, so it was only natural for Sam to turn to Premium Credit when she founded Stella in 2022. Stella is delivering insurance solutions that are adapted and tailored to the needs of women, initially focusing on car insurance.

"The relationship with Premium Credit has been fantastic." says Sam White, "It was so easy to set up a new business with them, and I was pleased that Premium Credit was not only very proactive at using new technology, but was also able to find new ways to leverage existing systems to support us. There is a deep level of expertise within their team, who are always happy to resolve our challenges."

It is not all about technology, processes and commercial terms: Premium Credit and Freedom Brokers share similar values, including a strong focus on Equality, Diversity & Inclusion.

"Premium Credit cares about the things we care about. They are a leading light for the sector."

Sam White

Our **Responsibility**

Premium Credit is a responsible employer and partner, operating transparently and ethically.

Primary focus:

- Business model resilience
- Supply chain management
- Business ethics
- Competitive behaviour

Code of Ethics

Our Code of conduct embodies our commitment to our values and purpose and reinforces our responsibility to act with respect, honesty and integrity. The Code provides a framework for our culture that encourages values-based decision making and challenges any behaviour or action that falls short of the expected standards.

The code complements our policies and standards, is accessible through our intranet and applies to everyone at Premium Credit including our Board.

Whistleblowing

We have whistleblowing policies in place to encourage any colleagues and others who have serious concerns about misconduct or breaches of the law to come forward and voice those concerns. This can be done in an anonymous way if needed. The process is designed to ensure no colleague making the disclosure will suffer any consequential disadvantage. No whistleblowing reports were made in 2023.

Human rights

Premium Credit support and abide by recognised international human rights principles. These include the United Nations (UN) Universal Declaration of Human Rights, the International Labour Organisation's (ILO) Core Labour Standards, the European Human Rights Convention and the principles of the UN Global Compact on Human Rights and Labour Standards.

As part of our commitment to Human Rights we provide collaborative and respectful work environments. We will not tolerate any form of harassment, discrimination, or inappropriate behaviour in the workplace.

We want our colleagues to bring their best selves to work and are committed to promoting a supportive, respectful, and inclusive environment where all colleagues feel safe, heard and valued.

Premium Credit is committed to fair pay practices and providing fair working hours and benefits for all colleagues. We are compliant with applicable local country laws and regulations.

Supply chain management

We aim to work with suppliers who share our values and standards of business conduct. We have a supplier Code of conduct which outlines the ethical standards and behaviours we expect from our suppliers. It directly aligns to the principles of our own Code of conduct and reinforces our responsibility to act with respect, honesty and integrity.

It is essential that our suppliers hold similar values, promote ethical business practices and conduct their business in accordance with applicable laws and regulations, within the geographies where they operate.

Whilst this supplier Code of conduct sets out the minimum standards we expect of our suppliers, we also encourage them to strive for continuous improvement within their own operations and supply chains.

Our suppliers should have processes in place to maintain their own standards and be able to provide evidence if required.

ESG report continued

Premium Credit aims to develop long-lasting, trusting and mutually beneficial relationships with suppliers who share the same strong values and who demonstrate the same commitment to operating responsibly and ethically across all facets of business.

Modern Slavery & Human trafficking

Our Modern Slavery Statement can be found on our website. We provide mandatory training for colleagues once a year. There were no alleged breaches of the Modern Slavery Act in the reporting period.

Business continuity

We are accredited with the international standard ISO22301 which provides a best-practice framework for implementing an optimised business continuity management system, minimising business disruption and continuing to operate in the event of an incident.

Tax

We publish our tax strategy on our website. The Group is committed to complying with tax law and practice in the jurisdictions we operate in. Our overarching aim is to minimise any regulatory risk within our business, which includes taking a low-risk approach to tax risk.

Business model resilience

The resilience of our model is evaluated and supported by externally led strategy reviews, an agile approach to underwriting and regular assessment of our credit exposure by sector. We have started to include Sustainability elements in our credit analysis.

Competitive behaviour

We have not incurred any losses on account of legal proceedings against us relating to fraud, insider trading, anticompetitive behaviour, market manipulation or other financial industry laws.

Legal & regulatory environment management

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

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

We engage with regulatory bodies to avoid conflicts between corporate and public interests that could lead to direct or indirect environmental or social impacts. We review changes in our legal and regulatory framework and undertake regular training.

Consumer Duty

We have implemented the Finalised Guidance in respect of the new Consumer Duty regulations and have nominated a Non-Executive Director as Consumer Duty Champion.

Our compliance thematic reviews will be used to ensure we undertake continuous improvement on ensuring good customer outcomes, and in planning our oversight activities going forward to 2024.

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.

Critical incident management

In line with our ISO-accredited Business Continuity Policy, we respond to major or critical incidents by following processes that are clear and tested regularly. Incident identification, assessment and reporting are core to our ability to demonstrate regulatory compliance, and to protect our customers and reputation.

Systemic risk management

We complete stress testing on our capital and long-range planning, which we also apply to other areas such as capacity planning in our servicing centre. Premium Credit's liquidity and ability to withstand losses are subjected to reverse stress testing. The results of this testing are reported and reviewed by the Asset & Liability Committee, the Executive Risk Committee, or the Board's Audit, Risk and Compliance Committee.

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 2023	Female representation 2023	Female representation 2022		Trend since Gender Pay Gap report snapshot (as at 1 January 2024)	
Total workforce	**55%**	51%	↑	↑	**56%**
Total managers	**47%**	36%	↑	↑	**50%**
Executive team	**33%**	29%	↑	↑	**50%**
Board	**29%**	13%	↑	↔	**29%**

Gender Pay Gap

	Difference between men and women (Mean)		Difference between men and women (Median)	
	2023	2022	**2023**	2022
Hourly rate (this is a prescribed calculation based on fixed pay)	**29.9%**	32.6%	**39.6%**	36.7%
Bonus amount	**12.2%**	43.7%	**26.0%**	51.1%

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 2023.

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.

Whilst we are pleased to see a decrease in our mean gender pay gap of 2.7 percentage points from 2023, we saw a slight increase of 2.9p.p. for the median gender pay gap at 39.6%.

This means that the median hourly earnings (excluding overtime) is 39.6% higher for males than it is for females across the organisation, or in other words the average female employee would earn 60.4p for every £1 earned by a male employee.

The slight increase in the median gender pay gap can be attributed to a greater number of females joining the organisation in entry level roles in the contact centre due to the growth of the business. We aim to increase female representation and reduce this gap through the implementation of clear career pathways within this area.

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 and we continue our efforts in reducing the gender pay gap by increasing the proportion of women in more highly paid roles and in technical areas such as IT. We have started this journey by increasing our percentage of women on the Executive Team and Senior Leadership Team.

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.

While we are pleased to see that based on all bonuses paid within the reporting year, the mean and median gap have improved significantly, the reduction is influenced by some exceptional factors that took place in the reporting period: A one-off cost-of-living payment was awarded to colleagues in the lower quartile, where there are a greater number of females occupying these entry level roles. Within the same reporting year, several bonuses were awarded to colleagues in the upper quartile in recognition of their efforts through a sale transaction.

Both one-off payments have heavily influenced the gap reduction and we do not expect to see this trend continue in the next reporting year.

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.

