

INVESTMENT EVOLUTION CREDIT PLC AND ITS SUBSIDIARIES

Consolidated Financial Statements

For the period from 24 May 2023 to 30 June 2024

Company registration number: 14890706

Investment Evolution Credit Plc
For the period from 24 May 2023 to 30 June 2024

INVESTMENT EVOLUTION CREDIT PLC & ITS SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 24 MAY 2023 TO 30 JUNE 2024

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Investment Evolution Credit Plc
For the period from 24 May 2023 to 30 June 2024

Investment Evolution Credit Plc

Company Information

Period Ended 30 June 2024

Company registration number	14890706
Directors	P J Mathieson G A Aguilera N R Patrick
Secretary	B Harber
Registered office	6th Floor 60 Gracechurch Street London EC3V 0HR
Auditor	Pointon Young Chartered Accountants 33 Ludgate Hill Birmingham B3 1EH
Solicitor	Memery Crystal RBG Legal Services Limited 165 Fleet Street London EC4A 2DY Orrick, Herrington & Sutcliffe LLP PO Box 848066 Los Angeles CA 90084-8066
Bankers	Emerald 24 Emerald Financial Group (UK) Ltd Hamilton House 1 Temple Avenue London EC4Y 0HA
Registrars	Neville Registrars Neville House Steelpark Road Halesown B62 8HD
Corporate Broker	Cairn Financial Advisers LLP 9 th Floor 107 Cheapside London EC2V 6DN

Strategic Report

For the Period from 24 May 2023 to 30 June 2024

The directors present their Strategic Report for the period from 24 May 2023 to 30 June 2024.

Business Review and Future Developments

The Group is an Artificial Intelligence (AI) driven, consumer finance fintech innovator with a mission to rehabilitate borrowers through better technology and fairer products. The Group is an experienced regulated licensed lender under the consumer brand Mr. Amazing Loans in the United States with state consumer lending licenses/certificates of authority in the six states of California, Florida, Georgia, Illinois, Nevada and New Jersey and an established track-record of regulatory compliance for over 14 years.

The Group is pursuing a strategic approach that involves a combination of acquisitions, technological innovation, and a shift in its funding strategy. By acquiring existing businesses, the Group aims to accelerate market entry and expand its loan portfolio. Simultaneously, the integration of AI will optimise operations and unlock new growth opportunities. To support these initiatives, the Group is transitioning from bond issuance to institutional debt funding, signaling a strategic shift in its capital-raising strategy.

The Group is prioritising acquiring existing UK lenders with Financial Conduct Authority (FCA) licenses instead of pursuing its own application. This aims for a quicker entry into the UK market. Further, post-acquisition of a UK FCA licensed lender, the Group plans to grow its loan book through further acquisitions and organic lending in both the UK and US. Additionally, the Group intends to significantly expand its US operations by increasing its number of state lending licenses, prioritise maximising lending in the high-margin U.S. states of Georgia, California, and Nevada and also exploring expansion into other international markets beyond the UK and US. Finally, the Group is exploring opportunities to increase revenue through partnerships and licensing its intellectual property/US licenses to entities like medical providers, educational institutions, retailers, and lower-margin lenders.

To achieve these goals the following board changes will come into effect from 1 January 2025. John Philip de Blocq van Kuffeler, will be appointed to the Board as Executive Chairman in January 2025, subject to standard regulatory approval. Marc Howells will be appointed to the Board as Executive Director and Chief Executive Officer. Richard Leaver will be appointed as an independent non-Executive director. Paul Mathieson, the major shareholder, will step down with his planned retirement from the board on 31 December 2024.

Both John and Marc have decades of experience in consumer credit and have successfully built and sold other companies in this sector. The Group plans to utilise Richard Leaver's director expertise in AI to further optimise the use of AI in its consumer lending operational processes and also seek potential joint ventures and acquisitions in the AI space.

The Group has ceased offering its bond product to investors and instead will focus on obtaining institutional debt funding. The Group did not issue any bonds and is currently in discussions with an institutional debt provider for both UK and US funding. The new proposed Board members also have a substantial personal network of debt funding contacts.

Strategic Report continued

Principal risk and uncertainties

The Group is exposed to the following significant risks and uncertainties:

Financial risk factors

The Group has recently been incorporated and has a limited operating history upon which prospective investors may assess the likely performance of the Group. The Group's success will depend upon the Directors' ability to identify and manage future opportunities that arise.

Market risk

The Group's market risk is limited only to foreign exchange rates arising from potential fluctuations in foreign exchange rates, particularly the US Dollar against the GBP. This risk is managed through policies approved by the Directors and is regularly monitored and reviewed to mitigate potential financial impacts.

Strategic risk

The Group's ability to generate profit will be reliant upon the performance of investments and the successful execution of the business strategy. The Group seeks to mitigate this risk by implementing a sustainable business model. The Board of Directors meets at least four times a year to revisit the Group's strategy and align it with current market and economic conditions.

Regulatory and legal risk

The Group has limited exposure when it comes to regulatory and legal risk due to its size. However, as the Group expands its activities, it will become increasingly obligated to comply with the laws, rules, regulations, and policies of the jurisdictions in which it operates.

Reputational risks

The Group seeks to ensure its business minimises reputational risk through the Board of Directors policies, procedures, and controls for corporate governance and risk management.

Credit risk

The Group's credit risk is primarily associated with cash and cash equivalents, as well as trade and other receivables. To mitigate this risk, the Group leverages insurance coverage for bank deposits and focuses on transactions with financially sound related parties. The Group assesses credit risk as low due to the perceived creditworthiness of counterparties. However, economic conditions in the United States could potentially impact the ability of consumers to fulfill their loan obligations. The Group applies a simplified approach to measure expected credit losses and benefits from the structure of its Funding and Participation Agreement to minimise credit loss provisions.

Liquidity risk

The Group prioritises maintaining sufficient liquidity to meet its financial obligations. The Board of Directors regularly assesses potential risks through stress testing to ensure the Group's financial stability. A liquidity shortfall could negatively impact on the Group's credit rating, investor confidence, and ability to raise funds.

Capital risk

The Group follows a cautious strategy in capital management. The Board of Directors consistently assesses budgets and forecasts, including capital and liquidity ratios, to ensure prudent management of capital resources.

Strategic Report continued

Financial Key Performance Indicators

The main key performance indicators were as follows:

- Revenue and other income of £454,577
- Loss before taxation of £246,546*
- Net loss after tax of £273,449*
- Loss per share of £0.02
- Cash and cash equivalents balance of £101,110

*Note that excluding a one off non-recurring item, provision for credit loss on a non-trade receivable of £177,961, the Loss before taxation and Loss after tax would have been reduced significantly to £68,585 and £95,488 respectively.

The Board monitors the key performance indicators to ensure that they are progressing as planned in a timely manner. At this stage, the Board is confident that targets are being met.

Section 172 (1) Statement

From the perspective of the Board, as a result of the Group's governance structure, the matters that are responsible for considering under Section 172 (1) of the Companies Act of 2006 have been considered to an appropriate extent by the Group's Board. The Board has also considered relevant matters where appropriate.

By order of the Board



Paul Mathieson, Director

30 December 2024

Directors' Report

For the Period from 24 May 2023 to 30 June 2024

The directors present their report and the audited consolidated financial statements of the group for the period 24 May 2023 to 30 June 2024.

Future Developments

As set out in the Company's admission document, the Company continues to explore the FCA lending application process, however it is also in discussions with potential acquisition targets in the UK lending space which already hold existing FCA lending licences, have existing operations and hold existing consumer loan books with a view to considering the merits of obtaining the FCA licence via acquisition rather than application. Given the advanced nature of discussions with certain acquisition targets, the Board anticipates that the acquisition of an existing UK FCA licensed lender could occur in Q1 2025, with more potential acquisition targets to follow. Upon signing an acquisition heads of agreement, the licence change of control process is estimated to take approximately three months and the application work previously completed in respect of the Company's own FCA lending application would be utilised in the process. Following a potential UK acquisition, the Group intends to seek further larger loan book acquisition rollups in both UK and US in addition to organic lending growth. With regards to US State Lending Licences, the Group plans to expand the number of current US state consumer lending licenses from six to twenty during 2025 and seek to significantly expand US operations.

