Registered number: 07798925

iwoca Limited

Annual Report and Financial Statements
For the Year Ended 31 December 2024

Officers and independent auditors

Directors	C Rieche J Dear J Schneider F Seehaus P Welten (resigned on 31 January 2025) T Levene M Suri (appointed on 31 January 2025)
Company registration number	07798925 (England and Wales)
Registered office	10 Queen Street Place London EC4R 1AG
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

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The Directors present the strategic report of iwoca Limited (the "Company") and its subsidiaries (together the "Group" or "iwoca") for the year ended 31 December 2024.

Principal activities, business review and future developments

Imagine a world where every small business has the power to thrive. That's the world we're building at iwoca.

Small businesses aren't just statistics – they're the heartbeat of our communities, the character of our high streets, and the engine of our economy. Since 2012, we've revolutionised how these businesses access finance, turning what was once a lengthy, frustrating process into something remarkable: funding that's fast, flexible, and actually works for modern businesses.

Our impact speaks for itself: we've provided billions in funding to over 70,000 businesses across the United Kingdom and Germany, making us one of the continent's leading fintech innovators. But we're just getting started. Our mission? To empower one million businesses with the financial tools they deserve.

We combine cutting-edge technology and data science with genuine human understanding to make finance feel less like a barrier and more like a superpower. Whether it's managing cash flow or seizing unexpected opportunities, we ensure businesses get the funds they need – often within minutes.

The Company, a private limited company, limited by shares, was incorporated on 5 October 2011 in the United Kingdom and registered in England and Wales under the Companies Act 2006. The Company also acts as the holding company for the Group. The Directors envisage no changes to the nature of the Company's business in the foreseeable future.

Results

The consolidated statement of comprehensive income is set out on page 13 and shows the profit for the year (2023: profit).

Annual financial highlights and key performance indicators

The Group's key performance indicators are as follows:

Origination - iwoca originated over £952m in loans to SMEs in 2024 (2023: £627m), an increase of 52% (2023: 82%);
Revenue - revenue during the year amounted to £234.2m (2023: £142.6m), an increase of 64% (2023: 82%);
Results - the Group made a total comprehensive gain of £44.1m during the year (2023: £24.1m)

In order to support this growth, the Group raised over £511m (2023: £230m) as part of its financing facilities. The Group has raised a further £290m in financing following the balance sheet date.

The Group's performance across the above indicators was in line with expectations.

s172 reporting

The Directors have acted in good faith and in a manner they consider would be most likely to promote the success of the Company and the Group for the benefit of its members as a whole (having regard to the stakeholders, being customers, employees and investors, and matters set out in s172 of the Companies Act 2006) in the decisions taken during the year ended 31 December 2024.

Specific stress scenarios have been tested to assess the resilience of the Company to adverse economic developments and to ensure there are robust forward-looking planning processes for the risks facing the Group. The stress testing process is overseen by the Risk Committee. It considers a wide range of events and how those may affect all the Group's stakeholders.

Principal and financial risk management

The principal risks and uncertainties faced by the Group are reviewed below. See note 18 for a more detailed explanation.

Credit risk
Credit risk reflects the risk that the underlying borrowers or other transaction parties will not meet their obligations as they fall due.

Changes in the Bank of England base rate and the European Central Bank interest rates, have impacted cost of living and could impact affordability of borrowers. These risk factors would manifest as a failure of the Group to manage the risks involved when advancing loans to SMEs.

The Group seeks to manage these risks by employing a range of credit assessment checks on all applicants together with ongoing reviews and the assessment of credit performance of the Group's loans to SMEs.

In the case of loans issued under the Coronavirus Business Interruption Loan Scheme ("CBILS") and the Recovery Loan Scheme ("RLS"), if a borrower were to default, the Secretary of State for Business, Energy and Industrial Strategy (the "Guarantor") will fund a portion of the guaranteed balance through the British Business Bank.

Fraud risk
Fraud risk reflects the risk that the Group is exposed to deceptive or dishonest actions by the underlying borrowers or other transaction parties, such as identity fraud, resulting in financial loss.

The Group has a range of controls and checks in place, and resources, including employees, allocated to preventing fraud at every stage of the application process.

Liquidity risk
Liquidity risk reflects the risk that the Group may encounter difficulty in meeting its obligations associated with its financial liabilities. The Group manages this risk by diversifying its funding base, regularly reviewing its upcoming contractual payments and ensuring commitments are sufficient to support the Group's growth plans. Financing facilities are secured and structured with payments and distributions made in accordance with a prescribed waterfall based on cash receipts. The level of recourse varies by financing facility, where the recourse is limited, payments are intrinsically linked with receipts, which therefore mitigates the risk.

Regulatory risk
The Company has been regulated by the FCA since 1 April 2014 when the FCA took responsibility for the regulation of consumer credit from the Office of Fair Trading. During the prior year, the Company applied to the FCA to cancel its permissions to conduct a consumer credit business, the application was approved in October 2024. The Company remains registered with the FCA as an Account Information Service Provider which allows iwoca to participate in Open Banking. The Company is also supervised by the FCA as an Annex 1 Financial Institution under the Money Laundering Regulations.

In May 2020 iwoca was accredited for the CBILS and in October 2021 for the RLS. The Group continues to maintain compliance with the terms set by the British Business Bank for the origination of these loans and therefore continues to benefit from the government guarantee on defaulted loans under these schemes.

Redline Capital owns a minority shareholding and convertible bonds in iwoca Limited. On 12 April 2023, these holdings became subject to an asset freeze as a result of sanctions imposed by the UK government. iwoca has implemented controls and procedures to ensure these assets are frozen and that relevant legislation is complied with.

iwoca SCSp SICAV-SIF ("the SIF"), a subsidiary of iwoca Limited, is authorised under Luxembourg law as a Special Investment Fund. iwoca Limited acts as Investment Advisor to the fund and has registered status with the Commission de surveillance du secteur financier ("CSSF").

The Directors maintain compliance by regularly reviewing systems, controls and procedures in place against best practice and employing external consultants and experts to monitor, review and assess the Group's reporting and practices against the requirements of the regulatory background.

Technological risk
There is a risk that the Group may face threats to its ability to trade and, or to its reputation through a failure to maintain its technology and defend operating systems, for example from a cyber-attack, an internal error, or failure of third-party providers. The Directors address this risk by implementing a system of controls, security software and upgrades which is constantly reviewed for effectiveness.

Operational risk
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Operational risk includes business process, people, information security, technology infrastructure and third-party risks. The Group manages this risk through effective controls and reliable processes, which prevent unanticipated operational risk losses.

Principal and financial risk management *(continued)*

Operational risk (continued)

The Directors address this risk through periodic review of management information i.e. the Group's financial position, capital adequacy and compliance with the rules and regulations to which the Group is subject.

The Directors are responsible for designing and implementing appropriate risk management practices and internal control systems and for evaluating their effectiveness on an ongoing basis. The Directors are satisfied that the Group's internal control framework is appropriate and is operating effectively in order to ensure financial information and reporting is accurate. Effective risk management practices have been implemented by the Group in relation to achieving the financial reporting objectives.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is exposed to currency and interest rate risk:

- Currency risk: A proportion of the Group's income, costs, assets and liabilities are denominated in foreign currencies. There is a risk that adverse movement in the exchange rates could result in losses. The Group, where possible, matches foreign currency assets and liabilities so that the net impact of any foreign exchange movement is minimised. In order to further manage this risk, the Group reviews current and expected exchange rates to assess their impact.

- Interest rate risk: A portion of the Group's debt facilities are variable rate. There is a risk that increases in base rate could reduce the profitability of the Group. During the year, one of the Group's subsidiaries implemented an economic hedging strategy via amortising swaps in order to hedge the risk of volatility in SONIA rates. A further subsidiary has implemented a similar strategy since the balance sheet date. Whilst we regularly adapt and improve pricing, the Group has not unilaterally changed pricing in response to base rate changes or specifically this risk. The Group would carefully consider whether such changes should be passed on to customers or if the Group would absorb any associated change in costs.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to the shareholders and benefits for other stakeholders. The capital structure is shown on the consolidated balance sheet. The risks associated with the Group's funding facilities and associated covenants materially determine the risks facing the Group, namely, credit risk, liquidity risk, regulatory risk, technological risk, market risk and emerging risks. As such the Directors manage the risks associated with funding facilities alongside the relevant associated risk. The Company is not subject to specific external imposed capital requirements but must maintain sufficient capital to fund its operations.

During the year and since the balance sheet date the Company returned capital to shareholders via a share purchase by the iwoca Employee Benefit Trust (the "EBT"). The Company approved a gift of £14.5m to the EBT for the purchase of shares to be held by the EBT for the future benefit of employees. £5.4m was distributed prior to the balance sheet date and £9.1m thereafter. The Company considered its distributable reserves and the Group's working capital requirements along with expected future cashflows when determining the maximum return to shareholders to ensure it maintained sufficient capital to fund the Group's current and future operations.

Emerging risks

The Directors continue to closely monitor the impact of changes in the Bank of England base rate, the Central European Bank interest rates and the current uncertainty over international trade and tariffs, on the Group's customers, operations, people and financial strength. The Directors consider the Group's approach and procedures in response to these risks to be sufficient to respond appropriately.

Climate risks

The Directors consider the potential impacts of climate-related risks and integrate climate considerations into the strategic planning and decision-making processes, focusing on areas such as energy efficiency and resource management. Further, the Group are exploring opportunities to transition to a low-carbon economy and contribute to a more sustainable future.

This report was approved by the Board on 30 April 2025 and signed on its behalf.

C Rieche
Director

The Directors present the report and the audited consolidated financial statements of iwoca Limited and the Group for the year ended 31 December 2024.

Going concern of the Company and the Group

The Directors consider it appropriate to prepare the financial statements on a going concern basis. To reach this conclusion, the Directors have carried out scenario analysis considering plausible threats to this assertion. The Directors consider the Group to have entered 2025 well-funded, having raised over £511m in debt during the year and an additional £290m since the balance sheet date. The Directors continue to closely monitor the impact of changes in the Bank of England base rate, the European Central Bank interest rate and the current uncertainty over international trade and tariffs, on the Group's customers, operations, people and financial strength.

The Directors believe SMEs in the United Kingdom and Germany are under-served for credit products and will continue to aim to meet this unmet demand.

The assessment of the Company's going concern and description of the analysis performed is described in the going concern note 2.3 under Accounting Policies.

Future developments

An assessment of the Group's future developments is described in the strategic report under the principal activities, business review and future developments heading.

Financial risk management

Information on financial risk management is included in the principal and financial risk management section of the strategic report.

Directors and qualifying third-party indemnity

A qualifying third-party indemnity provision made by the Group was in force for the benefit of the Directors during the financial year and remains in force as at the date of signing the financial statements. The Directors of the Company who served during the year, and up to the date of signing the financial statements, were:

C Rieche
J Dear
J Schneider
F Seehaus
P Welten (resigned on 31 January 2025)
T Levene
M Suri (appointed on 31 January 2025)

Dividends

The Directors do not recommend the payment of a dividend (2023: £nil).