2024 – 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 2024 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 2024 will be to:

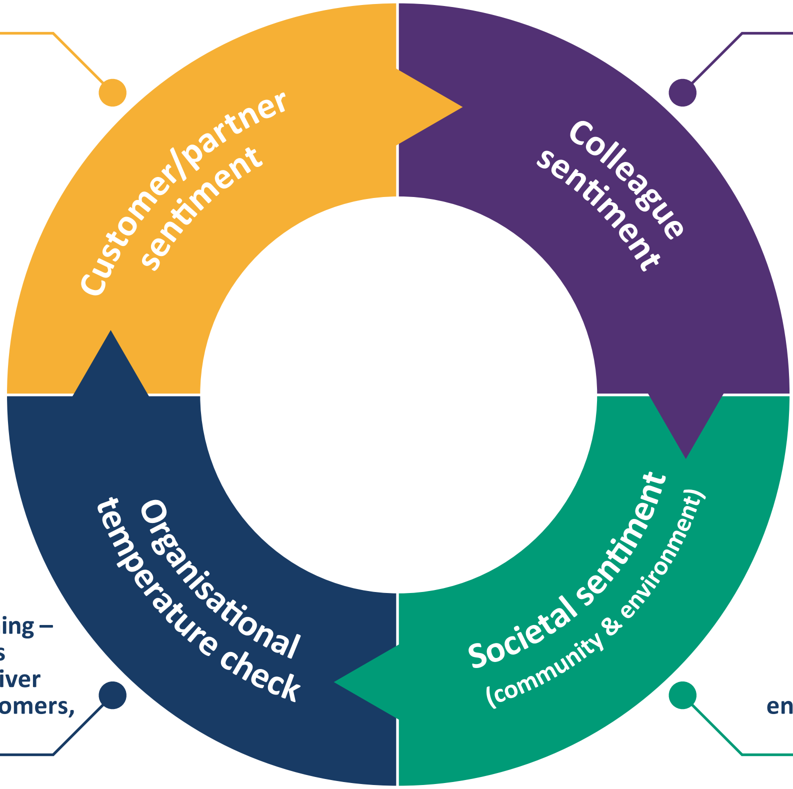
- Create career pathways and opportunities for entry level roles, that will retain talent and support individuals to move to the next level of management.
- Support roles as part-time/job share where possible and ensure that our recruitment & selection, pay and bonus practices remain free of unconscious bias.
- Implement a mentoring programme to develop talent.
- Introduce reverse mentoring so that colleagues gain a greater understanding of perspectives from individuals from different demographic backgrounds.
- Encourage and support our Employee Resource Group who promote and advocate for Women's Heath, such as our menopause and family planning groups.
- Use AI in adverts and job descriptions to identify any unconscious bias and create greater diversity on recruitment panels.
- Sign up to the Women in Finance Charter.

Our cultural dashboard 2023

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.

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 2023 continued

The dashboard is focused on four areas of performance:

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 2023

- We improved our self-serve bot ‘Prima’ to handle a wider range of queries and amendments for our customers. Working with our partners to increase awareness. Changed our IVR messaging to point customers to the Prima bot.
- We won ’Premium Finance Partner of the year’ at the People’s Choice awards in December 2023. This is voted on by our Partners.
- We have been nominated for ‘Best Service from an Alternative Lender’ at the best Moneyfacts awards.

Key metrics

- Customer satisfaction (‘CSAT’): 94% (target: 75%) (2022: 94%).
- Combined Net Promoter Score (‘NPS’): +81 (target: +60) (2022: +79).
- Trustpilot score: 4.5 (target: 4.5) (2022: 4.5).

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 2023

- New operating and capability models designed for Finance.
- Programme established for managers to upskill them on HR topics.
- Introduction in July 2023 of Consumer Duty with relevant firmwide and target teams’ training.

Key metric

- Compliance training completion UK: 100% (2022: 100%).

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 2023

- Redesigned our engagement surveys, making it more frequent, and switching to a more recognised industry standard of employee Net Promoter Score ('eNPS').
- Launched and publicised an Employee Value Proposition ('EVP').
- New initiatives being progressed and reviewed as part of the feedback received in our engagement surveys.
- Winter and summer town halls and party event; Christmas socials.

Key metrics

- Annual engagement survey results – eNPS – +25 (2022: not comparable).
- Glassdoor score: 4.4 (target: 4.0) (2022: 4.3).
- Employee turnover – 16.4% (2022: 20.1%). 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 12.5%.
- Absence ratio: 2.6% (2022: 2.4%) Absenteeism has increased in 2023. We are pleased however that absence related to mental health has slightly reduced.

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 2023

- Environmental Policy Statement launched with our aims to manage and reduce emissions and waste, and is contained in our Environmental Management System processes.
- Exploring renewable energy for our Leatherhead and Dublin offices, aligned with our London BREEAM-rated office.
- Internal communication campaign launched for colleagues with tips for energy saving at home and reduction in emissions.
- Partnering with external experts to complete our Carbon Footprint Analysis (Scopes 1, 2 and 3 in line with greenhouse gas protocol) and set baseline for reduction plans and decarbonisation measures.
- Introducing ESG Due Diligence module to procurement software and processes.

Key metrics

- Annual EcoVadis benchmarking survey result for 2023: Silver rating, score of 71/100 (2022: score of 68/100).

Chief Financial Officer's review

Delivering **growth, profitability and resilience**

2023 has been a year of significant progress. We have once again delivered a strong performance, driven by our strategy to grow new and existing intermediary partnerships and seek growth opportunities in the insurance and specialist lending markets.

Against a challenging landscape of economic uncertainty, leading to high inflation and increased interest rates, our products provide a valuable service to our customers, improving their cash flow through convenient payment solutions. This resulted in us increasing our origination by £460 million in 2023 over the previous year. Year-on-year origination in our insurance business grew by 10%, whilst our specialist lending division grew by 8% year-on-year.

In the corporate market (commercial lines), we have experienced accelerated growth as businesses continued to use our product to improve liquidity. Despite facing a demanding macro environment, credit losses in that area only increased marginally, returning to their pre-pandemic levels.

The personal lines sector continued to put in a solid performance as average insurance premiums increased, particularly in motor and household insurance.

Despite the economic uncertainty our Adjusted EBITDA demonstrated robust expansion this year, reaching an all-time high of £83.5 million (compared to £79.6 million in 2022). This growth is particularly noteworthy considering the challenges posed by increasing interest rate rises during 2023, which drove timing discrepancies between the repricing of our assets and of our liabilities, resulting in a short-term margin reduction.

As 2024 progresses, we are in a strong position following the repricing activity we have undertaken in 2023 to mitigate the impact of base rate increases. This has led to an increase in booked income, the expected amount of interest we will charge our customers for loans originated during the year, of 52% versus 2022.

We have continued to experience high demand from debt investors in 2023 despite the continued challenges of the wider economy, putting us in a very strong position for the coming year. Despite market volatility, we have raised over £600 million of new funding and have extended our existing facilities, ensuring we have the capital to support our customers and partners and seize emerging market opportunities.

Our strong financial position, combined with our coherent and effective strategy and the full support of our investors and Non-Executive Board, allows us to enter 2024 with optimism and determination, and we are well placed to take advantage of the many opportunities that lie ahead.

Andrew Chapman
Chief Financial Officer

Financial review

2023 was another year of significant progress for our business. Against a background of high inflation and increasing interest rates, the value of loans we originated increased by 10.1%, driving an increase in our Net Interest Income of 15.2% and our Adjusted EBITDA of 4.9%.

Management basis income statement (unaudited)[1]

£ million	2023	2022	Change £m	Change %
Value of loans originated				
Premium Finance UK & Ireland	**4,446.4**	4,029.0	417.4	10.4%
Specialist Lending	**558.8**	515.3	43.5	8.4%
Total Originated loans	**5,005.3**	4,544.4	460.9	10.1%
Booked Income	**223.8**	146.8	77.0	52.4%
Profit & Loss				
Interest Income	**188.8**	127.1	61.7	48.5%
Interest Expense	**(75.7)**	(29.0)	(46.8)	161.5%
Net Interest Income	**113.0**	98.2	14.9	15.2%
Fee income	**33.9**	28.3	5.5	19.5%
Total Income	**146.9**	126.5	20.4	16.1%
Net Credit Losses	**(10.6)**	(5.2)	(5.4)	105.1%
Additional Provision	**(1.5)**	0.1	(1.6)	n/a
Credit Losses	**(12.0)**	(5.0)	(7.0)	138.8%
Risk Adjusted Income	**134.9**	121.4	13.4	11.0
Operating Costs	**(51.3)**	(41.8)	(9.5)	22.7%
Adjusted EBITDA[2]	**83.5**	79.6	3.9	4.9%
Reconciliation from Adjusted EBITDA to IFRS Profit before tax				
Depreciation and amortisation	**(5.7)**	(5.7)		
Investment in new information technology	**(4.3)**	(3.9)		
Strategy Review costs[3]	**(3.2)**	(1.7)		
Amortisation and write-offs of Securitisation Programme fees	**(2.9)**	(2.4)		
Foreign currency (loss)/gain	**(1.4)**	3.3		
Operational restructuring costs	**(1.4)**	(1.7)		
Interest on unused Securitisation facilities	**(0.8)**	(0.3)		
Other[4]	**(2.2)**	0.5		
Profit before tax	**61.6**	67.7		

Loans originated

The value of loans originated surpassed £5.0 billion for the first time in the Company's history (2022: £4.5 billion). Our insurance premium finance lending grew by 10.4% to £4.4 billion (2022: £4.0 billion). This was driven by a combination of new partner wins, increased numbers of customers using our products as well as insurance premium inflation.

