Oxbury

Oxbury Bank Plc

Annual Report and Accounts

Year ended 31st December 2024

Registration Number: 11383418

Corporate Information

Company Directors:

R Huw Morgan
(Chair and Independent Non-Executive Director)

James C D Farrar
(Chief Executive Officer)

Nicholas R Evans
(Managing Director)

K Mark Aitchison
(Investor Non-Executive Director)

Timothy Fitzpatrick
(Senior Independent Non-Executive Director)

David A Hutchinson
(Investor Non-Executive Director)

Simon Featherstone
(Independent Non-Executive Director)

Charles Richard Percy
(Independent Non-Executive Director)

Company Secretary
David Hanson

Company Registration Number:
11383418

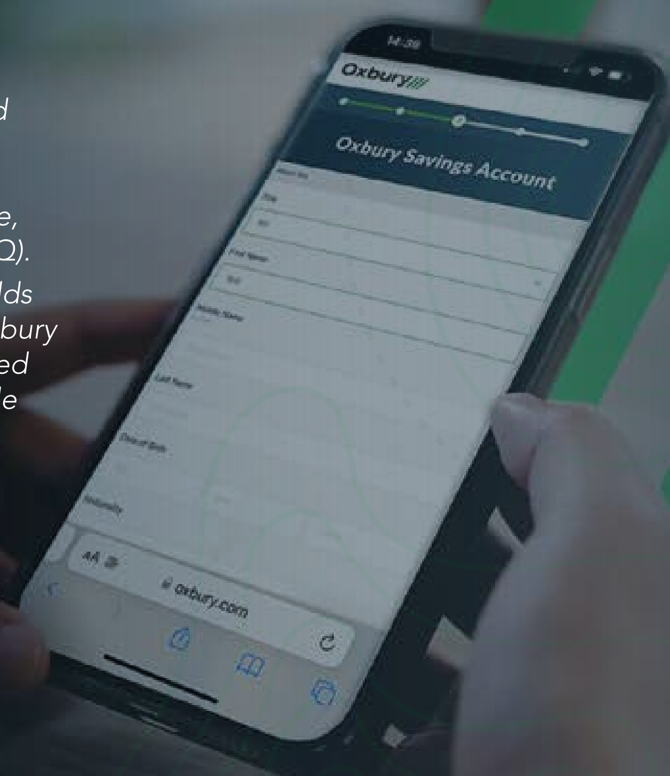
Registered Office:
One City Place, Queens Street, Chester, CH1 3BQ

Company & Group:

Company
References to "Company" refer to Oxbury Bank Plc.

Group
Reference to "Group" includes Oxbury Bank Plc, its 100% owned subsidiary Oxbury Earth Ltd (Registration Number: 06791059; Registered Office: One City Place, Queens Street, Chester, CH1 3BQ).

In addition, Oxbury Earth Ltd holds 100% membership interest in Oxbury Earth LLC, a business incorporated in the state of Delaware, USA (File Number 2887922; Registered Address: 850 New Burton Road, Dover, Kent, DE, 19904).



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Strategic Report

The directors present their strategic report for Oxbury Bank Plc (Oxbury) for the year ended 31st December 2024.

Chairman's Statement

Welcome to our 2024 report which I am delighted to say has been another exciting and successful year for Oxbury. We have seen continued growth in customer numbers on both sides of our balance sheet resulting in increased balances held and increased profits. More detail is set out in the Chief Executive's Statement.

This positive outcome has been delivered against a difficult backdrop of continuing geopolitical tensions, the obvious impacts of climate change and a sluggish UK economy with continued pressures on household budgets. The resultant impact has been continued consumer caution limiting demand, supply chains reorganising to manage supply certainty, one of the poorest harvests on record in 2024, and only modest improvement in UK investment sentiment. Around the world, as well as in the UK, central banks have begun to cautiously reduce interest rates from their 2023 peaks although inflation and tightness in labour markets persist which has slowed the pace and potential for significant further cuts.

The general election in the UK in July heralded a new Government signalling a change of direction with increased tax burdens, particularly on business, as well as an acceleration of transition away from BPS payments and a dilution of the inheritance tax benefits enjoyed by agricultural land. "BPS" refers to the Basic Payment Scheme, a government rural grant designed to support the farming industry, which was replaced by "delinked payments" in England in 2024. Some of these changes were unexpected and the sector continues to assess both the immediate and long-term impact of them. We expect the changes to cause hardship for some but also create opportunities for others. Oxbury remains well positioned to support our customers through these uncertain times and helping those that see new opportunities.

