

**Company Number 681846**

**Prytania Alternative Credit Opportunities Designated Activity Company**

**Directors' Report and  
Audited Financial Statements**

**For the financial year ended 31 December 2024**



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## **Prytania Alternative Credit Opportunities Designated Activity Company**

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### **Directors and other information**

Directors	Morgan Sheehy (resigned 18 July 2025) Brendan McCauley (resigned 30 April 2025) Hugh Holland (appointed 18 July 2025) Iwona Halpin (appointed 30 April 2025)
Company Secretary	Walkers Corporate Services (Ireland) Limited
Company Number	681846
Registered Office	5 <sup>th</sup> Floor, The Exchange Georges Dock IFSC Dublin 1 D01 W3P9 Ireland
Independent Auditor	Grant Thornton Chartered Accountants & Statutory Auditors 13-18 City Quay Dublin 2 D02 ED70 Ireland
Bankers	Elavon Financial Services DAC Building 8, Cherrywood Business Park Loughinstown Dublin 18 D18W2X7 Ireland
Manager	Prytania Investments Advisors LLP 18 King William Street, London EC4N 7BP England

**Directors' Report**

The Board of Directors (the "Board" or the "Directors") present their report together with the audited financial statements for the financial year ended 31 December 2024 for Prytania Alternative Credit Opportunities Designated Activity Company (the "Company").

**Directors and secretary and their interests**

The names of the persons who were Directors at any time during the financial year ended 31 December 2024 and subsequently are set out below:

Morgan Sheehy (resigned 18 July 2025)  
Brendan McCauley (resigned 30 April 2025)  
Hugh Holland (appointed 18 July 2025)  
Iwona Halpin (appointed 30 April 2025)

Walkers Corporate Services (Ireland) Limited are secretary of the Company. The Directors and their immediate relatives and the company secretary did not hold an interest in any shares of the Company as at 31 December 2024 or at any time during or since the financial year end.

**Accounting records**

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to maintaining adequate books and records by employing a service provider who employs accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The Company's accounting records are maintained at 5<sup>th</sup> Floor, The Exchange, Georges Dock, IFSC, Dublin 1, Ireland.

**Principal activities, review of the business and future developments**

The Company was incorporated and registered in Ireland on 12 November 2020 with registration number 681846. The sole shareholder of the Company is Walkers Global Shareholding Services Limited, who holds the share under a Declaration of Trust for charitable purposes.

The Company was established as a Section 110 Company as set out under the Taxes Consolidation Act 1997.

On 2 March 2021, the Company issued a GBP 100,000,000 unsecured profit participating note due 2028 (the "Note") to provide funding to the Company. The Company would use the proceeds from the Note to participate as funder and user in a lending platform managed by the Manager. The Manager identifies borrowers and bids on specified classes of assets on the Company's behalf pursuant to and in accordance with the terms of the management agreement (the "Management agreement").

As at 31 December 2023, the Company had drawn GBP 10,000,000 under the Note and used these proceeds to provide funding to a borrower by way of a Variable Funding Note ("VFN") pursuant to the terms of a variable funding note deed (the "Variable Funding Note Deed"). On the 27 July 2022, the underlying terms of the VFN were amended pursuant to the Mezzanine Note Issuance Agreement (the "Mezzanine Note Issuance Agreement"). Details of which are further outlined in Note 8. The VFN is listed on the International Stock Exchange.

In accordance with the terms and conditions of the Profit Participating Note ("PPN") per the Note Instrument agreement ("Note Instrument"), all available distribution amounts (if any) after all other priority payments have been made will be payable to the holders of the PPN ("PPN Noteholders") on each interest payment date, excluding an annual reserved profit of GBP 1,000. The interest expense on the PPN was GBP 1,440,162 (2023: GBP 1,477,418) for the financial year.

The Directors expect the current business activities to continue for the foreseeable future and do not expect any changes in the Company's business model.

**Directors' Report (continued)**

**Results and dividends**

The results for the financial year are set out on page 12. The profit for the financial year after taxation is GBP 750 (2023: GBP 750). The Directors recommend that no dividend is paid for the financial year ended 31 December 2024.

**Transactions involving Directors**

There were no contracts in the financial year of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 2014.

**Financial risk management**

The Company's operations are financed through funding provided under the Note. The Company's approach in respect of mitigation of its financial risk is laid out in note 14.

**Internal Controls Structure**

The Board is responsible for establishing and maintaining adequate internal controls and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal controls and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing Walkers Corporate Services (Ireland) Limited to maintain the accounting records of the Company independently. Walkers Corporate Services (Ireland) Limited is contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view of the Company. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

Walkers Corporate Services (Ireland) Limited is obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal controls over financial reporting.

These control structures include appropriate division of responsibilities and specific control activities, aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's Directors' Report and financial statements. The systems of control have been in place for the period under review and up to the date of approval of the Directors' Report and financial statements.

**Shareholders and Related Rights**

No Director has a significant direct or indirect holding of shares/securities in the Company. No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights. With regard to the appointment and replacement of Directors, the Company is governed by the Company's Constitution which empowers the existing Directors to appoint and (if necessary) replace the Directors. The Company's Constitution may be amended by special resolution of the shareholders.

**Going concern**

The Directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet their obligations as they fall due.

**Subsequent events**

There have been no significant events since the balance sheet date which require disclosure in these financial statements.