To ensure it has sufficient resources to achieve its stated aim above, the Group raised £160,000 in April 2024, £100,000 in August 2024, £457,526 in October 2024 and £2,500 being raised through a broker option in November 2024. Most of the balance of the broker option amounting to £27,000 has been committed and will be issued on 31 December 2024.

Further funding will be required as and when any acquisition above is completed. Some of the existing shareholders have expressed interest in providing further equity financing and the board continues to explore debt financing opportunities.

Directors of the company

The directors who have served during the period were as follows:

Paul Mathieson (Appointed 7 June 2023)
Sameer Prasad (Appointed 24 May 2023, Resigned 31 July 2024)
Glendys Aguilera (Appointed 14 December 2023)
Neil Patrick (Appointed 14 December 2023)

Directors' interests

The Directors who served during the period and their interests in the Group's issued share capital were:

	Number of ordinary shares held as at 30 June 2024
Paul Mathieson	6,837,913
Sameer Prasad	1,350,394
Glendys Aguilera	-
Neil Patrick	-

The Directors hold 51.95% of the issued share capital at 30 June 2024.

Directors' Report Continued

Dividends

The Directors do not recommend the payment of a dividend in respect of the period.

Substantial shareholders

As at 27 December 2024, the Group has been notified of the following beneficial interests of 3% or more in its shares:

Name of shareholder	Number of shares	% of issued share capital & voting rights
Paul Mathieson	24,237,913	38.93%
Sameer Prasad	4,350,394	6.99%
J and W Willoughby	3,335,000	5.36%
Gant Investments Pty Ltd	2,155,416	3.46%
L Prasad Pty Ltd	2,073,105	3.33%

Financial instruments

The Group's financial instruments are set out in Note 18 to the financial statements and consist of cash and cash equivalents, trade and other receivables, other current assets, trade and other payables and non-recourse distributions from loans receivable.

Branches outside the UK

The Group consists of three entities registered in the United Kingdom and one in the United States of America.

Political donations and expenditure

No political donations were made in the period.

Other matters

Financial Key Performance Indicators and Principal risk and uncertainties are disclosed in the Strategic Report.

Going concern

The Directors noted the loss that the Group has made for the period ended 30 June 2024. The Directors have prepared cash flow forecasts extending to 31 December 2025 which show that, in order for the company to continue to discharge its liabilities as they fall due and to continue with its planned expansion of the Group, additional cash will be required.

The Directors are currently completing a fundraising round and are confident that they will be successful in raising the necessary additional funds.

The ability to successfully raise additional finance is subject to uncertainty. However, the Directors believe this uncertainty will be successfully resolved and the Group will raise sufficient cash to enable the Group to continue in operational existence for the foreseeable future and continue with the Group's plans. They have, therefore, prepared the financial statements on a going concern basis. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

Directors' responsibilities

The Directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK, which includes all applicable individual International Financial Reporting Standards, International Accounting Standards (IAS) and

Directors' Report Continued

interpretations issued by the International Accounting Standards Board (IASB). The consolidated financial statements are prepared so as to give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing these consolidated financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group. They are also responsible for the system of internal control, safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

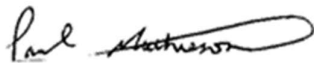
The maintenance and integrity of the Group's web site is the responsibility of the Directors.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Consolidated Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Group's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

By order of the Board



Paul Mathieson, Director

30 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF INVESTMENT EVOLUTION CREDIT PLC AND ITS SUBSIDIARIES

For the period 24 May 2023 to 30 June 2024

Opinion

We have audited the financial statements of Investment Evolution Credit Plc and its subsidiaries (the 'Group') for the period from 24 May 2023 to 30 June 2024 which comprise Consolidated Statement of Total Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Groups affairs as at 30 June 2024 and of its loss for the period then ended;
- have been properly prepared in accordance with UK adopted International Financial Reporting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Our approach to the audit

We conducted a full scope audit, engaging where appropriate with component auditor in United States of America where the group conducts the majority of its operations.

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken by each of the components. We determined that there are two significant components of the Group, Investment Evolution Credit Plc, as an entity and MRAL US Corporation. Investment Evolution Credit Plc is an entity registered in the United Kingdom, transactions are limited to administrative and professional fees, raising of finance/share issuance, these were provided by management to us, and we performed audit procedures accordingly. The other main component is based in United States of America, and we engaged with the component auditor to direct the audit process for MRAL US Corporation. Following discussions held at the planning stage, we issued instructions to the component auditor that detailed the significant risks to be addressed through the audit procedures and indicated the information we required to be reported, we reviewed their reporting and discussed key findings. This, together with the audit procedures performed by ourselves at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF INVESTMENT EVOLUTION CREDIT PLC AND ITS SUBSIDIARIES CONTINUED

We set out below, together with going concern which is included above in the section *Material uncertainty related to going concern*, those matters we identified as key audit matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
<p>Revenue recognition Revenue is recognised at the fair value of the consideration received or receivable.</p> <p>The Group's primary revenue includes loan interest, loan originator fees and financial management fees. A contract with a customer that results in a recognised financial instrument may be within the scope of IFRS 9 and IFRS 15.</p> <p>Revenue on loan interest is recognised using the effective interest method over the life of the loan as it is earned and collected on a periodic basis. Revenue on loan originator fee is earned on the date the corresponding loan is recognised. Loan originator fee pertains to a specific fee charged to the borrower at loan origination date. These fees are recognised in accordance with the applicable loan agreement.</p> <p>Revenue on financial management services are recognised as earned, calculated, and collected in accordance with the applicable agreement for financial management and administrative services rendered. In the event that financial management fee is received before it is earned, deferred revenue is recorded and is included under liabilities in the consolidated statements of financial position.</p>	<p>We reviewed the accounting policy and considered whether it is appropriate. We carried out audit procedures to test each revenue stream and that the accounting policy was appropriately applied.</p>
<p>Recoverability of loans receivable Loans receivable is recognised at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value, in accordance with IFRS 15 and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit loss.</p> <p>Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables. The expected credit loss rate varies depending on whether, and the extent to which, settlement of the loan receivables is overdue, and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions. The unobservable inputs used to calculate the fair value of these loans include historical loss rates, recent default trends and estimated remaining loan terms. Therefore, the carrying value of the loan's receivable approximates the fair value.</p> <p>When a loan receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any expected credit loss allowance available and then to the income statement.</p> <p>Subsequent recoveries of amounts previously provided for or written off are credited to the income statement.</p>	<p>We reviewed the accounting policy and considered whether it is appropriate. We carried out audit procedures to determine if recoverability of loans receivable was recognised in accordance with the Groups accounting policy and to ensure expected credit losses are calculated in accordance with the simplified method using the provision matrix. It was noted that a credit loss provision amounting to £177,961 was made during the period.</p>
<p>Directors' use of Going Concern assumption The directors' have used the going concern basis of accounting in preparation of these financial statements. The directors therefore consider that the company has adequate resources to continue its operational existence for the foreseeable future. There is a risk this assumption may not be appropriate.</p>	<p>We reviewed and scrutinised the cash flow forecast prepared by directors for the twelve-month period from the date of signing the financial statements as well as holding discussions with the directors relating to planned expenditure and fundraising over the next year. We have reviewed the directors' disclosure in the financial statements relating to Going Concern and acknowledgement of the necessity to raise funds. As the directors are relying on a successful fundraising to enable the company to meet its financial liabilities as they fall due, we have brought to the attention of the reader, the uncertainty that exists with regards to the raising of funds and as such have reported a Material Uncertainty relating to the Going Concern of the company (see page 12).</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF INVESTMENT EVOLUTION CREDIT PLC AND ITS SUBSIDIARIES CONTINUED

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group's financial statements as a whole to be £5,600 based on 2% of total assets.

We use a different level of materiality (performance materiality) of £4,480 to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We set performance materiality at 80% of overall financial statement materiality.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Directors to report to it all identified errors in excess of £280. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the Group, amongst other things, is reliant upon further successful fundraising activities and should this not occur, it may cast significant doubt on the entity's ability to continue as a going concern. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the cashflow forecasts prepared by the Directors for the period up to December 2025, providing challenge to key assumptions and reviewing for reasonableness;
- A comparison of actual results for the year to past budgets to assess the forecasting ability and accuracy of the Directors;
- Reviewing post year-end EQS News Service announcements and held discussions with management on plans for raising finance and securing sources of finance to fund the Group; and
- We have assessed the adequacy of going concern disclosures within the Annual Report and Accounts.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF INVESTMENT EVOLUTION CREDIT PLC AND ITS SUBSIDIARIES CONTINUED

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.