This year we have continued to expand our team with a combination of agricultural knowledge and banking expertise and invest in our colleagues ongoing development. We have continued to invest in our technology capability which combined with our open culture has enabled us to support the agricultural sector and wider rural economy serving customers through secure and efficient technology to support self-serve and with experienced and professional human faces when required. This business model continues to be popular with our customers delivering sustainable growth that continues to be difficult for more traditional banks to compete with.

Our historic and future growth is underpinned by a strong governance ethos embedded by the senior management team through the Risk Management Framework approved by the Board with oversight, challenge and counsel provided by the Chairs of the Audit and Risk Committees. During 2024 the Board completed the implementation of improvements to our governance processes identified in the independent Board review undertaken in 2023.

As we have grown the team, we have continued to seek to create a diverse workforce with different skills and experiences reflecting both our savings and borrowing customers. During the year we have increased the number of colleagues from 169 to 218. I, and the Board, were very pleased with the results of our third Staff Survey which were positive with results continuing to be ahead of technology and financial services sector norms. We do not take these results lightly and will continue to work with the senior leadership team to maintain the high levels of colleague engagement.

The weather patterns in the UK and around the world constantly remind us of the risk to all economic sectors, including agriculture and financial services, of climate change. We have continued to expand our knowledge and capability for measuring natural capital and integrating this into our operational practices. Our 2024 Natural Capital Report sets this out in more detail. We continue to provide relevant training to all our colleagues across the business. Most excitingly we have used this capability to launch in February 2025 a specific medium term working capital product to support customers in their transition journey rewarding improved environmental practices and measurable outcomes.

The Board and I remain conscious that all customers have a choice of where they bank and therefore, I would like to express my thanks to our customers for placing their trust in us with their savings and supporting their businesses. We would not be able to deliver the services that have produced the progress set out in these results without the dedication and professionalism of our colleagues and so I would also like to thank all our colleagues. We have welcomed many new shareholders as well as receiving ongoing support from existing shareholders through 2024 without whom the growth in our business would not be possible – thank you.

Finally, I would like to thank my colleague Board directors for their constructive counsel and exemplary oversight.

The Board, and I, look forward to 2025 with confidence as we seek to serve the agricultural and wider rural community and develop our international and SaaS opportunities.

Huw Morgan,
Chair of the Board of Directors
8th April 2025

Chief Executive's Statement

Oxbury continues to grow by being part of the sector that's part of us. Our focus on lending to the agricultural market, the rural economy and the food supply chain is more than just the foundation of our continued growth it is a focus that has also attracted some of the best and most progressive customers in our sector. A sector that has seen its fair share of coverage in the media around the very real changes in taxation and subsidy. But also demonstrates resilience and remains one of the best performing sectors in terms of default risk. The quality of the lending to our customers remains very high as we continue to grow, as evidenced in the low level of provisions in our annual results. That growth is evident in our year end lending book of £1.0 billion and £2.3 billion of savings underpinning another year of increased profitability.

In the previous 12 months we have also attracted nearly £69 million of investment in capital from individuals and organisations that, like us, can see the opportunities for the sector and want to support it. The ENABLE Guarantee from the British Business Bank has now been increased to £300m (2023: £100m) which has enhanced our ability to support our customers alongside the existing Tier 2 facility. We have also continued to support the next generation of farmers through our NewGen scheme and developed an innovative transition finance product which we launched in early February to support customers make positive environmental changes in their businesses.

Our pipeline of business for the Bank remains very healthy as our trading continues to help establish Oxbury as one of the mainstream lenders to the sector in the UK. The team has also increased during the year to 218 as we build our business and we have again doubled the number of borrowing accounts. Our customers continue to provide positive feedback via Feefo and Trust Pilot with average scores of 4.7 and 4.6 respectively. The enthusiasm for Oxbury from the team and the aptitude and understanding of our customers is palpable and I would like to thank everyone involved.

We continue to progress our overseas opportunities that will come to the fore during 2025 with the foundations and pilots having been built and completed during the year. All of these focus on the agricultural sector and the expertise we have in that area and the knowledge that underpins our competitive advantage. These build our SaaS offering from the solidity and flexibility we have demonstrated in our IT infrastructure, the IP we own and have developed, as well its continued operational resilience.

Thank you for the support of both our existing and new shareholders, everyone working with us at Oxbury and especially our borrowing and savings customers.