Origination in our specialist lending division increased by 8.4% to £558.8 million (2022: £515.3 million), driven primarily by increased tax business, school fees, and sports and leisure.

Booked income

Booked income represents the amount of interest we expect to earn on loans originated during the year, which is recognised in the company's income statement over the life of the loan. This increased by 52.4% to £223.8 million in 2023 (2022: £146.8 million) demonstrating the business's ability to pass through increased funding costs to customers following the bank rate increases in 2023. Much of the increase in Booked income will be recognised in the company's income statement in 2024.

Fee income

Fee income includes missed payment fees, reminder fees for unsigned contracts and facility fees charged at the inception of the loan. These represent the recovery of costs incurred by the business. Fee income was up £5.5 million (19.5%) year-on-year to £33.9 million. The majority of this increase was generated through a rise in missed payments, which resulted in an increase in missed payment fees to £16.2 million (2022: £12.5 million), reflecting a return to pre-Covid levels of credit performance. In 2023 we continued to use a proactive approach in waiving missed payment and reminder fees for customers subject to temporary financial difficulties.

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 (aside from 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 £2.5 million (2022: £1.8 million) and Equity review costs £0.7 million (2022: (£0.1) million).
4. In 2023, this mainly represents people costs £1.1 million (2022: (£0.3) million), costs relating to Shared Based payments £0.7 million (2022: £nil) and costs relating to property not in use £0.4 million (2022: £1.7 million). In 2022, 'Interest on unused Securitisation facilities' was grouped under 'Other'.

Financial review continued

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 2023, write-offs on loans to customers, net of recoveries, were £10.6 million (2022: £5.2 million), as the macro environment remained volatile and uncertain for all our categories of customers. Despite the increase, the level of write-offs observed in 2023 are in line with pre-Covid levels, reflecting our underwriting policy which remains conservative.

Operating costs

Operating costs increased by £9.5 million or 22.7% year-on-year. This reflects the inflation seen in 2023, as well as an increase in headcount both in our sales and marketing functions and in our servicing operations ahead of forecast growth in origination.

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 15.2% to £113.0 million (2022: £98.2 million).

Interest income increased by £61.7 million year-on-year to £188.8 million (2022: £127.1 million), driven by higher origination amounts and higher customer rates, as a result of the higher interest rate environment.

Interest expense increased by £46.8 million to £75.7 million (2022: £29.0 million), as our cost of funding increased in line with the Bank of England's successive increases in the Bank Rate from 3.50% to 5.25% by the end of the year.

Cash

At 31 December 2023, the Company had a cash balance of £51.2 million, an increase of 13.0% from 2022 (£45.3 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 £260.8 million to £2,191.8 million at 31 December 2023 (2022: £1,931.0 million). Those loans which had already been disbursed to our partners (the 'outstanding funded principal balance') as at 31 December 2023 amounted to £1,534.7 million (2022: £1,356.3 million), with the difference between the loans to customers and the outstanding funded principal balance representing payables due to our partners.

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 that issue either public asset-backed term notes on the capital markets or variable funding notes to a syndicate of banks.

The Securitisation Programme comprises two series of public asset-backed securities, one issued in July 2022 for £459.3 million with a reinvestment period end-date of July 2024 and a final legal maturity of July 2026, and the other issued in May 2023 for £427.5 million with a reinvestment period end-date of May 2026 and a final legal maturity of May 2028.

During 2023, we repaid a public asset-backed securities issue at its first call date, for an amount of £283.5 million. The public asset-backed issues are rated by Moody's and DBRS, with up to 87.5% of the issuance rated Aaa/AAA.

The Securitisation Programme also comprises a £826 million (2022: £630 million) variable funding notes facility (the 'VFN') with a reinvestment period end-date of December 2026. The VFN was established in 2012 and has benefitted from regular extensions or amendments; it is provided by a syndicate of banks and was last amended in December 2023.

Finally, the Securitisation Programme comprises a £40 million (2022: £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 facility was extended in December 2023 for a further three years. It was undrawn as at 31 December 2023 (2022: £nil).

The Securitisation Facility was established in November 2022, and finances certain asset classes originated by our Specialist Lending division. The Securitisation Facility's size as at 31 December 2023 was £80 million (2022: £80 million) and had a reinvestment period end-date of November 2025.

Our interest expense ultimately reflects the interest rates obtained by the various special purpose vehicles of the Securitisation Programme.

The Securitisation Programme and Securitisation Facility (excluding the ITN facility) had a total size at 31 December 2023 of £1,793 million (2022: £1,453 million). As at that date, £1,465 million was drawn down (2022: £1,300 million). The undrawn portions of the Securitisation Programme and the Securitisation Facility are available to fund growth in the business.

We also benefit from a £35 million bank revolving credit facility ('RCF') (2022: £35 million), which has been granted to our parent company Platinum Credit Bidco Limited, but is available for us to draw upon. The RCF matures in May 2029, and was not drawn as at 31 December 2023 (2022: £nil).

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 four years.

Our KPIs

Total income

2023	£143.2m
2022	£123.8m
2021	£113.8m

Definition

Net interest income (£127.7 million) plus fee income (£21.6 million) minus commission expense (£6.2 million).

Performance commentary

Our Total income grew by 15.7% year-on-year, driven by an increase in interest income following the growth in loan origination, as well as an increase in fee income.

Total income margin

2023	10.5%
2022	10.5%
2021	11.1%

Definition

Total income (£143.2 million) divided by Average funded receivables (£1,370 million).

Performance commentary

Total income margin remained stable in 2023, as the increase in interest rates on our liabilities was compensated by interest rate increases on our assets originated in 2022, had not yet been fully passed into our assets (our loan book).

Risk adjusted income

2023	£132.6m
2022	£118.6m
2021	£111.1m

Definition

Total income of £143.2 million (2022: £123.8 million), minus Net credit losses of £10.6 million (2021: £5.2 million).

Performance commentary

Our Risk-adjusted income continues to improve, driven mainly by the growth in Total income.

While the amount written off on loans to customers has increased year-on-year, the absolute levels of write-offs in 2023 remain modest. This reflects fundamentals of our business model, which are not very sensitive to the underlying macroeconomic conditions.

Booked income

2023	£223.8m
2022	£146.8m
2021	£121.7m

Definition

Amount of interest we expect to earn on loans originated during the year, which will be recognised in the Company's income statement over the life of the loan.

Performance commentary

Booked income demonstrates the Company's ability to pass-through increased funding costs to customers following the bank rate increases in 2022 and 2023.

Our KPIs continued

Adjusted EBITDA

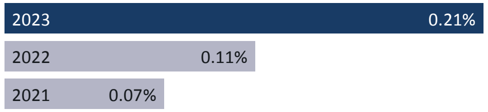
Definition

See the definition of Adjusted EBITDA and a table detailing reconciliation to our Profit before tax on page 31.

Performance commentary

We generated a record high Adjusted EBITDA in 2023. The increase year-on-year is primarily driven by an increase in Total income, while credit losses only recorded modest growth in comparison, reflecting the fundamentals of our business.

Loan loss ratio



Definition

Net credit losses relating to 2023 activity (£10.6 million) divided by the amount of loans originated over the year (£5.0 billion).

Performance commentary

The credit quality of the loan 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. As a result, and despite unfavourable macro-economic conditions in 2023, with high inflation and higher interest rates, our loan loss ratio is only just reverting to the levels seen pre-Covid.

Values of loans originated

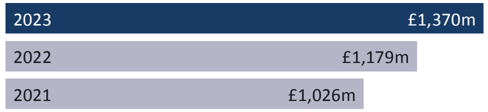
Definition

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

Performance commentary

Year-over-year origination grew by £461 million, representing a growth on prior year of 10.1%. The growth rate was 10.4% in our Insurance Premium Finance division, and 8.4% in our Specialist Lending division. This was driven by the onboarding of a number of new partners, a cautious approach to working capital from our borrowers, as well as improved penetration rate of our products.