**Political donations**

The Electoral Act, 1997 (as amended by the Electoral Amendment Policy Funding Act, 2012) requires companies to disclose all political donations over €200 in aggregate made during a financial year.

**Directors' Report (continued)**

The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial year ended 31 December 2024 (2023: Nil).

**Directors' compliance statement**

The Company's turnover does not exceed the thresholds set out in section 225 of the Companies Act 2014 for the year ended 31 December 2024. Therefore, the provisions of section 225 of the Companies Act 2014 do not apply to the Company and the Directors are not required to include a Compliance Statement in their statutory Directors' Report for the year ended 31 December 2024.

**Audit committee**

As at the date of these financial statements, the Company is operating within the employee and turnover threshold limits as set out under Section 167(1) of the Companies Act 2014 (the "Act") and, as such, the Company does not meet the requirements to establish an audit committee for the current financial year ended 31 December 2024.

**Statement of relevant audit information**

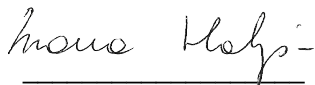
The Directors confirm that;

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

**Independent auditor**

Grant Thornton, Chartered Accountants and Statutory Firm, were appointed auditor during the financial year and have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

**Approved and authorised for issue on behalf of the Directors on 9 February 2026**



**Iwona Halpin**  
Director  
9 February 2026



**Hugh Holland**  
Director  
9 February 2026

## **Prytania Alternative Credit Opportunities Designated Activity Company**

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### **Statement of Directors' responsibilities with regard to the financial statements**

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

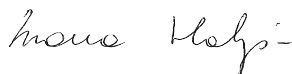
Company law requires the Directors to prepare financial statements for each financial year in accordance with the provisions of Companies Act 2014. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company at the financial year end and of its profit or loss for the financial year and otherwise comply with the Companies Act 2014. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

### **Approved and authorised for issue on behalf of the Directors on 9 February 2026**



**Iwona Halpin**  
Director  
9 February 2026



**Hugh Holland**  
Director  
9 February 2026

Independent auditor's report to the members of  
Prytania Alternative Credit Opportunities Designated Activity Company

### **Opinion**

We have audited the financial statements of Prytania Alternative Credit Opportunities Designated Activity Company (or the "Company"), which comprise the Statement of profit and loss and comprehensive income, Statement of financial position, Statement of changes in equity, and Statement of cash flows for the financial year ended 31 December 2024, and the related notes to the financial statements, including the material accounting policy information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and IFRS Accounting Standards as adopted by EU ("IFRS") (the "relevant accounting framework").

In our opinion, the Company's financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its results for the financial year then ended;
- have been properly prepared in accordance with the relevant accounting framework; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Board of Directors (or the "Directors") use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Independent auditor's report (continued) to the members of  
Prytania Alternative Credit Opportunities Designated Activity Company

**Other information**

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

**Opinion on the matters prescribed by the Companies Act 2014**

We have obtained all the information and explanations which to the best of our knowledge and belief, we considered necessary for the purposes of our audit.

In our opinion:

- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.

The statement of financial position and profit and loss are in agreement with the accounting records and returns.

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

- the information given in the Directors' report for the financial year is consistent with the financial statements.
- the Directors' report has been prepared in accordance with applicable legal requirements, excluding the requirements on sustainability reporting in Part 28.

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Independent auditor's report (continued) to the members of  
Prytania Alternative Credit Opportunities Designated Activity Company

### **Matters on which we are required to report by exception**

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of sections 305 to 312 of the Act, which relate to the disclosure of directors' remuneration and transactions with directors have not been complied with by the company. We have nothing to report in this regard.

### **Responsibilities of those charged with governance for the financial statements**

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process and for the preparation of the financial statements that give a true and fair view.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

Independent auditor's report (continued) to the members of  
Prytania Alternative Credit Opportunities Designated Activity Company

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

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Wilson  
For and on behalf of

**Grant Thornton**  
Chartered Accountants  
& Statutory Audit Firm  
Dublin  
Ireland

9 February 2026

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**Prytania Alternative Credit Opportunities Designated Activity Company**

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**Statement of profit and loss and other comprehensive income****For the financial year ended 31 December 2024**

		<b>Financial year ended 31-Dec-24 GBP</b>	<b>Financial year ended 31-Dec-23 GBP</b>
<b>Net interest income</b>	<b>Note</b>		
Interest income	3	2,793,632	2,151,007
Interest expense	4	<u>(1,440,162)</u>	<u>(1,477,418)</u>
		1,353,470	673,589
<b>Other expenses</b>			
Administrative expenses	5	(148,635)	(108,338)
Expected credit loss provision	8 & 10	<u>(1,203,835)</u>	<u>(564,251)</u>
<b>Profit before taxation</b>		1,000	1,000
Corporation tax	7	<u>(250)</u>	<u>(250)</u>
<b>Profit for the financial year</b>		750	750
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>750</u>	<u>750</u>

All profits and total comprehensive income for the financial year ended 31 December 2024 are attributable to the owners of the Company. All items relate to continuing operations.

The notes to the financial statements on pages 16 to 30 form an integral part of the financial statements.