Charitable donations

During the year the Company made £1,564 of charitable donations (2023: £3,932).

Research and development activities (R&D)

Each year the Group incurs significant staff salary costs in the further development of its software systems. For the year ended 31 December 2024 a proportion of such development costs, amounting to £4.5m (2023: £4.6m), were capitalised and amortised through the statement of comprehensive income. See note 2.5 for a more detailed explanation. Total development costs expensed through the statement of comprehensive income were £4.7m (2023: £3.3m).

Streamlined Energy & Carbon Reporting (SECR)

In accordance with the mandatory Streamlined Energy and Carbon Reporting regulation introduced by the UK Government, with effect from 1 April 2019, the Group is obliged to report its UK energy use and associated greenhouse gas emissions.

The largest environmental impact from the Group's direct operations comes from energy used in its offices and from business travel.

Streamlined Energy & Carbon Reporting (SECR) ***(continued)***

The table below discloses the Group's energy use:

	2024	Restated 2023
Total Scope 1 emissions (tCO_2e)	2.9	9.6
Total Scope 2 emissions (tCO_2e)	1.7	4.4
Total Scope 3 emissions (tCO_2e)	287.3	287.4
Energy consumption Amount (kWh)	151,753	180,795

In the financial year covered by the report, the Group purchased 133,577 kWh (2023: 122,014 kWh) of renewable electricity, this is included in the energy consumption above. In 2024, the Group offset its entire carbon emissions to achieve carbon neutral status by purchasing 292 tonnes of $CO2$.

Methodology Applied

The chosen methodology that has been used for accounting and reporting iwoca's emissions is the Greenhouse Gas Protocol Corporate Standard. The scope of iwoca's measurements has also been completed in line with Science Based Targets initiative requirements.

Prior year emissions for Scope 2 and 3 have been restated from location-based emissions to market-based emissions, as management have determined these to be a more accurate metric for reporting. Location-based emissions are based on the average carbon intensity of the electricity grid in the Company's location, regardless of its purchasing choices, whilst market-based emissions reflect the emissions linked to the electricity the individual Company has purchased.

iwoca's approach to reducing environmental impact is to measure, reduce and offset its greenhouse gas emissions. This forms the basis of iwoca's net zero commitment made via Tech Zero ( ) in December 2022 which has been assessed and reported on in 2024 and includes the following commitments:

- Annually measure and publish all greenhouse gas emissions;
- Publish net zero action plan on iwoca's website;
- Appoint a member of iwoca's executive team to be responsible and accountable for the net zero target;
- Communicate climate commitments in other meaningful ways, including to customers; and
- Annually report progress on short and medium term targets on iwoca's website.

The Group's energy use calculation for 2024 was audited by a third party, Carbon Footprint Ltd. The audit is completed to a verification standard of ISO 14064-3:2019. This is done to ensure our calculations are completed to a high standard and level of accuracy. Carbon Footprint Ltd determined that the emissions statement was materially correct and confirmed the statement had been prepared in accordance with the Greenhouse Gas Protocol Corporate Standard.

Employees

The Group is committed to attracting, developing and retaining a team of high performers who truly love being part of iwoca. The Group strongly believes in the value of diversity of thought which stems from employing staff from across the world and all backgrounds. Information about company performance is shared through monthly townhalls and team meetings, and since Covid, there's been a significant increase in the volume and quality of information being shared among employees via internal communication tools.

The Group cares about equality and strives to avoid discriminating unfairly, especially based on protected characteristics such as gender, ethnicity, age etc. The Group is committed to fostering an inclusive and supportive workplace where all employees, including those with physical or mental disabilities, are treated fairly and with respect. We strive to provide fair opportunities for recruitment, employment, and career advancement, ensuring a level playing field for everyone. Our ongoing efforts include:

- Ensuring that our recruitment process is accessible and inclusive - making reasonable adjustments where needed;
- Continuing our work to reduce any bias in our selection process including embedding standardised interview processes and ensuring blind interview feedback submissions;
- Providing equal access to training and development programs; and
- Calibrating pay and performance decisions to ensure some independent review and reduce any potential bias.

In order to monitor staff engagement levels and to learn from staff around how iwoca is faring on issues such as diversity and inclusion, the Company has various tools, such as regular anonymous surveys, through which insights are gleaned, and action plans are developed and shared.

Post balance sheet events

Since the year end iwoca Ozone Limited has refinanced its debt with total commitments of £80m. The facility has a two year revolving period and a final maturity of four years from date of closing.

The Company refinanced its working capital facility with total commitments of £20m, a three year term and a floating charge against the Company's assets.

The Company signed a new five year operating lease, commencing on 14 March 2025, with a reduced rent for the first 19 months and annual rent payable of £1.7m.

The Company gifted £9.1m to the EBT, in addition to the £5.4m that was gifted prior to the balance sheet date, for the purchase of shares from shareholders. A description of the transaction is provided in the strategic report under the Capital Management heading.

The Directors continue to monitor risks, including inflation and its impact on the cost of living, the impact of changes to the Bank of England base rate and the Central European Bank interest rate and the current uncertainty over international trade and tariffs, on customers.

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 Group and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Group and Company and of the profit or loss of the Group 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 102 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 Group and Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and 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 Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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 Group's and 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 Group's and Company's auditors are aware of that information.

This report was approved by the Board on 30 April 2025 and signed on its behalf.

C Rieche
Director

Independent auditors' report to the members of iwoca Limited

Report on the audit of the financial statements

Opinion

In our opinion, iwoca Limited's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Consolidated and Company balance sheets as at 31 December 2024; the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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 group 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.

Our audit approach

Overview

Audit scope

- The scope of our audit and the nature, timing and extent of our audit procedures performed were determined by our risk assessment and other qualitative factors.
- We tailored the scope of our audit to ensure that we performed sufficient work to enable us to opine on the financial statements. Our audit included full scope audits of the UK components. We also performed specified procedures in respect of the European components.
- We identified all material classes of transactions, account balances and disclosures, including those that were considered qualitatively material, and conducted our work over those accordingly.

Key audit matters

- Impairment provisions for loans and advances (group and parent)
- Accounting for Share Buy-back (group and parent)
- Accounting for new funding structures (group and parent)

Materiality

- Overall group materiality: £1,537,626 (2023: £1,426,186) based on 5% of average group profit before tax from continuing operation (2023: 1% of total group revenue).

- Overall parent company materiality: £1,383,863 (2023: £950,886) based on 5% of average company profit before tax from continuing operation (2023: 1% of total company revenue).
- Performance materiality: £1,153,219 (2023: £1,069,640) (group) and £1,037,897 (2023: £713,165) (parent company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Accounting for Share Buy-back and Accounting for new funding structures are new key audit matters this year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impairment provisions for loans and advances (group and parent) The risk of a material misstatement in the impairment provisions for loans and advances is considered to be a significant risk because of the level of judgement and estimation uncertainty required in assessing loan loss provisions. The risk relates to the key assumptions around the point at which a loss event is considered to have occurred and the percentage loss applied. We note that as the group and the company report under UK GAAP (FRS 102, with IAS 39), provisioning is on an incurred loss basis. Loan impairment provisions are estimated on an individual basis at a point at which objective evidence is observed. The group and company adopt an approach primarily based on the number of days overdue, with differing loss rates then being applied depending on the borrower's specific circumstances. In addition to this, an incurred but not recognised provision is recognised to account for loss events which may have occurred in the loans. Refer to Note 2 (accounting policies); Note 3 (Critical accounting judgements and estimates); and Note 18 (Financial Instruments) for management's disclosure.	The following work was undertaken by us as part of the audit: • We updated our understanding of and evaluated the design and implementation of relevant controls; • We updated our understanding and assessed the appropriateness of management's impairment policy in relation to the identification of loss events, including the definition of default and loss rates applied to the loans and advances; • We independently recalculated management's provision; We calculated an independent range for the impairment provision using the historical default rates and considering the performance of the loans and advances up to 31 March 2025 and compared this to management's point estimate; and • We reviewed management's disclosure and sensitivities for consistency for FRS 102.
Accounting for Share Buy-back (group and parent) During the year, the directors of the company passed a resolution to return approximately £15 million to shareholders through the purchase of shares by the Employee Benefit Trust ("EBT"), funded by a gift from the Company (the "transaction"). Given that it was a one-off complex transaction, we considered this to inherently be a significant risk in our audit and therefore a key audit matter. Refer to Note 2 (accounting policies) for management's disclosure.	The following work was undertaken by us as part of the audit: • We reviewed the key documents (such as board meeting minutes and letter of the recommendation) to understand the transaction; • We reviewed the accounting assessment prepared by management and critically assessed the accounting treatment adopted;

	• We reached an independent conclusion on the appropriateness of the accounting for the transaction. This included consideration of the control over the EBT, assessment of accounting in the standalone financial statements of the company and the consolidation adjustments; • We tested the amounts paid to the shareholders from the bank statements of the company; and • We Assessed the appropriateness of the disclosures in the financial statements of the group.
Accounting for new funding structures (group and parent) During the year the group entered into two securitisation transactions in order to obtain external funding secured against loan portfolios. As a result, two new structured vehicles were created - iwoca Tetra limited and iwoca SV SA Compartment Monte Rosa (each the "Issuer" and together the "Issuers"). The transactions involved iwoca Limited and SCSp SICAV-SIF acting on behalf of Compartment 3 (each the "Seller" and together the "Sellers") transferring the beneficial title of the loans to the Issuers. The directors concluded that in each case the sale did not meet the derecognition criteria, due to the provision of subordinated debt by the Sellers and their ongoing entitlement to residual returns in the form of deferred consideration, and that the Issuers were controlled and therefore should be consolidated by the group. The accounting for structured transactions involving special purpose vehicles, is highly judgemental and specific to the individual structure, with small differences in terms or the structural attributes potentially leading to significant differences in accounting. Therefore, we considered this to inherently be a significant risk in our audit and therefore a key audit matter. Refer to Note 3 (Critical accounting estimates and judgements) for management's disclosure.	The following work was undertaken by us as part of the audit: • We reviewed the terms of the transactions, as set out in the transaction documents, against the derecognition, classification and measurement criteria of IAS 39, in order to validate the appropriateness of management's conclusions regarding the group controlling and therefore consolidating the Issuers and not achieving derecognition as a result of the transactions; and • We Assessed the appropriateness of the disclosures in the financial statements in accordance with FRS 102.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

We performed walkthroughs of key business processes, which helped us to assess the level of inherent audit risk, as well as to evaluate the design effectiveness of the controls. This allowed us to appropriately consider and design the nature, timing and extent of our audit procedures to be responsive to the group's risks.

