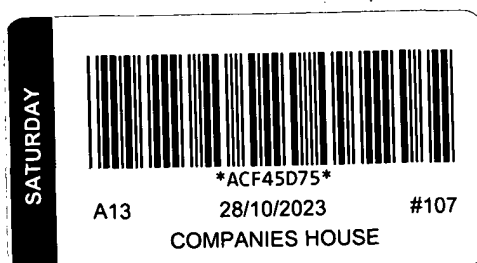


**IPF DIGITAL GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**  
**(Company Number 06032184)**



**IPF DIGITAL GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**IPF DIGITAL GROUP LIMITED**  
**(Company Number 06032184)**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. Principal activities and going concern**

The principal activity of the company is to act as a holding and investment company on behalf of International Personal Finance plc. As the vast majority of the company's transactions are determined in Euros, the functional and reporting currency of the company is the Euro.

The company participates in the group's centralised treasury arrangements and banking arrangements with its parent and fellow subsidiaries.

In considering whether the company is a going concern, the directors have made enquiries of the reviews performed by the directors of the ultimate parent company in assessing the Group's 2023 business plan, including forecasts to 2025, and its principal risks (with particular reference to macroeconomic and regulatory risks). The financial forecasts in the business plan have been stress tested in a range of downside scenarios to assess the impact that the Group's principal risks and uncertainties on future profitability, funding requirements and covenant compliance. Consideration has also been given to multiple risks crystallising concurrently and the availability of mitigating actions that could be taken to reduce the impact of the identified risks.

As at 31 December 2022, the company has net assets of €37,999,553 (2021: €36,596,219) and net current assets of €3,091,409 (2021: €1,801,472). On the basis of their assessment of the company's financial position and of the enquiries made of the directors of International Personal Finance plc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence in the next 12 months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**2. Results and business review**

The profit and loss account for the year is set out on page 9. The profit after tax for the year of €26,403,334 (2021: €20,746,070) has been added to reserves, with dividends totalling €25,000,000 (2021: €19,200,000) being declared and paid during 2022. The company's result benefited from the receipt of dividends from its subsidiary companies totalling €26,000,000 (2021: €21,000,000), net of impairment losses of €nil (2021: €253,000). Further details are included in note 8. In addition, changes to intra-group loan agreements, together with increased lending, have allowed the company to benefit from interest received on intra-group lending of €290,580 (2021: €nil), further details regarding which are included in note 5.

**3. Principal risks and uncertainties**

The directors of International Personal Finance plc manage the Group's risks at a Group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the company's business. The principal risks and uncertainties of International Personal Finance plc, which include those of the company, are reported within the 'Principal risks and uncertainties' section of the Group's annual report, which does not form part of this report, but is publicly available. However, the company has the following risk;

- The company has significant investments in other entities. There is a risk that the value of these investments may deteriorate as a result of the performance of these entities. Performance is reviewed on a regular basis and corrective action to protect the value of these investments is taken as appropriate. During the period, this review has included consideration of the potential impact of volatility in macro-economic and regulatory factors affecting the future cashflows and performance of the Company's investments. This review has resulted in impairment losses totalling (€nil (2021: €253,000) being recognised during the period, further details regarding which are included in note 8. A shortfall in profitability compared to current expectations may result in future adjustments to investment in subsidiary balances.

**IPF DIGITAL GROUP LIMITED**  
**(Company Number 06032184)**

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Principal risks and uncertainties (continued)**

- The company is subject to a risk of credit default on its intercompany debtor balances. The repayment is dependent on the performance of the counterparties which is reviewed on a regular basis. In reaching their conclusions, the directors have considered the financial performance of the company's counterparties during 2022, the financial position of the company's counterparties as at 31 December 2022 and the impact that volatility in macro-economic factors affecting the businesses may have on the ability of counterparties to repay these balances in full on their maturity. As a result of this review, the directors remain confident that all balances due can be recovered.