**Prytania Alternative Credit Opportunities Designated Activity Company**

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**Statement of financial position**

**As at 31 December 2024**

	Note	31-Dec-24 GBP	31-Dec-23 GBP
<b>Assets</b>			
<b>Non-current assets</b>			
Financial assets	8	<u>9,982,157</u>	<u>9,974,768</u>
		9,982,157	9,974,768
<b>Current assets</b>			
Cash and cash equivalents	9	97,760	327,448
Other receivables	10	<u>1,582,172</u>	<u>1</u>
<b>Total assets</b>		<u><u>11,662,089</u></u>	<u><u>10,302,217</u></u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	12	<u>10,075,000</u>	<u>10,000,000</u>
		10,075,000	10,000,000
<b>Current liabilities</b>			
Other payables	11	<u>1,584,088</u>	<u>299,966</u>
<b>Total liabilities</b>		11,659,088	10,299,966
<b>Equity</b>			
Called up share capital	13	1	1
Retained earnings		<u>3,000</u>	<u>2,250</u>
<b>Total equity</b>		<u>3,001</u>	<u>2,251</u>
<b>Total equity and liabilities</b>		<u><u>11,662,089</u></u>	<u><u>10,302,217</u></u>

The notes to the financial statements on pages 16 to 30 form an integral part of the financial statements.

**Approved and authorised for issue on behalf of the Directors on 9 February 2026**



**Iwona Halpin**  
Director  
9 February 2026



**Hugh Holland**  
Director  
9 February 2026

**Prytania Alternative Credit Opportunities Designated Activity Company**

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**Statement of changes in equity**

**For the financial year ended 31 December 2024**

	<b>Share capital GBP</b>	<b>Retained earnings GBP</b>	<b>Total GBP</b>
<b>Balance as at 1 January 2024</b>	1	2,250	2,251
Total profit and other comprehensive income	-	750	750
<b>Balance as at 31 December 2024</b>	<u>1</u>	<u>3,000</u>	<u>3,001</u>

	<b>Share capital GBP</b>	<b>Retained earnings GBP</b>	<b>Total GBP</b>
<b>Balance as at 1 January 2023</b>	1	1,500	1,501
Total profit and other comprehensive income	-	750	750
<b>Balance as at 31 December 2023</b>	<u>1</u>	<u>2,250</u>	<u>2,251</u>

The notes to the financial statements on pages 16 to 30 form an integral part of the financial statements.

**Prytania Alternative Credit Opportunities Designated Activity Company**

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**Statement of cash flows**

**For the financial year ended 31 December 2024**

	<b>Financial year ended 31-Dec-24 GBP</b>	<b>Financial year ended 31-Dec-23 GBP</b>
<b>Cash flows from operating activities</b>		
Profit after taxation	750	750
<i>Adjustments for:</i>		
Interest income	(2,793,632)	(2,151,007)
Interest expense	1,440,162	1,477,418
Expected credit loss provision	1,203,835	564,251
Increase/(Decrease) in other payables	19,959	6,284
<b>Net cash used in operating activities</b>	<u>(128,926)</u>	<u>(102,304)</u>
<b>Cash flows from investing activities</b>		
Investment in Mezzanine Note	-	(1,613,709)
Interest received	237	1,800,614
<b>Net cash generated from/(used in) investment activities</b>	<u>237</u>	<u>186,905</u>
<b>Cash flow from financing activities</b>		
Proceeds from Note	75,000	900,000
Interest paid	(175,999)	(1,910,845)
<b>Net cash used in financing activities</b>	<u>(100,999)</u>	<u>(1,010,845)</u>
<b>Net decrease in cash and cash equivalents</b>	(229,688)	(926,244)
Cash and cash equivalents at beginning of the financial year	327,448	1,253,692
<b>Cash and cash equivalents at the end of the financial year</b>	<u><u>97,760</u></u>	<u><u>327,448</u></u>

The notes to the financial statements on pages 16 to 30 form an integral part of the financial statements.

**Notes to the Financial Statements**

**1. General information**

The Company was incorporated and registered in Ireland on 12 November 2020 with registration number 681846. The sole shareholder of the Company is Walkers Global Shareholding Services Limited, who holds the share under a Declaration of Trust for charitable purposes.

The Company was established as a Section 110 Company as set out under the Taxes Consolidation Act 1997.

On 2 March 2021, the Company issued a GBP 100,000,000 unsecured profit participating note due 2028 (the "Note") to provide funding to the Company. The Company would use the proceeds from the Note to participate as funder and user in a lending platform managed by the Manager. The Manager identifies borrowers and bids on specified classes of assets on the Company's behalf pursuant to and in accordance with the terms of the management agreement (the "Management agreement").

As at 31 December 2023, the Company drew GBP 10,000,000 under the Note and used these proceeds to provide funding to a borrower by way of a Variable Funding Note ("VFN") pursuant to the terms of a variable funding note deed (the "Variable Funding Note Deed"). On the 27 July 2022, the underlying terms of the VFN were amended pursuant to the Mezzanine Note Issuance Agreement (the "Mezzanine Note Issuance Agreement"). Details of which are further outlined in Note 8. The VFN is listed on the International Stock Exchange.

In accordance with the terms and conditions of the Profit Participating Note ("PPN") per the Note Instrument agreement ("Note Instrument"), all available distribution amounts (if any) after all other priority payments have been made will be payable to the holders of the PPN ("PPN Noteholders") on each interest payment date, excluding an annual reserved profit of GBP 1,000. The interest expense on the PPN was GBP 1,440,162 (2023: GBP 1,477,418) for the financial year.

The Directors expect the current business activities to continue for the foreseeable future and do not expect any changes in the Company's business model.

