

Linked P2P Limited

**Directors' Report and
Consolidated Financial Statements**

For the Year Ended 31 December 2024

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

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LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

COMPANY INFORMATION

For the Year Ended 31 December 2024

Directors	Kingsley Thomas Aikins Niall Dorrian Niall O’Grady James (Shay) Garvey Peter O’Mahony (Chairman) Gareth Walsh	
Company secretary	Dearan Gordon	
Registered number	491763	
Registered office (Irish)	3 rd Floor Abbey Travel House 43-45 Abbey Street Middle Dublin 1	
Independent auditors	Forvis Mazars Chartered Accountants & Statutory Audit Firm Harcourt Centre, Block 3 Harcourt Road Dublin 2	
Bankers	AIB plc Westmoreland Street Dublin 2	Bank of Ireland O’Connell Street Dublin 1
Solicitors	Eversheds Sutherland One Earlsfort Centre Earlsfort Terrace Dublin 2 Dublin	

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the Year Ended 31 December 2024

The directors present their annual report and the consolidated financial statements for the year ended 31 December 2024. These financial statements reflect the performance of Linked P2P Limited and its subsidiaries (“the Group”).

PRINCIPAL ACTIVITY

Linked P2P Limited (“the Company”) facilitates loans to small and medium business via P2P lending. Through the Linked Finance Platform, viable companies or sole traders, upon meeting specified criteria, can raise between €10,000 and €500,000.

Vinculum Limited and Vinculum II Limited, wholly owned subsidiaries of the Company, manage a portfolio of Covid-19 Credit Guarantee Scheme (“CCGS”) and Ukrainian Credit Guarantee Scheme (“UCGS”) loans. Linked Recoveries Limited, another wholly owned subsidiary of the Company, manages the legal process with respect to defaulted loans on the Linked Finance Platform. Linked Finance P2P Limited, another wholly owned subsidiary, is a non-trading entity. Linked Airgead DAC is a newly created wholly owned subsidiary of the Company that was non-trading entity at the year end but was created to service the new loan funding solution of the business.

RESULTS AND REVIEW OF THE BUSINESS

The consolidated profit for the year, after taxation, amounted to €86,752 (2023: €402,522). In 2024, lending to support Irish SMEs under the Ukrainian Credit Guarantee Scheme UCGS through the Department of Enterprise Trade & Employment started when Linked Finance was approved for a UCGS allocation in the first half of the year and then the business returned to its previous standard crowdfunding SME lending. The UCGS loans were funded by issuing €20.7m in new debt securities to support the €27.3m in new loans issued during the year. The business generated similar lending volumes to 2023 and focused on improving the speed and support to its borrowers in providing quality finance solutions but additional costs to support the business operations and set up of new funding structures resulted in the reduced profit in 2024 compared with 2023.

POLITICAL CONTRIBUTIONS

The Group did not make any political contributions during the year (2023: € Nil).

FUTURE DEVELOPMENTS

Linked Finance will continue growth and support of Irish SMEs in facilitating loans along with managing the CCGS and UCGS allocation from the Department of Enterprise Trade & Employment. In addition, in Q4 the business initiated a new funding solution with a new European Banking funder to secure additional liquidity and facilitate future growth.

RESEARCH AND DEVELOPMENT ACTIVITIES

The cost of development of new applications and enhancements for the Company's lending platform for the year ended 31 December 2024 amounted to €212,425 (2023: €150,300), which has been capitalised as an intangible asset and is being amortised over four years.

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the Year Ended 31 December 2024

GROUP COMPANIES

Particulars required to be disclosed under section 314(1) of the Companies Act 2014 in respect of group companies are detailed in note 15 to the financial statements.

DIRECTORS AND SECRETARY

The directors who served throughout the year were Kingsley Thomas Aikins, Niall Dorrian, James (Shay) Garvey, Niall O'Grady, Gareth Walsh and Peter O'Mahony. Dearan Gordon served as secretary throughout the year.

EVENTS SINCE THE END OF THE YEAR

There have been no events since 31 December 2024 that require disclosure in the financial statements.