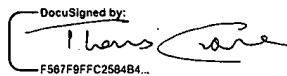
**4. Key performance indicators (KPIs)**

Given the nature of the business, the company's directors are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**5. Future developments**

The company acts as a holding and investment company, the general level of activity is to remain consistent in the forthcoming year.

APPROVED BY ORDER OF THE BOARD

DocuSigned by:  
  
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T J Crane  
Company Secretary

LEEDS

26 July 2023

**IPF DIGITAL GROUP LIMITED**  
**(Company Number 06032184)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their annual report together with the audited financial statements and the auditor's report of the company for the year ended 31 December 2022.

**1. Dividend**

The company declared and paid a dividend of €25,000,000 (2021: €19,200,000 declared and paid).

**2. Directors**

The directors of the company at 31 December 2022 and at the date of this report, all of whom were directors for the whole of the year then ended, except where stated, were:

F C Collins	(Resigned 9 February 2023)
G J Ryan	(Resigned 9 February 2023)
T J Crane	(Appointed 9 February 2023)
P Giycrs	(Appointed 2 February 2022)
D J Kleppen	
G H Thompson	(Appointed 9 February 2023)

**3. Capital structure**

The company's capital structure includes a combination of ordinary called-up share capital and retained earnings. There have been no changes to the company's capital structure between 1 January 2022 and the date of this report.

**4. Events after the balance sheet date**

The directors confirm that there have been no events requiring recognition or disclosure after the balance sheet date.

**5. Disclosure of information to the auditor**

As far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. This statement is given and should be interpreted in accordance with the provision of section 418(2) of the Companies Act 2006.

**6. Auditor**

The auditors Deloitte LLP are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

**7. Indemnity**

Our Articles permit us to indemnify our directors (or those of an associated company) in accordance with the Act. However, no qualifying indemnity provisions were in force in 2022 or at any time up to 26 July 2023.

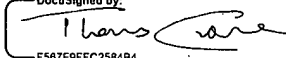
**IPF DIGITAL GROUP LIMITED**  
**(Company Number 06032184)**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

As permitted by section 414C(11) of the Companies Act 2006, certain information is shown in the Strategic report and included in the Directors' report by cross reference. This information is:

- Principal activities of the Company
- Business review and outlook
- Results and dividends
- Principal risks and uncertainties

APPROVED BY ORDER OF THE BOARD

DocuSigned by:  
  
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T J Crane  
Company Secretary  
LEEDS  
26 July 2023

**IPF DIGITAL GROUP LIMITED**  
**(Company Number 06032184)**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

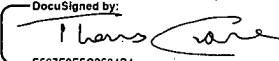
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

APPROVED BY ORDER OF THE BOARD

DocuSigned by:  
  
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T J Crane  
Company Secretary

LEEDS

26 July 2023

## **IPF DIGITAL GROUP LIMITED**

### **Independent auditor's report to the members of IPF Digital Group Limited**

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

##### **Opinion**

In our opinion the financial statements of IPF Digital Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, 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 ability to continue as a going concern for a period of at least twelve months from 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual 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 this gives rise to a material misstatement in the financial statements themselves. 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.



## **IPF DIGITAL GROUP LIMITED**

### **Independent auditor's report to the members of IPF Digital Group Limited (continued)**

#### **Responsibilities of directors**

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

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

#### **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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

## **IPF DIGITAL GROUP LIMITED**

### **Independent auditor's report to the members of IPF Digital Group Limited (continued)**

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the 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 strategic report or the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

##### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Matthew Bainbridge (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds, United Kingdom  
26 July 2023

**IPF DIGITAL GROUP LIMITED****(Company Number 06032184)****PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER**  
**2022**

	<u>Notes</u>	<u>2022</u> €	<u>2021</u> €
Administration expenses	3	(690)	(253,868)
<b>OPERATING LOSS</b>		<b>(690)</b>	<b>(253,868)</b>
Interest payable and similar charges	4	-	(62)
Interest receivable	5	290,627	-
Dividends received	3	26,000,000	21,000,000
<b>PROFIT BEFORE TAXATION</b>	3	<b>26,289,937</b>	<b>20,746,070</b>
Tax credit on profit	7	113,397	-
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDER OF THE COMPANY</b>		<b>26,403,334</b>	<b>20,746,070</b>

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<u>Notes</u>	<u>2022</u> €	<u>2021</u> €
<b>PROFIT FOR THE YEAR</b>		<b>26,403,334</b>	<b>20,746,070</b>
<b>Total comprehensive income for the year</b>		<b>26,403,334</b>	<b>20,746,070</b>

The results shown in the Profit and loss account derive wholly from continuing activities.