We undertook a scoping exercise to ensure sufficient, appropriate audit evidence would be obtained for each material class of transactions, account balance and disclosure. We used data-driven audit techniques to obtain our audit evidence on key account balances such as interest income and loans and advances. The data inputs and underlying calculations were validated for completeness and accuracy before our data driven testing was performed.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and parent company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and parent company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	**Financial statements - parent company**
Overall materiality	£1,537,626 (2023: £1,426,186).	£1,383,863 (2023: £950,886).
How we determined it	5% of average group profit before tax from continuing operation (2023: 1% of total group revenue)	5% of average company profit before tax from continuing operation (2023: 1% of total company revenue)
Rationale for benchmark applied	Given the group is now past its initial growth phase, we consider average profit before tax to be a more appropriate benchmark for the current year's materiality in place of the revenue benchmark used in the prior year.	Given the company is now past its initial growth phase, we consider average profit before tax to be a more appropriate benchmark for the current year's materiality in place of the revenue benchmark used in the prior year.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £1,383,863 - £4,894. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £1,153,219 (2023: £1,069,640) for the group financial statements and £1,037,897 (2023: £713,165) for the parent company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £76,881 (group audit) (2023: £71,309) and £69,193 (parent company audit) (2023: £47,544) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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 group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Director's Report

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

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the listing requirements under which certain of the group's funding facilities were issued or of the transaction documents governing the group's funding facilities, 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 Companies Act 2006. 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 the posting of inappropriate journal entries. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management, and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulation and fraud;
- Consideration of key assumptions used in the calculation of manual revenue adjustments for evidence of management bias;
- Testing key estimates and consideration of any evidence of management bias;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or other higher risk factors; and
- Testing any unusual or one-off transactions.

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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the parent 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andrew Batty (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 April 2025

Consolidated statement of comprehensive income for the year ended 31 December 2024

	Note	2024 £000	2023 £000
Revenue	4	234,160	142,584
Cost of sales		(56,432)	(27,651)
Gross profit		**177,728**	**114,933**
Other operating expenses		(204)	(54)
Administrative expenses		(62,537)	(47,746)
Operating profit	5	**114,987**	**67,133**
Interest receivable and similar income		1,111	239
Interest payable and similar expenses	9	(56,965)	(45,588)
Profit before taxation		**59,133**	**21,784**
Tax on profit	10	(14,670)	2,428
Profit for the financial year		**44,463**	**24,212**
Currency translation differences	20	(393)	(126)
Other comprehensive expense for the year		**(393)**	**(126)**
Total comprehensive income for the year		**44,070**	**24,086**

The accompanying notes on pages 19 to 42 are an integral part of these financial statements.

Consolidated balance sheet as at 31 December 2024

	Note	31 December 2024 £000	31 December 2023 £000
Fixed assets			
Intangible assets	12	4,356	4,287
Tangible assets	13	233	190
		4,589	**4,477**
Current assets			
Debtors: amounts falling due after more than one year	15	71,668	103,079
Debtors: amounts falling due within one year	15	618,961	421,041
Cash and cash equivalents	16	83,284	54,630
		773,913	**578,750**
Creditors: amounts falling due within one year	17	(210,069)	(68,690)
Net current assets		**563,844**	**510,060**
Total assets less current liabilities		**568,433**	**514,537**
Creditors: amounts falling due after more than one year	17	(473,747)	(459,561)
Net assets		**94,686**	**54,976**
Capital and reserves			
Called up share capital	19	-	-
Share premium account	20	57,645	57,589
Other reserves	20	1,696	1,696
Employee share ownership plan ("ESOP") share reserve	20	4,048	3,139
Foreign currency translation reserve	20	683	1,076
Profit and loss account	20	30,614	(8,524)
Total shareholders' funds		**94,686**	**54,976**

The accompanying notes on pages 19 to 42 are an integral part of these financial statements.

The financial statements on pages 13 to 42 were approved by the Board of Directors on 30 April 2025 and signed on its behalf by

C Rieche
Director

Company balance sheet as at 31 December 2024

	Note	31 December 2024 £000	31 December 2023 £000
Fixed assets			
Intangible assets	12	4,356	4,287
Tangible assets	13	233	190
Investments	14	131	154
		4,720	**4,631**
Current assets			
Debtors: amounts falling due after more than one year	15	33,963	39,289
Debtors: amounts falling due within one year	15	538,240	328,641
Cash and cash equivalents	16	28,076	15,811
		600,279	**383,741**
Creditors: amounts falling due within one year	17	(377,949)	(242,821)
Net current assets		**222,330**	**140,920**
Total assets less current liabilities		**227,050**	**145,551**
Creditors: amounts falling due after more than one year	17	(126,339)	(82,694)
Net assets		**100,711**	**62,857**
Capital and reserves			
Called up share capital	19	-	-
Share premium account	20	57,645	57,589
Other reserves	20	1,696	1,696
Employee share ownership plan ("ESOP") share reserve	20	4,048	3,139
Foreign currency translation reserve	20	(68)	(68)
Profit and loss account	20	37,390	501
Total shareholders' funds		**100,711**	**62,857**

The accompanying notes on pages 19 to 42 are an integral part of these financial statements.

The Company's total comprehensive income for the year was £42,214k (2023: £22,043k) compared to a Group total comprehensive income of £44,070k (2023: £24,086k).

The financial statements on pages 13 to 42 were approved by the Board of Directors on 30 April 2025 and signed on its behalf by

C Rieche
Director

Consolidated statement of changes in equity for the year ended 31 December 2024

	Note	Called up share capital	Other reserves	Share premium account	ESOP share reserve	Profit and loss account	Foreign currency translation reserve	Total equity
		£000	£000	£000	£000	£000	£000	£000
Balance at 1 January 2023		-	-	57,567	2,191	(32,736)	1,202	28,224
Profit for the year		-	-	-	-	24,212	-	24,212
Currency translation differences		-	-	-	-	-	(126)	(126)
Total comprehensive income for the year		-	-	-	-	24,212	(126)	24,086
Other reserves	20	-	1,696	-	-	-	-	1,696
Shares issued during the year (net of issue costs)	19	-	-	22	-	-	-	22
Share based payment charge	21	-	-	-	948	-	-	948
Balance at 31 December 2023		-	1,696	57,589	3,139	(8,524)	1,076	54,976
Profit for the year		-	-	-	-	44,463	-	44,463
Currency translation differences		-	-	-	-	-	(393)	(393)
Total comprehensive income for the year		-	-	-	-	44,463	(393)	44,070
Other reserves		-	-	-	-	-	-	-
Shares acquired by EBT	20	-	-	-	-	(5,325)	-	(5,325)
Shares issued during the year (net of issue costs)	19	-	-	56	-	-	-	56
Share based payment charge	21	-	-	-	909	-	-	909
Balance at 31 December 2024		-	1,696	57,645	4,048	30,614	683	94,686

The accompanying notes on pages 19 to 42 are an integral part of these financial statements.

iwoca Limited

Company statement of changes in equity for the year ended 31 December 2024

	Note	Called up share capital	Other reserves	Share premium account	ESOP share reserve	Profit and loss account	Foreign currency translation reserve	Total equity
		£000	£000	£000	£000	£000	£000	£000
Balance at 1 January 2023		-	-	57,567	2,191	(21,542)	(68)	38,148
Profit for the year		-	-	-	-	22,043	-	22,043
Currency translation differences		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	22,043	-	22,043
Other reserves	20	-	1,696	-	-	-	-	1,696
Share premium account	19	-	-	22	-	-	-	22
Share based payment charge	21	-	-	-	948	-	-	948
Balance at 31 December 2023		-	1,696	57,589	3,139	501	(68)	62,857
Profit for the year		-	-	-	-	42,214	-	42,214
Currency translation differences		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	42,214	-	42,214
Other reserves		-	-	-	-	-	-	-
Cash gift to EBT	20	-	-	-	-	(5,325)	-	(5,325)
Share premium account	19	-	-	56	-	-	-	56
Share based payment charge	21	-	-	-	909	-	-	909
Balance at 31 December 2024		-	1,696	57,645	4,048	37,390	(68)	100,711

The accompanying notes on pages 19 to 42 are an integral part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2024

	Note	2024	2023
		£000	£000
Cash flows from operating activities			
Profit for the financial year		44,463	24,212
Adjustments for:			
Depreciation of tangible assets	13	155	128
Amortisation of intangible assets	12	4,429	3,103
Provisions	17	40	17
Unrealised foreign exchange gain		(393)	(126)
Loss / (gain) on sale of tangible assets		1	(2)
Gain on refinancing	9	-	(2,200)
Interest payable and similar expenses	9	56,965	47,788
Net movement in R&D tax	10	-	1,214
Decrease / (increase) in deferred tax asset	15	5,646	(4,816)
Increase in debtors	15	(171,348)	(122,985)
Increase in creditors	17	3,492	2,398
Corporation tax charge	10	9,024	1,174
Corporation tax paid	15, 17	(11,013)	(43)
Share option charge	21	909	948
Net cash (used in) operating activities		**(57,630)**	**(49,190)**
Cash flows from investing activities			
Purchase of tangible fixed assets	13	(200)	(74)
Purchase of intangible assets	12	(4,498)	(4,611)
Sale of tangible fixed assets		1	2
Net cash used in investing activities		**(4,697)**	**(4,683)**
Cash flows from financing activities			
Issue of ordinary shares	19	56	22
Shares acquired by EBT	20	(5,325)	-
Drawdowns on funding facilities	17	263,264	202,059
Repayments on funding facilities	17	(120,601)	(102,027)
Interest paid	9	(46,413)	(31,539)
Net cash generated from financing activities		**90,981**	**68,515**
Net increase in cash and cash equivalents		28,654	14,642
Cash and cash equivalents at beginning of year	16	54,630	39,988
Cash and cash equivalents at the end of year		**83,284**	**54,630**

The accompanying notes on pages 19 to 42 are an integral part of these financial statements.

1. General information

iwoca Limited (the "Company", together with its subsidiaries, the "Group") is a private company incorporated United Kingdom and registered in England and Wales on 5 October 2011. The Company's registered office is 10 Queen Street Place, London EC4R 1AG. The Company's principal place of business is 101 New Cavendish Street, London W1W 6XH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, modified for the valuation of certain financial instruments, as explained below, and in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Company has adopted and is in compliance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company 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.