DIRECTORS AND SECRETARY AND THEIR INTERESTS

In accordance with Section 329 of the Companies Act 2014, the directors' (and company secretary) shareholdings and the movements therein during the year ended 31 December 2024 were as follows:

Ordinary shares

	of 0.001c each	
	31 December 2024	31 December 2023
Kingsley Thomas Aikins	263,082	263,082
Niall Dorrian	3,193,011	3,193,011
James (Shay) Garvey	–	–
Peter O'Mahony	4,575,216	4,575,216
Niall O'Grady	–	–
Dearan Gordon	–	–
	<u>8,031,309</u>	<u>8,031,309</u>

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the Year Ended 31 December 2024

TRANSACTIONS WITH DIRECTORS

There were no contracts of any significance in relation to the business of the Group in which the directors had any interest, as defined by the Companies Act 2014, at any time during the year ended 31 December 2024, except for the following:

Linked Finance's loan notes

In 2024, a loan note instrument was renewed with certain directors (and shareholders) as subscribers for and holders of the loan notes. The director's interest in these loan notes is as follows:

	31 December 2024	31 December 2023
Peter O'Mahony	–	35,000
Niall O'Grady	25,000	25,000

These loan notes are due for redemption within the third year from the date of signing the loan note instrument. The loan notes are unsecured and with a fixed interest rate of 7% per annum.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks facing the Group are financial (liquidity, credit and interest rate) risks, operational and business risks. The peer-to-peer lending industry became regulated November 2023. The Company's application with the Central Bank of Ireland was approved and now operates in a strong regulated environment. The information required in relation to the use by the Group of financial instruments and the financial risk management objectives and policies of the Group are set out in note 27 of the financial statements.

FINANCIAL RISK MANAGEMENT

The Group's operations expose it to a variety of financial risks that include liquidity risk, credit risk and interest rate risk. The Group has risk management policies in place to manage the financial exposures.

Liquidity risk

The Group has sufficient short-term finance for continuing operations. Liquidity risk is managed by ensuring the Group maintains sufficient cash and liquid resources.

Credit risk

The Group has in place credit controls policies and completes a full credit assessment and due diligence on borrowers before they are approved for a business loan along with strict management of the debtor collections. Overdue accounts are pursued directly by the collections team once a payment is missed by a borrower. There is an 80% capital guarantee on loans issued under the CCGS and UCGS, which further mitigates the Group's credit risk exposure. There were three claims paid under the CCGS during the financial year amounting to €77,140 (2023: €165,349). No claims were made under the UCGS scheme.

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the Year Ended 31 December 2024

FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (continued)

The Group is not exposed to credit risk on its standard peer to peer lending through its platform outside of the lender fee it would collect on each monthly repayment from the borrower. The lender of record on each of these loans are retail and institutional funders that have made up the full loan amount to each borrower and therefore exposed to the credit risk on these loans.

Interest rate risk

The Group has fixed interest bonds to finance lending and fixed interest loan financing from shareholders to support the business. There is no other third-party loan financing outside of the Group. The Group has therefore no exposure to interest rate risk.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Group's accounting records are maintained at the Group's registered office at Abbey Travel House, 43-45 Middle Abbey Street, Dublin 1.

STATEMENT ON RELEVANT AUDIT INFORMATION

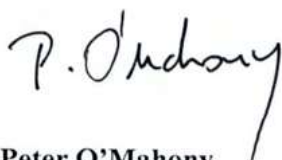
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS

The auditors, Forvis Mazars Chartered Accountants & Statutory Audit Firm, express their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf by:



Peter O'Mahony
Director



Niall O'Grady
Director

Date: 15 January 2026

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS RESPONSIBILITIES STATEMENT

For the Year Ended 31 December 2024

The directors are responsible for preparing the directors' report and the consolidated financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Group and the Company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing these group financial statements, the directors are required to:

- select suitable accounting policies for the Group and Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for ensuring that the Group and Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Group and the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Peter O'Mahony
Director

Date: 15 January 2026



Niall O'Grady
Director

Independent auditor's report to the members of Linked P2P Limited and its subsidiaries

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Linked P2P Limited ('the Company') and its subsidiaries ('the Group'), for the year ended 31 December 2024, which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity and the consolidated statement of cash flows, and notes to the Company and Group financial statements, including the summary of significant accounting policies set out in note 5. The financial reporting framework that has been applied in their preparation is Companies Act 2014 and *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council (FRS 102).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company and the Group as at December 31, 2024, and of the Company's and the Group's profit for the year then ended;
- have been properly prepared in accordance with FRS 102;
- 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) (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 and the Group in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of 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 and the Group's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2014

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company and the Group were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

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

Matters on which we are required to report by exception

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

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company and the Group. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 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.

This description forms part of our auditor's report.

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

Our 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.



Patrick Gorry
for and on behalf of Forvis Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2
Date: 15 January 2026

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2024

	Note	2024 €	2023 €
Revenue	7	4,849,512	4,319,610
Cost of sales		<u>(1,361,670)</u>	<u>(942,596)</u>
Gross profit		3,487,842	3,377,014
Distribution costs		(280,748)	(273,292)
Administrative expenses		(3,029,892)	(2,544,614)
Other operating income	8	<u>-</u>	<u>-</u>
Operating profit		177,202	559,108
Other interest receivable and similar income		3,050	219
Interest payable and similar expenses		<u>(93,500)</u>	<u>(156,775)</u>
Profit before taxation	10	86,752	402,552
Taxation	12	<u>-</u>	<u>-</u>
Profit for the financial year		86,752	402,552
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive profit for the financial year		<u>86,752</u>	<u>402,552</u>

The profit for the financial year within the financial statements of the parent Company was €150,006 (2023: €316,789).

