

# GOVERNMENT RECOVERY

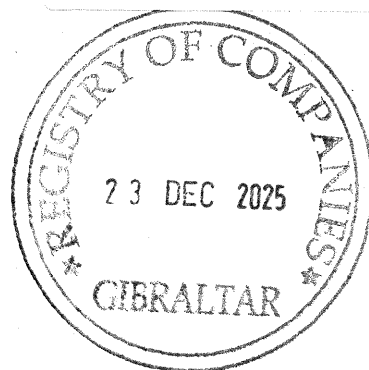


CO-107372-2824952  
Credit Finance Company Limited  
Document 461 (27)  
ANNUAL FILING OF ACCOUNTS  
YEAR ENDING 31/12/2024

## **Credit Finance Company Limited**

**Annual report  
for the year ended 31 December 2024**

**Registered number: 107372**



# **Credit Finance Company Limited**

## **Annual report for the year ended 31 December 2024**

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**Director's report for the year ended 31 December 2024**

The director presents the annual report and the audited financial statements of Credit Finance Company Limited (the "company") for the year ended 31 December 2024.

**Principal activities**

Credit Finance Company Limited is registered in Gibraltar as a private company limited by shares. It was set up to provide finance on projects considered to be of benefit to the economy and the community. This includes the issue of commercial loans and the funding of pension commutations under the Pensions Act and lump sum retirement payments under the Early Exit Scheme.

**Review of business and future developments**

On 20 March 2024, the company declared and paid a dividend of £5,000,000. This amount was paid in full to the Gibraltar Savings Bank ("GSB").

The director is satisfied in the performance of the company and it does not anticipate any change in the company's business (as described above) taking place in the foreseeable future.

**Results and dividends**

The profit during the year of £5,072,662 (2023: £5,162,628) was transferred to retained earnings.

During the current year, the director declared dividends amounting to £5,000,000 (2023: £6,537,453). The current year dividend was paid in cash, whilst the prior year dividends consisted of a cash dividend of £500,000 and a non-cash dividend of £6,037,453.

**Director**

The director who held office during the year and up to the date of signing these financial statements is given below:

GDC (Directors) Limited

**Statement of director's responsibilities**

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Gibraltar company law requires the director to prepare financial statements for each financial year. Under that law, the director has prepared the financial statements in accordance with applicable financial reporting standards and applicable law, including Financial Reporting Standard 102 ('FRS 102'), 'The Financial Reporting Standard issued by the United Kingdom Financial Reporting Council', as applied pursuant to the requirements of the Gibraltar Companies Act 2014.

**Director's report for the year ended 31 December 2024 - continued****Statement of director's responsibilities - continued**

Under Gibraltar company law, the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its profit or loss for that year. In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable it to ensure that the financial statements comply with the Gibraltar Companies Act 2014. It is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

At the date the director's report is approved, the director confirms:

- as far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that it ought to have as a director in order to make itself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent auditors**

The auditors, PricewaterhouseCoopers Limited, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

**Secretary and registered office**

The current company secretary is GOC (Secretaries) Limited and the registered office address is 206-210 Main Street, Gibraltar.

By order of the board,



**GOC (Secretaries) Limited**  
Company Secretary

Gibraltar

Date 21 December 2025



## **Independent auditor's report To the members of Credit Finance Company Limited**

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

#### **Our opinion**

In our opinion, the accompanying financial statements of Credit Finance Company Limited (the "company"):

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit and its cash flows for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 ('FRS 102'), 'The Financial Reporting Standard issued by the United Kingdom Financial Reporting Council', as applied pursuant to the requirements of the Gibraltar Companies Act 2014; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **What we have audited**

We have audited the financial statements of the company, which comprise:

- the balance sheet as at 31 December 2024;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers Limited, 327 Main Street, Gibraltar  
+350 200 73520



**Independent auditor's report  
To the members of Credit Finance Company Limited - continued**

**Report on the audit of the financial statements - continued**

**Other information**

The directors are responsible for the other information. The other information comprises the Directors' Report for the year ended 31 December 2024 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, 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.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2014 requires us also to report on certain opinions and matters as described below:

**Directors' Report**

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

- the information given in the Directors' Report for the year ended 31 December 2024 is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.