Average funded receivables



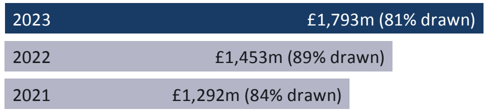
Definition

The average principal balance of loans that had been originated and disbursed to our partners (the ‘outstanding funded principal balance’) over the year.

Performance commentary

The average funded receivables balance increased by 16.2% in 2023, reflecting both the growth in the amount of loans originated (10.1%) and the timing of that growth, which was more pronounced in the second half of the year.

Securitisation Programme



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 2023, we successfully refinanced a maturing Public ABS instrument in Q2, upsizing the new issuance in the process, and in Q4 we extended and increased the amount of our Private ABS programme.

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 2023 Employee NPS was +25. While the methodologies are not entirely comparable, we estimate the result to be similar to that of 2022. Our employees particularly appreciated the Company's culture and environment, the collaboration and support within their teams, and the feeling to make an overall 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

Our focus on customer journeys and customer compliance results in a low number of complaints. In addition, regular interactions with the FOS to understand their approach results in a low number of complaints referred to the FOS. Of those referred, four were upheld in favour of the customer in 2023 (six in 2022 and two in 2021).

	2023	2022	2021
Customer complaints per 100,000 loans	**329**	272	331
Complaints referred to FOS	**62**	20	22

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

Our customer satisfaction level is stable at 4.5 (2022: 4.5), which reflects the critical nature of our products for our customers, the efficient customer onboarding journey, and our strong compliance culture.

Reviews 69,392 – 'Excellent' score

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

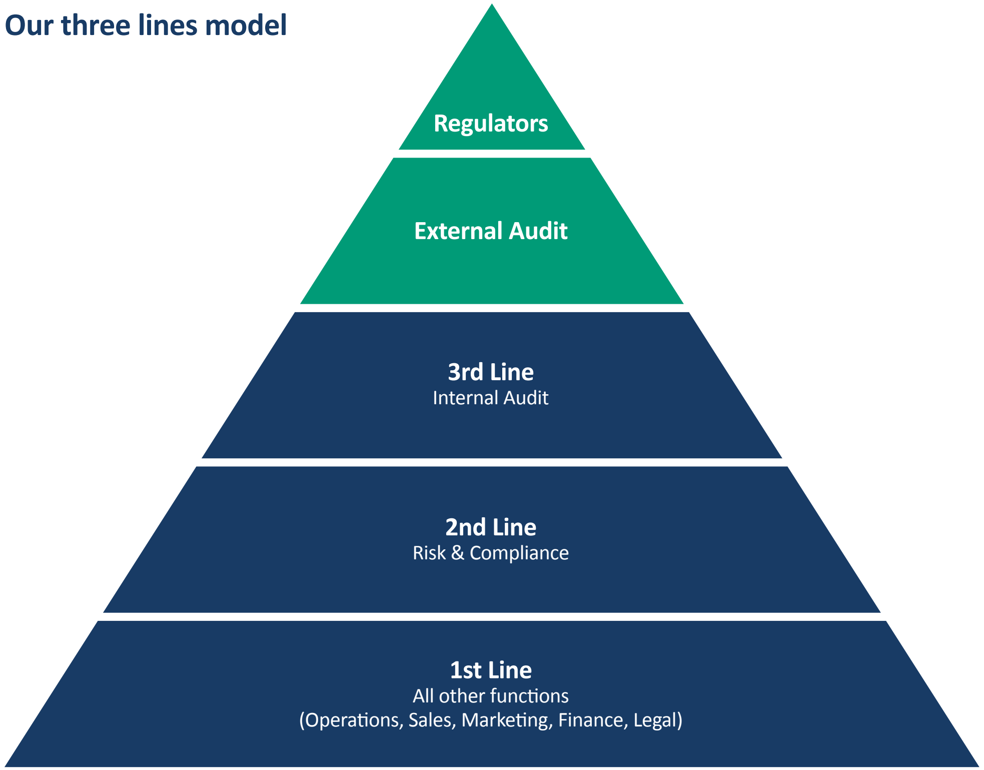
- Establishment and execution of Premium Credit's strategy
- Identification of strategic risks and mitigation plans
- Assurance, oversight and monitoring of risks, processes and controls
- Execution of top-down reviews

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

Our 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, notably driven by regulatory requirements. To maintain operational resilience, we regularly test our business continuity and incident management protocols. Our ISO22301 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 impacts have remained minimal thus far, despite the presence of inflationary pressures, which by the end of 2023 were decreasing. We also remain confident in our approach to analysing and reacting to resulting regulatory changes.

Climate change

Through our Sustainability Committee, we actively monitor the effects of climate change and the associated risks for the financial services sector and our business operations. See page 15 for more information.

Long-term viability

Amidst the challenges of the Covid pandemic, the war in Ukraine, 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.

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 34-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. This ability has been exercised after each Bank Rate increase in 2023.	

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.	

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. • In July 2023, we completed the implementation of the new FCA 'Consumer Duty' requirements, which enhances customer protection across financial services. The Board and management team continue to oversee the embedding of enhanced monitoring of customer outcomes ahead of the new annual attestation due in July 2024. • Premium Credit has a formal process in place for the implementation of (CP23/1). The FCA published a consultation that introduces three new Product Sales Data (PSD) returns into its Supervision manual ahead of the 2025 submission deadline.	No change

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

Key (shown post mitigation)

- Increase
- No change
- Decrease

Principal risks and mitigation continued

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.	

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.	

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

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 2023, 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.
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.

Stakeholders	How we engage	Their material issues
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.
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 29 April 2024 and signed on its behalf by

Tara Waite
Director

Board of Directors

Scott Egan
Non-Executive Chairman

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

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 and Young. Tara is currently on the boards of UK subsidiaries of Ageas. 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

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

Chair of the Audit, Risk and Compliance Committee

Kory brings 30 years of experience in financial services and 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.

John Lumelleau
Non-Executive Director

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

Chair of the Remuneration Committee

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

Nik is a Principal at TowerBrook. Previously, Nik was an Associate at Goldman Sachs in London, focusing on Financial Institutions. He holds a Masters Degree in Economics from the Lomonosov Moscow State University.

Executive Committee




Tara Waite
Chief Executive Officer

Joined 2019

See the Board of Directors on page 46 for Tara's biography.

Andrew Chapman
Chief Financial Officer

Joined 2004

See the Board of Directors on page 46 for Andrew's biography.

Jon Howells
Chief Commercial Officer, Premium Finance

Joined 2019

Jon's previous role was at Close Brothers Premium Finance, where he was responsible for growth and strategy as the Commercial Director.

Jon brings with him a wealth of broking knowledge gained from senior positions 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.

- Consumer finance
- Insurance
- Technology
- Regulation
- Funding
- Data

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.

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+ retail clothing 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 Lending

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 TMR (This Mum 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.

Navigating regulatory change and **maximising opportunities**

"I look forward to the year ahead as we navigate further regulatory changes and build upon our customer-centric approach."

Kory Sorenson
Non-Executive Director

➜ Go to p.46 to read Kory's bio

Premium Credit is a purpose-led, customer-centric organisation which plays a crucial role in supporting businesses and individuals, particularly in a period of economic volatility. We take this responsibility very seriously and take great pride in ensuring we meet and exceed our regulatory requirements.

The launch of the FCA's Consumer Duty in July 2023 heralded an evolution of the regulatory framework, raising the bar on what is expected of firms in their treatment and care of customers. Our core strengths in compliance and risk management, along with our existing focus on seeking good customer outcomes, have allowed us to see Consumer Duty as an opportunity to further enhance our governance, and to ensure our practices continue to set us apart in the industry.

We devoted significant resources to ensuring we achieved our objectives. During the early consultation period, we created a dedicated project team responsible for implementation across our business. This included working with our partners to provide them with the support they needed to incorporate the guidance set out by the FCA, and taking independent assurance from a specialist third party, leaving no stone unturned in our commitment to doing what is right.

Looking ahead, we recognise there is further regulatory work on the horizon. Our attention now turns to the FCA's consultation on new data requirements for consumer credit firms and potential emerging risks (and opportunities) that lie ahead. We are taking an active role in working with our industry bodies, including the Finance & Leasing Association, to give feedback on the consultation process and ensure a measured and proportionate approach.