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

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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 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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF INVESTMENT EVOLUTION CREDIT PLC AND ITS SUBSIDIARIES CONTINUED

Auditors' Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements.
- We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from AQSE Growth Market rules and United Kingdom Company Law.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group with those laws and regulations. These procedures included, but were not limited to: enquiries of management, review of board minutes and review of EQS News Service Announcements.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>

This description forms part of our auditor's report.



Rakesh Chauhan FCCA (Senior Statutory Auditor)
For and on behalf of:

Pointon Young Chartered Accountants
33 Ludgate Hill
Birmingham
B3 1EH

30 December 2024

Investment Evolution Credit Plc
For the period from 24 May 2023 to 30 June 2024

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

The consolidated statement of total comprehensive income of the Group from the date of incorporation on 24 May 2023 to 30 June 2024 is stated below:

	Note	Period ended 30 June 2024 £
Revenue	2	224,910
Cost of services		(98,645)
Gross Profit		<u>126,265</u>
Administrative expenses	3	(603,534)
Other income	4	<u>229,667</u>
Operating loss		<u>(247,602)</u>
Finance income		1,056
Loss before taxation		<u>(246,546)</u>
Income tax	8	<u>(26,903)</u>
Loss after tax		<u>(273,449)</u>
Loss attributable to the Group		<u>(273,449)</u>
Other comprehensive income		
Currency translation adjustment		1,510
Total comprehensive loss for the period		<u>(271,939)</u>
Loss per share		
Basic and diluted loss per share	7	<u>(0.02)</u>

Revenue and operating loss for the period were derived from continuing operations.

The Group has no recognised gains or losses other than the loss for the current year.

The notes form an integral part of these consolidated financial statements.

Investment Evolution Credit Plc
For the period from 24 May 2023 to 30 June 2024

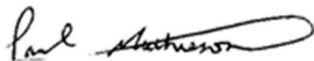
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The consolidated statement of financial position of the Group as at 30 June 2024 is stated below:

	Note	As at 30 June 2024 £
ASSETS		
Current assets		
Other current assets	10	18,855
Deferred financing costs	11	66,431
Trade and other receivables	12	95,123
Cash and cash equivalents	13	<u>101,110</u>
Total current assets		281,519
Total assets		<u>281,519</u>
LIABILITIES		
Non-current liabilities		
Non-recourse distributions from loans receivable	14	<u>52,325</u>
Total non-current liabilities		52,325
Current liability		
Trade and other payables	15	<u>242,302</u>
Total current liabilities		242,302
Total liabilities		<u>294,627</u>
Net liabilities		<u><u>(13,108)</u></u>
EQUITY		
Share capital	17	78,805
Share premium	17	180,026
Retained earnings		(273,449)
Currency translation reserves		<u>1,510</u>
Total deficit		<u><u>(13,108)</u></u>

The notes form an integral part of these consolidated financial statements.

The consolidated financial statements were approved by the Board on 30 December 2024.



Paul Mathieson
Director

Company registration number: 14890706

Investment Evolution Credit Plc
For the period from 24 May 2023 to 30 June 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The consolidated statement of changes in equity of the Group from the date of incorporation on 24 May 2023 to 30 June 2024 is stated below:

	Share capital £	Share premium £	Currency translation reserve £	Retained earnings £	Total deficit £
Balance at 24 May 2023	—	—	—	—	—
Loss for the period	—	—	—	(273,449)	(273,449)
Other comprehensive income					
Currency translation adjustment	—	—	1,510	—	1,510
Total comprehensive income (loss) for the period	—	—	1,510	(273,449)	(271,939)
Issue of ordinary shares - net of fees	78,805	180,026	—	—	258,831
Balance at 30 June 2024	78,805	180,026	1,510	(273,449)	(13,108)

The notes form an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOW

The consolidated statement of cash flows of the Group from the date of incorporation on 24 May 2023 to 30 June 2024 is stated below:

	Note	Period ended 30 June 2024 £
Cash flows from operating activities		
Loss from operations before tax		(246,546)
Adjustments to net loss		
Provision for credit loss		177,961
Goodwill impairment		2,939
Unrealised foreign exchange gain		(206)
Interest income		(1,056)
Changes in working capital:		
Increase in trade and other receivables		(196,371)
Increase in other current assets		(17,525)
Decrease in trade and other payables		(127,686)
Cash used in operating activities		<u>(408,490)</u>
Interest received		1,056
Net cash used in operating activities		<u>(407,434)</u>
Cash flows from investing activities		
Cash from acquired subsidiaries	9	<u>241,220</u>
Net cash generated from investing activities		241,220
Cash flows from financing activities		
Receipts from share issuances		738,621
Loan from a shareholder		100,000
Payments for deferred debt issue costs		(18,535)
Payments for loan funding		(26,627)
Payments for share issue and offering-related costs	17	(527,686)
Net cash generated from financing activities		<u>265,773</u>
Foreign exchange impact		1,551
Net increase in cash and cash equivalents		101,110
Cash and cash equivalents at 24 May 2023		—
Cash and cash equivalents at 30 June 2024	13	<u><u>101,110</u></u>

The notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period Ended 30 June 2024

1 Material accounting policy information and other explanatory information

(a) General information

Investment Evolution Credit plc (“IEC UK” or the “Parent Company”) is a limited company incorporated in England and Wales under the Companies Act of 2006. The address of the registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR. The nature of the Group’s operations and principal activities is providing loans to customers and financial management services, including accounting, valuations, and capital structure services.

The Parent Company was incorporated on 24 May 2023 and was re-registered as a public limited company on 2 November 2023. It commenced trading on the Aquis Stock Exchange Growth Market (‘AQSE’) on 14th December 2023.

MRAL US Corporation (*previously Investment Evolution Corporation*) (“MRAL US”) acquired by IEC UK on 1 July 2023 (see Note 9), is engaged in providing unsecured online consumer loans under the brand name “Mr. Amazing Loans” via the MRAL US website and online application portal at www.mramazingloans.com. MRAL US started its business and opened its first office in Las Vegas, Nevada in 2010. MRAL US currently offers \$2,000 to \$10,000 unsecured consumer loans that mature, unless prepaid, five years from the date they are issued. MRAL US is a direct lender with state licenses and/or certificates of authority in 6 states – California, Florida, Georgia, Illinois, Nevada and New Jersey. MRAL US originates direct consumer loans to residents of these states through its online application portal, with all loans originated, processed and serviced out of its centralised Las Vegas head office.

MRAL UK Group LTD (*previously IEC Credit Group Ltd*) was incorporated on 25 May 2023 to provide management consulting services to consumer finance companies and review opportunities for strategic acquisitions or partnerships in the consumer finance sector.

MRAL UK LTD (*previously IEC Credit Ltd*) was incorporated on 29 May 2023 to provide unsecured online consumer loans to customers in the United Kingdom subject to approval and authorisation by the Financial Conduct Authority.

As of 30 June 2024, the Parent Company holds 100% direct interest in MRAL US and MRAL UK Group Ltd, and 100% indirect interest in MRAL UK LTD through MRAL UK Group LTD (MRAL US, MRAL UK Group LTD, and MRAL UK LTD together are referred to as the “Subsidiaries”).

As part of the Group’s business strategy update, the Parent Company will utilise the existing established consumer brand of Mr. Amazing Loans only going forward and will no longer proceed with proposed brand IEC Credit. As such, Investment Evolution Corporation, IEC Credit Group Ltd and IEC Credit Ltd will operate under a new company name as MRAL US Corporation, MRAL UK Group Ltd and MRAL UK LTD, respectively.

The term “Group” refers to the Parent and the Subsidiaries.

(b) Basis of preparation

The financial statements of the Group have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

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The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value. The consolidated financial statements are presented in GBP (£) unless otherwise stated, which is the Group's functional currency.

Comparative figures and reporting period

No comparative figures have been presented as the Group's consolidated financial statements covers the fiscal period from incorporation on 24 May 2023. The accounting reference date have been changed to 30 June to align with the US subsidiary. Further, under Companies House accounts guidance, the accounting reference date can be extended to no more than 18 months for the first accounting reference date.

Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary, to ensure consistency with the policies adopted by the Group.

Going concern

The Directors noted the loss that the Group has made for the period ended 30 June 2024. The Directors have prepared cash flow forecasts extending to 31 December 2025 which show that, in order for the company to continue to discharge its liabilities as they fall due and to continue with its planned expansion of the Group, additional cash will be required.

The Directors are currently completing a fundraising round and are confident that they will be successful in raising the necessary additional funds.

The ability to successfully raise additional finance is subject to uncertainty. However, the Directors believe this uncertainty will be successfully resolved and the Group will raise sufficient cash to enable the Group to continue in operational existence for the foreseeable future and continue with the Group's plans. They have, therefore, prepared the financial statements on a going concern basis. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

New standards that are effective in the current period

In the current period, the group has adopted a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standards/Interpretations	Application
IAS 1 Amendments	Presentation of Financial Statements
IFRS Practice Statement 2	Making Materiality Judgements — Disclosure of Accounting Policies
IAS 12 Amendments	Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction, International Tax Reform — Pillar Two Model Rules

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Standards/Interpretations	Application
IAS 8 Amendments	Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

Standards and interpretations issued and not yet adopted by the Group

As at the date of the Group's consolidated financial statements, the Directors have reviewed the standards in issue by IASB and IFRIC, which are effective for periods beginning on or after the stated effective date but have not yet been applied. In their view, these standards would not have a material impact on the financial reporting of the Group.

Standards/Interpretations	Application	Effective from
IAS 1 Amendments	Non-current-current liabilities with covenants (classification of liabilities as current or non-current)	1 January 2024
IFRS 9 and IFRS 7 Amendments	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

(c) Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable.

The Group's primary revenue includes loan interest, loan originator fees and financial management fees. A contract with a customer that results in a recognised financial instrument may be within the scope of IFRS 9 and IFRS 15.

Revenue on loan interest is recognized using the effective interest method over the life of the loan as it is earned and collected on a periodic basis. Revenue on loan originator fee is earned on the date the corresponding loan is recognized. Loan originator fee pertains to a specific fee charged to the borrower at loan origination date. These fees are recognized in accordance with the applicable loan agreement.

Revenue on financial management services are recognised as earned, calculated, and collected in accordance with the applicable agreement for financial management and administrative services rendered. In the event that financial management fee is received before it is earned, deferred revenue is recorded and is included under liabilities in the consolidated statements of financial position.

The performance obligation to provide the service to the customer is satisfied over time beginning from the period when the control on the agreed cash or loan transfers to the customers.

The Group recognised the incremental costs of obtaining a contract as an expense when incurred if the amortization period determined in reference to the life of the contract of the resulting asset that the Company otherwise would have recognised is one year or less.

The Group does not adjust the amount of consideration for the effects of a significant financing component if, at contract inception, the expected period between the transfer of promised services and customer payment is one year or less.

Interest revenue

Interest revenue is recognised over time according to the agreed interest rate and payment dates within the loan contract.

Other income

Other income is recognized when earned or realised.

(d) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate on initial recognition.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised as proceeds received net of issue costs.

Financial assets

The Group's financial assets comprise trade and other receivables, as well as cash and cash equivalents, and security deposit.

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument and are recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment, based on the receivable ageing, previous experience with the debtor and known market intelligence. Any change in their value is recognised in the statement of total comprehensive income.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each statement of financial position date, whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial liabilities

The Group's financial liabilities comprise trade and other payables, funding advance for new loans, and non-recourse distributions from loans receivable.

Financial liabilities are initially recognised at fair value of the consideration received net of issue costs. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges are included in the consolidated statement of total comprehensive income line item "finance expense". Financial liabilities are derecognised when the obligation to settle the amount is removed.

(e) Fair values

Fair value is the amount for which a financial asset, liability, or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is determined by reference to quoted market prices adjusted for estimated transaction costs that would be incurred in an actual transaction or by the use of established estimation techniques.

All assets and liabilities for which fair value is measured or disclosed in the financial statement are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level I – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level II – Inputs, other than quoted prices included in Level I that are observable for

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- the asset or liability through corroboration with market data at the measurement date.
- Level III – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarises fair value measurements by level as at 30 June 2024 for assets and liabilities measured at amortised cost on a recurring basis:

	Level I	Level II	Level III	Total
	£	£	£	£
Financial assets				
Cash and cash equivalents	101,110	—	—	101,110
Trade and other receivables	95,123	—	—	95,123
Other current asset*	1,330	—	—	1,330
<i>*Excluding Input Value-Added Tax (VAT)</i>				
Financial liabilities				
Trade and other payables	242,302	—	—	242,302
Non-recourse distributions from loans receivable	52,325	—	—	52,325

The fair values at the end of the reporting period are approximately in line with their reported carrying values unless specifically mentioned in the notes to the financial statements.

(f) Deferred financing costs

i. Share issue/offering

Direct offering costs consisted of fees and expenses incurred in connection with the sale of the Group’s common stock, including the legal, accounting, printing, and other offering-related costs. Upon completion of the Initial Public Offering or share issuance process, these offering/issue costs were charged against the net proceeds from the offering and share issuances.

ii. Debt issue costs

Debt issuance costs include fees and commissions paid to third parties in connection with the issuance of debt, including investment banks, law firms, auditors, and regulators. Upon issuance of the debt instrument, the debt issue costs will be recognized as a direct deduction from the carrying value of the associated debt.

(g) Receivables

Loans receivable is recognised at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value, in accordance with IFRS 15 and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit loss.

Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables. The expected credit loss rate varies depending on whether, and the extent to which, settlement of the loan receivables is overdue, and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions. The unobservable inputs used to calculate the fair value of these loans include historical loss rates, recent default trends and estimated remaining loan terms. Therefore, the carrying value of the loan’s receivable approximates the fair value.

When a loan receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any expected credit loss allowance available and then to the income statement.

Subsequent recoveries of amounts previously provided for or written off are credited to the income statement.

(h) Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Payables are derecognised when the obligation specified in a contract is discharged, cancelled or has expired.

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(j) Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(k) Expenses

Expenses are recognised when a decrease in future economic benefit related to a decrease in an asset or an increase in liability has arisen that can be measured reliably. Expenses are recognised: (i) on the basis of a direct association between the costs incurred and the earning of specific items of income; (ii) on the basis of systematic and rational allocation procedures (i.e., when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined); or (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position.

(l) Taxes

i. Current tax

Income taxes include all taxes based on the taxable profits of the Group. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ii. Deferred tax

Deferred income tax is provided in the financial statements using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Current and deferred income tax assets and liabilities are offset when the same taxation authority levies the income taxes and when there is a legally enforceable right to offset them.

iii. Other taxes

Other taxes not based on income, such as value added, property, and capital axes, are included within prepayments, current liability, or operating expenses according to their nature.

(m) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity, over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss and other comprehensive income as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss and other comprehensive income.

(n) Goodwill

Goodwill on acquisitions of subsidiaries is disclosed as a separate line item in the consolidated statement of financial position and is carried at cost less accumulated impairment losses. Goodwill represents the excess of the fair value of the consideration over the fair values of the identifiable net tangible and intangible assets acquired and is allocated to cash-generating units. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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Under IFRS 3 “Business Combinations”, goodwill arising on acquisitions is not subject to amortisation but is subject to impairment testing or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment is recognised immediately in the consolidated statement of total comprehensive income and is not subsequently reversed. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows from other assets or groups of assets (cash generating units).

(o) Equity

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group’s issued ordinary shares are classified as equity instruments and recorded as share capital at par value. Any excess of the consideration received against par value is recorded as a premium. Shares subscribed are recorded as subscribed share capital at their purchase value, net of any unpaid amount. Subscribed shares are recorded as share capital, with excess of par at share premium upon full payment of the purchase value or upon happening of a contingent event.

Currency translation adjustments are differences arising from translation of investments in overseas subsidiaries. The differences arise from the translation of foreign operations’ results and financial positions from their respective functional currencies to the Group’s presentation currency.

(p) Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Parent Company by the weighted average number of Ordinary Shares in issue during the period, excluding any share held in Treasury.