## **Independent auditor's report To the members of Credit Finance Company Limited - continued**

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

#### **Responsibilities of the directors for the financial statements**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with applicable law in Gibraltar and Financial Reporting Standard 102 ('FRS 102'), 'The Financial Reporting Standard issued by the United Kingdom Financial Reporting Council', as applied pursuant to the requirements of the Gibraltar Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;



**Independent auditor's report**  
**To the members of Credit Finance Company Limited - continued**

**Report on the audit of the financial statements - continued**

**Auditor's responsibilities for the audit of the financial statements - continued**

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of this report**

This report, including the opinion on the financial statements and the opinions on other matters prescribed by the Companies Act 2014, has been prepared for and only for the company's members, as a body in accordance with Section 257 of the Companies Act 2014, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.





**Independent auditor's report  
To the members of Credit Finance Company Limited - continued**

**Report on other legal and regulatory requirements**

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

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

- we have received all the information and explanations we require for our audit.

A handwritten signature in black ink, appearing to be 'Kevin Duarte', written over a faint, circular stamp or watermark.

Kevin Duarte  
Statutory auditor  
For and on behalf of  
PricewaterhouseCoopers Limited  
Gibraltar  
22 December 2025

**Profit and loss account for the year ended 31 December 2024**

	Note	2024 £	2023 £
<b>Interest income</b>	5	<b>30,411,198</b>	29,085,435
Finance costs	6	(24,341,756)	(23,055,002)
<b>Net finance income</b>		<b>6,069,442</b>	6,030,433
Administrative expenses		(32,349)	(54,507)
Net foreign exchange loss	14	(155,280)	(75,780)
<b>Profit on ordinary activities before taxation</b>	7	<b>5,881,813</b>	5,900,146
Tax on ordinary activities	10	(809,151)	(737,518)
<b>Profit for the financial year</b>		<b>5,072,662</b>	5,162,628

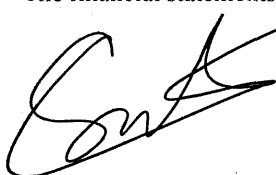
The company has no recognised gains and losses other than the profit for the financial year above and therefore no separate statement of other comprehensive income has been presented.

All items included above relate to continuing operations.

## Balance sheet as at 31 December 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Investment in participating interest	12	15,119,917	16,039,978
Investments: financial asset at amortised cost	15	153,869,082	147,376,701
		<b>168,988,999</b>	<b>163,416,679</b>
<b>Current assets</b>			
Cash and cash equivalents	13	587,048	-
Investment in fixed income security	14	3,315,556	3,470,836
Investments: financial asset at amortised cost	15	8,860,626	7,925,181
Investments in fixed rate notes	16	287,843,900	274,843,900
Debtor: amount falling due after more than one year	17	10,000,000	-
Debtors: amounts falling due within one year	17	10,173,974	9,328,232
		<b>320,781,104</b>	<b>295,568,149</b>
<b>Creditors: amounts falling due within one year</b>	18	<b>(27,619,272)</b>	<b>(391,906,659)</b>
<b>Net current assets/(liabilities)</b>		<b>293,161,832</b>	<b>(96,338,510)</b>
<b>Total assets less current liabilities</b>		<b>462,150,831</b>	<b>67,078,169</b>
<b>Creditors: amounts falling due after more than one year</b>	19	<b>(423,000,000)</b>	<b>(28,000,000)</b>
<b>Net assets</b>		<b>39,150,831</b>	<b>39,078,169</b>
<b>Capital and reserves</b>			
Share capital	20	30,000,000	30,000,000
Capital redemption reserve		4,001	4,001
Retained earnings		9,146,830	9,074,168
<b>Total equity</b>		<b>39,150,831</b>	<b>39,078,169</b>

The financial statements on pages 8 to 25 were approved and signed by the director on 21 December 2025



For and on behalf of  
**GDC (Directors) Limited**  
 Director

The notes on pages 12 to 25 form an integral part of these financial statements.