We are fully committed to staying at the forefront of industry developments and ensuring that we satisfy all requirements and exceed regulatory expectations.

I am proud of our achievements in the past year. Our governance structures, data reporting practices, and dedication to sustainability have all contributed to our successful response to the regulatory changes. We prioritise doing the right things at the right time, closely follow market developments to support the wider industry and work tirelessly to uphold our risk and compliance objectives.

As a team, we have worked together to lay a strong foundation for continued growth and success, and I look forward to the year ahead as we navigate further regulatory changes and build upon our customer-centric approach.

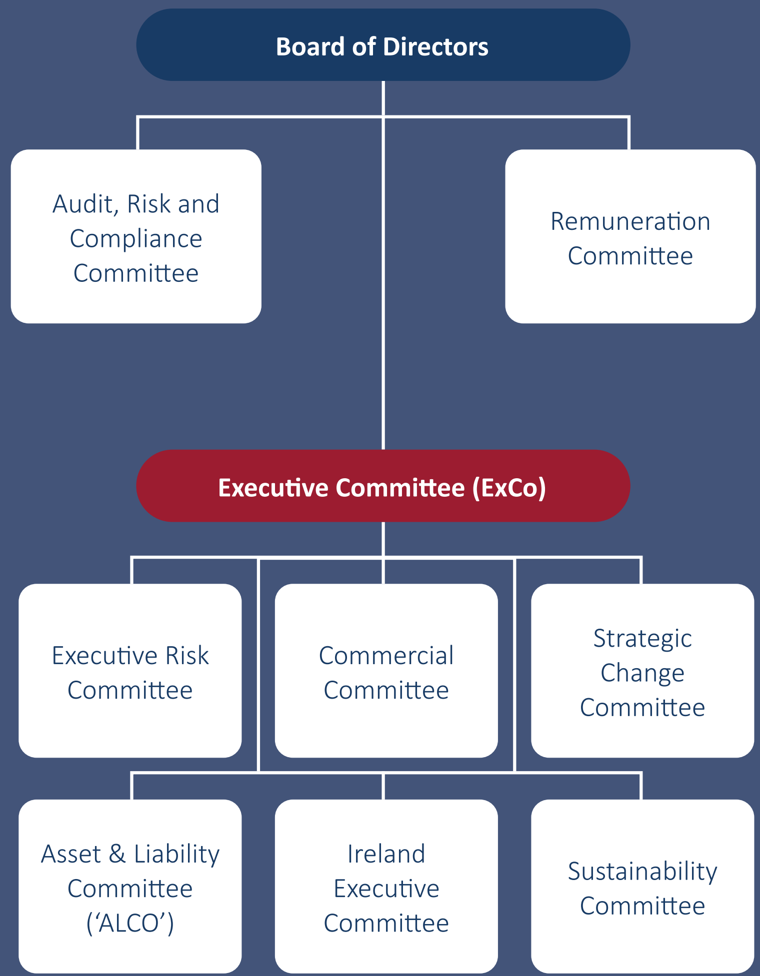
Kory Sorenson
Chair of the Board's Audit, Risk and Compliance Committee

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 54.



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 2023.

The Audit, Risk and Compliance Committee

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 Committee

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.

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;
- The firm's implementation of the FCA Consumer Duty requirements, ensuring compliance with the deadline in July and ongoing embedding of enhanced customer outcome monitoring. This includes the nomination of the Chair of the Committee as Consumer Duty champion;
- Planning for the new FCA product sales data reporting from 2025;
- 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 rising base rates 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. Nine internal audits were completed in 2023.

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, principal risks and mitigating factors, can be found from page 36.

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.

Significant matters addressed by the Committee

The 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.

Our corporate governance continued

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 Head of Risk and Compliance, 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 2023.

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 03. The financial review on page 30 and the KPIs on page 33 contain highlights of the results for the year.

The strategy on page 05 and the Chief Executive Officer's review on page 08 provide details of our future outlook.

The Company generated a profit before tax for the year ended 31 December 2023 of £62.0 million (2022: £67.7 million), and no dividend was paid during the year (2022: £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 39 to 43.

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
- David Young (resigned 30 April 2023)

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 44. The Directors consider that they have acted in accordance with those duties in the year ended 31 December 2022; explanations of how the Directors have considered those matters are included on pages 44 and 45.

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 2022.

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 2023.

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 16.

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.

More information on the Company's policies in respect of employment, training and career development can be found on page 17.

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 2023 (2022: 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 £5,201 (2022: £6,136) to charitable causes. The Company did not make any donations to political parties.

Post balance sheet events

There were no post balance sheet events.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the 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 period.

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.

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 29 April 2024 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 2023 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 and Financial Statements (the 'Annual Report'), which comprise: the balance sheet as at 31 December 2023; 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 members' 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 members 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 members 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.

With respect to the Strategic report and the 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 overleaf.

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 2023 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 the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the members 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 members 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 members 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 members 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.

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.

Independent auditors' report continued
to the members of Premium Credit Limited

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

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 members' 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
29 April 2024

Income statement
For the year ended 31 December 2023

	Note	2023 £'000	2022[1] £'000
Interest income	5	**207,189**	143,862
Interest expense	5	**(79,443)**	(31,704)
Net interest income	5	**127,746**	112,158
Fee income	6	**21,648**	16,475
Commission expense	7	**(6,175)**	(4,879)
Total income		**143,219**	123,754
Administrative expenses	8	**(69,592)**	(50,900)
Change in expected credit losses and credit impairment charges on loans to customers	8 & 16	**(12,045)**	(5,051)
Operating profit	8	**61,582**	67,803
Finance income	10	**275**	85
Finance expenses	11	**(216)**	(201)
Profit before tax		**61,641**	67,687
Income tax (expense)/credit	12	**(5,481)**	869
Profit for the financial year		**56,160**	68,556

1 2022 Administrative expenses and Change in expected credit losses and credit impairment charges on loans to customers have been restated, please refer to Note 2.1 (o).

Statement of comprehensive income
For the year ended 31 December 2023

	2023 £'000	2022 £'000
Profit for the financial year	**56,160**	68,556
Other comprehensive (expense)/income		
Items that may subsequently be reclassified to the income statement:		
Foreign currency translation (losses)/gains	**(912)**	2,268
Other comprehensive (expense)/income for the year	**(912)**	2,268
Total comprehensive income for the year	**55,248**	70,824

Balance sheet

As at 31 December 2023

	Note	2023 £'000	2022 £'000
Assets			
Non-current assets			
Intangible assets	13	**9,185**	7,739
Property, plant and equipment	14	**1,491**	2,079
Right-of-use assets	15	**4,231**	3,430
Loans to customers	16	**5,277**	6,177
Prepayments and other receivables	17	**390**	124
Deferred tax assets	18	**415**	405
Total non-current assets		**20,989**	19,954
Current assets			
Loans to customers	16	**2,186,475**	1,924,871
Prepayments and other receivables	17	**269,616**	240,181
Corporation tax receivable		**1,327**	5,558
Cash and cash equivalents	19	**51,204**	45,273
Total current assets		**2,508,622**	2,215,883
Total assets		**2,529,611**	2,235,837
Liabilities			
Non-current liabilities			
Lease obligations	20	**3,352**	3,127
Total non-current liabilities		**3,352**	3,127
Current liabilities			
Lease obligations	20	**1,521**	911
Trade and other payables	21	**2,103,761**	1,865,406
Provisions for liabilities	22	**500**	1,885
Total current liabilities		**2,105,782**	1,868,202
Total liabilities		**2,109,134**	1,871,329

	Note	2023 £'000	2022 £'000
Equity			
Called up share capital	23	**10**	10
Retained earnings		**419,126**	362,928
Other reserves	24	**1,341**	1,570
Total shareholders' funds		**420,477**	364,508
Total equity and liabilities		**2,529,611**	2,235,837

The financial statements on pages 58 to 85 were approved by the Board of Directors on 29 April 2024 and signed on its behalf by

Tara Waite
Director

Statement of changes in equity

For the year ended 31 December 2023

£'000	Called up share capital	Retained earnings	Other reserves	Total equity
At 1 January 2022	10	294,402	(698)	293,714
Profit for the financial year	–	68,556	–	68,556
Foreign currency translation gains	–	–	2,268	2,268
Total comprehensive income for the year	–	68,556	2,268	70,824
At 31 December 2022	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 for the year	**–**	**56,168**	**(920)**	**55,248**
Share-based payments	**–**	**–**	**691**	**691**
At 31 December 2023	**10**	**419,126**	**1,341**	**420,477**

Notes to the financial statements

1. GENERAL INFORMATION

Premium Credit Limited (the 'Company') is a private limited company, limited by shares, which provides instalment finance 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 the 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 2022 Annual Report and Financial Statements. A summary of the principal accounting policies is set out below.