Company Key Performance Indicators:

Loan Book Measures:	2024	2023
Total Facilities available to customers (£m)	£1,151m	£686m
Loans and Advances to customers (£m)	£1,027m	£606m
ECL allowance / loans and advances to customers (%)	0.13%	0.10%
Customer Lending to Deposit Ratio – December (%)	44%	57%
Capital and Liquidity Measures (Unaudited):		
Total Capital Ratio – December	22.5%	18.6%
Leverage Ratio – December	12.7%	10.3%
Liquidity Coverage Ratio – December	460%	614%
Customer Measures (Unaudited):		
Lending Customers	4,275	2,981
Savings Customers	48,242	26,969

[1] Total Capital Ratio – Total Available Regulatory Capital / Total Risk Weighted Assets

[2] Leverage Ratio – Tier 1 Regulatory Capital / Total Exposures

[3] Liquidity Coverage Ratio - High Quality Liquid Assets / Total net cash outflows over the subsequent 30-day period.

James Farrar
Chief Executive Officer
8th April 2025

Principal Activities and Review of the Year

/// Oxbury is a specialist bank uniquely focused on agriculture and the rural economy with its Earth subsidiary developing SaaS opportunities within the sector.

We provide specialist funding to farmers to support their cash flow management via our Oxbury Farm Credit and Flexi Credit Accounts, Asset Finance to support customers finance mid-term investment items such as farm equipment and Term lending products to enable longer term investment in farm infrastructure.

Oxbury also provide a range of deposit products to individuals, businesses and farmers that want to support farmers and the wider rural community.

Oxbury serves its customers through cloud-based technology solutions, avoiding the constraints of legacy-based systems. It is this foundation that has also allowed us to build our SaaS provision during the year.

Oxbury has continued to develop its proposition in 2024 through structured engagement with a wide range of stakeholders. This engagement continues to reinforce that there is market demand for a finance provider focused on Agriculture at a time when the industry faces into changes to subsidy arrangements following the UK's exit from the EU, the war in Ukraine, violence in the Middle East, and the ongoing effects of climate change.

In the year, the Company made a profit before taxation of £7.5m (2023: £3.0m profit) (Group: 2024: £6.9m profit before tax v 2023: £2.6m profit). This was driven through growth in lending assets, increasing net interest income.

The carrying value of the technology solution in the Group, an intangible asset, as at 31 December 2024 was £6.6m (2023: £6.4m) and in the Company at £5.4m (2023 £5.4m).

Company Values

Oxbury has established a Board with broad experience across both financial services and agriculture supported by an experienced executive team operating within a robust governance structure described in the Environmental, Social and Governance section.

The Board have set out key values against which the business will operate, and these are as follows:

- **Integrity** – we aim to be transparent in everything we do and have open, honest, and respectful engagement with all our stakeholders.
- **Customer Focused** – we will design products and services that are focused on meeting customer needs.
- **Risk** – we will continue to create a culture where everyone in the business takes responsibility for managing risk.
- **Competitive** – we aim to be competitive in the markets in which we operate providing genuine choice for customers.
- **Partnership** – we actively work to receive the respect of colleagues, customers, partners, regulators, shareholders and suppliers.
- **Sustainability** - we consider our environmental footprint in our day-to-day operations and actively pursue a carbon neutral status. Our ethos is to support sustainability and the transition to a net zero economy.

Environmental, Social and Governance

Oxbury recognises that its activities have positive and negative, intended, or unintended consequences over the short, medium, and long term. Oxbury takes an approach of "responsible impact" which means that Oxbury will consciously consider and manage the Bank's activities to amplify positive and minimise negative outcomes across four pillars: planet, people, principle, and partnerships. We also acknowledge that long-term sustainability requires that our decisions should balance the needs of the present generation without compromising the ability of future generations to meet their own needs. Our responsible impact contributes to the Sustainable Development Goals (SDGs). We have identified internationally agreed related indicators where Oxbury's activities may influence the global effort to achieve the goals.

Oxbury believes that integrating the four pillars of responsible impact into our corporate strategy, risk management approach, business processes and financial planning strengthens the resilience of the Bank, its customers and suppliers. We follow a stakeholder inclusive approach to consider the legitimate interests of all parties affected by our activities. Oxbury became the first UK headquartered Bank to formally publish combined climate and nature financial risk disclosures in 2024.