**Statement of changes in equity for the year ended 31 December 2024**

	Note	Share capital £	Capital redemption reserves £	Retained earnings £	Total £
At 1 January 2023		30,000,000	4,001	10,448,993	40,452,994
Profit for the financial year		-	-	5,162,628	5,162,628
Dividends paid	11	-	-	(500,000)	(500,000)
Non-cash dividends	11	-	-	(6,037,453)	(6,037,453)
At 31 December 2023		30,000,000	4,001	9,074,168	39,078,169
Profit for the financial year		-	-	5,072,662	5,072,662
Dividends paid	11	-	-	(5,000,000)	(5,000,000)
At 31 December 2024		30,000,000	4,001	9,146,830	39,150,831

## Statement of cash flows for the year ended 31 December 2024

	Note	2024 £	2023 £
Cash (used in)/generated from operating activities	21	(3,359,279)	1,857,292
Tax paid		-	-
<b>Net cash (used in)/generated from operating activities</b>		<b>(3,359,279)</b>	<b>1,857,292</b>
<b>Cash flow from investing activities</b>			
Interest received from fixed income security	14	231,781	282,394
Interest received from loan to associate	12	348,212	658,131
Payments received from loan receivables		2,970,827	87,576
Net (issued)/redeemed fixed rate notes	16	(13,000,000)	2,000,000
Payments received from loan to associate		920,061	1,406,398
Interest received from fixed rate notes	16	18,653,111	18,102,733
Interest received from other income		-	200,000
Loans to related party	17	(10,000,000)	-
Acquisition of investments	15	(15,676,999)	(17,992,304)
Cash inflow from investments	15	18,710,625	16,952,782
<b>Net cash generated from investing activities</b>		<b>3,157,618</b>	<b>21,697,710</b>
<b>Cash flow used in financing activities</b>			
Net proceeds from issuance of debentures		30,000,000	-
Interest paid on debentures		(24,211,291)	(23,055,002)
Dividends paid	11	(5,000,000)	(500,000)
<b>Net cash generated/(used in) from financing activities</b>		<b>788,709</b>	<b>(23,555,002)</b>
<b>Net movement of cash and cash equivalents</b>		<b>587,048</b>	<b>-</b>
Cash and cash equivalents at 1 January		-	-
<b>Cash and cash equivalents at 31 December</b>		<b>587,048</b>	<b>-</b>

**Notes to the financial statements for the year ended 31 December 2024****1 General information**

The company is registered in Gibraltar as a private company limited by shares and its ordinary share capital is majority owned by Gibraltar Development Corporation ("GDC"), a statutory body established under the Gibraltar Development Corporation Act.

Credit Finance Company Limited is a licensed money-lending institution. It was set up to provide finance on projects considered to be of benefit to the economy and the community. This includes the issue of commercial loans and the funding of pension commutations under the Pensions Act and lump sum retirement payments under the various Early Exit Schemes.

**2 Statement of compliance**

The financial statements of the company have been prepared in compliance with Financial Reporting Standard 102 ('FRS 102'), 'The Financial Reporting Standard issued by the United Kingdom Financial Reporting Council', as applied pursuant to the requirements of the Gibraltar Companies Act 2014.

**3 Summary of significant accounting policies**

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

**Basis of preparation**

These financial statements are prepared on a going concern basis and under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the company accounting policies. The areas which require a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements are disclosed in note 4.

**Foreign currency balances***(i) Functional and presentation currency*

Items included in these financial statements are measured and presented using Gibraltar Pounds (£), the currency of the primary economic environment in which the company operates (the 'functional currency'), which is also the company's presentation currency.

*(ii) Transactions and balances*

Assets and liabilities denominated in foreign currencies are translated into Gibraltar Pounds at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Gibraltar Pounds at the rates ruling at the date of transaction. Profits and losses arising on translation of foreign currency are taken to the profit and loss account in the year in which they arise.

**Notes to the financial statements for the year ended 31 December 2024 - continued****3 Summary of significant accounting policies - continued****Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the provision of finance in the ordinary course of the company's activities. The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and when specific criteria have been met as described below.