As permitted by Section 408 of the Companies Act 2006, no separate statement of comprehensive income is presented in respect of the parent Company. The Company has taken advantage of the exemption from the requirement to prepare a statement of cashflows as required by paragraph 3.17(d) FRS 102 for the parent company. In accordance with Section 11 of Financial Reporting Standard FRS 102, the provisions of IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") have been adopted in full with respect to the recognition and measurement of financial instruments. The accounting policies which will be applied consistently (unless otherwise stated) in dealing with the items which are considered material in relation to the Company and Group's financial statements are set out below.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group, the Company and its subsidiaries and special purpose entities (see note 14). Intercompany transactions and balances between Group companies are therefore eliminated in full. Subsidiaries are all entities over which the Group has control. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. Control also exists when the parent owns half or less of the voting power of an entity but it has the power to govern the financial and operating policies of an entity, so as to obtain benefits from its activities. In addition, the Group is considered to control a special purpose entity where: (i) the activities of the entity are being conducted on behalf of the Group according to its specific business needs, (ii) the Group has the ultimate decision-making powers over the activities of the entity even if the day-to-day decisions have been delegated, (iii) the Group has rights to obtain the majority of the benefits of the entity and therefore may be exposed to risks incidental to the activities of the entity and (iv) the Group retains the majority of the residual or ownership risks related to the entity or its assets. Subsidiaries and special purpose entities are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

As at 31 December 2024 the EBT was consolidated on the basis that the Company has ultimate decision-making powers over the activities of the entity (within the limitations of the trust deed). Assets and liabilities of the EBT are included on the Group balance sheet and the shares held by the EBT are presented as a deduction from equity. The EBT has not been consolidated in previous years on the basis of materiality.

2.3 Going concern

The Directors have considered the appropriateness of the preparation of these financial statements on a going concern basis. Based on the analysis carried out, the Directors have concluded it appropriate to prepare the financial statements on a going concern basis. In order to reach this conclusion, the Directors have prepared a cash flow forecast and Board-approved budget for a period of more than 12 months from the date of the approval of these financial statements taking into account future trading scenarios. The primary variation from forecast considered by the Directors was a plausible downside scenario that included a deterioration in a number of economic drivers for the Group. The material assumptions of the scenario are as follows:

- Reduced issuance of existing products to new customers in 2025 and 2026 and;
- An increase in credit risk

In this scenario, the Directors' analysis continued to show sufficient cash generation to enable the Group and Company to continue as a going concern. The Directors consider this scenario to be unlikely, which gives the Directors confidence in concluding that the Group and Company is a going concern. The Directors plan to continue to develop the Group's business and products. The Directors expect to continue to have good access to private and public debt markets and aim to continue to meet SME demand for the Group's products.

2. Accounting policies *(continued)*

2.4 Revenue

Interest income on loans
Interest income from the loans provided to the Group's customers is recognised on an effective interest rate basis over the expected life of the loan.

Fee income on loans
Fee income from loans is recognised on an effective interest rate basis over the expected life of the loan. Where a loan includes elements of both interest and fee income or there are related directly attributable expenses, all such cashflows are considered to arrive at the effective interest rate on which to recognise revenue. Recharges of legal costs and similar fees to customers are recognised as revenue in the period in which the fee is contractually due to the Group.

2.5 Intangible assets

Intangible assets (including those which are internally generated) are initially recognised when they are separable or arise from contractual or other legal rights, where it is probable that future economic benefits attributable to the assets will flow from their use and the cost can be measured reliably. The cost of internally generated assets only includes employee costs that meet the recognition criteria and to the extent that they are directly attributable to the development of the identified asset (indirect and general overhead costs are excluded).

Internally generated assets are amortised from the date which they become available for use. Intangible assets are stated at cost less accumulated amortisation and provisions for impairment, if any, and are amortised over their useful lives, which is 2 years. The useful life is based on the expectation of use of the software by the Group in its current form taking into account the ever-evolving technological landscape. Amortisation is recognised in administrative expenses in the statement of comprehensive income. The carrying value of intangible assets are reviewed when there are indications that impairment may have occurred by calculation of the recoverable amount. Impairment losses and reversal of impairment are recognised in the statement of comprehensive income.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Repairs and maintenance are charged to profit or loss during the period in which they are incurred. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

Fixtures and fittings	- Over 3 years
Office equipment	- Over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.7 Investments

Investments are stated at cost less any provisions for impairment. Where the recoverable amount of the investment is less than the carrying amount, impairment is recognised. Investments in subsidiaries are stated at cost less impairment. Where appropriate, provisions for impairment are recognised (see note 14 for further details).

2.8 Financial instruments

In accordance with Section 11 of Financial Reporting Standard FRS 102, the provisions of IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") have been adopted in full with respect to the recognition and measurement of financial instruments.

Financial assets and liabilities are recognised on the balance sheet when the Group becomes party to the contractual provisions of the instrument and are de-recognised on the date it ceases to be a party, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction such that substantially all the risks and rewards of ownership of the financial asset are transferred. The Group enters into financial instrument transactions during its normal course of business. These include loans provided to customers, other debtors and receivables, derivative financial instruments, funding facilities and trade creditors.

2. Accounting policies *(continued)*

2.8 Financial instruments *(continued)*

Financial assets and liabilities, other than the convertible bonds and the derivative financial instruments, are measured at amortised cost. Short-term receivables/debtors with no stated interest rate are measured at the original invoice amount where effects of discounting is immaterial. The convertible bonds and derivative financial instruments are measured at fair value through profit and loss.

2.9 Offsetting of financial instruments

Financial assets and financial liabilities, relating to intercompany transactions, are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Derivative financial instruments

The derivative instruments utilised by the Group are interest rate swaps. Such instruments are used for economic hedging purposes to alter the risk profile of an existing underlying exposure of the Group in line with its risk management policy. Derivative financial instruments are classified as held for trading and recorded at fair value, with any gain or loss on re-measurement being recognised in the statement of comprehensive income within interest payable and similar expenses. The Group does not enter into speculative derivative contracts. The Group does not apply hedge accounting. The fair value of the interest rate swap is the estimated amount that the Group would receive or pay to terminate the instrument at the reporting date and is calculated by discounting future cash flows using observable market data at the date.

2.11 Debtors and creditors receivable / payable within one year

Debtors and creditors other than financial instruments which are receivable or payable within one year are recorded at transaction price.

2.12 Deemed loan

Where the transfer of a financial asset does not qualify for de-recognition, the transferor accounts for the transaction as a funding transaction and therefore recognises the cash or other consideration received as a payable to the transferee. For the loans sold by the Company to iwoca Ozone Limited, iwoca Hydrogen Limited and iwoca Tetra Limited under the Group's funding arrangements, the threshold for de-recognition is not considered to have been met as the Company has retained substantially all significant risks and rewards of ownership in the form of the subordinated loan and the entitlement to deferred consideration. The Company's financial statements are therefore prepared on the basis that its sale of the beneficial interests in the loans is recognised as a collateralised non-recourse loan from iwoca Ozone Limited, iwoca Hydrogen Limited and iwoca Tetra Limited (each a "deemed loan"). The deemed loans are carried at amortised cost using the effective interest method.

The deemed loan was initially recognised at the amount corresponding to the consideration received by the Company in respect of the sale of the pool of loans, net of the funding the Company provided to iwoca Ozone Limited, iwoca Hydrogen Limited and iwoca Tetra Limited under the subordinated loan. The deemed loan is subsequently adjusted for principal receipts from the underlying loans which represent repayments of the deemed loan and other payments between the Company and iwoca Ozone Limited/iwoca Hydrogen Limited/iwoca Tetra Limited that arise as a direct result of the funding arrangements.

The subordinated loans are incorporated within the relevant deemed loan as, although they have separate legal form, they were entered into at the same time, by the same counterparties and in contemplation of the sale of the loans, relate to the same risk and there is no apparent economic need or substantive business purpose for structuring the transaction separately that could not have been accomplished as a single transaction.

The interest expense on the deemed loans represents the amount of interest receivable and fees on the underlying loans that iwoca Ozone Limited, iwoca Hydrogen Limited and iwoca Tetra Limited are entitled to retain either as retained profit or in order to settle their obligations to third parties.

2. Accounting policies *(continued)*

2.13 Impairment

The Group assesses at each reporting date whether there is objective evidence that a credit event has occurred and, if so, whether a financial asset is impaired. A financial asset or portfolio of financial assets is impaired, and an impairment loss incurred, if there is objective evidence that an event or events since the initial recognition of the asset have adversely affected the amount or timing of the future cash flows from the asset. A primary indicator of this relates to arrears in scheduled payments past due for more than 30 days for non-CBILS/RLS loans and 90 days for CBILS/RLS loans.

If there is objective evidence that an impairment loss on a financial asset has occurred, the Group measures the amount of the loss as the difference between the carrying value of the asset and the discounted value of the underlying collateral. Management have assessed all loans in arrears for impairment and have provided an impairment provision where the carrying loan value exceeds the discounted fair value of collateral.

Impairment losses are recognised in cost of sales in the statement of comprehensive income and the carrying value of the financial asset is reduced by establishing an allowance for impairment losses. If in a subsequent year the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

Write off policy
The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

2.14 Loans

The loans are non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market. They are classified as loans and receivables. The loans are measured on initial recognition at the transaction price plus directly attributable costs and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income as cost of sales when there is objective evidence that the assets are impaired. Subsequent increases in recoverable amounts shall not result in a carrying amount of the loans that exceeds the amortised cost had no impairment been recognised.

When renegotiating or otherwise modifying the contractual cash flows of loans, the Group considers whether or not the new terms are substantially different to the original terms. If the new terms are not substantially different to the original terms, the modification in contractual cash flows does not result in derecognition. The gain or loss on modification of the contractual cash flow associated with the recognition of the revised gross carrying amount is recognised in the statement of comprehensive income. When the contractual cash flows of financial assets are renegotiated or otherwise modified, and the new terms are substantially different to the original terms, the original asset is derecognised, and a new asset is recognised. The difference between the carrying amount derecognised and that re-recognised is included in the statement of comprehensive as a gain or loss on derecognition.

2.15 Funding facilities (excluding convertible bonds)

Borrowings under funding facilities are initially recognised at fair value, which is equivalent to the transaction price, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of funding facilities are recognised as transaction costs. To the extent that it is probable that some or all of the facility will be drawn down, the fee is deferred until the draw down occurs. To the extent 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.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. When determining whether a financial liability has been extinguished, the directors perform a qualitative as well as a quantitative assessment. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2. Accounting policies (continued)

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. The Company holds restricted cash as part of the Group's financing arrangements.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 Foreign currency

Functional and presentational currency
The financial statements are presented in GBP, which is the Group's and the Company's functional and presentational currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each year end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Consolidation of subsidiaries
On consolidation, the results of UK and overseas operations are translated into GBP at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.18 Interest receivable and payable

Interest income and interest expense for all interest-bearing financial instruments other than those at fair value through profit and loss are recognised in the statement of comprehensive income using effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount.

Interest receivable on loans is included as part of revenue, as this relates to the principal revenue-producing activities of the Group. Bank interest is included as interest receivable and similar income.

2.19 Share capital

Ordinary shares are classified as equity. Proceeds on issuance in excess of nominal value, net of any incremental costs directly attributable to the issue of new shares, net of tax, are recognised as share premium.

2.20 Share-based payments

Where shares and share options are awarded to employees, the fair value of the shares and options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each date of the balance sheet so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to statement of comprehensive income over the remaining vesting period. The cumulative cost to date for share-based payments is held within an ESOP share reserve presented in equity.