**2. Material Accounting Policies**

The principal accounting policies that the Company applied in preparing its financial statements for the financial year ended 31 December 2024 are set out below:

**(a) Basis of preparation and statement of compliance**

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("EU"), and in accordance with the Companies Act 2014. The standards adopted are those endorsed by the EU and effective as of 31 December 2024.

**(b) Going concern**

The Note entered into by the Company is of a limited recourse nature and all the payments made in relation to the PPN Noteholders and the expenses of the Company are made in accordance with the priority of payments as defined by the Note. The Directors expect the Company to continue in operational existence for the foreseeable future and will have adequate funds available to meet their obligations as they fall due. The Directors consider it appropriate to prepare the financial statements under the going concern assumption.

**(c) Functional and presentation currency**

These financial statements are presented in British pound sterling ("GBP") which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The Directors of the Company believe that the GBP most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company.

**(d) Foreign currency transactions**

Foreign currency transactions during the financial year are translated into GBP at the exchange rates ruling at the transaction dates. Monetary items denominated in foreign currencies are retranslated at rates prevailing at each reporting date. Exchange differences are recognised in the profit and loss account.

**Notes to the Financial Statements (continued)**

**(e) Other income and expenses**

All income and expenses are accounted for on an accrual basis.

**(f) Interest income and expense**

Interest income and expense presented in the Statement of profit or loss and other comprehensive income comprise interest on financial assets and financial liabilities measured at amortised cost calculated using an effective interest rate.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**(g) Taxation**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates applicable to the Company's activities enacted or substantively enacted at the reporting date, and adjustments to tax payable in respect of previous financial periods.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different financial periods for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the financial periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date. Deferred tax is not discounted.

**(h) Cash and cash equivalents**

Cash and cash equivalents include cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

**(i) Financial instruments**

*Recognition and initial measurement*

Investments in the VFN are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value through Profit and Loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**Notes to the Financial Statements (continued)**

*Classification and subsequent measurement*

**Financial assets**

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. On initial recognition, a financial asset is classified as measured at amortised cost or; Fair Value through Other Comprehensive Income ("FVOCI") - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other debt instruments and equity investments are subsequently measure at FVTPL. However, the company may irrevocably designate a debt instrument that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

**Financial assets - Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The Company's financial asset portfolio consists of an investment in a VFN. Cash inflows on the VFN Note consist solely of principal and interest payments in line with the transaction documents and are being held to maturity by the Company. The VFN Note is funded by the Note which reflect the repayment pattern of the VFN Note. The Company has no other significant assets or liabilities and as a result considers its business model as "hold-to-collect".

**Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;

**Notes to the Financial Statements (continued)**

- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Having consideration for the nature of the financial assets above, the cash inflows represent solely payments of principal and interest. As financial asset cash inflows meet both the hold to collect business model and SPPI ("solely payments of principal and interest") criteria, the Company has chosen to state its financial assets at amortised cost under IFRS 9. Similar assessments have been made on the Company's other assets.

**Financial assets and financial liabilities – Subsequent measurement and gains and losses**

*Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*Derecognition*

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

*Impairment*

*Presentation of allowance for ECLs in the statement of financial position*

The Company recognises loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost.

When assessing the need to recognise an allowance for ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Factors such as length of maturity of the exposures, current credit risk based on external credit ratings of the counterparties, and fluctuations in the credit risk based on the risk of default occurring over the expected life of the asset are considered. The Company considers a financial asset to be in default when any of the "Mezzanine Events of Default" as outlined in the Mezzanine Note Issuance Agreement are triggered.

Loss allowances, if any, are deducted from the gross carrying amount of the assets.

**Notes to the Financial Statements (continued)**

Given the short-term maturities and low credit risk of cash and cash equivalents, the Company has measured the loss allowance for the financial year ends presented on a 12-month expected loss basis. An ECL provision is required to be recorded for the VFN as at 31 December 2024 due to the increase in credit risk since inception.

For the financial year ended presented in the financial statement, due to the increase in credit risk the Company has calculated a material ECL for financial reporting purposes and as such has recorded an ECL. Refer to Note 8 & 10 for the ECL recognised for the year ended 31 December 2024 (2023: Nil).

The VFN fall into both stage 1 and stage 2 under IFRS 9. As the VFN is dependent on the performance of the underlying loans, of which the majority are performing i.e. the borrowers are making regular repayments in line with the underlying loan agreements or no previous defaults/requests for deferrals from the Borrower. There is a small portion where the directors have deemed the credit risk to have increased significantly and consider to fall under Stage 2 and have correspondingly recognised lifetime ECLs.

*Write-off*

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

When the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof, the gross carrying amount of a financial asset is written off.

For the financial year end presented in the financial statements, there was no write off recorded.

*Offsetting*

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a company of similar transactions.

**(j) Share capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as deduction from the proceeds, net of tax. No Director has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

**(k) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that financial period or in the financial period of the revision and future financial periods if the revision affects both current and future financial periods. The key area of estimate and judgement for the Company is assessing the impairment on financial assets measured at amortised cost. Please refer to accounting policy 2(i) "Financial Instruments".

**Notes to the Financial Statements (continued)**

**(l) New standards and amendments**

***New standards and amendments- Effective for annual periods beginning on or after 1 January 2024***

The Directors have reviewed those standards and interpretations that are issued and effective up to the date the reporting period begins and assessed that none of those new standards and interpretations have a material impact on the Company's financial statements.