The notes on pages 12 to 19 form part of these financial statements.

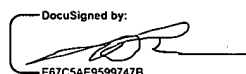
**IPF DIGITAL GROUP LIMITED**  
**(Company Number 06032184)**

**BALANCE SHEET AS AT 31 DECEMBER 2022**

	<u>Notes</u>	<u>2022</u> €	<u>2021</u> €
<b>NON CURRENT ASSETS</b>			
Deferred taxation	14	113,397	-
Investments	8	34,794,747	34,794,747
		<u>34,908,144</u>	<u>34,794,747</u>
<b>CURRENT ASSETS</b>			
Debtors – due within one year	10	3,090,580	1,800,000
Cash at bank and in hand		829	1,534
		<u>3,091,409</u>	<u>1,801,534</u>
<b>TOTAL CURRENT ASSETS</b>		<u>3,091,409</u>	<u>1,801,534</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	-	(62)
<b>NET CURRENT ASSETS</b>		<u>3,091,409</u>	<u>1,801,472</u>
<b>NET ASSETS</b>		<u>37,999,553</u>	<u>36,596,219</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	12	3,821,439	3,821,439
Share premium	15	32,944,267	32,944,267
Capital redemption	13	102,317	102,317
Profit and loss account		1,131,530	(271,804)
		<u>37,999,553</u>	<u>36,596,219</u>

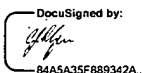
These financial statements on pages 9 to 19 were approved and authorised for issue by the board of directors' on 26 July 2023 and were signed on its behalf by:

D J Kleppen

DocuSigned by:  
  
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(Directors)

G H Thompson

DocuSigned by:  
  
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**IPF DIGITAL GROUP LIMITED**  
**(Company Number 06032184)**

**STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022**

	<u>Called-up share capital (Note 12) €</u>	<u>Share premium account (Note 15) €</u>	<u>Capital redemption (Note 13) €</u>	<u>Profit and loss account €</u>	<u>Total €</u>
Balance at 1 January 2021	3,705,069	32,805,637	102,317	(1,817,874)	34,795,149
Profit for the year	-	-	-	20,746,070	20,746,070
Total comprehensive income the year	-	-	-	20,746,070	20,746,070
Share capital issued	116,370	138,630	-	-	255,000
Dividends paid (note 9)				(19,200,000)	(19,200,000)
Balance at 31 December 2021	3,821,439	32,944,267	102,317	(271,804)	36,596,219
Profit for the year	-	-	-	26,403,334	26,403,334
Total comprehensive income for the year	-	-	-	26,403,334	26,403,334
Share capital issued	-	-	-	-	-
Dividends paid (note 9)				(25,000,000)	(25,000,000)
Balance at 31 December 2022	3,821,439	32,944,267	102,317	1,131,530	37,999,553

**IPF DIGITAL GROUP LIMITED**  
**(Company Number 06032184)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. Principal accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, unless otherwise stated.

**a) Basis of accounting**

IPF Digital Group Limited “the company” is a private company limited by shares incorporated and registered in England and Wales in the United Kingdom under the Companies Act. The address of the registered office is given in note 18. The nature of the company’s operations and its principal activities are set out in the strategic report on page 1.

These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) ‘Reduced Disclosure Framework’ as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis, in accordance with Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the Group financial statements of International Personal Finance plc. Details of the parent in whose consolidated financial statements the company is included are shown in note 18 to the financial statements.