All items dealt related to the continuing operations.

The notes to the consolidated financial statements on pages 16 to 36 form an integral part of the consolidated financial statements.

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Year Ended 31 December 2024

	Note	2024 €	2023 €
Non-Current Assets			
Intangible assets	13	346,227	273,956
Tangible fixed assets	14	12,675	15,878
Borrower loan receivables	16	13,775,390	2,139,391
		<u>14,134,292</u>	<u>2,429,225</u>
Current Assets			
Borrower loan receivables	16	11,562,643	4,772,107
Trade and other debtors	17	319,020	367,833
Cash at bank	18	3,688,717	4,933,227
		<u>15,570,380</u>	<u>10,073,167</u>
Total Assets		<u>29,704,671</u>	<u>12,502,392</u>
Current Liabilities			
Debt securities issued	19	11,500,000	7,543,000
Trade and other payables	20	3,203,792	2,413,520
		<u>14,703,792</u>	<u>9,956,520</u>
Non-Current Liabilities			
Debt securities issued	19	13,860,001	1,500,001
Share subscription reserve fund	21	273,000	267,000
		<u>14,133,001</u>	<u>1,767,001</u>
Total Liabilities		<u>28,836,796</u>	<u>11,723,521</u>
Equity			
Called up share capital presented as equity	22	239	239
Share premium account	23	6,632,576	6,632,576
Other reserves	23	95,096	92,842
Profit and loss account	23	(5,860,033)	(5,946,786)
Total Equity		<u>867,878</u>	<u>778,871</u>
Total Equity and Liabilities		<u>29,704,671</u>	<u>12,502,392</u>

The consolidated financial statements were approved and authorised for issue by the board by:



Peter O'Mahony
Director



Niall O'Grady
Director

Date: 15 January 2026

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

COMPANY STATEMENT OF FINANCIAL POSITION

For the Year Ended 31 December 2024

	Note	2024 €	2023 €
Non-Current Assets			
Intangible assets	13	346,227	273,956
Tangible fixed assets	14	12,675	15,878
Investments	15	500,534	500,434
		<u>859,436</u>	<u>790,268</u>
Current Assets			
Trade and other debtors	17	363,825	513,444
Cash at bank	18	2,641,990	2,403,594
		<u>3,005,815</u>	<u>2,917,038</u>
Total assets		<u>3,865,251</u>	<u>3,707,306</u>
Current Liabilities			
Debt securities issued	19	-	1,270,000
Trade and other payables	20	1,523,739	1,614,055
		<u>2,884,055</u>	<u>2,884,055</u>
Non-Current Liabilities			
Debt securities issued	19	1,360,001	-
Share subscription reserve fund	21	273,000	267,000
		<u>1,633,001</u>	<u>267,000</u>
Total liabilities		<u>3,156,740</u>	<u>3,151,055</u>
Equity			
Called up share capital presented as equity	22	239	239
Share premium account	23	6,632,576	6,632,576
Other reserves	23	95,096	92,842
Profit and loss account	23	(6,019,400)	(6,169,406)
		<u>708,511</u>	<u>556,251</u>
Total equity and liabilities		<u>3,865,251</u>	<u>3,707,306</u>

The consolidated and Company financial statements were approved and authorised for issue by the board:



Peter O'Mahony
Director

Date: 15 January 2026



Niall O'Grady
Director

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2024

	Group				Total €
	Share capital €	Share premium account €	Other reserves €	Profit and loss account €	
At 31 December 2022	211	3,813,354	73,645	(6,349,338)	(2,462,128)
Profit for the year	–	–	–	402,552	402,552
Share option charge	–	–	19,197	–	19,197
Reclassification of preference shares previously recognised as liability (Note 25)	28	2,819,222	–	–	2,819,250
At 31 December 2023	239	6,632,576	92,842	(5,946,786)	778,871
Profit for the year	–	–	–	86,752	86,752
Share option charge	–	–	2,254	–	2,254
At 31 December 2024	239	6,632,576	95,096	(5,860,033)	867,878

	Company				Total €
	Share capital €	Share premium account €	Other reserves €	Profit and loss account €	
At 31 December 2022	211	3,813,354	73,645	(6,486,195)	(2,598,985)
Profit for the year	–	–	–	316,789	316,789
Share option charge	–	–	19,197	–	19,197
Reclassification of preference shares previously recognised as liability (Note 25)	28	2,819,222	–	–	2,819,250
At 31 December 2023	239	6,632,576	92,842	(6,169,406)	556,251
Profit for the year	–	–	–	150,006	150,006
Share option charge	–	–	2,254	–	2,254
At 31 December 2024	239	6,632,576	95,096	(6,019,400)	708,511