2. Accounting policies (continued)

2.21 Operating leases as a lessee

Leases are classified as operating leases where the lessor retains substantially all the risks and benefits of ownership of the asset. Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the relevant lease. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

2.22 Pensions

Defined contribution pension plan
The Group operates a defined contribution pension scheme for its employees. A defined contribution scheme is a pension plan under which the Group pays fixed contributions into a separate entity. The contributions payable to the Group's pension scheme are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds. Once the contributions have been paid the Group has no further payment obligations.

2.23 Current and deferred tax

Current tax is the amount of income tax payable (or refundable) in respect of the taxable profit (or loss) for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax credit is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax is recognised in respect of all timing differences at the reporting date between taxable profits and total comprehensive income as stated in the financial statements, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

2.24 Research & development

Research and development costs that meet the capitalisation criteria, incurred during the course of developing the Group's software and systems are capitalised as intangible assets (see note 2.5). Remaining research and development costs are written off to the statement of comprehensive income in the period in which they are incurred.

2.25 Convertible bonds

The convertible bonds are to be settled in either cash or a variable number of shares in the Company, meaning that the convertible bonds represent a financial liability. The conversion option contained within the loan arrangement represents an embedded derivative. As the conversion option is not closely related to the loan arrangement, the directors have opted to classify the convertible bonds as financial liabilities measured at fair value. When a conversion option is exercised and the extinguishment is in accordance with the original terms on the convertible bonds, no gain or loss is recognised. The Group derecognises the liability and recognises it as equity. Where the shares cannot be immediately exercised and the directors do not consider the shares to have been legally issued, the liability is credited to a 'shares to be issued' other reserve.

2.26 Transactions between the Company and EBT

Transactions between the Company and the EBT comprise cash gifts from the Company for the purchase of shares from shareholders. The Company accounts for cash gifts to the EBT as a distribution of reserves, reflected as a reduction in profit and loss account (see note 20).

3. Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgments and estimates that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The judgements and estimates are based on historical and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making estimates about carrying values of assets and liabilities that are not readily apparent from other sources. The judgements and estimates are reviewed on an ongoing basis.

3.1 Critical accounting estimates

The Company makes estimates and assumptions about the future. There is inherent uncertainty in estimates and assumptions, therefore actual results reported in future periods may be derived from amounts which differ from the estimates and assumptions. Revision to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of loans
The Group regularly reviews the loans and makes judgements as to the need for loan impairment provisions. The Group uses objective factors such as the time since the customer's last payment or other indicators to determine whether a loan or group of loans is impaired. The Group then estimates the loss percentage to apply to impaired loans based on historical loss data, as well as specific loan circumstances. Were the Group to assume all loans were impaired in full immediately after a payment due is missed, estimated impairment losses would increase by £24,789k (2023: £16,835k). Where an asset benefits from a guarantee, in particular loans under CBILS or RLS, impairment losses are recognised net of any such guarantee.

Effective interest rate
The calculation of an effective interest rate has several areas of estimation that need to be applied which impact the rate at which interest, fees and expenses are recognised. The Company makes assumptions around the expected customer usage of the product, which is typically shorter than the initial term of the loan. Management regularly reviews these assumptions based on historical experience as well as expectations of future events. The net effect of the effective interest rate adjustments on the Group's statement of comprehensive income for the year ending 31 December 2024 is a loss of £3,932k (2023: restated loss of £11,439k). In relation to the CBILS and RLS loans, the prepayment rate applied in the calculation of the EIR is based on the characteristics and behavioural lives of each individual portfolio. The effect of a 10% increase or 10% decrease to this prepayment rate would result in the below impact to the effective rate adjustment on the loans and funding facilities.

	10% decrease	10% increase
	£000	£000
Funding Facilities	(107)	84
Loans	(227)	77

Share based payments
The Company operates an employee incentive plan which includes granting of restrictive equity-settled options to employees. In order to calculate the appropriate charge, share options are fair valued using the Black-Scholes option pricing model. Such option pricing models have judgemental inputs and whose estimation is uncertain given iwoca Limited is a private company with no market for its shares or related derivatives. One input is the expected volatility of an iwoca Limited Ordinary Share. With no derivative market, an estimate must be made based primarily on implied and historical volatilities of comparable companies. There are few listed comparable companies and fewer with active option markets as such there is a risk that the estimate of expected volatility is inappropriate. A volatility of 34% (2023: 38%) was used for share options issued in 2024 resulting in a total charge for 2024 of £909k (2023: £948k) to the statement of comprehensive income. If an expected volatility 10% higher were applied, the resulting total charge would be £149k higher. Conversely if an expected volatility 10% lower were applied, the resulting total charge would be £165k lower.

Convertible bonds fair value
The fair value of the convertible bonds is calculated based on the present value of the future cash flows. Management makes assumptions about the probability of each trigger event occurring based on Board-approved business plans and expected investor behaviour. The future cash flows are then calculated as the probability weighted average of all scenarios. Management estimates the discount rate by benchmarking against comparable debt products to obtain a minimum rate of return. The fair value of the convertible bonds at 31 December 2024 is £17,663k (2023: £14,719k). The maximum cash exposure on maturity of the convertible bonds is £17,844k and the maximum equity exposure on maturity of the convertible bonds is £16,315k.

3.2 Critical accounting judgements

Continuing recognition of loans sold to iwoca Ozone Limited, iwoca Hydrogen Limited and iwoca Tetra Limited

Judgement is required in relation to the recognition or de-recognition of certain legal sales of financial instruments. The Company de-recognises a financial instrument when the rights to receive cash flows have expired or a transfer of the financial instrument has taken place where the Company has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognition.

For the loans sold by the Company to iwoca Ozone Limited, iwoca Hydrogen Limited and iwoca Tetra Limited under the Group's funding arrangements, the Company has retained significant risks and rewards and therefore continues to recognise these loans, and as a result recognises a deemed loan to iwoca Ozone Limited, iwoca Hydrogen Limited and iwoca Tetra Limited.

As at 31 December the EBT was consolidated on the basis that the Company has ultimate decision-making powers over the activities of the entity (within the limitations of the trust deed).

Consolidation of special purpose entities controlled by iwoca Limited

iwoca Limited invests in multiple classes of notes issued by iwoca SV SA acting through its compartments. In determining whether an entity should be consolidated, the Company must determine whether it meets the threshold of control through ownership of voting rights or some other mechanism that results in the Company having "the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities" (9.4, FRS102 issued by the FRC in March 2019 and further amended).

The Company considers that it controls certain compartments of iwoca SV SA, their investments in sub-funds whose General Partner is a wholly owned subsidiary of iwoca Limited and the portfolio assets owned by said sub-funds. The results of these entities are presented in the Group consolidated financial statement according to the Group's basis for consolidation.

The Company considers that it controls Islay Finance Limited, Vallay Finance Limited, iwoca Hydrogen Limited and iwoca Tetra Limited. The risks and rewards from both these companies substantially accrue to the Group. The results of these entities are presented in the Group consolidated financial statement according to the Group's basis for consolidation.

Research and development tax credit

The Company considers whether certain expenditure meets the criteria for research and development tax benefits. The tax benefit, being an enhanced deduction from income tax recognised in the statement of comprehensive income, is estimated based on the nature of the underlying projects as well as attributable expenditure during the year.

4. Revenue

The Group's revenue is derived from its operations in the United Kingdom and Germany.

	2024	2023
	£000	£000
Interest and other income	234,160	142,584
	234,160	**142,584**

5. Operating profit

Included in operating profit are the following items:

	2024	2023
Group	**£000**	**£000**
Cost of sales (representing the impairment charge in the year)	56,432	27,651
Depreciation of tangible fixed assets	155	128
Amortisation of intangible assets	4,429	3,103
Other operating lease rentals	1,341	984
Defined contribution pension cost	753	394
Staff costs	28,699	22,281
Other costs including product and marketing	27,160	20,856
Other operating expense	204	54
	119,173	**75,451**

Total development costs expensed within administrative expenses in the statement of comprehensive income were £4,706k (2023: £3,336k). These costs can be seen within other costs including product and marketing in the above analysis.

6. Auditors' remuneration

	2024 £000	Restated 2023 £000
Fees payable to the Group's auditors for the audit of the parent Company and the Group's consolidated financial statements, exclusive of VAT:	240	221
Fees payable to the Company's auditors and their subsidiaries for other services, exclusive of VAT:		
- Audit of the Company's subsidiaries	299	251
	539	**472**

There were non-audit services provided by the auditors amounting to £75k, exclusive of VAT (2023: £nil).

The auditors' remuneration for 2023 has been restated to include the fees payable to the auditors of the Group's non-UK entities.

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Wages and salaries	25,596	19,590	24,148	18,242
Social security costs	3,103	2,691	2,868	2,466
Other pension costs	753	394	753	394
	29,452	**22,675**	**27,769**	**21,102**

Other pension costs refer to a defined contribution pension scheme.

The average monthly number of persons (including Directors) employed by the Group and the Company during the year was:

	Group 2024 No.	Group 2023 No.	Company 2024 No.	Restated Company 2023 No.
Tech, Analytics & Product	106	101	105	100
Sales, Marketing & Customer Success	261	201	232	175
Finance, Legal and Compliance, People Operations and Other Management	65	67	64	66
	432	**369**	**401**	**341**

8. Directors' remuneration

	2024 £000	2023 £000
Directors' emoluments	1,125	761
	1,125	**761**

The highest paid director received remuneration of £495,000 (2023: £344,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,300 (2023: £1,321). The total value of the Company's contributions paid to a defined contribution pension scheme in respect of the directors amounted to £24,600 (2023: £2,642).

During the year, no Directors received shares under the long-term incentive schemes (2023: nil). During the year the Company issued nil (2023: nil) ordinary shares to Directors of the Company as part of any share incentive scheme. During the year no Directors exercised any share options (2023: nil).

The total remuneration for the Company's Directors, who are also employees, totalled £1,014,600 (2023: £690,642). These Directors are considered to be the Group's key management personnel.

9. Interest payable and similar expenses

	2024	2023
	£000	£000
Interest payable and similar expenses	56,965	45,588
	56,965	**45,588**

10. Tax on profit

The Group is subject to taxes applicable to a commercial company in its countries of operation.