The diluted earnings per share would be calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of shares in issue during the period, adjusted for potentially dilutive shares that are not anti-dilutive. Diluted earnings per share has not been presented as the Group is loss making.

(q) Foreign currencies

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the ‘functional currency’). The consolidated financial statements are presented in GBP (£), which is the Company’s functional and the Group’s presentational currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the re-translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are generally recognised in profit or loss and other comprehensive income.

Foreign exchange gains and losses are presented in the consolidated statement of total comprehensive income within ‘other income’.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

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Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate if material.

(r) Judgements or key sources of estimation uncertainty

The preparation of the consolidated financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results might differ from these estimates.

Critical judgments and estimates applied follows:

- Critical estimates in the impairment of goodwill — Goodwill arising on business combination is not amortised but is reviewed for impairment on an ongoing basis, or more frequently if there are indications that goodwill may be impaired. Goodwill acquired in a business combination is allocated, at acquisition, to cash generating units (CGUs) that are expected to benefit from the business combination. An impairment loss is recognised for the amount which the asset's or CGUs carrying amount exceeds its recoverable amount. The recoverable amount is higher of fair value, reflecting market conditions, less costs to sell, and value in use based on an internal discounted cash flow evaluation. Goodwill is subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Goodwill recognised in the period amounted to £2,939 relating to the Group's acquisition of MRAL US Corporation, however full impairment was recognised in the period to 30 June 2024, refer to Note 9.
- Expected credit loss (ECL) assessment — Allowance for ECLs is maintained at a level considered adequate to provide for uncollectible receivables. ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions, and assessment of future economic conditions.

The Group used historical loss rates, recent default trends and estimated remaining loan terms to determine the probability of default of the financial assets. The recognised provision for ECL is disclosed in Note 12.

2 Revenue

Revenue for the period ended 30 June 2024 consists of:

	Period ended 30 June 2024 £
Financial management fees	149,667
Loans fee revenue	48,000
Interest revenue	27,243
	<u>224,910</u>

Financial management fees, loans fee revenue, and certain interest revenue pertain to services made to a related party (see Note 16).

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3 Administrative expenses

	Period ended 30 June 2024 £
Provision for credit loss – non-trade receivable	177,194
Consultancy costs	103,774
Salaries and benefits	96,134
Accounting and auditor's fee	67,038
Legal expenses	49,564
Investor relations	32,924
Utilities	26,294
Taxes and licenses	12,510
Rent	11,200
Company secretarial services	9,530
Bank charges	7,965
Insurance	3,434
Provision for credit – trade receivable	767
Other administrative expenses	5,206
	603,534

4 Other income (expense)

	Period ended 30 June 2024 £
Corporate fee	230,584
Foreign exchange gain	2,022
Goodwill impairment (Note 9)	(2,939)
	229,667

Corporate fee of £230,584 relates to non-refundable corporate processing fees charged to shareholders on their share allotments.

5 Auditor's remuneration

	Period ended 30 June 2024 £
Fees paid to the Parent's auditor for the non-statutory audit on the Parent's financial statements relating to the Parent's public company admission	18,000
Fees paid to the Parent's auditor for non-assurance services relating to the Parent's public company admission	17,700
Fees paid to the Subsidiaries' auditor for the non-statutory audit of the Subsidiaries' financial statements	9,268
Fees payable to the Parent's auditor for the statutory audit of the Group's financial statements	17,000
Fees payable to the Subsidiaries' auditor for the non-statutory audit of the Subsidiaries' financial statements	3,855
Fees payable to the Subsidiaries' auditor for the component audit procedures and reporting on the Subsidiaries' financial statements	3,558
	69,381

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6 Remuneration

There were three (3) employees of the Group in the period under review, other than the 2 directors.

	Period ended 30 June 2024 £
Wages and salaries	129,929
Social security costs	<u>12,651</u>
Health insurance cost	<u>9,565</u>
Pension costs	<u>—</u>

Salaries and benefits amounting to £71,290 were included as part of cost of services for the period ended 30 June 2024.

Remuneration paid to key management personnel are disclosed in Note 16 of the consolidated financial statements.

7 Loss per share

The basic loss per share is calculated by dividing the loss attributable to the owners of the Parent Company by weighted average number of ordinary shares in issue during the period. Diluted loss per share is computed by dividing net loss by the weighted-average number of shares of ordinary shares, contingently issuable shares, convertible shares, and certain common share equivalents outstanding for the period. Common stock equivalents are only included when their effect is dilutive.

For the period ended 30 June 2024, the Group has no potential dilutive shares.

	Period ended 30 June 2024 £
Loss attributable to ordinary shareholders, basic and diluted	(273,449)
Weighted Average Shares used to compute loss per ordinary share, basic	<u>13,819,507</u>
Basic and diluted loss per share	<u>(0.02)</u>

8 Income Tax

The tax charges for the period use the standard rate applicable in the UK and in the US.

	Period ended 30 June 2024 £
Loss on ordinary activities before tax	(246,546)
Loss on ordinary activities before tax multiplied by standard rate of income tax in UK of 25% and US of 21%	(52,531)
UK Marginal relief	(246)
Items not deductible for tax purposes	126,300
US tax losses utilised	<u>(46,620)</u>
Total tax charge for the period	<u>26,903</u>

The Group has cumulative losses of approximately £18,893,206 relating to MRAL US Corporation, available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over future taxable profits against which the losses may be utilised.

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9 Business acquisition

On 1 July 2023, the Parent Company acquired MRAL US, a company under common control, which is incorporated in the United States of America from Investment Evolution Credit S.A. (IEC SA) via a stock purchase agreement for £240,000. As payment for the acquisition, the Parent Company settled its loan receivable, with the same amount, to IEC SA.

The Group did not incur any other costs related to the acquisition.

Details of the purchase consideration, the net assets and goodwill are as follows:

	£
Purchase consideration	
Fair value of receivables settled	<u>240,000</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value
	£
Cash and cash equivalents	241,220
Trade and other receivables	85,145
Other current assets	1,322
Trade and other payables	(3,277)
Provision for credit losses	(8,886)
Non-recourse distribution from loans receivables	(32,844)
Funding advance for new loans	<u>(45,619)</u>
Net identifiable assets acquired	237,061
Goodwill	<u>2,939</u>
	<u>240,000</u>
	£
Goodwill	2,939
Impairment	<u>(2,939)</u>
Net	<u><u>—</u></u>

Goodwill amounting to £2,939 was recognised on the acquisition of MRAL US (dba Mr. Amazing Loans), being the excess of the purchase consideration over the fair value of net assets acquired. For the period ended 30 June 2024, full impairment was recognised on Goodwill.

10 Other current assets

	Period ended
	30 June 2024
	£
Input VAT	17,525
Security deposit	<u>1,330</u>
	<u>18,855</u>

Input VAT in other current assets relates to VAT on costs incurred during the period 1 January 2024 to 30 June 2024 for which the VAT return was submitted during December 2024. Refer to note 12 for further information relating to VAT receivables.

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11 Deferred financing cost

	Period ended 30 June 2024 £
Deferred share issue cost	47,896
Deferred bond issue cost	18,535
	66,431

Deferred issue costs comprise consulting and investor-related expenses in connection with the subsequent share issuance on 5 August 2024. Bond issue costs incurred relate to expenses associated with the potential issuance of bonds and will be capitalised as a component of the bond liability at bond issue date. These expenses were incurred engaging professionals to assist in the issuance of bonds however during December 2024 the board decided to change strategy and no longer proceed with bonds, refer to detail in note 25 Significant post-balance sheet events.

12 Trade and other receivables

Trade and other receivable consist of:

	Period ended 30 June 2024			
	Loan fee receivable £	Advances to related parties £	Other receivables £	Total £
Gross amount	58,435	3,874	210,953	273,262
Provision for credit losses	(1,222)	—	(176,917)	(178,139)
Net amount	57,213	3,874	34,036	95,123

Advances to related parties consists of a balance of £3,873 owing as at 30 June 2024 to the Parent Company from IEC Spain, a company with common directorships, and as at the year end it was deemed collectible, however since year end, during November 2024, the connected company has gone into liquidation. The balance will be written off during the financial year ending 30 June 2025 if it is not recovered from liquidation proceeds.