In 2024 we undertook a number of actions to assess our risks, dependencies and impacts not only in terms of climate change, but also wider nature risks and opportunities, We will report on the outcomes of these in our 2024 Responsible Impact report. We made consistent progress in mapping our loan book, reaching 20,000 hectares by December 2024 with the aim of adding another 100,000 hectares in 2025. Accurate mapping allows us to use publicly available data to determine the prevalence of habitats, identify ecologically sensitive areas and assess physical climate risks at a site-specific level which is used to inform our credit due diligence and nature reporting processes. This work formed the basis of our review of a variety of biodiversity indicators which we continue to explore into 2025 and our ongoing assessment of climate and nature risks, impacts and opportunities.

During the latter half of 2024, we concluded the research and developed the structure, terms, processes and documentation to launch the Oxbury Transition Facility in 2025. The product is the outcome of the pilot case study highlighted in our 2023 Natural Capital report combining the measurement of carbon emissions and carbon stored on-farm with a financial product to incentivise and reward farmers who change their business practices to reduce overall emissions and improve soil health. The Oxbury Transition Facility was approved by the Board in December 2024.

During 2024 we continued to embed our approach to responsible impact in our credit risk processes reviewing the Responsible Impact policy and requiring direct review of all credit applications to Board Credit Committee by the Head of Sustainable Banking prior to submission. We will continue to enhance our approach to responsible impact in 2025.

Risk Management

Oxbury has continued to maintain adequate capital resources and liquidity, ongoing operational resilience for our customers, and remains compliant with all laws and regulations, at all times.

The risk management strategy within Oxbury is designed to deliver these outcomes. The strategy encourages all our colleagues to identify, mitigate and manage all risks within the business and for these risks to be appropriately escalated to executive management and the Board.

The critical components underpinning the risk management strategy are highlighted to the right:

Risk Management Framework

The Risk Management Framework (RMF) sets out the basis on which risk is managed within Oxbury to support delivery of the business strategy. The RMF defines the key risks faced by Oxbury and the key roles and responsibilities for the management of those risks including the need for a Risk Appetite Statement (RAS). The RMF also sets out, at a high level, the control environment incorporating a series of policies which provide guidance on the approach to the management of the key risks. A Risk Register is reported to the Board and regularly reviewed in more detail by the Board Risk Committee.

The RMF categorises the risks and the principal categories are:

Conduct, Legal and Compliance Risk	Conduct Risk is defined as the risk of customer detriment or harm due to inappropriate culture, improper business conduct and/or poor customer treatment. Legal and Compliance Risk is the risk to the financial and reputation soundness of the Bank arising from non-compliance with any legislation or regulation or regulatory expectation.
Credit Risk	The risk of a reduction in earnings and/or value resulting from the failure of the party with whom the Bank have contracted to meet obligations (both on and off-balance sheet), as they fall due taking into account the sector and geography.
Environmental and Climate Risk	The risk of loss caused by the Bank's failure to adapt, or its customers or suppliers' failure to adapt, to the transition risks to a carbon neutral economy or to the physical impacts of climate change.
Financial Risk	The risk that the Bank does not have sufficient financial resources to meet its commitments when they fall due, or can secure them only at excessive cost, or that the Bank does not have sufficiently stable and diverse sources of funding, or that the funding structure is insufficient caused by the adverse movements in external markets and/or ineffective internal controls. The Bank also faces financial risk to revenue through sub-optimal implementation of the Bank's strategy as approved by the Board.
Operational Risk	The risk of loss caused by human error, ineffective or inadequately designed internal processes, system failure, improper conduct, fraud, and external events. The risk of system failure during day-to-day operations or at a time of system development leading to an inability to continue the day-to-day operations of the Bank to a satisfactory standard.

Risk Appetite Statement

A key component of the Risk Management Framework (RMF) is the Risk Appetite Statement (RAS) approved by the Board which provides guardrails within which Oxbury delivers its business strategy. The RAS contains qualitative statements which describe the intended outcomes together with metrics setting out the risk limits. The RAS (including the metrics overseen by the Board and executive committees) is approved by the Board annually and reviewed at each Board and Board Risk Committee meeting.

Risk Operating Model

Oxbury's risk operating model is managed through a "three lines of defence" model with clear roles and responsibilities aligned to developing a culture where everyone in the business takes responsibility for managing risk.