Interest income for all interest bearing financial instruments is recognised on an accrual basis using the effective interest method.

**Current tax**

Where necessary, provision is made at the applicable rate for corporation tax payable on the profits for the period, as adjusted for tax purposes.

**Investment in associate**

Investment in associate is held at cost less accumulated impairment losses.

**Impairment**

Investments are subject to an impairment review if there are events or changes in circumstances that indicate that their carrying amount may not be fully recoverable. The impairment review comprises a comparison of the carrying amount of the assets with its recoverable amount, which is the higher of net realisable value and value in use. The carrying value of assets is written down by the amount of any impairment and this loss is recognised in the profit and loss account in the period in which it occurs. If an external event gives rise to the reversal of an impairment loss, the reversal is recognised in the profit and loss account by increasing the carrying amount of the asset in the period in which it occurs. The carrying amount of the asset will only be increased up to the amount that it would have been had the original impairment not occurred.

**Amounts due from related parties**

The company's amounts due from related parties include cash in banks which are held by His Majesty Government of Gibraltar ("HMGoG"). Since these are held by a related party, they are presented as amounts due from/to a related party. They are presented on the net basis as there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis or to realise the asset and liability simultaneously.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Deposits with maturities greater than three months are classified as financial instruments and are presented as current asset investments on the balance sheet.

## Notes to the financial statements for the year ended 31 December 2024 - continued

**3 Summary of significant accounting policies - continued****Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. All of the company's financial instruments are measured at amortised cost.

*(i) Financial assets*

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

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment or bad debt. If an asset is impaired or provided for, the impairment loss or bad debt write-off is recognised in profit and loss account.

Financial assets are derecognised when (a) contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risk and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated or third party without imposing additional restrictions.

*(ii) Financial liabilities*

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Financial liabilities, including other creditors and accruals are classified as creditor amounts due within one year if payment is due within one year or less. If not, they are presented as creditor amounts due after more than one year. Other creditors and accruals are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

*(iii) Offsetting*

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



**Notes to the financial statements for the year ended 31 December 2024 - continued****4 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical judgements in applying the entity's accounting policies****Recoverability of financial investments measured at amortised cost, fixed income securities, fixed rate notes and debtors**

The company's financial investments measured at amortised cost, fixed income securities, fixed rate notes and debtors are subject to the requirement for the director to conduct an impairment review at the end of each reporting period. In conducting the review, the director first assesses whether there is objective evidence that a financial asset has suffered an impairment by reviewing factors including but not limited to, observable data about the counterparty and the economy in which it operates. Where there is objective evidence that a financial asset has suffered an impairment loss, the director compares the asset's carrying value against the present value of estimated cash flows, realising an impairment charge if necessary.

In performing this assessment, the director considers the financial ability of the counterparty to make the contractual payments, as well as its financial position taking into account the Gibraltar economy and any other aspects that could result in difficulty in the counterparty meeting its obligations to the company.

After considering all of the above, the director does not believe that there are any impairment indicators that would require an adjustment to the carrying value of the assets.

**Impairment of investment in participating interest**

If there is an indication that the investment in the associate may be impaired, the director will compare the asset's carrying value with its recoverable amount. In determining impairment indicators, the director considers external sources of information including, technological, market, economical or environmental factors, and internal factors, such as the financial performance and position of the associate. The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use, which is defined as the present value of future cash flows as a result of the asset's continued use. Both the fair value and the value in use calculation require the director to estimate significant inputs that are required for the calculation. In performing the estimates, the director uses relevant information to support the calculation.

As a result of the above, the director does not believe that there are any impairment indicators that would require an adjustment to the carrying value of the asset.