As permitted by FRS 101, exemptions from applying the following requirements have been adopted: IFRS 7 “Financial Instruments: Disclosures”; IAS 7 “Statement of Cash Flows”; IAS 24; “Related Party Disclosures” paragraph 7; IAS 8 “Changes in Accounting Estimates and Errors” paragraphs 30-31; and IAS 36 “Impairment of Assets” paragraphs 134(d)-(f) and 135 (c) – (e).

The Group financial statements of International Personal Finance plc are available to the public and can be obtained as set out in note 18.

**b) Administrative expenses**

Administrative expenses comprise sundry costs associated with the operation of the business recognised on an accruals basis.

**c) Taxation**

Deferred taxation is provided in respect of all timing differences that have originated but not reversed at the balance sheet date and is determined using the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. Deferred taxation is not recognised on revalued assets unless there is a binding agreement at the balance sheet date to sell the revalued asset and the related gain has been recognised in the Financial statements. Deferred taxation balances are not discounted.

Current tax is calculated based on taxable profit or loss for the year using tax rates that have been enacted or substantively enacted by the balance sheet date. Where withholding tax has been suffered on overseas income received, it has been accounted for as overseas tax. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**IPF DIGITAL GROUP LIMITED**  
**(Company Number 06032184)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**(CONTINUED)**

**1. Principal accounting policies (continued)**

**d) Foreign exchange**

The functional currency of the company is considered to be the Euro. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are expressed, in Euros, at the rates of exchange ruling at the end of the financial period or the contracted rate to the extent hedged. Resultant gains or losses are taken to the profit and loss account.

**e) Subsidiary undertakings**

The company undertakes an annual impairment review of investments in subsidiaries, which is performed by way of a comparison of the carrying value of the investment with the net assets of the subsidiary, or the future value in use. Where the carrying value is greater than the net assets or future value in use, a provision for impairment is made.

**f) Going concern**

The directors have, at the time of approving the Financial Statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (12 months from the date of these Financial Statements). Thus they continue to adopt the going concern basis of accounting in the Financial Statements. Further detail is contained in the Strategic Report on page 1.

**g) Exceptional items**

The company classifies as exceptional those significant items that are one-off in nature and do not reflect the underlying performance of the company.

**h) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

**i) Debtors and Creditors**

Debtors and creditors do not carry interest and are stated at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. They are recognised when the Group's right to consideration is only conditional on the passage of time. Allowances incorporate an expectation of life-time credit losses from initial recognition and are determined using an expected credit loss approach.

**j) Interest payable and receivable**

Interest is charged and credited at blended rates based on the cost of external finance.

**IPF DIGITAL GROUP LIMITED**  
**(Company Number 06032184)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**(CONTINUED)**

**2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The directors deem that the only significant critical judgement and/or source of estimation uncertainty is regarding the carrying value of investments in subsidiaries.

The directors monitor the carrying values of all investments in subsidiaries by reference to a Value in Use model. This compares expected future cashflows, discounted at the Group cost of funding of 12.05% (2021: 10%), to the value of the investment and results in impairment charges where the carrying value exceeds the Value in Use. During the period, this review has included consideration of the potential impact of volatility in macro-economic and regulatory factors affecting the future cashflows and performance of the Company's investments. This review has resulted in impairment losses totalling €nil (2021: €253,000) being recognised during the period. A shortfall in profitability compared to current expectations may result in future adjustments to investment in subsidiary balances.

**3. Result before taxation**

The result before taxation is stated after charging/(crediting):

	<u>2022</u> €	<u>2021</u> €
Auditor's remuneration:		
Fees payable to the auditor for the audit of the company's financial statements	5,000	5,000
Dividends received	(26,000,000)	(21,000,000)
Impairment of investment in subsidiary (note 8)	-	253,000
	<hr/>	<hr/>

Fees payable to the auditor are shown for information only as the fee is reported and paid by the company's parent undertaking International Personal Finance plc.