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 December 2024

	Note	2024 €	2023 €
Cash flows from operating activities			
Profit for the financial year		86,752	402,552
Adjustment for:			
Interest income	7	(1,164,304)	(688,002)
Interest expense		1,149,488	703,854
Preference share dividend		6,000	67,874
Amortisation of intangible assets	13	140,153	111,854
Depreciation of tangible assets	14	9,549	14,005
Impairment of borrower loans receivable	16	70,765	59,770
Profit before working capital change		298,403	671,907
Decrease/(increase) in debtors		143,286	(94,327)
(Decrease) in creditors		(30,788)	(175,304)
Net cash provided by operating activities		410,901	402,276
Cash flow from investing activities			
Increase of tangible and intangible assets	13,14	(218,771)	(157,239)
Loans issued		(27,333,000)	–
Loan repayments		8,895,471	7,715,237
Interest received		1,071,590	725,791
Net cash (used in)/ provided by investing activities		(17,584,710)	8,283,789
Cash flows from financing activities			
Loan drawdown		20,803,538	–
Loan repayments		(4,486,538)	(5,550,000)
Interest paid		(390,004)	(955,572)
Share option charge		2,254	19,197
Net cash provided by/(used in) used in financing activities		15,929,250	(6,486,375)
Net (decrease)/increase in cash and cash equivalents		(1,244,560)	2,199,690
Cash and cash equivalents at beginning of the year		4,933,277	2,733,537
Cash and cash equivalents at end of the year		3,688,717	4,933,227

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2024

1. GENERAL INFORMATION

The registered office of Linked P2P Limited (“the Company”) is Abbey Travel House, 43-45 Abbey Street Middle, Dublin 1.

These financial statements comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes of Linked P2P Limited for the financial year ended 31 December 2024.

Linked P2P Limited is a company incorporated in Ireland. The nature of the company’s operations and its principal activities are set out in the Directors’ Report.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard Applicable in the UK and Republic of Ireland” (“FRS 102”) and the Companies Act 2014.

3. BASIS OF CONSOLIDATION

The consolidated financial statements present the results of Parent Company and its own subsidiaries (“the Group”) as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

4. EXEMPTIONS UNDER COMPANIES ACT 2014

The Group has taken advantage of the following Companies Act 2014 exemptions:

- i) from preparing a Parent Company statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company’s cash flows;
- ii) As permitted by Section 304 (2) of the Companies Act 2014, no separate Statement of Comprehensive Income is presented in respect of the Parent Company.

LINKED P2P LIMITED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2024

5. ACCOUNTING POLICIES

5.1 Basis of preparation of financial statements

The consolidated financial statements have been prepared on the going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

5.2 Going concern

The shareholders' equity at 31 December 2024 amounted to €867,838 (2023: €778,871), including an amount of €273,000 (2023: €267,000) in respect of cumulative redeemable preference shares which have been regarded as a financial liability in accordance with FRS 102 Section 22 Liabilities and Equity and a loan note in the amount of €1,360,001 (2022: €1,270,000) which was entered into with directors and shareholders. These items are disclosed within creditors due after more than one year (Note 19).

The cash reserves of the Group at year-end were €3,688,717 (2023: €4,933,227).

The financial statements have been prepared on the going concern basis, as the level of cash reserves and financial performance will ensure the continued operations of the entity for the foreseeable future, being at least twelve months from the date of signing the financial statements.

5.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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5. ACCOUNTING POLICIES (continued)

5.3 Revenue (continued)

Rendering of services

Turnover from rendering of services is recognised in the accounting period in which the services are rendered and when the outcome of the contract can be estimated reliably.

Application and Borrowers' fees are recognised when applications are approved on the lending platform and the loan has been fully funded for drawdown by the borrower.

Lenders' fees are recognised in monthly instalments over the life of the loan contract.

Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

5.4 Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pension plans

Pension costs arise under a Group facilitated Personal Retirement Savings Account (PRSA) scheme.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

5.5 Operating leases: The Group as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

5.6 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Interest expense on the Group's loan note outstanding and its shareholders loans are recognised in 'Interest payable and other similar expenses' in the Statement of Comprehensive Income.

5. ACCOUNTING POLICIES (continued)

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5.7 Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when 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 difference.

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 difference.