	2024	2023
	£000	£000
Corporation tax		
Current year tax charge	8,991	1,109
Adjustments in respect of previous years	(17)	1,214
Foreign tax	50	65
Total current tax	**9,024**	**2,388**
Deferred tax		
Current year tax charge / (credit)	5,285	(4,816)
Adjustments in respect of previous years	361	-
Total deferred tax	**5,646**	**(4,816)**
Total tax charge / (credit)	**14,670**	**(2,428)**

Factors affecting tax charge / (credit) for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 25%). The differences are explained below:

	2024	2023
	£000	£000
Profit before taxation	59,133	21,784
Profit before taxation multiplied by standard rate of corporation tax in the UK of 25% (2023 - 25%)	14,783	5,446
Effects of:		
Timing differences on fixed assets	6	5
Timing differences on intangible asset	(17)	(377)
Expenses not deductible for tax purposes	462	512
Income not taxable	(400)	(584)
Foreign tax	50	65
Adjustment in research and development tax credit leading to a decrease in the tax charge	(600)	(654)
Adjustments in respect of previous years	(17)	1,214
Adjustments in respect of previous years – deferred tax	361	-
Losses utilised	(5,323)	(3,126)
Deferred tax not recognised	-	-
Deferred tax recognised	5,323	(4,816)
Difference due to deferred tax rate	-	-
Difference in corporation tax rate	-	(113)
Late adjustments	42	-
Total tax charge / (credit) for the year	14,670	(2,428)

During the year, the Group fully utilised losses from prior years. As a result, the Group no longer recognises a deferred tax asset.

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £42,214k (2023: profit of £22,043k).

12. Intangible assets

Group

	Internally generated software £000	Total £000
Cost		
At 1 January 2023	**3,722**	**3,722**
Additions	4,611	4,611
At 31 December 2023	**8,333**	**8,333**
Additions	4,498	4,498
At 31 December 2024	**12,831**	**12,831**
Accumulated amortisation		
At 1 January 2023	**(943)**	**(943)**
Charge for the year	(3,103)	(3,103)
At 31 December 2023	**(4,046)**	**(4,046)**
Charge for the year	(4,429)	(4,429)
At 31 December 2024	**(8,475)**	**(8,475)**
Net book value		
At 31 December 2024	**4,356**	**4,356**
At 31 December 2023	**4,287**	**4,287**

Company

	Internally generated software £000	Total £000
Cost		
At 1 January 2023	**3,722**	**3,722**
Additions	4,611	4,611
At 31 December 2023	**8,333**	**8,333**
Additions	4,498	4,498
At 31 December 2024	**12,831**	**12,831**
Accumulated amortisation		
At 1 January 2023	**(943)**	**(943)**
Charge for the year	(3,103)	(3,103)
At 31 December 2023	**(4,046)**	**(4,046)**
Charge for the year	(4,429)	(4,429)
At 31 December 2024	**(8,475)**	**(8,475)**
Net book value		
At 31 December 2024	**4,356**	**4,356**
At 31 December 2023	**4,287**	**4,287**

13. Tangible assets

Group

	Fixtures and fittings	Office equipment	Total
	£000	£000	£000
Cost			
At 1 January 2023	55	588	643
Additions	-	74	74
Disposals	-	(29)	(29)
At 31 December 2023	55	633	688
Additions	1	199	200
Disposals	-	(14)	(14)
At 31 December 2024	56	818	874
Accumulated depreciation			
At 1 January 2023	(34)	(362)	(396)
Charge for the year	(14)	(114)	(128)
Disposals	-	26	26
At 31 December 2023	(48)	(450)	(498)
Charge for the year	(8)	(147)	(155)
Disposals	-	12	12
At 31 December 2024	(56)	(585)	(641)
Net book value			
At 31 December 2024	-	233	233
At 31 December 2023	7	183	190

Company

	Fixtures and fittings	Office equipment	Total
	£000	£000	£000
Cost			
At 1 January 2023	55	588	643
Additions	-	74	74
Disposals	-	(29)	(29)
At 31 December 2023	55	633	688
Additions	1	199	200
Disposals	-	(14)	(14)
At 31 December 2024	56	818	874
Accumulated depreciation			
At 1 January 2023	(34)	(362)	(396)
Charge for the year	(14)	(114)	(128)
Disposals	-	26	26
At 31 December 2023	(48)	(450)	(498)
Charge for the year	(8)	(147)	(155)
Disposals	-	12	12
At 31 December 2024	(56)	(585)	(641)
Net book value			
At 31 December 2024	-	233	233
At 31 December 2023	7	183	190

14. Investments

The following were subsidiary undertakings of the Company:

Name	Portion of ownership interest	Directly held/ indirectly held/ structured entity	Registered office
iwoca Oxygen Plc	100%	Directly	10 Queen Street Place, London EC4R 1AG
iwoca Ozone Limited	100%	Directly	10 Queen Street Place, London EC4R 1AG
iwoca Deutschland GmbH	100%	Directly	Hanauer Landstraße 187-189, 60314 Frankfurt am Main, Deutschland
iwoca capital markets Limited*	100%	Directly	10 Queen Street Place, London EC4R 1AG
iwoca Management S.à.r.l	100%	Directly	13B Rue De Bitbourg, L-1274 Luxembourg, Luxembourg
iwoca Skye Finance Limited*	100%	Directly	10 Queen Street Place, London EC4R 1AG
iwoca Servicing GmbH	100%	Indirectly	Hanauer Landstraße 187-189, 60314 Frankfurt am Main, Deutschland
Vallay Finance Limited	N/A	Structured	5 Churchill Place, 10th Floor, London, England, E14 5HU
iwoca SCSp SICAV-SIF acting on behalf of Compartment 2	N/A	Structured	13B Rue De Bitbourg, L-1274 Luxembourg, Luxembourg
iwoca SCSp SICAV-SIF acting on behalf of Compartment 3	N/A	Structured	13B Rue De Bitbourg, L-1274 Luxembourg, Luxembourg
iwoca SV SA General Compartment	N/A	Structured	13B Rue De Bitbourg, L-1274 Luxembourg, Luxembourg
iwoca SV SA Compartment Eiger	N/A	Structured	13B Rue De Bitbourg, L-1274 Luxembourg, Luxembourg
iwoca SV SA Compartment Dufourspitze	N/A	Structured	13B Rue De Bitbourg, L-1274 Luxembourg, Luxembourg
iwoca SV SA Compartment Monte Rosa	N/A	Structured	13B Rue De Bitbourg, L-1274 Luxembourg, Luxembourg
Islay Finance Limited	N/A	Structured	5 Churchill Place, 10th Floor, London, England, E14 5HU
iwoca Hydrogen Limited	N/A	Structured	1 King's Arms Yard, Third Floor, London, England, EC2R 7AF
iwoca Tetra Limited	N/A	Structured	Central Court 25 Southampton Buildings, London, United Kingdom, WC2A 1AL
iwoca Employee Benefit Trust*	N/A	Structured	44 Esplanade, St. Helier, Jersey, JE 9WG

*subsidiary is exempt from audit

Other than the EBT, all of the above subsidiaries are trading entities and group financing entities. All entities are included in the consolidated financial statements. Structured entities are financing vehicles in which no equity is held by the Company and a discretionary trust for the benefit of the Company's employees.

iwoca Tetra Limited, a subsidiary of iwoca Limited by virtue of control, was incorporated on 22 June 2024 to further finance SME demand for loans.

Company

	Investments in subsidiary companies
	£000
Cost or valuation	
At 1 January 2023	156
Disposals	(43)
Reversal of impairment	43
Effect of translation into functional currency	(2)
At 31 December 2023	154
Disposals	(22)
Reversal of impairment	-
Effect of translation into functional currency	(1)
At 31 December 2024	131
Net book value	
At 31 December 2024	131
At 31 December 2023	154

The disposal in the year relates to a restructuring of ownership of iwoca Servicing GmbH. It remains a structured subsidiary of the Group.

15. Debtors

	Group 31 December 2024 £000	Group 31 December 2023 £000	Company 31 December 2024 £000	Company 31 December 2023 £000
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	22	25
Loans	70,926	103,079	33,941	39,264
Derivative financial instrument	742	-	-	-
	71,668	**103,079**	**33,963**	**39,289**

	Group 31 December 2024 £000	Group 31 December 2023 £000	Company 31 December 2024 £000	Company 31 December 2023 £000
Amounts falling due within one year				
Loans	613,217	410,699	502,903	295,873
Amounts owed by group undertakings	-	-	31,156	24,007
Other debtors	2,227	2,226	727	729
Corporate tax	1,767	960	1,767	960
Deferred tax asset	-	5,646	-	5,646
Prepayments and accrued income	1,750	1,510	1,687	1,426
	618,961	**421,041**	**538,240**	**328,641**

Refer to note 18 for further information regarding the credit risk of each class of receivables.

The terms of the intercompany balances depend on the context and purpose of the legal entity, with the majority governed by agreements with third parties. Where intercompany balances relate to operational corporate balances, such balances are interest-bearing.

Impairment of loans is recognised in cost of sales in the statement of comprehensive income.

The fair value of the derivative financial instrument is derived by market value, which is provided by the counterparty at the year end date. They are therefore classified as Level 2 in the fair value measurement hierarchy.

16. Cash and cash equivalents

	Group 31 December 2024 £000	Restated Group 31 December 2023 £000	Company 31 December 2024 £000	Restated Company 31 December 2023 £000
Bank current accounts	47,186	27,517	27,849	14,691
Restricted cash	36,098	27,113	227	1,120
	83,284	**54,630**	**28,076**	**15,811**

Group cash and cash equivalents with restrictions on remittances held as at year end is £36,098k (restated 2023: £27,113k). 2023 has been restated to reflect the change in classification of cash on deposit held by the Company from restricted cash to bank current accounts.

The restricted cash is cash which has restrictions on use. This includes amounts held as collateral, amounts held on trust and amounts which are not permitted to be used for general corporate purposes.

17. Creditors

Amounts falling due within one year

	Group 31 December 2024 £000	Group 31 December 2023 £000	Company 31 December 2024 £000	Company 31 December 2023 £000
Funding facilities	199,044	60,032	17,925	562
Trade creditors	2,148	1,636	1,871	1,334
Amounts owed to group undertakings	-	-	7,193	8,092
Corporate tax	-	1,182	-	1,171
Other taxation and social security	1,610	1,501	1,535	1,429
Deemed loan	-	-	345,636	228,392
Accruals and deferred income	7,210	4,339	3,732	1,841
Provisions	57	-	57	-
	210,069	**68,690**	**377,949**	**242,821**

Amounts falling due after more than one year

	Group 31 December 2024 £000	Group 31 December 2023 £000	Company 31 December 2024 £000	Company 31 December 2023 £000
Funding facilities	473,747	459,544	7,530	24,319
Deemed loan	-	-	118,809	58,358
Provisions	-	17	-	17
	473,747	**459,561**	**126,339**	**82,694**

Included within funding facilities due within one year is a total of £6,500k (2023: £6,500k) due under secured bonds issued by the Group. The secured bonds attract interest at a fixed rate and are repayable in full on the maturity date. The secured bonds are subject to a cross guarantee whereby iwoca Limited has unconditionally and irrevocably guaranteed payments due to bondholders under the terms of the instrument.

Included within funding facilities due within one year are convertible bonds under the terms of the Future Fund scheme, and due for redemption in August 2025. The fair value of the convertible bonds is derived using valuation techniques that include inputs that are not based on observable market data (that is, unobservable inputs). They are therefore classified as Level 3 in the fair value measurement hierarchy.