**4. Interest payable and similar expenses**

	<u>2022</u> €	<u>2021</u> €
Interest payable and similar expenses		
Group interest	-	62
	<hr/>	<hr/>



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**(CONTINUED)**

**5. Interest receivable**

	<u>2022</u>	<u>2021</u>
	€	€
<b><u>Interest receivable</u></b>		
Group interest	290,580	-
Other interest	47	-
	<hr/>	<hr/>

During the accounting period, amounts were lent to IPF Financing Limited. The loan was payable on demand and subject to interest at a rate equivalent to the prevailing rate applied to similar intra-group balances between UK companies within the International Personal Finance plc group.

**6. Directors' emoluments and employee information**

None of the directors received any emoluments in respect of their services to the company during the year (2021: nil). All the costs of the directors' emoluments were borne by another Group company.

During the year one of the directors (2021: four) exercised 128,709 (2021: 523,340) share options in shares of the company's parent undertaking International Personal Finance plc. The exercise price of these options was €zero (2021: €zero)

The average monthly number of persons employed by the company, excluding executive directors, during the year was nil (2021: nil).

**7. Tax charge on profit / (loss)**

(a) Analysis of tax charge for the year:

	<u>2022</u>	<u>2021</u>
	€	€
Current tax		
Tax charge on profit for the year	-	-
Prior year adjustment	-	-
Total current tax charge	<hr/>	<hr/>
Deferred tax		
Current year deferred tax	113,397	-
Tax credit on profit (note 7(b))	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**(CONTINUED)**

**7. Tax charge on profit / (loss) (continued)**

(b) Factors affecting the tax charge for the year:

The tax charge for the year can be reconciled to the profit and loss account as follows:

	<u>2022</u> €	<u>2021</u> €
Profit / (loss) before taxation	26,289,937	20,746,070
Expected tax (charge)/credit calculated at the standard rate of corporation tax in the UK of 19% (2021: 19%)	(4,995,088)	(3,941,753)
Non taxable dividends and other income	4,940,000	3,990,000
Non deductible expenses	-	(48,070)
Group relief for nil payment	-	(177)
Movement in deferred tax not recognised	141,270	-
Rate change adjustment	27,215	-
Total tax credit for the year (note 7(a))	113,397	-

(c) Factors that may affect future tax charges:

The headline rate of UK corporation tax reduced from 20% to 19% on 1 April 2017. On the 3<sup>rd</sup> March 2021 the UK Chancellor of the Exchequer announced that the corporation tax rate will increase from 19% to 25% from April 2023. The proposed change in the corporation tax rate was subsequently included in Finance Act 2021 which was substantively enacted on 24 May 2021. The company's deferred tax assets/liabilities have been measured with reference to substantively enacted tax rates

**8. Investments**

Investments in subsidiary or fellow subsidiary undertakings comprise:

	<u>Shares at cost</u> €
At 1 January 2021	34,794,747
Additions	253,000
Impairment of investments	(253,000)
At 31 December 2021 and 1 January 2022	34,794,747
Additions	-
Impairment of investments	-
At 31 December 2022	34,794,747

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**(CONTINUED)**

**8. Investments (continued)**

<u>Name of subsidiary or fellow subsidiary</u>	<u>Country of incorporation</u>	<u>Class of shares issued</u>	<u>Percentage holding</u>
IPF Digital AS Address: Lootsa Str, No. 5, Tallinn, 11415, Estonia	Estonia	Ordinary	100%
Avalist Credit Secure S.L. Address: Principe de Vergara nº 109, 2ª planta, Madrid	Spain	Ordinary	100%

On 25 March 2021 the company made an investment of €253,000 in Avalist Credit Secure S.L.

In December 2021, the Group decided to stop new lending to customers in Spain. As a result, the value of the Company's investments in Spain was reviewed resulting in the full impairment of the investment in Avalist Credit Secure S.L.

In the opinion of the directors, at 31 December 2022, the value of the company's investments in its other subsidiary undertakings at the balance sheet date are not worth less than the amount at which they are stated in the balance sheet at the balance sheet date. Further information regarding the key assumptions applied by the directors in reaching this conclusion is included in Note 2.