5.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which are 4 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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As at 31 December 2024

5. ACCOUNTING POLICIES (continued)

5.9 Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Fixtures & fittings, office and computer equipment

Fixtures & fittings, office equipment and computer equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Depreciation is provided on a straight-line basis at rates, which are estimated to reduce the assets to realisable values by the end of their expected useful lives as follows:

Fixtures and fittings	-	20% straight line method
Office equipment	-	20% straight line method
Computer equipment	-	33% straight line method

Depreciation is charged when the asset is substantially ready for use. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

5.10 Investment in Subsidiaries

Investments in subsidiaries are carried at historical cost less accumulated impairment losses.

5.11 Client monies

The Group holds client monies as a trustee on behalf of clients. Client monies are held in a segregated designated client bank account with a bank which is not a Group bank account. As client monies are not held for the benefit of the Group, such monies are not included in the Group's financial statements.

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5. ACCOUNTING POLICIES (continued)

5.12 Financial instruments

Financial assets

Basic financial assets, including trade debtors, borrower loans and cash, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled; or substantially all the risks and rewards of the ownership of the asset are transferred to another party; or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions on transfer.

Financial liabilities

Basic financial liabilities, including trade creditors and shareholders' loan notes, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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As at 31 December 2024

5. ACCOUNTING POLICIES (continued)

5.13 Equity instruments

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary or is redeemable but only at the Group's option. Dividends on preference share capital classified as equity are recognised as distributions within equity in the period in which they are declared. Preference shares which are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognised as finance expenses.

Share options

Where share options are awarded to employees, the fair value of the 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 year end date so that ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a vesting condition.

Where the terms and condition 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 the statement of comprehensive income over the remaining vesting period.

The estimated fair value of the options that are ultimately expected to vest are recorded over the option's vesting period and charged to statement of comprehensive income with a corresponding increase in capital contributions.

When determining the number of options that are expected to vest the Group takes into account historical experience and trends in actual option forfeitures. For all stock options issued, if and when the stock options are exercised, the applicable amounts of capital contribution are transferred together with the proceeds to common shares within share capital. Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

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5. ACCOUNTING POLICIES (continued)

5.14 Government grants and government assistance

Government grants and government assistance represent the transfers of resources to the Group from the government in Ireland in return for past or future compliance with certain conditions relating to the Group's operations activities. Income-related government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government assistance is action by a government which is designed to provide an economic benefit specific to the Group qualifying under certain criteria. Government assistance received by the Group includes a payment plan on deferred taxes over a five year period with zero interest accruing on the outstanding liability.

6. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The directors make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

a) Critical judgements made in applying the Group's accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

b) Key sources of estimation uncertainty

Useful economic lives of intangible assets

The Group amortises its intangible assets over their estimated useful lives. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's intangible assets.

Useful economic lives of tangible fixed assets

The Group depreciates its tangible fixed assets over their estimated useful lives after taking into account their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's tangible fixed assets.

The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life.

Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges.

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6. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of borrower loans, trade debtors and amounts due from group companies

The Group assesses its debtors on a continuous basis for any objective evidence of impairment by considering factors, including the ageing profile, the creditworthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Impairment of borrower loans amounting to €70,765 (2023: €59,770) was recognised in the financial statements.

7. REVENUE

Turnover comprises the value of services supplied by the group, exclusive of value added tax. An analysis of turnover by category and by geographical location is as follows:

Category	2024 €	2023 €
Fee income	3,685,208	3,631,608
Interest income	1,164,304	688,002
	<u>4,849,512</u>	<u>4,319,610</u>
Geographical location		
Republic of Ireland	4,849,512	4,319,610
	<u>4,849,512</u>	<u>4,319,610</u>

Interest income is earned on the CCGS and UCGS loan portfolio and is recognised on an effective interest basis. Fee income is composed of application, borrower and lender fees earned on the Group's borrower loans receivable.

8. OTHER OPERATING INCOME

	2024 €	2023 €
Government grants	<u>—</u>	<u>—</u>

There were no government grants received in 2024.

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As at 31 December 2024

9. EMPLOYEES AND REMUNERATION

The average monthly number of persons employed by the group were analysed into the following categories).

	<u>2024</u>	<u>2023</u>
Average monthly employees	25	25

The staff costs comprise of:

	<u>€</u>	<u>€</u>
Wages and salaries	1,674,590	1,596,471
PRSI	202,136	191,215
Stock option costs	2,254	19,197
	<u>1,878,980</u>	<u>1,806,883</u>

The total remuneration for key management personnel for the financial year amounted to €280,000 (2023: €280,000). Remuneration includes basic pay, employer PRSI and employer pension contributions. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) in that entity.

10. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2024</u>	<u>2023</u>
	<u>€</u>	<u>€</u>
Operating Profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	9,549	14,005
Amortisation of intangible assets	140,153	111,854

11. DIRECTORS' REMUNERATION

	<u>2024</u>	<u>2023</u>
	<u>€</u>	<u>€</u>
Directors' emoluments in respect of qualifying services	175,000	175,000

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12. TAXATION

The reconciliation of tax on profits on ordinary activities at the standard rate of Irish corporation tax to the Group's actual tax charge is analysed as follows:

	2024	2023
	€	€
Profit on ordinary activities before taxation	86,752	402,552
Current tax on ordinary activities at standard rate of tax at 12.5% (2023: 12.5%)	10,844	50,319
<i>Addbacks:</i>		
Depreciation and amortization expense	18,713	15,732
Entertainment expense	119	1,203
Losses utilized	(29,676)	(67,254)
Losses to be brought forward	-	-
Tax on profit/(loss) on ordinary activities	-	-

13. INTANGIBLE ASSETS

	Company and Group
	Software development
	expenditure
	€
Cost	
At 31 December 2023	583,930
Additions	212,425
At 31 December 2024	796,355
Amortisation	
At 31 December 2023	309,974
Charge for the year	140,154
At 31 December 2024	450,128
Net book value	
At 31 December 2024	346,227
At 31 December 2023	273,956

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As at 31 December 2024

14. TANGIBLE FIXED ASSETS

	Company and Group			Total €
	Fixtures and Fittings €	Office Equipment €	Computer Equipment €	
Cost or valuation				
At 31 December 2023	95,697	9,475	45,637	150,809
Additions	–	339	6,007	6,346
Disposals	–	–	–	–
At 31 December 2024	95,697	9,814	51,644	157,155
Depreciation				
At 31 December 2023	88,745	9,475	36,711	134,931
Charge for the year	2,781	56	6,712	9,549
Disposals	–	–	–	–
At 31 December 2024	91,526	9,531	43,423	144,480
Net book value				
At 31 December 2024	4,171	283	8,221	12,675
At 31 December 2023	6,952	–	8,926	15,878

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15. INVESTMENTS

		Company	
		2024	2023
		€	€
Investments in subsidiaries		534	434
Investment in notes		500,000	500,000
		<u>500,534</u>	<u>500,434</u>
Subsidiary undertakings			
	Country of incorporation	Class of shares	% ownership
Linked Recoveries Limited	Republic of Ireland	Ordinary	100%
Linked Finance P2P Limited	United Kingdom	Ordinary	100% Non-trading
Vinculum Limited	Republic of Ireland	Ordinary	100%
Vinculum II Limited	Republic of Ireland	Ordinary	100%
Linked Airgead DAC	Republic of Ireland	Ordinary	100% Non-trading

The registered address of Linked Recoveries Limited, Vinculum Limited, Vinculum II Limited and Linked Airgead DAC is Abbey Travel House, 43-45 Abbey Street Middle, Dublin 1.

The registered address of Linked Finance P2P Limited is 71-75 Shelton Street, Covent Garden, London, United Kingdom, WC2H 9JQ.

16. BORROWER LOANS RECEIVABLE

	Company		Group	
	2024	2023	2024	2023
	€	€	€	€
Within 1 year (gross exposure)	–	–	11,633,407	4,831,877
More than 1 year (gross exposure)	–	–	13,775,390	2,139,391
Allowance for bad debts	–	–	(70,765)	(59,770)
	<u>–</u>	<u>–</u>	<u>25,338,032</u>	<u>6,911,498</u>

Borrower loans receivable of €25,338,032 (2023: €6,911,498) represent fixed rate lending by the Group under the Credit Guarantee Scheme (CCGS & UCGS). These loans range in maturity from 1 to 5 years. Impairment provision on these loans receivable amounts to €70,765 (2023: €59,770).

17. TRADE AND OTHER DEBTORS

	Company		Group	
	2024	2023	2024	2023
	€	€	€	€
Trade debtors	238,429	392,751	164,564	283,738
Accrued interest receivable	101,861	73,048	130,921	36,448
Prepayments	23,535	47,645	23,535	47,647
	<u>363,825</u>	<u>513,444</u>	<u>319,020</u>	<u>367,833</u>

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18. CASH AT BANK

	Company		Group	
	2024	2023	2024	2023
	€	€	€	€
Cash at bank	2,641,990	2,403,594	3,688,717	4,933,227

In addition, Linked P2P Limited hold client monies as a trustee on behalf of clients in a segregated designated client bank account with a bank which is not the company's bank. As client monies are not held for the benefit of the Group, such monies are not included in the Group financial statements and hence are not included in the cash balances disclosed above.