18. Financial instruments

The narrative disclosure required by FRS 102 in relation to the nature of the financial instruments used during the year to manage credit risk, market risk and liquidity exposure and its capital risk management policies are shown in the strategic report.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The Directors monitor the Group's performance by reviewing the monthly management reports produced and its exposure to risk on its financial instruments. Risk management policies are established to identify and analyse the risks faced by the Group and to ensure that there are appropriate controls in place to mitigate exposure to risk.

The tables below show the classification of the financial instruments of the Group and Company at the year end.

31 December 2024	**Amortised Cost**	**Fair value through profit & loss**	**Total**
Group	**£000**	**£000**	**£000**
Financial assets			
Loans	684,143	-	684,143
Cash and cash equivalents	83,284	-	83,284
Other debtors	2,227	-	2,227
Derivative financial instruments	-	742	742
	769,654	**742**	**770,396**
Financial liabilities			
Funding facilities	655,128	17,663	672,791
Trade and other creditors	9,358	-	9,358
	664,486	**17,663**	**682,149**

31 December 2023 Restated	**Amortised Cost**	**Fair value through profit & loss**	**Total**
Group	**£000**	**£000**	**£000**
Financial assets			
Loans	513,778	-	513,778
Cash and cash equivalents	54,630	-	54,630
Other debtors	3,186	-	3,186
	571,594	**-**	**571,594**
Financial liabilities			
Funding facilities	504,857	14,719	519,576
Trade and other creditors	5,975	-	5,975
	510,832	**14,719**	**525,551**

18. Financial instruments *(continued)*

31 December 2024	Amortised Cost	Fair value through profit & loss	Total
Company	**£000**	**£000**	**£000**
Financial assets			
Loans	536,844	-	536,844
Cash and cash equivalents	28,076	-	28,076
Other debtors	727	-	727
Amounts owed by group undertakings	31,178	-	31,178
	596,825	**-**	**596,825**
Financial liabilities			
Other creditors	5,603	-	5,603
Funding facilities	7,792	17,663	25,455
Amounts owed to group undertakings	471,638	-	471,638
	485,033	**17,663**	**502,696**

31 December 2023 Restated	Amortised Cost	Fair value through profit & loss	Total
Company	**£000**	**£000**	**£000**
Financial assets			
Loans	335,137	-	335,137
Cash and cash equivalents	15,811	-	15,811
Other debtors	1,689	-	1,689
Amounts owed by group undertakings	24,032	-	24,032
	376,669	**-**	**376,669**
Financial liabilities			
Other creditors	3,175	-	3,175
Funding facilities	10,162	14,719	24,881
Amounts owed to group undertakings	294,842	-	294,842
	308,179	**14,719**	**322,898**

The other creditors balance in 2023 has been restated to include the accruals and deferred income balance and the deemed loan balance has been removed from funding facilities and included as part of amounts owed to group undertakings.

Financial assets measured at amortised cost comprise trade debtors and all other current assets. Financial liabilities measured at amortised cost comprise funding facilities and all other contractual liabilities. Short-term receivables/debtors with no stated interest rate are measured at the original invoice amount where effects of discounting are immaterial. The derivative financial instruments are measured at fair value through profit and loss. The convertible bonds are measured at fair value through profit and loss. At the maturity date the liability payable will be £10,000k.

Credit risk

Credit risk reflects the risk that the underlying borrowers or other transaction parties will not meet their obligations as they fall due. Such events occur in the event of a downturn in the European economy or a failure of the Group to manage the risks involved when advancing loans to SMEs. The Group seeks to manage this risk by employing a range of credit assessment checks on all applicants together with ongoing reviews and the assessment of credit performance of the loans. In the case of loans issued under CBILS, if a borrower were to default, the Secretary of State for Business, Energy and Industrial Strategy (the "Guarantor") will fund 80% of the outstanding guaranteed balance through the British Business Bank. In the case of loans issued under RLS, if a borrower were to default, the Guarantor will fund 70% of the outstanding guaranteed balance through the British Business Bank.

18. Financial Instruments *(continued)*

Credit risk *(continued)*

The maximum exposure to credit risk arising on Group's financial assets at the reporting date is disclosed in the table below:

Group	Carrying Value 31 December 2024 £000	Maximum Exposure 31 December 2024 £000	Carrying Value 31 December 2023 £000	Maximum Exposure 31 December 2023 £000
Asset:				
Loans	684,143	627,143	513,778	419,887
Cash and cash equivalents	83,284	83,284	54,630	54,630
Other debtors	2,227	2,227	3,186	3,186
Derivative financial instruments	742	742	-	-
	770,396	713,396	571,594	477,703

Company	Carrying Value 31 December 2024 £000	Maximum Exposure 31 December 2024 £000	Carrying Value 31 December 2023 £000	Maximum Exposure 31 December 2023 £000
Asset:				
Loans	536,844	536,844	335,137	335,137
Amounts owed by group undertakings	31,178	31,178	24,032	24,032
Other debtors	727	727	1,689	1,689
Cash at bank	28,076	28,076	15,811	15,811
	596,825	596,825	376,669	376,669

The table below sets out the gross carrying value and the individual impairments for the loans.

Group	Carrying value before impairment and EIR £000	Impairment £000	Carrying value after impairment but before EIR £000
Loans as at 31 December 2024			
Individually impaired	190,999	(176,703)	14,296
Past due but not impaired	30,664	-	30,664
Neither past due nor impaired	630,241	-	630,241
	851,904	(176,703)	675,201

	Carrying value before impairment and EIR £000	Impairment £000	Carrying value after impairment but before EIR £000
Loans as at 31 December 2023			
Individually impaired	125,463	(116,850)	8,613
Past due but not impaired	24,050	-	24,050
Neither past due nor impaired	483,668	-	483,668
	633,181	(116,850)	516,331

18. Financial Instruments *(continued)*

Credit Risk *(continued)*

Impairment of loans is recognised in cost of sales in the statement of comprehensive income. Loans are written off in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery, which may take a number of years. The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to an external credit rating (if available).

Loans that are neither past due nor impaired

The table below sets out the Group's loans that are neither past due nor impaired based on Equifax scores for loans originated to SMEs in the UK and Schufa for loans originated to SMEs in Germany.

	31 December 2024	31 December 2023
	£000	£000
Low	29,181	15,673
Medium	539,332	417,354
High	61,728	50,641
Not rated	-	-
	630,241	483,668

For not rated balances, a score is not provided by the bureau that would allow for meaningful comparison.

Liquidity risk

Liquidity risk reflects the risk that the Company may encounter difficulty in meeting its obligations associated with its financial liabilities. The Group manages this risk by diversifying its funding base, regularly reviewing its upcoming contractual payments and ensuring commitments are sufficient to support the Group's growth plans.

The Group's liquidity position is monitored and reviewed by Directors on an ongoing basis. The table below reflects the undiscounted contractual cash flows of financial liabilities at the balance sheet date:

	Gross cash flows	Less than 3 months	After 3 months but within 1 year	After 1 year but within 5 years	After 5 years
	£000	£000	£000	£000	£000
As at 31 December 2024					
Funding facilities	740,261	23,297	58,644	658,320	-
Trade and other payables	9,358	9,358	-	-	-
	749,619	**32,655**	**58,644**	**658,320**	-

	Gross cash flows	Less than 3 months	After 3 months but within 1 year	After 1 year but within 5 years	After 5 years
Restated	£000	£000	£000	£000	£000
As at 31 December 2023					
Funding facilities	531,660	21,072	53,941	456,647	-
Trade and other payables	5,975	5,975	-	-	-
	537,635	**27,047**	**53,941**	**456,647**	-

Included within funding facilities is the future interest and principal repayments. Where the facilities are variable in nature, the SONIA rate as at 31 December 2024 has been used to determine the future interest payable.

Other than the convertible bonds and the Secured Bonds, the Group's funding facilities have an availability period and then an amortisation period. A proportion of the Group's funding is limited recourse in nature and therefore only repayable to the extent the relevant loans generate sufficient cash flows. The remaining facilities have a bullet repayment of any unamortised funding balance due at the final maturity date. As such, these funding facilities do not have contractual amortisation profiles but are instead repaid based on the cash received from the loans.

18. Financial Instruments *(continued)*

Liquidity risk *(continued)*

The contractual cash flows included in the table above are therefore based on all of the funding facilities being repaid on their final maturity date. This differs from expected cash flows due to the requirement under the funding facilities (other than the convertible bond and the secured bond) to use cashflows received on the loans, after the end of the availability period, to repay the relevant funding facility at each interest payment date, in accordance with the Priority of Payments set out in the transaction documents. As a result, an equivalent portion of the funding facility is then required to be repaid on the next interest payment date.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Group is exposed to currency and interest rate risk.

Currency risk

A proportion of the Group's income, costs, assets and liabilities are denominated in foreign currencies. There is a risk that adverse movement in the exchange rates could result in losses. The Group, where possible, matches foreign currency assets and liabilities so that the net impact of any foreign exchange movement is minimised. In order to further manage this risk, the Group reviews current and expected exchange rates to assess their impact. The risk variables that are relevant for the Group to disclosing market risk include interest rate and foreign exchange rates.

The table below portrays the Group's sensitivity to a 5% depreciation and 5% appreciation in GBP against EUR, a relevant foreign currency to the Group's operations. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusted their translation at the year end for a 5% change in foreign currency.

	Net effect on statement of comprehensive income	Net effect on equity	Net effect on statement of comprehensive income	Net effect on equity
	£000	£000	£000	£000
	31 December 2024	31 December 2024	31 December 2023	31 December 2023
Appreciation (GBP to EUR)	(11)	36	(94)	374
Depreciation (GBP to EUR)	11	(36)	94	(374)

Interest rate risk

A portion of the Group's debt facilities are variable rate. There is a risk that any increase in base rate could reduce the profitability of the Group. The Group would not initially increase interest rates on the loans and absorb any increase in costs. However, should the impact become material to Group over time, then a rate rise could be passed onto customers.

To hedge the potential volatility in future interest cash flows arising from movements in SONIA, the Group implemented a hedging strategy via amortising swaps secured against a proportion of the loans held in iwoca Hydrogen Limited. The notional amount of the swap is determined based on observed loan originations. Set out below are the interest rate swaps held at year end and the fixed rate associated with the swaps:

- Trade date: 20 September 2024; Fixed Rate: 3.991% per annum
- Trade date: 15 October 2024; Fixed Rate: 4.067% per annum
- Trade date: 12 November 2024; Fixed Rate: 4.148% per annum
- Trade date: 12 December 2024; Fixed Rate: 4.117% per annum

The fair value of the derivative asset at the balance sheet date was £742k (2023: £nil). The cash flows arising from the interest rate swaps will continue until their maturity in 2029. Changes in the fair value of the derivative are recognised in the statement of comprehensive income. At 31 December 2024 the Group had recognised a gain of £742k (2023: £nil).