**(b) Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## Notes to the financial statements for the year ended 31 December 2024 - continued

**5 Interest income**

	Note	2024 £	2023 £
Income from loan to associate	12	456,130	520,359
Income from fixed income security	14	231,781	282,394
Income from investments	15	10,461,452	9,748,206
Income from fixed rate notes	16	18,653,111	18,102,733
Income from third-party loans	17	279,301	231,743
Income from loan to a related party	17	328,329	-
Interest income from bank deposit	13	1,094	-
Other interest income		-	200,000
		<b>30,411,198</b>	<b>29,085,435</b>

**6 Finance costs**

	Note	2024 £	2023 £
Interest on debentures	18	24,341,657	23,055,002
Interest on deposit held for a third party	18	99	-
		<b>24,341,756</b>	<b>23,055,002</b>

**7 Profit on ordinary activities**

	2024 £	2023 £
<b>Profit on ordinary activities is stated after charging:</b>		
Audit fees	23,000	21,500
Other non-audit fees charged by the statutory auditors	4,000	2,950
Tax compliance services charged by the statutory auditors	1,500	1,100

**8 Director's emoluments**

There were no director's emoluments paid during the current or preceding year.

## Notes to the financial statements for the year ended 31 December 2024 - continued

**9 Employee information**

The company had no employees during the current or preceding year.

**10 Tax on ordinary activities****(a) Analysis of tax charge in the year**

	2024 £	2023 £
<b>Current taxation</b>		
Current tax charge for the year	809,151	737,518

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

	2024 £	2023 £
<b>Profit on ordinary activities before taxation</b>	5,881,813	5,900,146
Notional tax at applicable rates *	809,151	737,518
<b>Tax charge for the year</b>	809,151	737,518

The company is a money-lending institution hence all interest income is an integral part of the company's revenue and this revenue is considered taxable.

\*Beginning 1 July 2024, Gibraltar corporate tax rate increased from 12.5% to 15%. The company has split the financial year, with taxable result prior to 1 July being subject to 12.5% and 15% thereafter.

**11 Dividends**

	2024 £	2023 £
<b>Ordinary shares - £0.167 (2023: £0.218) per share</b>		
Cash dividends	5,000,000	500,000
Non-cash dividends	-	6,037,453
	5,000,000	6,537,453

On 20 March 2024, the company declared a dividend of £5,000,000 (2023: £500,000) to its ordinary shareholders, the Gibraltar Savings Bank ("GSB") and Gibraltar Development Corporation ("GDC"), in the following proportions:

- (i) On account of GSB's 1 ordinary share in the Company, the amount of £0.17 (2023: £0.02); and
- (ii) On account of GDC's 29,999,999 ordinary shares in the Company, the amount of £4,999,999.83 (2023: £499,999.98)

In accordance with Article 113 of the Company's Articles of Association, GDC has directed the company that its respective dividend be paid out to GSB.

## Notes to the financial statements for the year ended 31 December 2024 - continued

## 11 Dividends - continued

On 30 June 2023, the company entered into an agreement with HMGoG in respect of the Pension Commutation Agreements (the 'agreement'). The agreement has an effective date of 1st April 2012. After notifying and obtaining approval from its ultimate controlling party and in accordance with the terms of the agreement with HMGoG, the company agreed to waive certain debtors. The £6,037,453 waived in 2023 relates to debtors that remained unpaid by HMGoG, in respect of specific pensioners who had passed away since the effective date of the agreement up to and including 30 June 2023. In substance, as HMGoG is the ultimate beneficial owner of the company, the waiver is therefore considered and has been accounted for as a distribution of the company's reserves. There is no waiver considered as a distribution of the company's reserves in 2024.

## 12 Investment in participating interest

	2024 £	2023 £
Investment in associate	6,576,840	6,576,840
Loans to associate	8,543,077	9,463,138
	15,119,917	16,039,978

The investment represents an equity interest held in the associate that was incorporated to develop an onshore small-scale liquefied natural gas receiving and regasification terminal in Gibraltar. It is expected to produce a return in excess of 6%. The net assets of Shell LNG Gibraltar Limited ("Shell LNG") were £17,462,878 at 31 December 2024 (2023: £15,238,947) and the company recorded a profit of £2,223,931 (2023: £2,815,311). The year end financial position and the financial results of Shell LNG are based on the most recent audited financial statements available.