The key responsibilities of the three lines of defence are set out as follows:

First Line	The first line comprises all the operating business areas. Each business area is responsible for operating within the risk appetite set by the Board, identifying risks, including climate related risks, within their operation, determining appropriate controls to mitigate them, reporting, and escalating relevant risks.
Second Line	The second line comprises the Risk and Compliance function and is accountable for supporting the Board to determine the risk management framework and risk appetite and, undertaking oversight reviews of adherence to the RMF and RAS by the first line.
Third Line	The third line of defence comprises the internal audit function which reports directly to the Chair of the Board Audit Committee. Oxbury utilises an outsourced internal audit structure. In August 2022 PricewaterhouseCoopers were re-appointed as our independent internal auditors to deliver the Bank's internal audit capability. The internal audit function is responsible for conducting risk-based audits of the effectiveness of the first and second lines on discharging their risk responsibilities.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by Oxbury together with mitigating actions are as follows:

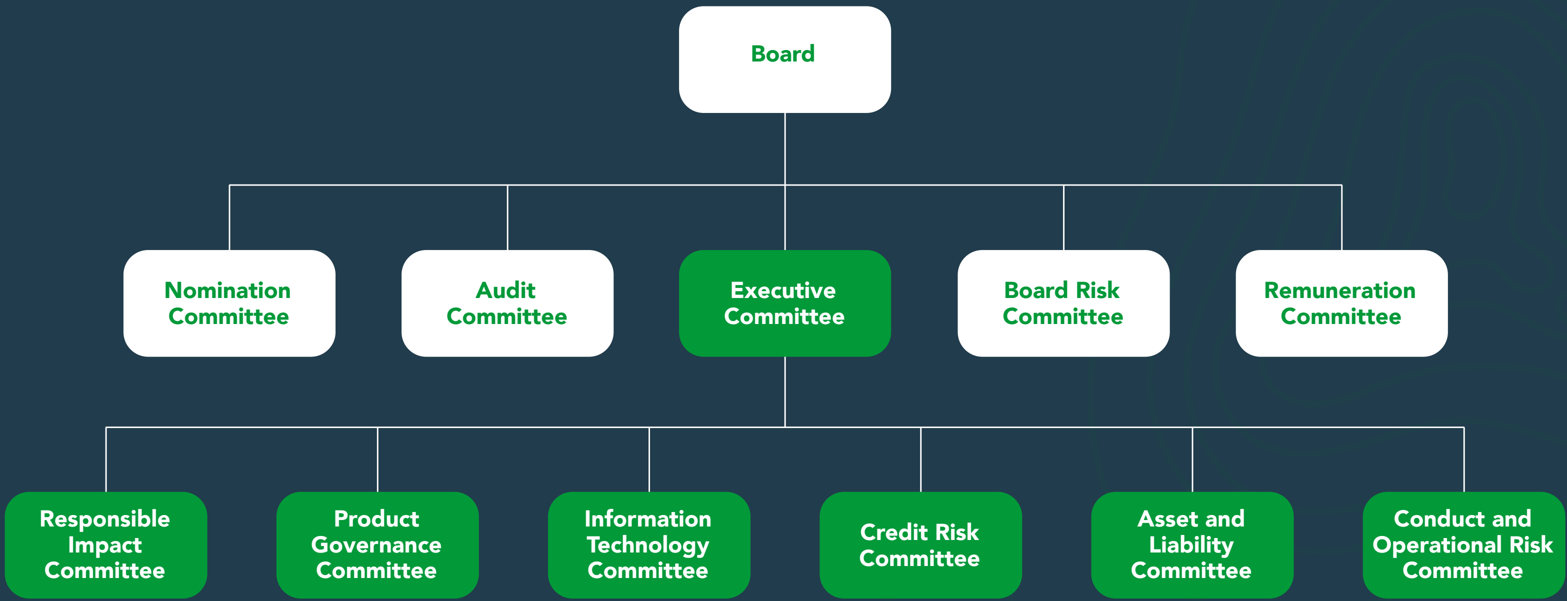
Description	Mitigation	Risk Category
Capital – the risk that Oxbury is unable to raise additional capital to support ongoing growth of the business.	Continued business control by the experienced management team to ensure capital requirements are met and continued capital raising.	**Financial**
Financial Crime – the risk that criminals look to use Oxbury to facilitate financial crime.	Oxbury has put in place a suite of tools at both onboarding and transaction monitoring stages of our operational processes to protect its customers from suffering the effects of financial crime. Internal controls are also in place to protect against internal fraud.	**Operational Conduct**
Liquidity – the risk that Oxbury is unable to attract or retain sufficient deposit funds to support itself to meet its obligations.	Our deposit products are designed to support the Bank's funding requirements, and our treasury management processes monitor the position daily. To meet our liquidity requirements, we maintain a buffer of unencumbered High Quality Liquid Assets (HQLA).	**Financial**
UK Economy – The performance of the UK economy faces a number of headwinds which may negatively impact farm performance and credit quality. These include, but are not limited to, the continued impacts of the war in Ukraine / Middle East and their impact on global commodity markets, elevated interest rates, labour shortages, and agricultural subsidy substitution. Oxbury are also aware of the changes to the Inheritance Tax regime introduced in the Autumn 2024 Budget.	Oxbury has designed products to be competitive, risk aware and sustainable. The company maintains rigorous cost control and underwriting processes designed to provide individual assessment of risk. Individual credit assessments include scenario stresses that confirm customers have capability to withstand shocks, as well as at the portfolio level.	**Financial** **Credit**
Credit Risk – the risk that customers are unable to make repayments on their loans from Oxbury.	Oxbury undertakes detailed credit assessment of each application and for larger transactions undertakes scenario analysis to ensure repayments are affordable even in stressed scenarios.	**Credit** **Financial**