For the portion of the Company's debt facilities which pay interest at a variable rate linked to SONIA and Euribor, if the rate at 31 December 2024 had been 50 basis points higher with all other variables held constant, the effect on the Company's statement of comprehensive income would be £2,047k (2023: £939k). If the rate had been 50 basis points lower, the effect on the Company's statement of comprehensive income would be £2,047k (2023: £939k).

18. Financial Instruments *(continued)*

Capital Management

The Group's capital comprises of its equity, share capital, share premium reserves and other reserves less its accumulated losses. The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Directors review the performance of the Group on a regular basis and appropriate actions are taken as required. To ensure the activities of the Group are effectively managed, targets are being set as part of the budgetary process with respect to operating expenses. In addition to that appropriate KPIs are set, which are being monitored by the Directors on a monthly basis.

During the year and since the balance sheet date the Company returned capital to shareholders via a share purchase by the EBT. The Company approved a gift of £14,456k to the EBT for the purchase of shares to be held by the EBT for the future benefit of employees. £5,325k was distributed prior to the balance sheet date and £9,131k thereafter. The Company considered its distributable reserves and the Group's working capital requirements along with expected future cashflows when determining the maximum return to shareholders to ensure it maintained sufficient capital to fund the Group's current and future operations.

19. Called up share capital

	31 December 2024 £	31 December 2023 £
Share classified as equity		
Allotted, called up and fully paid		
1,689,681 (2023 - 1,689,681) Preferred Ordinary Shares of £0.000001 each	2	2
2,519,188 (2023 - 2,519,188) Series C Preferred Ordinary Shares of £0.000001 each	3	3
1,581,161 (2023 - 1,581,161) B Ordinary Shares of £0.000001 each	2	2
5,869,398 (2023 - 5,847,178) Ordinary Shares of £0.000001 each	6	6
836,064 (2023 - 836,064) Series D Preferred Ordinary Shares of £0.000001	1	1
	14	**14**

	31 December 2024 No.	31 December 2023 No.
Preferred Ordinary Shares	1,689,681	1,689,681
Series C Preferred Ordinary Shares	2,519,188	2,519,188
B Ordinary Shares	1,581,161	1,581,161
Ordinary Shares	5,869,398	5,847,178
Series D Preferred Ordinary Shares	836,064	836,064

During the year, the Company issued nil (2023: nil) Ordinary Shares to Directors of the Group as part of share incentive schemes. Additionally, 22,220 (2023: 23,092) Ordinary Shares were acquired by employees following the exercise of share options and nil (2023: nil) B Ordinary Shares were acquired by employees. Nil (2023: nil) Series D Preferred shares were issued and acquired by third parties. There are no restrictions on the distribution of dividends for Ordinary Shares but there are restrictions on the repayment of capital. During the year, Ordinary Shares were issued with a consideration of £55,635 (2023: £21,904). Since the year-end, the Company issued nil (2023: 536) Ordinary Shares, all of which were acquired by employees following exercise of share options with a consideration of £nil (2023: £9,594). Dividend rights and liquidation preference are set out in the Company's articles of association.

As part of the share purchase by the EBT 5,500 Preferred Ordinary Shares and 49,276 Series C Preferred Ordinary Shares were reclassified as Ordinary Shares. The note above does not reflect this as the change is yet to be updated in the register of members.

20. Reserves

Share premium account

The share premium reserve represents cumulative premiums received on the issue of share capital over the nominal value of the shares issued. Transaction costs incurred on the issue of shares are deducted from the amount credited to this reserve.

ESOP share reserve

The ESOP share reserve represents cumulative balances recognised as charges under the Group's share option scheme and other share based payments.

Profit and loss account

The profit and loss reserve includes cumulative retained profits and losses from prior years and current year distributions and other equity transactions (see cash gift to EBT below).

Shares acquired by EBT / Cash gift to EBT

During the year, the Company provided a cash gift of £5,325k (2023: £nil) to the EBT in order for it to purchase shares directly from shareholders. The shares are warehoused in the EBT for the future benefit of employees, primarily in satisfying the Group's employee share option scheme. Any shares held by the EBT or any proceeds resulting from the sale of such shares can only be used to benefit beneficiaries of the trust i.e. employees and former employees and not the Company.

Foreign currency translation reserve

The foreign currency translation reserve includes unrealised gains and losses on the translation of balances whose transaction currency differs from the functional currency of the Group or Company.

Other reserves

Other reserves includes the Redline Capital element of the convertible bonds under the terms of the Future Fund scheme.

21. Share based payments

The Company operates an employee incentive plan which includes granting of restrictive equity-settled options to employees. In order to calculate the appropriate charge, share options are fair valued using the Black-Scholes option pricing model. The risk-free rate was 3.92% (2023: 3.74%). The expected volatility is estimated by reference to historical volatility over the last five years and estimated as noted below. The average share price is based on the value of share issues in the year.

	Weighted average exercise price (£)	Number	Weighted average exercise price (£)	Number
	2024	2024	2023	2023
Outstanding at the beginning of the year	**14.60**	657,772	**12.71**	572,505
Granted during the year	**21.32**	191,770	**17.89**	197,179
Forfeited during the year	**14.82**	(53,353)	**12.07**	(110,084)
Exercised during the year	**12.53**	(4,988)	**12.53**	(1,828)
Outstanding at the end of the year	**16.35**	**791,201**	**14.60**	**657,772**

	2024	2023
Weighted average share price (pence)	21.32	17.90
Exercise price (pence)	21.32	17.89
Expected volatility (%)	34.48	38.47
Expected dividend growth rate (%)	-	-
Risk-free interest rate (%)	3.92	3.74

There were 603,393 exercisable options as at 31 December 2024 (2023: 459,996) with a weighted average strike price of £14.34 (2023: £12.87). The shares that could not be exercised have a weighted average exercise price of £21.31 (2023: £17.94). The charge to the statement of comprehensive income for the year was £909k (2023: £948k).

22. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £752,797 (2023: £394,069). Contributions totalling £173,297 (2023: £114,774) were payable to the fund at the balance sheet date and are included in creditors.

23. Commitments

At 31 December, the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 31 December 2024 £000	Group 31 December 2023 £000	Company 31 December 2024 £000	Company 31 December 2023 £000
Not later than 1 year	1,499	898	1,499	898
Later than 1 year and not later than 5 years	3,529	2,938	3,529	2,938
	5,028	3,836	5,028	3,836

Other ongoing commitments include minimum spend contracts with third-party service providers, including credit bureaux.

After the reporting date the Company signed a new five year operating lease, commencing on 14 March 2025, with a reduced rent for the first 19 months and annual rent payable of £1,739k.

24. Analysis of changes in net debt

	At 1 January 2024 £000	Cash changes £000	Non-cash changes £000	At 31 December 2024 £000
Convertible bonds	(14,719)	-	(2,944)	(17,663)
Secured bonds	(6,500)	-	-	(6,500)
Other funding facilities	(498,357)	(142,663)	(7,608)	(648,628)
Cash and cash equivalents	54,630	28,654	-	83,284
	(464,946)	(114,009)	(10,552)	(589,507)

	At 1 January 2023 £000	Cash changes £000	Non-cash changes £000	At 31 December 2023 £000
Convertible bonds	(15,687)	-	968	(14,719)
Secured bonds	(7,581)	1,000	81	(6,500)
Other funding facilities	(383,925)	(101,032)	(13,400)	(498,357)
Cash and cash equivalents	39,988	14,642	-	54,630
	(367,205)	(85,390)	(12,351)	(464,946)

Convertible bonds, secured bonds and other funding facilities are included within the funding facilities balance on the balance sheet.

25. Related party transactions

The Group's related party transactions between the Company and its subsidiaries have been eliminated on consolidation. The Company's related party transactions were with its subsidiaries and Non-Executive Directors, details of which are listed below:

Name	Statement of comprehensive income 31 December 2024	Balance sheet 31 December 2024	Restated Statement of comprehensive income 31 December 2023	Restated Balance sheet 31 December 2023
	£000	£000	£000	£000
iwoca Oxygen Plc	(567)	(6,273)	(518)	(6,300)
iwoca Ozone Limited	(15,582)	(121,784)	(16,098)	(127,847)
iwoca Deutschland GmbH	(6,267)	1,699	(4,320)	5,001
iwoca Servicing GmbH	(153)	828	(95)	468
iwoca Capital Markets Limited	-	9,628	28	-
iwoca Management S.à.r.l	(335)	435	(259)	587
iwoca SCSp SICAV-SIF acting on behalf of Compartment 2	3,076	-	2,253	-
iwoca SV SA acting on behalf of Compartment Eiger	(1,451)	2,805	(1,031)	2,597
iwoca SCSp SICAV-SIF acting on behalf of Compartment 3	1,058	-	8,675	-
iwoca SV SA acting on behalf of Compartment Dufourspitze	(652)	-	(3,409)	8,164
iwoca SV SA acting on behalf of Compartment Monte Rosa	6,373	(936)	-	-
iwoca Skye Finance Limited	(95)	1,313	(29)	331
Islay Finance Limited	373	625	747	463
Vallay Finance Limited	515	709	819	(107)
iwoca Hydrogen Limited	(20,107)	(278,701)	(5,473)	(153,103)
iwoca Tetra Limited	(776)	(51,719)	-	-
Killarney Investments Limited	(99)	-	(90)	-
iwoca Employee Benefit Trust	-	5,325	-	-

The Company notes Directors' emoluments as a part of its related party transactions. The Directors are key management personnel.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,300 (2023: £1,321). The total value of the Company's contributions paid to a defined contribution pension scheme in respect of the Directors amounted to £24,600 (2023: £2,642).

The total remuneration for the company's Directors, who are also employees, totalled £1,014,600 (2023: £690,642). These Directors are considered to be the Group's key management personnel.

During the year, a Director sold shares in the Company, to the EBT, for consideration of £2,379,661.

26. Controlling party

The Directors do not consider there to be an ultimate controlling party.

27. Post balance sheet events

Since the year end iwoca Ozone Limited has refinanced its debt with total commitments of £80,000k. The facility has a two year revolving period and a final maturity of four years from date of closing.

The Company refinanced its working capital facility with total commitments of £20,000k, a three year term and a floating charge against the Company's assets.

The Company signed a new five year operating lease, commencing on 14 March 2025, with a reduced rent for the first 19 months and annual rent payable of £1,739k.

The Company gifted £9,131k to the EBT, in addition to the £5,325k that was gifted prior to the balance sheet date, for the purchase of shares from shareholders. A description of the transaction is provided in the strategic report under the Capital Management heading.

The Directors continue to monitor risks, including inflation and its impact on the cost of living, the impact of changes to the Bank of England base rate, the European Central Bank interest rate and the current uncertainty over international trade and tariffs, on customers.