(a) Basis of preparation

This set of financial statements has been prepared under UK-adopted International Accounting Standards.

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, modified to include the fair valuation of particular financial instruments, 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. 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 Company has taken advantage of the exemption under s.401 of the Companies Act 2006 not to prepare consolidated financial statements as it is a wholly owned subsidiary of Platinum Credit Holdco Limited.

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 IFRS 2 Share-based Payment.
- The requirements of IFRS 7 Financial Instruments: Disclosures.
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.
- 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.
- The requirements in 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.

2. 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 the 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.

(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 that 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 Pounds 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 consolidated at the rate of exchange ruling at the balance sheet date. The income statement is consolidated using the average rate for the 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.

(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). 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. ACCOUNTING POLICIES continued

(g) Property, plant and equipment

Owned assets

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 period 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

Property, plant and 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 stand-alone 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.

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.

2. ACCOUNTING POLICIES continued

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

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. Preference shares may be classified as equity or debt depending on their characteristics.

(k) Dividends

Final equity dividends are recognised as a liability and deducted from equity in the period 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, 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) Future accounting pronouncements

New accounting standards and amendments to accounting standards have been issued by the IASB, which are not yet effective and have not been early adopted by the Company. These are set out below:

- Amendments to IAS 1 Non-current Liabilities with Covenants – Classification of Liabilities as Current or Non-current effective from 1 January 2024. No impact expected.
- Amendments to IAS 7 and IFRS 7 effective from 1 January 2024 – Supplier finance arrangements. No impact expected.

(o) Restatements

For 2022 we have restated our amounts written off on loans to customers from the administrative expenses line to the net impairment on loans to customers line by £5.1 million as the write offs relate directly to the Change in expected credit losses and credit impairment charges on loans to customers.

For 2022, we have also restated our stage allocation of the Company's recourse loans from Stage 1 to Stage 2 for loans past due. 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.

Notes to the financial statements continued

2. 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 losses on loans and advances 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 effective interest rate methodology.

The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income is included in 'interest income' using the effective interest rate 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 effective interest rate methodology.

2. ACCOUNTING POLICIES continued

(c) Financial instruments continued

On derecognition of a financial asset, the cumulative gain or loss previously recognised in 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 profit or loss 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 (expected credit loss)

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 Expected Credit Losses ('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 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.

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.

Notes to the financial statements continued

2. ACCOUNTING POLICIES continued

(d) Impairment of financial assets (expected credit loss) continued

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. 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 insured 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 2023 was £7.1 million (2022: £2.7 million).

Calculation of expected credit losses ('ECL')

At 31 December 2023, 99.8% (2022: 99.7%) 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.

The Probability of Default 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 Probability of Default at each impairment stage and expects the impact of this to be immaterial on the overall impairment calculation.

(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 consolidated statement of profit or loss 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.

2. ACCOUNTING POLICIES continued

(e) Intangible assets continued

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 JUDGEMENTS 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.

Critical accounting estimates

(a) Expected credit losses on financial assets ('ECL')

The measurement of Expected Credit Losses 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 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 macro-economic 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 pandemic and the associated support measures.

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 27% would result in an increase to the impairment provision for 2023 by £2.0 million (2022: 34%, £2.0 million).

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

(b) Effective interest rate

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 consolidated income statement.

Notes to the financial statements continued

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES continued

(c) 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.

5. NET INTEREST INCOME

	2023 £'000	2022 £'000
Interest receivable on:		
Interest income on loans to customers	**200,882**	138,172
Facility fee income	**12,222**	11,866
Cost of sales: incentives	**(5,915)**	(6,176)
Interest income	**207,189**	143,862
Interest payable on:		
Amounts owed to related party	**(79,443)**	(31,704)
Interest expense	**(79,443)**	(31,704)
Net interest income	**127,746**	112,158

Interest payable on amounts owed to related party is SONIA linked interest payable to standalone special purpose vehicles.

6. FEE INCOME

	2023 £'000	2022 £'000
Administration fees	**21,648**	16,475
Fee income	**21,648**	16,475

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

7. COMMISSION EXPENSE

	2023 £'000	2022 £'000
Commission expense	**6,175**	4,879

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

8. OPERATING PROFIT

Administrative expenses

	2023 £'000	2022[1] £'000
Staff costs:		
Wages and salaries	**28,342**	22,471
Social security costs	**3,736**	3,258
Other pension costs	**1,663**	1,370
Total staff costs	**33,741**	27,099
Non-staff costs:		
Other administration costs	**26,355**	19,011
IT-related expenditure	**2,367**	2,438
Foreign currency loss/(gain)	**1,413**	(3,338)
Depreciation and amortisation	**5,716**	5,690
Total non-staff costs	**35,851**	23,802
Total administrative expenses	**69,592**	50,900

1 2022 Administrative expenses has been restated, please refer to Note 2.1 (o).

Operating profit is stated after charging/(crediting):

	2023 £'000	2022 £'000
Operating lease rentals	**243**	(28)
Depreciation charge on property, plant and equipment and right-of-use assets (Notes 14 and 15)	**2,018**	1,874
Amortisation charge on intangible assets (Note 13)	**3,697**	3,820
Impairment of loans to customers	**12,045**	5,051
IT-related expenditure	**2,367**	2,438

Impairments of loans to customers

	2023 £'000	2022 £'000
Movement in expected credit losses allowance (Note 16)	**1,469**	(105)
Amounts written off during the year as uncollectible, net of recoveries relating to loans held at prior year end	**7,844**	3,452
Amounts written off during the year as uncollectible, net of recoveries relating to loans written in the current year	**2,732**	1,704
Impairment of loans to customers	**12,045**	5,051

Auditors' remuneration

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

	2023 £'000	2022* £'000
Company audit services	**532**	560
Other assurance services	**–**	–
Total auditors' remuneration	**532**	560

* For 2022, the fee for the Group was disclosed which has now been amended to disclose the fee for the Company only.

Notes to the financial statements continued

8. OPERATING PROFIT continued

Employees

The average monthly number of employees (including Executive Directors) employed by the Company during the year was 483 (2022: 397), and at year end it was 508 (2022: 430). All employees are engaged in the financing of insurance premiums and instalment services and are split into the following functions:

	2023	2022
Operations	**240**	182
General and administration	**157**	152
Sales and marketing	**86**	63
Average monthly number of employees	**483**	397

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 (2022: £nil).

9. DIRECTORS' EMOLUMENTS

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

	2023 £'000	2022 £'000
Aggregate emoluments	**2,488**	1,724
Total emoluments	**2,488**	1,724

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

Retirement benefits are accruing to two Directors (2022: two Directors) under the Company's defined contribution pension scheme. Contributions were made in respect of defined contribution schemes to the Directors of £63.2 thousand (2022: £60.4 thousand).

The total emoluments of the highest paid Director were £1.3 million (2022: £0.8 million). Contributions were made in respect of defined contribution schemes to the highest paid Director of £40.0 thousand (2022: £37.1 thousand).

10. FINANCE INCOME

	2023 £'000	2022 £'000
Interest receivable on:		
Loans to Group undertakings	**275**	85
Finance income	**275**	85

11. FINANCE EXPENSES

	2023 £'000	2022 £'000
Interest payable on:		
Interest charges payable for lease liabilities	**216**	201
Finance expenses	**216**	201

12. INCOME TAX EXPENSE

Income tax expense

	2023 £'000	2022 £'000
Current tax expense/(credit) – current year	**5,051**	(13)
Current tax credit – prior year	**(46)**	(1,614)
Total current tax	**5,005**	(1,627)
Deferred tax credit – current year	**(7)**	(18)
Deferred tax credit – prior year	**(3)**	–
Total deferred tax	**(10)**	(18)
Foreign tax	**486**	776
Total foreign tax	**486**	776
Total tax expense/(credit)	**5,481**	(869)

12. INCOME TAX EXPENSE continued

The main rate of corporation tax for the year ended 31 December 2023 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 to apply for periods commencing 1 January 2024. The group is in the process of undertaking an impact assessment. The IAS 12 exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes has been applied.