<b>Description</b>	<b>Effective Date</b>
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively).	01-Jan-24
Amendments to IFRS 16 that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	01-Jan-24
Amendments to IAS 7 and IFRS 7 to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	01-Jan-24

***New standards and amendments – issued but not yet effective***

The directors have considered the new standards, amendments and interpretations as detailed in the below table and do not plan early adoption of these standards. The application of all of these standards, amendments or interpretations will be considered in detail in advance of the confirmed effective date.

<b>Description</b>	<b>Effective Date (period beginning)*</b>
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	1 January 2025**
Annual Improvements Volume 11 (issued on 18 July 2024)	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024)	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)	1 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)	1 January 2027

\*Where new requirements are endorsed, the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable, the Company will apply them from their EU effective date.

\*\*EU endorsed.

**3. Interest income**

	<b>Financial year ended 31-Dec-24 GBP</b>	<b>Financial year ended 31-Dec-23 GBP</b>
Interest income on financial assets	2,793,632	2,151,007
	<u>2,793,632</u>	<u>2,151,007</u>

Interest income was earned under the VFN during the financial year.

**Notes to the Financial Statements (continued)**

**4. Interest expense**

	<b>Financial year ended 31-Dec-24 GBP</b>	<b>Financial year ended 31-Dec-23 GBP</b>
Note interest expense	(1,440,162)	(1,477,418)
	<u>(1,440,162)</u>	<u>(1,477,418)</u>

Interest expense relates to interest incurred or payable on the Note.

**5. Administrative expenses**

	<b>Financial year ended 31-Dec-24 GBP</b>	<b>Financial year ended 31-Dec-23 GBP</b>
Administrative expenses	(97,504)	(71,390)
Legal and professional fees	(21,873)	(22,368)
Audit and tax fees	(29,258)	(14,580)
	<u>(148,635)</u>	<u>(108,338)</u>

The terms of the corporate services agreement in place between the Company and the corporate service provider provide for a single fee for the provision of corporate administration services. As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The individuals, who are employees of the service provider and who act as Directors, do not, in their personal capacity or any other capacity, receive any fee for acting or having acted as a Director of the Company.

For the avoidance of doubt, notwithstanding that the Directors of the Company are employees of the corporate service provider; they did not receive any remuneration for acting as Directors of the Company.

Pursuant to Section 305A (1)(a) of the Companies Act 2014 (as amended), the third party corporate service provider received GBP 2,902 (2023: GBP 3,820) as consideration for the making available of individuals to act as Directors of the Company.

**6. Profit before taxation**

Profit before taxation has been arrived at after charging the following:

	<b>Financial year ended 31-Dec-24 GBP</b>	<b>Financial year ended 31-Dec-23 GBP</b>
Directors' remuneration (Note 5)*	-	-
	<u>-</u>	<u>-</u>
<b>Auditor's remuneration (exclusive of VAT)</b>		
Statutory audit	(19,722)	(8,814)
Tax advisory services	(4,065)	(3,039)
	<u>(23,787)</u>	<u>(11,853)</u>

\*Refer to Note 5.

**Notes to the Financial Statements (continued)**

**7. Taxation**

	<b>Financial year ended 31-Dec-24 GBP</b>	<b>Financial year ended 31-Dec-23 GBP</b>
Corporation tax for the year	(250)	(250)
	<u>(250)</u>	<u>(250)</u>
Profit on ordinary activities before tax	<u>1,000</u>	<u>1,000</u>
Corporation tax at the standard of 12.5% rate for the year	(125)	(125)
Effects of:		
Higher rate tax applicable under Section 110 TCA, 1997 of 12.5%	<u>(125)</u>	<u>(125)</u>
Current tax charge for the year	<u>(250)</u>	<u>(250)</u>

The Company is a qualifying company within the meaning of Section 110 of the TCA. In accordance with Section 110 of the TCA, the taxable profit of the Company has been calculated in accordance with Irish GAAP applicable as at 31 December 2004. The profits are chargeable to corporation tax under Case III of Schedule D of the TCA at a rate of 25%, but are computed in accordance with the provision applicable to Case I of Schedule D of the TCA.

**8. Financial assets**

	<b>31-Dec-24 Total GBP</b>	<b>31-Dec-23 Total GBP</b>
<i>Mezzanine Note:</i>		
Opening balance at beginning of the year	9,974,768	8,368,448
VFN drawdown during the year	-	1,613,709
Expected credit loss provision - Mezzanine Note	<u>7,389</u>	<u>(7,389)</u>
<b>Balance at the end of the year</b>	<u>9,982,157</u>	<u>9,974,768</u>
	<b>31-Dec-23 Total GBP</b>	<b>31-Dec-23 Total GBP</b>
<i>Estimated Credit loss provision - Mezzanine Note:</i>		
Opening balance	7,389	-
Movement for the year	<u>(7,389)</u>	<u>7,389</u>
<b>Balance at the end of the year</b>	<u>-</u>	<u>7,389</u>

The VFN is secured by way of a charge over the assets of the Borrower. The VFN as at 31 December 2023 is due to mature on 22 July 2033 and carries an interest rate of 23.16% + SONIA (2023: 23.16% + SONIA). No interest was received during the year.