The initial capitalisation of Shell LNG is to be in proportion of 20% by equity participation in the form of shares and 80% by shareholders loan. As at 31 December 2024, the total loan outstanding was £8,543,077 (2023: £9,463,138) and is repayable on 31 December 2030. The loan accrues interest at an annual rate of 5%, interest is receivable quarterly in arrears. The total interest received during the year amounted to £348,212 (2023: £658,131). The total interest accrued during the year was £456,130 (2023: £520,359), and the total receivable of £114,816 (2023: £6,898) was outstanding as of 31 December 2024 (see note 17).

Company name	Place of incorporation	Number of shares held	Percentage held	2024 £	2023 £
Shell LNG Gibraltar Limited	Gibraltar	343 shares of £1 each	49%	6,576,840	6,576,840

## 13 Cash and cash equivalents

	2024 £	2023 £
Cash and cash equivalents	587,048	-

During the year, the company received a deposit of €710,288, equivalent to £587,063, from a third party, held on an escrow basis as a guarantee. This amount was subsequently placed in a one-month fixed-term deposit, earning interest at a rate of 2.6% per annum. As a result, the company recorded accrued interest income of £1,094 during the year (2023: £nil).

## Notes to the financial statements for the year ended 31 December 2024 - continued

**14 Investment in fixed income security**

	2024 £	2023 £
<b>Current assets:</b>		
Investment in bonds	3,315,556	3,470,836

The amount represents the €4,000,000 (2023: €4,000,000) listed bond that was issued at 99% of the nominal value. The bond accrues interest at EURIBOR (3 months) plus a floating rate margin of 5%, interest is receivable quarterly in arrears. The bond was previously repayable on 31 December 2024. The repayment date was initially extended to 31 July 2025 and has been further extended to 31 January 2026. The bond is measured at amortised cost. The total interest income of £231,781 (2023: £282,394) was recognised during the year. As at year end, the investment was revalued to £3,315,556 (2023: £3,470,836) resulting in a foreign exchange loss of £155,280 (2023: £75,780).

**15 Investments: financial assets at amortised cost**

The company holds an agreement with HMGoG and individual pensioners to finance the gratuities that are payable to civil servants who have elected to commute a part or the whole of their pension that is payable under the Pensions Act. The pensioner receives their commutation from the company; HMGoG then pays the equivalent of the corresponding pension directly to the company. The company charges interest at 6.5% on the outstanding balance until this is repaid in full.

HMGoG also holds an agreement in respect of Early Exit Schemes with Credit Finance Company Limited and the eligible retiring employees, payable over 10 years (the 'Early Exit Schemes payments'). The agreement allows the employee to assign the Early Exit Scheme payments receivables to the company, in exchange for an up-front lump sum payable by the company. HMGoG then pays the assigned Early Exit Scheme payments to the company over the period of 10 years. The company charges interest at 6.5% on the outstanding balance until this is repaid in full.

The director analysed the economic substance of the arrangement, noting that the company's initial cash outflow secures future cash inflows for future periods. As a result, the director opted to classify the financial asset as an investment measured at amortised cost.

The portion of this financial asset shown under current assets represents the expected repayments receivable in the 12 months following the year end.

	2024 £	2023 £
<b>Fixed asset investments:</b>		
Investments in financial asset at amortised cost	153,869,082	147,376,701
<b>Current asset investments:</b>		
Investments in financial asset at amortised cost	8,860,626	7,925,181
<b>Total investments in financial asset at amortised cost</b>	<b>162,729,708</b>	<b>155,301,882</b>

## Notes to the financial statements for the year ended 31 December 2024 - continued

## 15 Investments: financial assets at amortised cost - continued

	2024 £	2023 £
<b>Movement in investments in financial asset at amortised cost</b>		
At 1 January	155,301,882	150,551,607
Acquisition of investments	15,676,999	17,992,304
Interest accrued	10,461,452	9,748,206
Cash inflow from investments	(18,710,625)	(16,952,782)
Waiver of debt (i)	-	(6,037,453)
<b>At 31 December</b>	<b>162,729,708</b>	<b>155,301,882</b>

- (i) As part of the Pension Commutation Agreement with HMGoG, the company agreed to waive certain debtors. The amount waived as at the date of signing is £6,037,453. The amount waived relates to debtors that remained unpaid by HMGoG, in respect of pensioners who had passed away since the effective date of the agreement up to and including 30 June 2023. In substance, as HMGoG is the ultimate beneficial owner of the company, the waiver is considered as a distribution of reserves. As at 31 December 2023, the amount of £6,037,453 was therefore removed from the fixed asset investment balance. There is no waiver considered as a distribution of the company's reserves in 2024.