A reconciliation of the allowance for credit losses consists of the following:

	Period ended 30 June 2024 £
Beginning	8,886
Provision of credit losses	177,961
Write-offs	(8,708)
Ending	178,139

The following is an age analysis of past due receivables:

	Period ended 30 June 2024 £
Current	89,229
1 – 30 days past due	176,917
31 – 60 days past due	1,648
Over 90 days past due	5,468
	273,262

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The following is a breakdown of gross loan principal amounts outstanding in each US state for the Group's current active loan portfolio, excluding uncleared collections:

	Period ended 30 June 2024 £
Illinois	26,862
California	22,637
Nevada	4,070
Georgia	2,866
New Jersey	1,385
Texas	558
Missouri	57
	58,435

Net other receivables include a balance of £26,791.36 relating to a refund claim for input VAT incurred on transactions completed before the Group's VAT registration which commenced on 1 December 2023. The first VAT return has recently been submitted and senior management believe the submission to be in final review stages and a refund should be received soon. Further, cash being held by the payment partner of MRAL US was under dispute and has been transferred to other receivables and provided a full provision. The Group has issued a legal demand letter against the payment partner.

13 Cash and cash equivalents

	As at 30 June 2024 £
Cash in banks and on hand	101,110

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned from banks amounted to £1,056 for the period ended 30 June 2024.

14 Funding advances of new loans and Non-recourse distribution from loans receivable

In 2023, IEC US received \$100,000 funding advance from Full Circle Financial Services (FCFS) to fund new consumer loans in accordance with the Funding and Participation Agreement and related agreements. Under the Funding and Participation Agreement, no interest is charged by FCFS to the Company, with an agreed split of interest revenue from the loans distributed to FCFS along with monthly distributions of the principal of consumer loan repayments which reduce the funding advance.

An overview of the FCFS funding advance, loan funding and future distributions process is provided below:

a) Funding Advance for New Loans

The funds received are initially recorded under the "Funding Advance for New Loans" account, to be used for the purpose of funding new consumer loans as outlined in the specified agreements.

b) Funded Loan Assets

When new consumer loans are funded by the Company, the assets from consumer loans are recorded in a separate subaccount under Loans Receivable of the Company.

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- c) Funded Loan Allocation to Non-Recourse Account
Following the funding of loans, the "Non-Recourse Distributions from Loans Receivable" account is used to record the future distributions that will be sent to FCFS from the consumer loan principal repayments. This account is not a debt of the Company and is classified as a 'non-recourse' liability, as FCFS only has rights to these specific consumer loan assets with distributions made when the consumer makes loan repayments.
- d) Funded Loan Defaults
In cases of individual loan defaults, the outstanding capital is reassigned from the Company to FCFS, reducing the "Non-Recourse Distributions on Loans Receivable" account. This structure insulates the Company from potential credit losses, negating the need for credit loss provisions on these loans.
- e) Funded Loan Revenue Sharing and Principal Distributions
Interest revenue from these loans is shared between the Company and FCFS as per the Funding and Participation Agreement. The Company also remits principal repayments received from consumers to FCFS, resulting in a decrease in the Non-Recourse Distributions on Loans Receivable account.

As at 30 June 2024, there were twenty-one (21) consumer loans funded totaling £66,445 with a final account balance of £52,325, net of principal payments received from consumers and remitted to FCFS.

15 Trade and other payables

	As at 30 June 2024 £
Amounts owing to a shareholder	100,000
Accounts payable	80,343
Accrued expenses	35,056
Income taxation	26,903
	242,302

On average trade and other payables are settled within one month.

16 Related party transactions

Following are the outstanding balances and transactions, as at and for the period ended 30 June 2024, with related parties. Transactions between the Parent Company and its subsidiaries, which are related parties, have been eliminated and are not disclosed on this note.

		Amount £	Receivable (Payable) £
<i>Related parties under common control</i>			
Loan (a)		240,000	—
Financial management fee	2	60,000	3,874
Loans fee revenue (a)	2	48,000	—
Interest revenue (a)	2	5,980	—
<i>Directors and Shareholders</i>			
Consulting fees and salaries (b and c)		401,497	
Corporate fee	4	230,584	—
Loan (d)	15	100,000	(100,000)
Share issuances (c and e)		47,061	—

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- a. On 1 June 2023, the Group entered into a £240,000 loan agreement with Investment Evolution Credit S.A. with a loan repayment date of 31 May 2024 and 29.9% interest per annum. Interest and 20% loan origination fee earned from the loan amounted to £5,980 and £48,000, respectively. The loan, interest, and loan fee were subsequently settled through intercompany settlements resulting in £Nil balances as at 30 June 2024.
- b. Effective 30 September 2024, Paul Mathieson has resigned as Chairman and CEO of the Group but will continue providing services to the Group as Executive Director in accordance to the consulting services agreement until 31 December 2024. As of 30 June 2024, he was paid £295,252 as consulting fees and salaries, no amount was owed to the director.
- c. Effective 31 July 2024, Sam Prasad has resigned as Director and CFO/COO of the Group. As of 30 June 2024, he was paid £50,000 as consulting fees, and remains as a shareholder, owning 1,350,394 (8.57%) of the Parent Company. In addition, Sam Prasad received \$60,000 in salary from MRAL US Corporation in the period.
- d. On 20 June 2024, the Group entered into a £100,000 unsecured and non-interest-bearing loan agreement with Sam Prasad with a loan repayment date of 05 July and 30 September 2024. Subsequent to 30 June 2024, this loan was restructured. Refer to Note 25 for details.
- e. As at 30 June 2024, Paul Mathieson, director of the Parent Company, owns 6,387,913 (43.39%) of the Parent Company.
- f. Glendys Aguilera, director of the Parent Company, was paid a salary of \$30,000 and bonus of \$3,000 by MRAL US Corporation and directors fees of £2,000 by the Parent Company since being appointed director during December 2023.
- g. Neil Patrick, director of the Parent Company, was paid directors fees of £13,000 and expenses of £311.95 of which £1,707.07 was owing as at 30 June 2024.
- h. At the period end, the parent company waived an intercompany balance of £193,672.71 owing from its subsidiary MRAL US Corporation.

17 Equity

Details of contributed capital as of 30 June 2024 are as follows:

	Number of shares	Share capital £	Share premium £	Total £
Ordinary share issuances at £.005 par value:				
24 May 2023	12,422,303	62,112	8,775	70,887
12 December 2023	2,538,672	12,693	108,408	121,101
25 April 2024	800,000	4,000	62,843	66,843
	15,760,975	78,805	180,026	258,831

The Group was incorporated on 24 May 2023 and during the period, had the following issuances of ordinary shares:

- a. 12,377,303 ordinary shares were issued to various shareholders at par; and
- b. 45,000 shares were issued to various shareholders at £0.200 per share, which is comprised of £0.005 par value and £0.195 share premium.

On 10 November 2023, 2,538,672 shares were subscribed at £0.20 per share to raise a total of £507,734 as a conditional placement for the Group's IPO, of which 225,000 shares are initially accounted for as subscription receivable and were subsequently paid prior to full issuance on 12 December 2023. Share issuance and IPO cost recognised by the Group amounted to £386,632.

On 25 April 2024, additional 800,000 shares were issued at £0.20 per share, raising a total of £160,000. Share issuance cost recognised by the Group amounted to £93,157.

Share premiums presented for 12 December 2023 and 25 April 2024 are net of share issuance costs.

Investment Evolution Credit Plc
For the period from 24 May 2023 to 30 June 2024

18 Financial instruments

The following tables set out the categories of financial assets and liabilities held by the Group:

	Period ended 30 June 2024 £
<i>Financial assets</i>	
Cash and cash equivalents	101,110
Trade and other receivables	95,123
Other current asset (excluding Input VAT)	1,330
	197,563
 <i>Financial liabilities</i>	
Trade and other payables	242,302
Non-recourse distributions from loans receivable	52,325
	294,627

Financial risk management

The Company's existing financial assets and liabilities arise directly from the Group's operations. There is minimal risk with these financial assets and liabilities as they relate to day-to-day business expenditure and are invoiced in Sterling, the Group's functional currency and the directors believe their carrying value reasonably equate to fair value.

Financial risk factors

The Group has recently been incorporated and has limited operating history upon which prospective investors may assess the likely performance of the Group. The Group's success will depend upon the Directors' ability to identify and manage future opportunities that may arise.