19. DEBT SECURITIES ISSUED

	Company		Group	
	2024	2023	2024	2023
	€	€	€	€
Loan notes payable within 1 year	–	1,270,000	–	1,270,000
Loan notes payable after 1 year	1,360,001	–	1,360,001	–
Bonds payable within 1 year	–	–	11,500,000	6,273,000
Bonds payable after 1 year	–	–	12,500,000	1,500,001
	1,360,001	1,270,000	25,360,001	14,593,001

The Group has a number of fixed interest bonds as at year end and are repayable in line with repayment terms of the borrower loans receivable and bond agreement payment waterfall. There is a Series C bond for €13,000,000 outstanding as at year end with a final repayment date of 31 December 2027; a Series A bond for €500,000 outstanding as at year end with final repayment date of 31 December 2026 and a Series C bond for €10,500,000 outstanding as at year end with final repayment date of 31 December 2029. The Company estimates the bonds amount due within (one) 1 year based on the expected loan repayments to be received from the borrowers in the subsequent year taking into account the contractual payment waterfall in place.

In 2024, the Group also reissued €1,360,001 of fixed rate loan notes payable in September 2027.

The debt securities issued by the Group bear interest up to 7%.

20. TRADE AND OTHER PAYABLES

Amounts Falling Due Within One Year	Company		Group	
	2024	2023	2024	2023
	€	€	€	€
PAYE/PRSI	873,577	1,133,644	873,577	1,133,644
Accrued interest expense	28,233	7,408	1,462,362	702,878
Accruals and other creditors	581,243	406,539	594,726	406,105
Trade creditors	36,015	61,025	268,456	165,454
Value added taxation	4,671	5,439	4,671	5,439
	1,523,739	1,614,055	3,203,792	2,413,520

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The Group has warehoused PAYE/PRSI liabilities in line with the Covid-19 supports provided to SME's by the Irish Government from 2020 to 2023. Liability is to be repaid in line with Revenue guidelines.

21. SHARE SUBSCRIPTION RESERVE FUND

	Company and Group	
	2024	2023
	€	€
Share subscription reserve fund (note 25)	273,000	267,000

22. SHARE CAPITAL

	Group	
	2024	2023
	€	€
Shares presented as equity		
Authorised		
100,000,000,000 Ordinary shares of €0.00001 each	1,000,000	1,000,000
2,819,250 3% cumulative redeemable preference shares of €0.00001 each	28	28
	<u>1,000,028</u>	<u>1,000,028</u>
Allotted, called up and fully paid		
21,128,933 Ordinary shares of €0.00001 each (2022: 21,128,933 Ordinary shares of €0.00001 each)	211	211
2,819,250 3% cumulative redeemable preference shares of €0.00001 each	28	28
	<u>239</u>	<u>239</u>
	Company	
	2024	2023
	€	€
Shares presented as a liability		
Authorised		
200,000 3% cumulative redeemable preference shares of €0.001 each (Note 24)	200	200
	<u>200</u>	<u>200</u>
Allotted, called up and fully paid		
200,000 3% cumulative redeemable preference shares of €0.001	200	200
	<u>200</u>	<u>200</u>

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23. SHARE CAPITAL (continued)

The classification of these financial instruments as debt is based on the directors' assessment of the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument under FRS 102. In particular, the option of the holders of the preference shares to seek redemption of the shares satisfies the definition of a financial liability as the Group has a present obligation to deliver cash to the holders of the cumulative redeemable preference shares.

23. RESERVES

Share premium account

The share premium reserve represents the premium on issue of the ordinary and preference shares.

Profit and loss account

The profit and loss account represent cumulative gains and losses recognised, net of transfers to/from other reserves and dividends paid.

Other reserves

Other reserves represent movements in share-based payments. The movement in the cumulative expense since the previous year is recognised in the income statement, with a corresponding entry in other reserves.

24. SHARE SUBSCRIPTION RESERVE FUND

	Company and Group	
	2024	2023
	€	€
2,250,000 3% cumulative redeemable preference shares of €0.00001 each	–	–
200,000 3% cumulative redeemable preference shares of €0.001 each	200	200
Premium on issue	199,800	199,800
Accrued coupon thereon	73,000	67,000
	<u>273,000</u>	<u>267,000</u>

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25. RELATED PARTY TRANSACTIONS

No transactions with related parties were entered into which would require disclosure in accordance with FRS 102 Section 33, other than the below:

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Shareholders' loan note

In 2024, a loan note instrument was reissued with certain directors and shareholders as subscribers for, and holders of, the loan notes. These loan notes are due for redemption within the third year from the date of signing the loan note instrument. The loan notes are unsecured and carry an interest rate of 7% per annum.

	Company and Group	
	2024	2023
	€	€
Loan Note	1,360,001	1,270,000
Accrued interest on loan note	28,233	7,408
	<u>1,388,234</u>	<u>1,277,408</u>

Interest charged to profit and loss for the year was €87,500 (2023: €88,900).