**9. Cash and cash equivalents**

	<b>31-Dec-24 GBP</b>	<b>31-Dec-23 GBP</b>
Cash and cash equivalents	<u>97,760</u>	<u>327,448</u>
	<u>97,760</u>	<u>327,448</u>

**Notes to the Financial Statements (continued)**

**10. Other receivables**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>GBP</b>	<b>GBP</b>
Accrued interest income	3,350,257	556,862
Expected credit loss provision - Accrued Interest	(1,768,086)	(556,862)
Share capital receivable	1	1
	<u>1,582,172</u>	<u>1</u>
	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>Total</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>
<i>Estimated Credit loss provision - Accrued interest</i>		
Opening balance	556,862	-
Movement for the year	1,211,224	556,862
<b>Balance at the end of the year</b>	<u>1,768,086</u>	<u>556,862</u>

**11. Other payables**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>GBP</b>	<b>GBP</b>
Interest payable on Note	1,528,532	264,369
Other payables	55,306	35,347
Corporation tax payable	250	250
	<u>1,584,088</u>	<u>299,966</u>

**12. Loans and borrowings**

	<b>31-Dec-23</b>	<b>31-Dec-23</b>
	<b>Total</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>
<i>Note:</i>		
Balance at the beginning of the year	10,000,000	9,100,000
Amounts drawn under the Note during the year	75,000	900,000
<b>Balance at the end of the year</b>	<u>10,075,000</u>	<u>10,000,000</u>

In accordance with the terms and conditions of the Profit Participating Note ("PPN") per the Note Instrument ("Note Instrument") all available distribution amounts (if any) after all other priority payments have been made, will be payable to the holders of the PPN on each interest payment date, excluding an annual reserved profit of GBP 1,000. The interest expense on the PPN was GBP 1,440,162 (2023: GBP 1,477,418) for the financial year. The PPN is due to mature on 8 March 2028.

The maturity analysis of the PPN as at 31 December 2024 and 31 December 2023 is as follows:

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>Total</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>
Due within 1 year	-	-
Due within 2 - 4 years	10,075,000	-
Due in more than 5 years	-	10,000,000
<b>Total</b>	<u>10,075,000</u>	<u>10,000,000</u>

**Notes to the Financial Statements (continued)**

**13. Called up share capital**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>GBP</b>	<b>GBP</b>
<b>Authorised called up share-capital</b>		
1,000 ordinary shares of €1 each	<u>840</u>	<u>840</u>
<b>Issued share capital not yet paid</b>		
1 ordinary share of €1	<u>1</u>	<u>1</u>

The sole shareholder of the Company is Walkers Global Shareholding Services Limited, who hold the share under a Declaration of Trust for charitable purposes. The Company has no ultimate beneficial owner.

**14. Financial risk management**

The Company's financial instruments include the loan facilities, cash and cash equivalents, other borrowings and other accruals and payables that arise directly from its operations. The Company's activities are exposed to a variety of financial risks: capital risk, market risk, credit risk, liquidity risk and operational risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the VFN.

**(a) Capital risk management**

The Company manages its capital to ensure that it is able to continue as a going concern. The capital managed by the Company comprises ordinary shares outstanding and the financial liabilities outstanding as at the financial year end. The Company is not subject to externally imposed capital requirements.

**(b) Market risk**

Market risk is the risk that changes in market prices, foreign exchange rates and/or interest rate. Interest rates will affect the Company's income or asset value. Market risk can therefore be categorised under currency risk, interest rate risk and other price risk.

The Company's risk management objective is to manage and control the market risk to within an acceptable range by ensuring that any potential effects of market prices to the future cash flows of a financial instrument will be minimised by a matching opposite effect in the future cash flow of another financial instrument.

**(i) Currency risk**

Currency risk is the risk that that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company limits its exposure by operating bank accounts in other currencies than its functional currency for receipts and payments in other currencies.

**Currency sensitivity**

No sensitivity analysis has been performed, as all of the Company's assets and liabilities are denominated in GBP.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The tables below summarises the Company's exposure to interest rate risk including the basis of the interest rates:

**Prytania Alternative Credit Opportunities Designated Activity Company**

**Notes to the Financial Statements (continued)**

**2024**

<b>31-Dec-24</b>	<b>Fixed rate</b>	<b>Floating rate</b>	<b>Non- interest bearing</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<i>Financial assets</i>				
Cash and cash equivalents	-	-	97,760	97,760
Other Receivables	-	-	1,582,172	1,582,172
Financial assets at amortised cost	-	9,982,157	-	9,982,157
	-	9,982,157	1,679,932	11,662,089

	<b>Fixed rate</b>	<b>Floating rate</b>	<b>Non- interest bearing</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<i>Financial liabilities</i>				
Other Payables	-	-	(1,584,088)	(1,584,088)
Loans and borrowings	-	-	(10,075,000)	(10,075,000)
	-	-	(11,659,088)	(11,659,088)

**2023**

<b>31-Dec-23</b>	<b>Fixed rate</b>	<b>Floating rate</b>	<b>Non- interest bearing</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<i>Financial assets</i>				
Cash and cash equivalents	-	-	327,448	327,448
Other Receivables	-	-	1	1
Financial assets at amortised cost	-	9,974,768	-	9,974,768
	-	9,974,768	327,449	10,302,217

	<b>Fixed rate</b>	<b>Floating rate</b>	<b>Non- interest bearing</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<i>Financial liabilities</i>				
Other Payables	-	-	(299,966)	(299,966)
Loans and borrowings	-	-	(10,000,000)	(10,000,000)
	-	-	(10,299,966)	(10,299,966)

*Interest rate sensitivity*

Management has determined that a fluctuation in interest rates of 1% is reasonably possible, considering the economic environment in which the Company operates and based on current interest rate market environment. This analysis has assumed that all other variables remain constant.