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

	2023 £'000	2022 £'000
Profit before taxation	**61,641**	67,687
Profit before taxation multiplied by tax rate in the UK of 23.52% (2022: 19.00%)	**14,498**	12,861
Factors affecting expense for the year:		
Non taxable income	**(21)**	(43)
Expenses not deductible for tax purposes	**270**	147
Adjustment to prior years – current tax	**(46)**	(1,614)
Adjustment to prior years – deferred tax	**(3)**	(1)
Effects of rate change	**–**	8
Double tax relief	**(486)**	(772)
Overseas tax	**486**	772
Effect of group relief	**(9,217)**	(12,227)
Total tax expense	**5,481**	(869)

13. INTANGIBLE ASSETS

2023	Assets under construction £'000	Software £'000	Total £'000
Net carrying value at 31 December 2022	3,380	4,359	7,739
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**

Notes to the financial statements continued

13. INTANGIBLE ASSETS continued

2022	Assets under construction £'000	Software £'000	Total £'000
Net carrying value at 31 December 2021	1,249	4,554	5,803
Cost			
At 1 January 2022	1,249	25,407	26,656
Additions	5,756	–	5,756
Disposals	–	–	–
Transfers	(3,625)	3,625	–
At 31 December 2022	3,380	29,032	32,412
Accumulated amortisation			
At 1 January 2022	–	20,853	20,853
Amortisation	–	3,820	3,820
Disposals	–	–	–
At 31 December 2022	–	24,673	24,673
Net carrying value at 31 December 2022	3,380	4,359	7,739

Assets under construction relate to capitalised development costs.

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

14. PROPERTY, PLANT AND EQUIPMENT

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**

14. PROPERTY, PLANT AND EQUIPMENT continued

2022	Leasehold improvements £'000	Equipment £'000	Total £'000
Net carrying value at 31 December 2021	1,451	1,285	2,736
Cost			
At 1 January 2022	2,876	6,543	9,419
Additions	26	201	227
Disposals	–	(35)	(35)
Exchange adjustments	–	2	2
At 31 December 2022	2,902	6,711	9,613
Accumulated depreciation			
At 1 January 2022	1,425	5,258	6,683
Depreciation	289	596	885
Disposals	–	(34)	(34)
At 31 December 2022	1,714	5,820	7,534
Net carrying value at 31 December 2022	1,188	891	2,079

See Note 27 for contractual commitments on capital expenditure.

15. RIGHT-OF-USE ASSETS

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

15. RIGHT-OF-USE ASSETS continued

2022	Buildings £'000	Vehicles £'000	Total £'000
Net carrying value at 31 December 2021	4,005	26	4,031
Cost			
At 1 January 2022	6,497	184	6,681
Additions	–	388	388
Disposals	–	(271)	(271)
Exchange adjustments	3	–	3
At 31 December 2022	6,500	301	6,801
Accumulated depreciation			
At 1 January 2022	2,492	158	2,650
Depreciation	854	135	989
Disposals	–	(271)	(271)
Exchange adjustments	4	(1)	3
At 31 December 2022	3,350	21	3,371
Net carrying value at 31 December 2022	3,150	280	3,430

16. LOANS TO CUSTOMERS

	2023 £'000	2022 £'000
Gross loans to customers	**2,199,158**	1,936,998
Less: allowance for impairment	**(7,406)**	(5,950)
Net loans to customers	**2,191,752**	1,931,048
Split as:		
Current	**2,186,475**	1,924,871
Non-current	**5,277**	6,177

At 31 December 2023, £1,234.3 million (2022: £1,236.7 million) of loans to customers had their beneficial interest assigned to SPV entities as collateral for securitisation transactions.

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 Premium Credit Limited still has the risk and rewards.

The following table shows impairment provisions for loans:

	2023 £'000	2022 £'000
1 January	**5,950**	6,039
Total charge offs relating to loans held at prior year end	**(7,844)**	(3,452)
Under/(over) provision from loans held at prior year end	**1,894**	(2,587)
Increase in provision	**7,419**	5,934
Foreign exchange adjustments	**(13)**	16
At 31 December	**7,406**	5,950

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

2023	Stage 1	Stage 2	Stage 3	Total
Loans to customers (£'000)	**2,176,531**	**17,260**	**5,367**	**2,199,158**
Allowance for ECL (£'000)	**(5,230)**	**(550)**	**(1,626)**	**(7,406)**
Net loans to customers	**2,171,301**	**16,710**	**3,741**	**2,191,752**
Coverage ratio	**0.2%**	**3.2%**	**30.3%**	**0.3%**

2022	Stage 1	Stage 2	Stage 3	Total
Loans to customers (£'000)	1,915,523	15,288	6,187	1,936,998
Allowance for ECL (£'000)	(3,928)	(416)	(1,606)	(5,950)
Net loans to customers	1,911,595	14,872	4,581	1,931,048
Coverage ratio	0.2%	2.7%	26.0%	0.3%

Where the Company has the right of automatic recovery from the intermediary partner ('recourse loans'), these loans are included in Stage 2 £8.8 million (2022: £8.2 million) although they do not represent a change to the loss given default.

16. LOANS TO CUSTOMERS continued

Stage 2 prior year balances have been restated to include the £8.2 million, please see the accounting policy restatement section in Note 2.1 (o) for further information.

17. PREPAYMENTS AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
Amounts due from Group undertakings	**257,328**	229,663
Prepayments and other debtors	**12,678**	10,642
Prepayments and other receivables	**270,006**	240,305
Split as:		
Current	**269,616**	240,181
Non-current	**390**	124

Amounts due from Group undertakings are unsecured and consists of two loans. A loan of £7.2 million (2022: £7.2 million) was made to Vendcrown Limited which is repayable on demand within three business days of written notice from the lender and which earns interest at a rate of 1% (2022: 1%) per annum, with a total accrued interest of £0.9 million, as well as a loan of £249.2 million (2022: £221.7 million) that relates principally to expenses paid by Premium Credit Limited on behalf of related parties, which is interest-free and repayable on demand.

Prepayments and other debtors of £12.7 million (2022: £10.6 million) include £0.6 million (2022: £0.3 million) of fees relating to undrawn facilities.

18. DEFERRED TAX ASSET

Deferred tax included in the balance sheet is as follows:

	2023 £'000	2022 £'000
Balance as at 1 January	**405**	387
Deferred tax charge for the year attributable to:		
Deferred tax charge in respect of current year	**7**	26
Adjustments in respect of prior period	**3**	–
Effect of rate change	–	(8)
Deferred tax asset as at 31 December	**415**	405

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

	2023 £'000	2022 £'000
Deferred tax due within 12 months	**(11)**	(25)
Deferred tax due in more than 12 months	**426**	430
Carrying amount at year end	**415**	405

There are no unused tax losses or unused tax credits (2022: nil).

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

	2023 £'000	2022 £'000
Accelerated capital allowances	**402**	389
s1308 R&D intangible fixed asset	**13**	16
Carrying amount at year end	**415**	405

19. CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Bank balances	**51,204**	45,273
Cash and cash equivalents	**51,204**	45,273

Notes to the financial statements continued

20. LEASE OBLIGATIONS

(a) Liabilities

The balance sheet shows the following amounts relating to leases:

	2023 £'000	2022 £'000
Buildings	**4,283**	3,795
Vehicles	**590**	243
Lease obligations	**4,873**	4,038

No option exists to extend or terminate for the UK building leases; the Irish building lease may be terminated at any time with a three month notice period. Car leases have the option to extend or terminate as per the contracts.