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26. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2024 the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	Company and Group	
	2024	2023
	€	€
Due within 1 year	54,927	52,648
Due between 2 and 5 years	–	54,927
Due after 5 years	–	–
	<u>54,927</u>	<u>107,575</u>

27. FINANCIAL RISK MANAGEMENT NOTE

Introduction and overview

The Group has fixed rate loans it lends out on the back of fixed rate bonds it uses to fund these loans. The proceeds from loan repayments from borrowers are used to repay the bonds.

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and control, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The risk profile of the Group is such that liquidity, credit, interest and other risks of the borrower loans receivable are ultimately borne fully by the bonds payable. The bonds are repayable from amounts received from borrower loan repayments or guarantee settlement claims on defaulted loans. Any losses on these receivables are borne by the holders of the bond due to the payment waterfall in place on these bonds.

The Group has exposure to the following risks from its use of financial instruments:

- a) liquidity risk;
- b) credit risk; and
- c) interest risk

The Board of directors has responsibility to ensure compliance with and execute different legal documents as the need arises.

a) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its liabilities that are settled by delivering cash or another asset and thus, the Group will not be able to meet its financial obligations as they fall due.

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27. FINANCIAL RISK MANAGEMENT NOTE (CONTINUED)

The Group has sufficient cash reserves to meet its operating cost obligations over the coming years. The growth of the Group along with the strong cash reserves ensures the Group is in a position to meet its financial obligations into the future. The Group's obligations under its bonds payables are matched by maturity payment terms of the Group's borrower loans receivables which assists with managing liquidity risk.

2024	Carrying amount €	Less than one year €	Between one to five years €	More than five years €
Debt securities issued	(25,360,001)	(11,500,000)	(13,860,001)	–
Trade and other payables	(3,203,792)	(3,203,792)	–	–
Total	<u>(28,563,793)</u>	<u>(14,703,792)</u>	<u>(13,860,001)</u>	<u>–</u>
2023	Carrying amount €	Less than one year €	Between one to five years €	More than five years €
Debt securities issued	(9,043,001)	(7,543,000)	(1,500,001)	–
Trade and other payables	(2,413,520)	(2,413,520)	–	–
Total	<u>(11,456,521)</u>	<u>(9,956,520)</u>	<u>(1,500,001)</u>	<u>–</u>

b) Credit risk

Credit risk is the risk of the financial loss to the Group if a borrower fails to meet its contractual obligations in repaying the loans in line with the terms set out in the in the loan contract or any loss from default of any other debtor of the Group. The Group's principal financial assets are cash and cash equivalents, borrower loan receivables, accrued interest receivable and this represents the Group's maximum exposure to credit risk.

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 December 2024 and 31 December 2023 in relation to each class of recognised financial assets, is set below:

The 80% capital guarantee is part of the CCGS (Covid-19 Credit Guarantee Scheme) and the UCGS (Ukrainian Credit Guarantee Scheme) to provide 80% cover on the outstanding principal of loans provided to SMEs during the time of Covid and also businesses subsequently effected by rising energy costs from the war in Ukraine that have been unable to sustain the impacts on the business activity and subsequently defaulted or liquidated the business. This government initiative is provided through the Department of Enterprise Trade and Employment.

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27. FINANCIAL RISK MANAGEMENT NOTE (Continued)

b) Credit risk (continued)

<i>Borrower Loans</i>	2024 €	2023 €
Outstanding Principal	25,338,032	6,911,498
80% Capital Guarantee	(20,270,426)	(5,529,198)
Maximum Exposure on borrower loans	5,067,606	1,382,300
<i>Other financial assets</i>	2024 €	2023 €
Trade and other debtors	319,020	367,833
Cash at bank	3,688,717	4,933,227
	4,007,737	5,301,060

The credit rating of the Company's bankers is A.

c) Interest rate risk

The Group lends out at fixed interest rates and has fixed interest bonds to support that lending and a fixed rate loan to support the business. This means that the Group is not exposed to interest rate movements in the market.

28. FINANCIAL INSTRUMENTS

The analysis of the carrying amounts of the financial instruments of the Group required under Section 11 of FRS 102 is as follows:

	Group	
	2024 €	2023 €
Financial assets		
Borrower loans receivables	25,338,032	6,911,498
Trade and other debtors	319,020	320,187
Cash at bank	3,688,717	4,933,227
Financial liabilities		
Debt securities issued	25,360,001	9,043,001
Share subscription reserve fund	273,000	267,000
Accrued interest expense	1,462,362	702,878
PAYE/PRSI and VAT	878,248	1,139,083
Trade and other creditors	863,182	571,559

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29. SUBSEQUENT EVENTS

There have been no events since 31 December 2024 that require disclosure in the financial statements

30. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved and authorised the financial statements for issue on 15 January 2026.