## 16 Investments in fixed rate notes

	2024 £	2023 £
<b>Fixed rate notes</b>	<b>287,843,900</b>	<b>274,843,900</b>

The company invested in fixed rate notes issued by a related party that accrue interest at the rate of 6.5% and 8% respectively. The fixed rate notes are repayable on demand at the option of the company. During the year, the company redeemed £2,000,000 and invested an additional £15,000,000 into fixed rate notes which accrue interest at 6.5% (2023: net redemption of £2,000,000). The interest income earned and received during the year was £18,653,111 (2023: £18,102,733).

## Notes to the financial statements for the year ended 31 December 2024 - continued

## 17 Debtors

		2024 £	2023 £
<b>Amount due after more than one year</b>			
Loan to a related party	(i)	10,000,000	-
<b>Amounts due within one year</b>			
Interest receivable from loan to a related party	(i)	328,329	-
Loans receivable	(ii)	4,146,305	6,837,831
Amounts due from related parties	(iii)	5,290,214	1,381,136
Interest receivable from loans to associate (see note 12)		114,816	6,898
Accrued interest from deposit	(iv)	1,094	-
Corporation tax asset	(v)	293,216	1,102,367
		<b>10,173,974</b>	<b>9,328,232</b>
		<b>20,173,974</b>	<b>9,328,232</b>

- (i) The amount represents the loan provided to a related party where the amount provided was £10,000,000 accruing interest at 5.35% per annum. The company earned accrued interest amounting to £328,329 (2023: £nil). This amount is unsecured, there is no set term for repayment of the capital and the company cannot enforce repayment at any time. On 31 March 2025, the company received a loan repayment amounting to £6,000,000 from the related party.
- (ii) These amounts represent commercial loans receivable that were issued for projects that are considered to be of benefit to the economy and the community. The loans have average repayment terms of 5 years and accrued interest earned of £279,301 (2023: £231,743) during the year.
- (iii) The amounts due from related parties represents cash held by HMGoG on behalf of the company. This amount is unsecured, interest free and has no fixed terms of repayment.
- (iv) This amount represents the accrued interest earned from a one-month fixed-term deposit, with interest accruing at a rate of 2.6% per annum.
- (v) The company applied a tax credit to the tax charge during the year which amounted to £809,151. The client deemed the year end balance to remain as a tax asset to be offset against future tax payables.

## Notes to the financial statements for the year ended 31 December 2024 - continued

## 18 Creditors: amounts falling due within one year

		2024 £	2023 £
Accruals and other creditors		106,964	111,879
Accounts payable	(i)	587,162	-
Interest payable on debentures		1,925,146	1,794,780
Debentures	(ii)	25,000,000	390,000,000
		<b>27,619,272</b>	<b>391,906,659</b>

- (i) During the year, the Company received a deposit of €710,288, equivalent to £587,063, from a third party, held on an escrow basis as a guarantee. It was agreed by both parties that the deposit would accrue interest at a rate of 0.25% per annum on the original deposit amount until it is returned to the third party.
- (ii) The debentures have varying maturity terms with varying rates of interest, payable monthly in arrears. The total interest incurred on debentures during the year was £24,341,657 (2023: £23,055,002). A balance of £1,925,146 (2023: £1,794,780) was outstanding at the year end in relation to interest on debentures incurred.