(b) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2023 £'000	2022 £'000
Interest expense (included in Finance expense)	**216**	201
Expense relating to short-term leases (included in Administrative expenses)	**15**	18
Depreciation (included in Administrative expenses)	**1,189**	989

21. TRADE AND OTHER PAYABLES

	2023 £'000	2022 £'000
Trade payables	**715,399**	615,574
Amounts owed to Group undertakings	**1,373,546**	1,236,260
Accruals	**13,109**	11,880
Social security and other taxes	**1,127**	1,133
Other creditors	**580**	559
Total trade and other payables	**2,103,761**	1,865,406

Amounts owed to Company undertakings of £1,373.5 million (2022: £1,236.3 million) consists of £1,313.1 million owed to standalone special purpose vehicles, offset by the Securitisation Programme set-up fees of £3.6 million (2022: £3.2 million) which are amortised over the behavioural life and £62.4 million (2022: £52.0 million) owed to PCL Funding VII SL Limited. An intercompany balance of £1.0 million (2022: £1.0 million) was owed to Pomegranate Acquisitions Limited, which is interest-free and repayable on demand and an intercompany balance of £0.6 million (2022: £nil) was owed to Platinum Credit Holdco Limited.

Intercompany balances with special purpose vehicles 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.

22. PROVISIONS FOR LIABILITIES

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

	2023 £'000	2022 £'000
At 1 January	**1,885**	1,250
Additions to the income statement	**–**	635
Settlement during the year	**(1,500)**	–
Under provision from settlement	**115**	–
At 31 December	**500**	1,885

Building dilapidation

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

23. CALLED UP SHARE CAPITAL

	2023 £'000	2022 £'000
Allotted and fully paid		
10,000 Ordinary Shares (2022: 10,000) of £1 each	**10**	10
10,000 Ordinary Shares (2022: 10,000) of USD 0.01 each	**–**	–
Called up share capital	**10**	10

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

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 (2022: £1,000,000) in respect of each share held by them.
- There is no right to vote attached to these shares in 2023 or 2022.

24. OTHER RESERVES

	2023 £'000	2022 £'000
At 1 January	**1,570**	(698)
Foreign currency translation reserve	**(920)**	2,268
Share-based payments	**691**	–
At 31 December	**1,341**	1,570

25. DIVIDENDS

No dividend was paid or declared in 2023 and 2022 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 2023 a total of 413,707 (2022: 397,420) ordinary C shares of Platinum Credit Holdco Limited were held by Group employees. The ordinary C shares have a remaining expected term of 4 years. During the year the ultimate parent Company, Platinum Credit Topco Limited, acquired 22,803 (2022: 30,404) ordinary C shares which are held as a financial asset and allocated 39,090 to new subscribers.

Inputs into the option pricing model

The inputs into the option pricing model used to value the ordinary C shares are as follows:

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

27. CONTINGENT LIABILITIES AND COMMITMENTS

Capital commitments

Capital expenditure authorised and contracted for but not provided in the financial statements amounts to £0.1 million (2022: £0.1 million).

Notes to the financial statements continued

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.

2023	FVOCI £'000	FVTPL £'000	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**

2022	FVOCI £'000	FVTPL £'000	Amortised cost £'000	Total £'000
Assets				
Loans to customers	–	–	1,931,048	1,931,048
Amounts due from Group undertakings	–	–	229,663	229,663
Total financial assets	–	–	2,160,711	2,160,711
Liabilities				
Trade and other payables	–	–	1,866,128	1,866,128
Lease liabilities	–	–	4,038	4,038
Total financial liabilities	–	–	1,870,166	1,870,166

(b) Fair values

The approximate fair value at reporting date of Loans to customers is £2,155.6 million (2022: £1,905.7 million) and Trade and other payables is £2,102.8 million (2022: £1,866.1 million). For all other financial assets and financial liabilities recorded on the balance sheet the fair values is approximately equal to their carrying value.

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).

2023	Level 1 £'000	Level 2 £'000	Level 3 £'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	**–**	**257,328**	**2,191,752**	**2,449,080**
Liabilities				
Trade and other payables	**–**	**–**	**2,102,634**	**2,102,634**
Lease liabilities	**–**	**4,873**	**–**	**4,873**
Total financial liabilities	**–**	**4,873**	**2,102,634**	**2,107,507**

The fair value of the loans to customers at reporting date is approximately £4.7 million lower than carrying value (2022: £9.0 million lower), and the fair value of the funding loans at reporting date is approximately £0.2 million lower than carrying value (2022: £5.0 million lower).

28. FINANCIAL INSTRUMENTS continued

(b) Fair values continued

2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Loans to customers	–	–	1,931,048	1,931,048
Amounts due from Group undertakings	–	229,663	–	229,663
Total financial assets	–	229,663	1,931,048	2,160,711
Liabilities				
Trade and other payables	–	–	1,866,128	1,866,128
Lease liabilities	–	4,038	–	4,038
Total financial liabilities	–	4,038	1,866,128	1,870,166

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.

2023	Repayable on demand £'000	<1 year £'000	1–2 years £'000	2–5 years £'000	>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	**–**	**2,115,262**	**5,106**	**–**	**–**	**2,120,368**
Amounts due from Group undertakings	**257,328**	**–**	**–**	**–**	**–**	**257,328**
Total financial assets	**257,328**	**2,115,262**	**5,106**	**–**	**–**	**2,377,696**
Maturity gap	**256,324**	**11,877**	**3,380**	**(1,069)**	**–**	**270,512**

2022	Repayable on demand £'000	<1 year £'000	1–2 years £'000	2–5 years £'000	>5 years £'000	Total £'000
Financial liabilities						
Trade and other payables	1,000	1,865,128	–	–	–	1,866,128
Lease liabilities	–	1,432	1,091	2,076	–	4,599
Total financial liabilities	1,000	1,866,560	1,091	2,076	–	1,870,727
Financial assets						
Loans to customers	–	1,877,907	6,026	–	–	1,883,933
Amounts due from Group undertakings	229,663	–	–	–	–	229,663
Total financial assets	229,663	1,877,907	6,026	–	–	2,113,596
Maturity gap	228,663	11,347	4,935	(2,076)	–	242,869

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.

Notes to the financial statements continued

29. CAPITAL RESOURCES continued

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 macro-economic 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.

	2023 £'000	2022 £'000
Profit for the financial year	**56,160**	68,556
Divided by:		
Opening equity	**364,538**	293,714
Closing equity	**420,477**	364,538
Average equity	**392,508**	329,126
Return on equity	**14.3%**	20.8%

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 2023 and 31 December 2022 were as follows:

	Note	2023 £'000	2022 £'000
Debt			
Amounts owed to Company undertakings	21	**1,373,546**	1,236,260
Less: Cash	19	**(51,204)**	(45,273)
Net debt		**1,322,342**	1,190,987
Equity		**420,477**	364,538
Total net debt plus equity		**1,742,819**	1,555,525

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

During the year the Company had loans to Directors of £132,573, with interest payable at 2.25% per annum with total accrued interest of £233, for the purpose of acquiring shares in Platinum Credit Holdco Limited and Platinum Credit Topco Limited which remain outstanding at year end. (2022: £40,000, interest payable at 2.5% per annum, for the purpose of acquiring shares in Pomegranate Topco Limited. The loan and interest accrued was repaid 9 November 2022).

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 £1.7 million (2022: £1.4 million). At year-end, there were no outstanding or prepaid contributions (2022: £nil).

32. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Vendcrown Limited.

The ultimate parent undertaking at 31 December 2023 is Platinum Credit Topco Limited, a Company incorporated in Jersey. The largest Group in which the Company is consolidated is Platinum Credit Holdco Limited; the consolidated financial statements are available from Aztec Financial Services (Jersey) Limited, 11–15 Seaton Place, St Helier, Jersey, JE4 0QH. Platinum Credit Topco Limited Company is the largest company of undertakings for which company 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 (Pomegranate Acquisitions Limited, Pomegranate Topco Limited and Platinum Credit Bidco Limited) are all 100% owned subsidiaries of the ultimate parent undertaking.

32. ULTIMATE PARENT UNDERTAKING continued

The ultimate controlling party changed on 9 November 2022 and 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. (2021: the Fifth Cinven Fund which is managed by Cinven Capital Management (V) General Partner Limited).

The Platinum Credit Holdco Limited Company is the smallest company of undertakings for which Company financial statements are drawn up and of which the Company is a member. The consolidated financial statements of Platinum Credit Holdco Limited are available from Ermyn House, Ermyn Way, Leatherhead, KT22 8UX, England.

33. POST BALANCE SHEET EVENTS

There were no post balance sheet events.

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