The sensitivity analysis reflects how net assets would have been affected by the impact on coupon income and expense due to changes in the relevant risk variable that were reasonably possible at the reporting date.

A 100 basis point sensitivity has been assigned for interest rate risk due to low current interest rates.

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>EUR</b>	<b>EUR</b>
Sensitivity to a 100bps movement		
Impact on interest income	99,822	99,748
Impact on interest expense	(99,822)	(99,748)

The interest rate risk of the financial assets is borne by the PPN Noteholders and thus changes in interest rates have no net impact on the equity or the results of the Company.

**Notes to the Financial Statements (continued)**

*(iii) Other price risk*

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Company does not consider price risk to be a significant risk to the Company as any fluctuation in the value of investment securities held by the Company will be borne by the PPN Noteholders due to the limited recourse nature of the Note.

*Sensitivity analysis*

Any changes in the prices of the financial assets at amortised cost would not have any effect on the equity or net result of the Company as any fair value fluctuations in prices are ultimately borne by the PPN Noteholders. As at 31 December 2024, the PPN Noteholders' exposure to other price risk relates to value of financial assets amounting to GBP 9,982,157 (2023: GBP 9,974,768)

An increase of 10% in the market prices of the financial assets with all other variables held constant at the reporting date would result in an increase of GBP 998,216 (2023: GBP 997,477) in the fair value of the debt securities issued. A decrease of 10% in the market prices of the financial assets at the reporting date would result in an equivalent decrease in the fair values of the debt securities issued. Any such exposure to these movements would be borne by the PPN Noteholders.

***(c) Credit risk***

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its obligations, and arises principally from the Company's receivables from the VFN. The Company manages the credit risk by outsourcing this function to the underlying servicer of the Borrower pursuant to the terms of the Mezzanine Note Issuance Agreement. The PPN Noteholders face credit risk mainly on the financial assets in the Company.

The maximum credit risk exposure to the PPN Noteholders as at the 31 December 2024 and 31 December 2023 is disclosed below, comprising cash and cash equivalents, the financial assets at amortised cost, and trade and other receivables.

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>GBP</b>	<b>GBP</b>
Cash and cash equivalents	97,760	327,448
Trade and other receivables	1,582,172	1
Financial assets at amortised cost	<u>9,982,157</u>	<u>9,974,768</u>
	<u><u>11,662,089</u></u>	<u><u>10,302,217</u></u>

***Credit quality analysis***

*Cash and cash equivalents*

The Company's cash and cash equivalents are held with Elavon Financial Services DAC which is rated A1 based on rating agency Moody's.

*Financial assets at amortised cost*

The risk of default on these assets is borne by the PPN Noteholders due to the limited recourse nature of the Note.

The Manager is responsible for the collection, managing and monitoring of the VFN.

*Expected credit loss assessment*

When assessing the need to recognise an allowance for ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

**Notes to the Financial Statements (continued)**

Factors such as length of maturity of the exposures, current credit risk based on external credit ratings of the counterparties, and fluctuations in the credit risk based on the risk of default occurring over the expected life of the asset are considered.

Loss allowances, if any, are deducted from the gross carrying amount of the assets.

Given the short-term maturities and low credit risk of cash and cash equivalents, the Company has measured the loss allowance for the financial year ends presented on a 12-month expected loss basis. An ECL provision is required to be recorded for the VFN as at 31 December 2024 due to the increase in credit risk since inception.

For the financial year ended presented in the financial statement, due to the increase in credit risk the Company has calculated a material ECL for financial reporting purposes and as such has recorded an ECL. Refer to Note 8 & 10 for the ECL recognised for the year ended 31 December 2024 (2023: 7,389).

The VFN fall into both stage 1 and stage 2 under IFRS 9. As the VFN is dependent on the performance of the underlying loans, of which the majority are performing i.e. the borrowers are making regular repayments in line with the underlying loan agreements or no previous defaults/requests for deferrals from the Borrower. There is a small portion where the directors have deemed the credit risk to have increased significantly and consider to fall under Stage 2 and have correspondingly recognised lifetime ECLs. See Note 2(i) for detailed ECL assessment.

**ECL provision - staging**

	Carrying Value	Stage 1	Stage 2	Stage 3	Estimated Credit loss provision
31-Dec-24	GBP	GBP	GBP	GBP	GBP
Financial assets:					
Financial assets at amortised cost	9,982,157	4,164,215	5,817,942	-	7,389
Accrued interest income	3,350,257	1,397,613	1,952,644	-	(1,768,086)
	<u>13,332,414</u>	<u>5,561,828</u>	<u>7,770,586</u>	<u>-</u>	<u>(1,760,697)</u>

	Carrying Value	Stage 1	Stage 2	Stage 3	Estimated Credit loss provision
31-Dec-23	GBP	GBP	GBP	GBP	GBP
Financial assets:					
Financial assets at amortised cost	9,974,768	8,804,922	1,177,235	-	(7,389)
Accrued interest income	-	491,189	65,673	-	(556,862)
	<u>9,974,768</u>	<u>9,296,111</u>	<u>1,242,908</u>	<u>-</u>	<u>(564,251)</u>

**Offsetting**

The Company has not offset any financial assets and liabilities during the year.