Market risk

(a) Foreign exchange risk

The Group has exposure to market risk – foreign exchange risk arising from future commercial transactions and recognised financial assets and liabilities not denominated in GBP. The Group's income stream is exposed to fluctuation in the US Dollar exchange rate against GBP.

This risk is managed predominantly via policies approved by the directors. Market risks are identified and evaluated closely by directors. Directors provide written principles for overall risk management, as well as policies covering specific areas. These are reviewed monthly and discussed at director's meetings.

The Group's exposure to foreign currency risk as at 30 June 2024, expressed in GBP follows:

	Period ended 30 June 2024 £
Liabilities	
Trade and other payables	51,343

The aggregate net foreign exchange gains recognised in profit or loss were:

	Period ended 30 June 2024 £
Realised foreign exchange gain	1,816
Unrealised foreign exchange gain	206
Total net foreign exchange gain recognised in profit before tax	2,022

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A +/-10% shift in the USD exchange rate would be expected to have an impact on profit before tax as follows:

	Impact on profit before tax as at 30 June 2024 Increase (Decrease) £
+10%	(3,701)
- 10%	3,701

(b) Interest rate risk

The Group does not have interest-bearing liabilities.

(c) Price risk

The Group is not exposed to either commodity or equity securities price risk.

Strategic risk

The Group's ability to generate profit (which cannot be guaranteed) will be reliant upon the performance of investments and the successful execution of the business strategy (in both its current form and as amended from time to time). The Group seeks to mitigate this risk by implementing a sustainable business model. The Board of Directors meet at least four times a year to revisit the Group's strategy and align it with current market and economic conditions.

Regulatory and legal risk

As the Group expands its activities, the Group will become increasingly obligated to comply with the laws, rules, regulations and policies of the jurisdictions in which the Group operates.

Reputational risks

Reputational risk is the risk resulting from failure to meet the reasonable expectations of stakeholders regarding any event, behaviour, action, or inaction undertaken by the Group, its employees, or its affiliated entities. The Group seeks to ensure its business minimises reputational risk through the Board of Directors policies, procedures and controls for corporate governance and risk management.

Credit risk

Credit risk is the risk that the Group will not be able to recover receivables from the counterparty when due. Credit risk is managed by the experienced Executive Management Team and Board of Directors.

The Group's credit risk arises from cash and cash equivalents, and trade and other receivables. Cash in bank is covered by insurance limits, which minimises the Group's exposure to credit risk. Advances to related parties are transacted with related parties with no history of default and are in good financial condition. Credit risk is assessed as low considering balances are collectible from the counterparties involved. The Group's portfolio of loan receivables is with consumers living throughout the United States and consequently, such consumers' ability to honour their instalment contracts may be affected by economic conditions in these areas.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash and cash equivalents, and trade and other receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade and other receivables. To measure the expected credit losses, trade, and other receivables have been grouped on shared credit risk characteristics and the days past due. The Funding and Participation Agreement structure insulates the Group from potential credit losses, negating the need for credit loss provisions on these loans. Refer to Note 12 for the details of the provision for credit loss and age analysis of past due receivables.

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Liquidity risk

Liquidity risk is the risk that the Group will fail to meet its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, the Board of Directors reviews sensitivity analysis to different stress scenarios to simulate and analyse cash flows, ensuring the Group has sufficient liquidity. A material and sustained shortfall in the Group's cash flow could undermine the Group's credit rating, impair investor confidence, and also restrict the Group's ability to raise funds.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Less than One year £	One to two years £	Two to five years £	Total £
Trade and other payables	242,302	—	—	242,302
Non-recourse distributions from loans receivable	—	—	52,325	52,325
	242,302	—	52,325	294,627

Capital risk

Capital risk encompasses the possibility that the Group might lack adequate capital resources to sustain its operations. The Group follows a cautious strategy in capital management. The Board of Directors consistently assesses budgets and forecasts, including capital and liquidity ratios, to ensure prudent management of capital resources.

19 Directors' advances, credit and guarantees

There are no directors' advances, credit, or guarantees in the period, other than those disclosed in Note 16, Related Party Transactions.

20 Capital management policy

The Directors' objectives when managing the Group's capital are to safeguard the Group's ability to continue as a going concern to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued share capital, share premium, and reserves.

21 Capital commitments

There were no capital commitments as at 30 June 2024.

22 Contingent assets or liabilities

The Parent company agreed to pay its Corporate Broker, Axis Capital Markets Limited a sales commission calculated at 5% of the gross aggregate value of the equity or IEC bond funds raised from investors introduced by Axis (deductible from the proceeds of the placing) and also to pay a sales commission calculated at 1% of the gross aggregate value of the equity funds raised of which Axis has not procured subscribers (deductible from the proceeds of the placing). If existing IEC shareholders (who were not introduced by Axis) or other investors (who were not introduced by Axis) invest in an equity fund raise and they deposit funds directly into IEC's bank account and they provide equity subscription forms directly to IEC then this 1% would not apply.

There were no other contingent assets or liabilities as at 30 June 2024.

23 Ultimate controlling party

As at 30 June 2024, there was no ultimate controlling party of the Group.

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24 Subsidiaries consolidated

The subsidiaries included in the consolidated financial statement of the Group are detailed below. No subsidiary undertakings have been excluded from the consolidation.

Company	Place of Business	Class of share capital held	Holdings		Principal Activities
			Direct (%)	Indirect (%)	
MRAL US Corporation <i>(previously Investment Evolution Corporation)</i>	USA	Ordinary	100	—	Providing unsecured online consumer loans
MRAL UK Group Ltd. <i>(previously IEC Credit Group Ltd)</i>	UK	Ordinary	100*	—	Management consultancy other than financial management
MRAL UK Ltd. <i>(previously IEC Credit Ltd)</i>	UK	Ordinary	—	100**	Credit granting by non-deposit-taking finance houses and other specialist consumer credit grantors

*The Company holds 1,000 £1.00 ordinary shares, unpaid at period end

**MRAL UK Ltd holds 1,000 £1.00 ordinary shares, unpaid at period end

MRAL UK Group Ltd and MRAL UK Ltd are included in the Group consolidation, however, these entities only contain balances relating to their incorporation on 25 May 2023 and 29 May 2023, respectively. Both have not yet operated from incorporation to 30 June 2024.

On 5 March 2024, Parent company acquired MRAL Spain Corporation (IEC Delaware). However, on 18 June 2024, the Parent Company terminated its Spain Implementation Agreement with MRAL Spain Corporation and voluntarily dissolved its dormant wholly owned subsidiary on 24 June 2024. MRAL Spain Corporation did not commence any operations and has no assets or liabilities.

25 Significant post-balance sheet events

On 5 August 2024, 500,000 shares were subscribed at £0.20 per share resulting to a total capital raised amounting to £100,000 for general working capital use.

On 30 September 2024, the Group entered into a £200,000 unsecured loan and bears a fixed loan fee of 10% (paid upfront upon advance of the loan) with Sam Prasad. This replaces the existing £100,000 loan agreement on 24 June 2024. The new loan is repayable by the Group by 31 December 2024. On this date the board also announced the appointment of Bob Mennie as non-board Chief Financial Officer and the retirement of Paul Mathieson on 31 December 2024 and his proposed replacement.

On 18 October 2024, the Group passed an ordinary and special resolution allowing the directors of the Group to generally and unconditionally authorised to allot shares in the Group and to grant rights to subscribe for or convert any security into shares in the Group up to aggregate amount of £243,814 or equivalent to 48,782,825 shares.

On 31 October 2024, 45,752,696 shares were subscribed by existing shareholders at £0.01 per share resulting to a total capital raised amounting to £457,527 to fund the Company's business plan and for general working capital use.

On 7 November 2024, 250,000 shares were subscribed by existing shareholders at £0.01 per share resulting to a total capital raised amounting to £2,500 to fund the Company's business plan and for general working capital use.

On 17 December 2024, Board changes were announced which will come into effect from 1 January 2025. John Philip de Blocq van Kuffeler, will be appointed to the Board as Executive Chairman in January 2025, subject to standard regulatory approval. Marc Howells will be appointed to the Board

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as Executive Director and Chief Executive Officer. Richard Leaver will be appointed as an independent non-Executive director. Paul Mathieson, the major shareholder, will step down with his planned retirement from the board on 31 December 2024.