**9. Dividend**

	<u>2022</u> €	<u>2021</u> €
Ordinary dividend paid of £0.8691 (2021: £0.6775) per ordinary share	25,000,000	19,200,000
	<hr/>	<hr/>

**10. Debtors**

<u>Amounts due within one year:</u>	<u>2022</u> €	<u>2021</u> €
Amounts owed by other Group undertakings	3,090,580	1,800,000
	<hr/>	<hr/>
	3,090,580	1,800,000
	<hr/>	<hr/>

Amounts owed by other Group undertakings are unsecured and are repayable according to an agreed repayment schedule. Interest is charged at rates based on the cost of external finance.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**(CONTINUED)**

**11. Creditors**

	<u>2022</u> €	<u>2021</u> €
Amounts falling due within one year:		
Amounts owed to other Group undertakings	-	62
	<u>-</u>	<u>62</u>

Amounts owed to the ultimate parent are unsecured and are repayable according to an agreed repayment schedule. Interest is charged at rates based on the cost of external finance. Amounts owed to other Group undertakings include amounts where interest is charged at rates based on the cost of external finance.

**12. Called-up share capital**

	<u>2022</u> €	<u>2021</u> €
<b>Authorised</b>		
30,000,000 ordinary shares of 10p each	<u>3,679,000</u>	<u>3,679,000</u>
<b>Allotted, called-up and fully paid 1 January</b>		
28,763,913 ordinary shares of 10p each (2021: 27,763,913)	3,821,439	3,705,069
Additions – nil (2021: 1,000,000) ordinary shares of 10p each	-	116,370
<b>Allotted, called-up and fully paid 31 December</b>	<u>3,821,439</u>	<u>3,821,439</u>

**13. Capital redemption**

	<u>2022</u> €	<u>2021</u> €
At 1 January and 31 December	<u>102,317</u>	<u>102,317</u>

**14. Deferred taxation**

a) Deferred taxation is recognised in the financial statements as follows:

	<u>2022</u> €	<u>2021</u> €
Origination and reversal of timing differences	<u>113,397</u>	<u>-</u>

b) The movement in deferred taxation during the year is as follows:

	<u>2022</u> €'000
Deferred tax asset at 1 January 2022	-
Credited to the profit and loss account in the year (note 7)	113,397
Deferred tax asset at 31 December 2022	<u>113,397</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**(CONTINUED)**

**15. Share premium**

	<u>2022</u> €	<u>2021</u> €
At 1 January	32,944,267	32,805,637
Additions	-	138,630
	<hr/>	<hr/>
At 31 December	32,944,267	32,944,267
	<hr/>	<hr/>

**16. Related party disclosure**

As a wholly owned subsidiary, the company has taken advantage of the exemption in FRS 101 "Related Party Disclosures" from disclosing related party transactions with other entities included in the consolidated financial statements of International Personal Finance plc.

**17. Contingent liabilities**

The company has a contingent liability for (i) guarantees given in respect of borrowings made by the company's ultimate parent undertaking and (ii) guarantees given jointly and severally with the company's ultimate parent undertaking in respect of borrowings made by certain of its fellow subsidiaries to a maximum of €672,070,192 (2021: €655,549,380). At 31 December 2022 the borrowings amounted to €624,058,911 (2021: €567,786,203). However crystallisation of these guarantees is not considered probable as at the date these financial statements were approved and authorised for issue by the Board of Directors.

**18. Parent undertakings**

The company, whose liability is limited to a maximum of the share capital issued, is registered and domiciled in the United Kingdom, the registered office of the company is located at 26 Whitehall Road, Leeds LS12 1BE. The immediate and ultimate parent undertaking and controlling party is International Personal Finance plc, which is the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of that company's consolidated financial statements can be obtained from the Company Secretary, International Personal Finance plc, 26 Whitehall Road, Leeds LS12 1BE or on the Group's website at [www.ipfin.co.uk](http://www.ipfin.co.uk).