Maturity date	Interest rate	2024 £	2023 £
<b>Current debentures</b>			
1 February 2025	4.5%	5,000,000	-
1 April 2025	4.5%	10,000,000	-
21 May 2025	5.35%	10,000,000	-
1 April 2024	4%	-	65,000,000
1 April 2024	5%	-	40,750,000
1 April 2024	6%	-	275,000,000
1 April 2024	5%	-	9,250,000
		<b>25,000,000</b>	<b>390,000,000</b>



## Notes to the financial statements for the year ended 31 December 2024 - continued

## 19 Creditors: amounts falling due after more than one year

Maturity date	Interest rate	2024 £	2023 £
<b>Non-current debentures</b>			
1 February 2025	4.5%	-	5,000,000
1 April 2025	4.5%	-	10,000,000
1 March 2027 (i)	Base rate + 0.25%	20,000,000	-
1 January 2029	6%	9,250,000	9,250,000
31 March 2029	4%	65,000,000	-
31 March 2029	5%	40,750,000	-
31 March 2029	6%	275,000,000	-
1 April 2029	5%	9,250,000	-
1 March 2031	6%	3,750,000	3,750,000
		<b>423,000,000</b>	<b>28,000,000</b>

- (i) On 1 March 2024, the company issued a £20 million debenture with a three year term. The debenture incurs interest at a rate of 0.25% per annum above the Bank of England base rate. The principal amount is scheduled to be repayable in full on 1 March 2027.

## 20 Called up share capital

	2024 £	2023 £
<b>Authorised</b>		
30,000,000 ordinary shares of £1 each	30,000,000	30,000,000
1,000,000,000 redeemable preference shares of £1 each	1,000,000,000	1,000,000,000
	<b>1,030,000,000</b>	<b>1,030,000,000</b>
<b>Allotted and fully paid</b>		
30,000,000 ordinary shares of £1 each	30,000,000	30,000,000

## Notes to the financial statements for the year ended 31 December 2024 - continued

## 21 Notes to the cash flow statement

(a) Cash flow from operating activities	2024 £	2023 £
Profit for the financial year	5,072,662	5,162,628
Adjustments for:		
Tax on profit on ordinary activities	809,151	737,518
Finance costs	24,341,756	23,055,002
Interest income	(30,411,198)	(29,085,435)
Net foreign exchange loss	155,280	75,780
	(32,349)	(54,507)
Working capital movements:		
(Increase)/decrease in debtors	(3,909,078)	1,892,796
Increase in creditors	582,148	19,003
Cash flow (used in)/generated from operating activities	(3,359,279)	1,857,292

## (b) Analysis of changes in net debt

	At 1 January 2024 £	Cashflows £	Interest accrued £	At 31 December 2024 £
Cash and cash equivalents	-	587,048	-	587,048
Debentures (including interest payable)	(419,794,780)	(5,788,709)	(24,341,657)	(449,925,146)
	(419,794,780)	(5,201,661)	(24,341,657)	(449,338,098)

## Notes to the financial statements for the year ended 31 December 2024 - continued

**22 Related party transactions**

The director considers that the transactions during the year and balances with related parties were as follows:

	2024 £	2023 £
<b>Profit and loss account</b>		
<b>Gibraltar statutory bodies</b>		
Finance cost	(24,341,657)	(23,055,002)
Interest income from loans to related party	328,329	-
<b>Government and entities under common control</b>		
Interest income from investments	10,461,452	9,748,206
Interest income from fixed rate notes	18,653,111	18,102,733
Corporation tax charges	(809,151)	(737,518)
<b>Associate</b>		
Interest income from associate	456,130	520,359
<b>Balance sheet</b>		
<b>Gibraltar statutory bodies</b>		
Debentures (including interest payable)	(449,925,146)	(419,794,780)
Loan to a related party	10,328,329	-
<b>Government and entities under common control</b>		
Investments in financial asset at amortised cost	162,729,708	155,301,882
Fixed rate notes	287,843,900	274,843,900
Advances	5,290,214	1,381,136
Corporation tax asset	293,351	1,102,367
<b>Associate</b>		
Investment in associate	6,576,840	6,576,840
Loans to associate	8,543,077	9,463,138
Interest receivable from loans to associate	114,816	6,898

**23 Immediate parent undertaking and ultimate controlling party**

The immediate parent undertaking and ultimate controlling party as at 31 December 2024 was the Gibraltar Development Corporation, a statutory body established by the Gibraltar Development Corporation Act.