On 17 December 2024, the Parent company also announced it has ceased offering its IEC bond product to investors and instead will focus on obtaining institutional debt funding. It did not issue any IEC bonds and is currently in discussions with an institutional debt provider for both UK and US funding. The new proposed Board members also have a substantial personal network of debt funding contacts.

As detailed in Note 12, Advances to related parties consists of a balance of £3,873 owing as at 30 June 2024 to the Parent Company from IEC Spain, a company with common directorships, and as at the year-end it was deemed collectible, however since year end, during November 2024, the connected company has gone into liquidation. The balance will be written off during the financial year ending 30 June 2025 if it is not recovered from liquidation proceeds.

The Parent company obtained VAT registration on 1 December 2023. During December 2024 two VAT returns have been completed and submitted for the period from commencement to 30 June 2024 as detailed in Notes 10 and 12 with balances of £17,525 and £26,791 respectively included within receivables at the year end. Senior management believe the submission to be in final review stages and a refund should be received shortly.

There have been no other significant events after the reporting for the period ended 30 June 2024, up to the date of authorisation of these financial statements, that would require adjustment of, or disclosure in, the financial statements.

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For the period from 24 May 2023 to 30 June 2024

COMPANY STATEMENT OF FINANCIAL POSITION

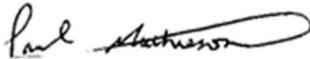
The statement of financial position of the Company as at 30 June 2024 is stated below:

	Note	As at 30 June 2024 £
ASSETS		
Non-current asset		
Investment in subsidiaries	4	241,000
Total non-current asset		241,000
Current assets		
Other current assets	3	17,525
Deferred financing costs	5	66,431
Trade and other receivables	6	30,665
Cash and cash equivalents		19,747
Total current assets		134,368
Total assets		375,368
LIABILITIES		
Current liability		
Trade and other payables	7	228,516
Total liabilities		228,516
Net assets		146,852
EQUITY		
Share capital	8	78,805
Share premium	8	180,026
Retained earnings		(111,979)
Total equity		146,852

As permitted by section 408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's loss for the period was £111,979.

The notes form an integral part of this financial statements.

The Parent Company financial statements were approved by the Board on 30 December 2024.



Paul Mathieson
Director

Investment Evolution Credit plc, Registered no. 14890706

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COMPANY STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity of the Company from the date of incorporation on 24 May 2023 to 30 June 2024 is stated below:

	Share capital £	Share premium £	Retained earnings £	Total equity £
Balance at 24 May 2023	—	—	—	—
Loss for the period	—	—	(111,979)	(111,979)
Total comprehensive loss for the period	—	—	(111,979)	(111,979)
Share capital issued	78,805	180,026	—	258,831
Balance at 30 June 2024	<u>78,805</u>	<u>180,026</u>	<u>(111,979)</u>	<u>146,852</u>

The notes form an integral part of this financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Period Ended 30 June 2024

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

(a) Basis of preparation

The separate financial statement of the Company is presented in accordance UK-adopted international accounting standards and with Financial Reporting Standard 101 – ‘The Reduced Disclosure Framework’ and the Companies Act 2006 as applicable to companies reporting under those standards, and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

The preparation of financial statements in accordance with FRS101 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 high degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company are similar to that of the Group and are disclosed in note 1 of the consolidated financial statements.

The financial statements of the Company have been prepared on a going concern basis and under the historical cost convention. Refer to Going Concern section of Note 1 in notes to the consolidated financial statements. The financial statements is presented in GBP (£) unless otherwise stated, which is the Company’s functional currency.

(b) Disclosure exemptions adopted

In preparing the financial statements, the Company has taken advantage of all disclosure exemptions available under FRS 101. Therefore, these financial statements do not include:

- The requirements of IFRS 7 Financial Instruments: Disclosures, as equivalent disclosures, are included in the consolidated financial statements of the Group in which the entity is consolidated, refer to Note 18 to the consolidated financial statements.
- The requirement of paragraphs 10(d) and 111 (statement of cash flows), 134 to 136 (managing capital), and 16 (statement of compliance with IFRS) of IAS 1 Presentation of Financial Statements.
- The requirements of IAS 7 Statement of Cash Flows and related notes.
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The effects of future accounting standards not adopted.

(c) Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable.

The Company’s primary revenue includes financial management fees. A contract with a customer that results in a recognised financial instrument may be within the scope of IFRS 9 and IFRS 15.

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Revenue on financial management services is recognised as earned, calculated, and collected in accordance with the applicable agreement for financial management and administrative services rendered. In the event that financial management fee is received before it is earned, deferred revenue is recorded and is included under liabilities in the consolidated statements of financial position.

The performance obligation to provide the service to the customer is satisfied over time beginning from the period when the control on the agreed cash or loan transfers to the customers.

The Company recognised the incremental costs of obtaining a contract as an expense when incurred if the amortisation period determined in reference to the life of the contract of the resulting asset that the Company otherwise would have recognised is one year or less.

The Company does not adjust the amount of consideration for the effects of a significant financing component if, at contract inception, the expected period between the transfer of promised services and customer payment is one year or less.

Other income

The Group recognises other income when earned or realised.

(d) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate on initial recognition.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised as proceeds received net of issue costs.

Financial assets

The Group's financial assets comprise trade and other receivables, as well as cash and cash equivalents.

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument and are recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment, based on the receivable ageing, previous experience with the debtor and known market intelligence. Any change in their value is recognised in the statement of total comprehensive income.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each statement of financial position date, whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial liabilities

The Company's financial liabilities comprise trade and other payables

Financial liabilities are initially recognised at fair value of the consideration received net of issue costs. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges are included in the consolidated statement of total comprehensive income line item "finance expense". Financial liabilities are derecognised when the obligation to settle the amount is removed.

(e) Fair values

Fair value is the amount for which a financial asset, liability, or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is determined by reference to quoted market prices adjusted for estimated transaction costs that would be incurred in an actual transaction or by the use of established estimation techniques.

All assets and liabilities for which fair value is measured or disclosed in the financial statement are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level I – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level II – Inputs, other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level III – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarises fair value measurements by level as at 30 June 2024 for assets and liabilities measured at amortised cost on a recurring basis:

	Level I £	Level II £	Level III £	Total £
Financial assets				
Cash and cash equivalents	19,747	—	—	19,747
Trade and other receivables	30,665	—	—	30,665
Financial liabilities				
Trade and other payables	228,516	—	—	228,516

The fair values at the end of the reporting period are approximately in line with their reported carrying values unless specifically mentioned in the notes to the financial statements.

(f) Investments

Investments in subsidiaries are valued at cost less impairment.

(g) Taxes

i. Current tax

Income taxes include all taxes based on the taxable profits of the Group. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ii. Deferred tax

Deferred income tax is provided in the financial statements using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Current and deferred income tax assets and liabilities are offset when the same taxation authority levies the income taxes and when there is a legally enforceable right to offset them.

iii. Other taxes

Other taxes not based on income, such as value added, property, and capital taxes, are included within prepayments, current liability, or operating expenses according to their nature.

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For the period from 24 May 2023 to 30 June 2024

2 Remuneration

Detailed breakdown of the business acquisition is included in Note 16 of the consolidated financial statements.

3 Other current assets

Full detailed information is included in Note 10 of the consolidated financial statements.

4 Investment in subsidiaries

Detailed breakdown of the business acquisition is included in Note 9 of the consolidated financial statements.

5 Deferred financing costs

Details of the Company's deferred financing costs are included in Note 11 of the consolidated financial statements.

6 Trade and other receivables

	Period ended 30 June 2024 £
Amounts due from related parties	3,874
Other receivables	26,791
	<u>30,665</u>

Detailed narrative on other receivables is included in Note 12 of the consolidated financial statements.

7 Trade and other payables

	Period ended 30 June 2024 £
Amounts owing to a shareholder	100,000
Accounts payable	81,343
Income taxation	26,903
Accrued expenses	20,270
	<u>228,516</u>

8 Equity

Detailed disclosure for equity is included in Note 17 of the consolidated financial statements.

9 Ultimate controlling party

As at 30 June 2024, there was no ultimate controlling party of the Company.

10 Significant post-balance sheet events

Details of events after the reporting period can be found in Note 25 of the consolidated financial statements.