**(d) Liquidity risk**

Prudent liquidity risk management means that the Company maintains sufficient cash and liquid investments.

**Notes to the Financial Statements (continued)**

The ability of the Company to meet its ongoing obligations towards the PPN Noteholders is dependent on the receipt of interest and principal from the VFN. The table below represents the cashflows payable by the Company under non-derivative financial liabilities by remaining contractual maturities at the end of the financial year. The amounts disclosed in the table are the contractual undiscounted cashflows whereas the Company manages the inherent liquidity risk based on expected undiscounted cash inflows.

<b>31-Dec-24</b>	<b>Carrying Amount</b>	<b>Gross contractual cashflows</b>	<b>Up to 1 year</b>	<b>2 - 4 years</b>	<b>Over 5 years</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<i>Financial liabilities</i>					
Trade and other payables	(1,584,088)	(1,584,088)	(1,584,088)	-	-
Loans and borrowings	(10,075,000)	(10,075,000)	-	(10,075,000)	-
	<u>(11,659,088)</u>	<u>(11,659,088)</u>	<u>(1,584,088)</u>	<u>(10,075,000)</u>	<u>-</u>

<b>31-Dec-23</b>	<b>Carrying Amount</b>	<b>Gross contractual cashflows</b>	<b>Up to 1 year</b>	<b>2 - 4 years</b>	<b>Over 5 years</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<i>Financial liabilities</i>					
Trade and other payables	(299,966)	(299,966)	(299,966)	-	-
Loans and borrowings	(10,000,000)	(10,000,000)	-	-	(10,000,000)
	<u>(10,299,966)</u>	<u>(10,299,966)</u>	<u>(299,966)</u>	<u>-</u>	<u>(10,000,000)</u>

Trade and other payables represent the interest payable on the Note and other payables. Future variable interest on the Note was not included since it will be determined on funds available, after all other fees and interest payments are made.

**(e) Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the Directors' Report. Corporate service functions are outsourced to Walkers Corporate Services (Ireland) Limited.

**15. Fair values of financial instruments**

When price quotations are not available from unaffiliated market makers or other financial institutions that regularly trade similar investments, independent valuation agents determine the fair value of assets using valuation models. The fair value established pursuant to such methodologies may never be realised, which could result in losses. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Notes to the Financial Statements (continued)**

The Company measures fair values using the following hierarchy of methods:

- Level 1: Quoted (unadjusted) market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The fair values of financial instruments, not valued at fair value but for which fair value is disclosed, together with the carrying amounts shown in the statement of financial position as at 31 December 2024 and 31 December 2023 are as follows:

**2024**

**Fair value hierarchy**

**31-Dec-24**

Financial assets:	Carrying Value	Fair Value			Total
	GBP	Level 1 GBP	Level 2 GBP	Level 3 GBP	
Financial assets at amortised cost	9,982,157	-	-	9,982,157	9,982,157
Trade and other receivables	1,582,172	-	1	1,582,171	1,582,172
Cash and cash equivalents	97,760	97,760	-	-	97,760
	<u>11,662,089</u>	<u>97,760</u>	<u>1</u>	<u>11,564,328</u>	<u>11,662,089</u>
Financial liabilities:					
Loans and borrowings	10,075,000	-	-	10,075,000	10,075,000
Trade and other payables	1,584,088	-	1,584,088	-	1,584,088
	<u>11,659,088</u>	<u>-</u>	<u>1,584,088</u>	<u>10,075,000</u>	<u>11,659,088</u>

**2023**

**Fair value hierarchy**

**31-Dec-23**

Financial assets:	Carrying Value	Fair Value			Total
	GBP	Level 1 GBP	Level 2 GBP	Level 3 GBP	
Financial assets at amortised cost	9,974,768	-	-	9,974,768	9,974,768
Trade and other receivables	1	-	1	-	1
Cash and cash equivalents	327,448	327,448	-	-	327,448
	<u>10,302,217</u>	<u>327,448</u>	<u>1</u>	<u>9,974,768</u>	<u>10,302,217</u>
Financial liabilities:					
Loans and borrowings	10,000,000	-	-	10,000,000	10,000,000
Trade and other payables	299,966	-	299,966	-	299,966
	<u>10,299,966</u>	<u>-</u>	<u>299,966</u>	<u>10,000,000</u>	<u>10,299,966</u>

**16. Related party transactions**

Walkers Corporate Services (Ireland) Limited are a related party as they provide corporate services including the making of persons available to act as Directors for the Company. The Company pays an administration fee of £21,872 (2023: £22,368) to Walkers Corporate Services (Ireland) Limited which is at arm's length rates.

**Notes to the Financial Statements (continued)**

For the avoidance of doubt, notwithstanding that the Directors of the Company are employees of the corporate service provider; they did not receive any remuneration for acting as Directors of the Company.

Pursuant to Section 305A (1)(a) of the Companies Act 2014 (as amended), the third party corporate service provider received GBP 2,902 (2023: GBP 3,820) as consideration for the making available of individuals to act as Directors of the Company.

**17. Subsequent events**

There have been no significant events since the balance sheet date which require disclosure in these financial statements.

**18. Commitments and Contingent Liabilities**

The Directors were not aware of any commitments or contingent liabilities.

**19. Charges**

The Borrower has granted a charge over their assets to the Company.

**20. Approval of the financial statements**

The financial statements were approved by the Board and authorised for issue on 9 February 2026.