Description	Mitigation	Risk Category
Change Management – the risk that Oxbury is unable to maintain service to customers resulting from a failure to successfully manage change.	Oxbury has in place robust change management protocols to manage changes to its systems or processes to support delivery of operational resilience.	**Operational**
Poor Customer Outcomes / Harm – The risk that Oxbury provides, or continues to provide, an incorrect product or does not provide sufficient information on how a product works leading to customer harm.	In line with the requirements of Consumer Duty: ■ Oxbury reviews all products regularly and new products are subject to a robust governance process before launch. ■ Staff receive training on products and attest to sales suitability in credit approvals. ■ Customer feedback / complaints are subject to root cause analysis and subsequent process amendment as required.	**Customer Conduct**
Climate Risk – the risk that Oxbury and our customers are unable to adequately assess the impacts of physical or transition climate risks.	Oxbury integrates potential climate risks as part of its full management of credit risk from ICAAP through to credit approval processes as well as portfolio management against a range of Network for Greening the Financial System (NGFS) scenarios. It also works with customers and other stakeholders to manage the potential impacts through its product and service offerings.	**Environmental**
Cyber Risk – The risk that the Bank's IT infrastructure is not secure to external vulnerabilities and could be compromised.	Oxbury's technology is developed using a security by design approach, following principles of least privilege and ensuring that all network traffic is secured by the use of firewalls. The platform is regularly scanned using automated vulnerability detection tools and subject to manual penetration testing twice annually. Our end-user estate is protected using advanced detect and respond technologies and our employees undertake regular cybersecurity training and assessment exercises. These defences are supported by an external Security Operations Centre, providing 24x7 monitoring.	**Operational**

The principal risks presented in the above table have remained consistent. The Risk Management Framework is reviewed and approved annually by the Board.

Corporate Governance

Oxbury's corporate governance framework is designed to ensure the independence of the Board and support its ability to efficiently oversee the effectiveness of the management team in executing the Bank's strategy within the Board's risk appetite. The diagram below provides details of the Board and executive committees within Oxbury.



KEY: Board Level Committee Executive Level Committee

The Board is comprised of an independent non-executive Chair, three further independent non-executive directors, two investor non-executive directors, the Chief Executive Officer, and the Managing Director.

The Board sets the values and standards by which the business operates and is responsible for the development, approval and monitoring of strategy, the review of business and financial performance, the treatment of customers, the operational resilience of the Bank, and ensuring effective systems and controls are in place for risk management.

The Board is supported in discharging its responsibilities by four sub committees:

- /// **Nomination Committee** – leads the process for appointments to the Board, and succession planning for the Board and Executive Committee.
- /// **Audit Committee** – oversees financial reporting and internal control.
- /// **Board Risk Committee** – oversees the management of the risks to which Oxbury is exposed.
- /// **Remuneration Committee** – leads on Remuneration Policy and supports ongoing delivery of sustainable performance.

The Board also provides oversight of the Executive Committee.

Meeting Attendance

The table below sets out the attendance of Directors at Board meetings and the attendance of Committee members at the relevant Committee meetings held through the year:

	Board	Board Audit Committee	Board Risk Committee *	Nomination Committee	Remuneration Committee
Huw Morgan	6/6	5/5	4/4	2/2	3/3
Tim Fitzpatrick	6/6	5/5	4/4	2/2	3/3
Simon Featherstone	6/6	5/5	4/4	2/2	3/3
Richard Percy	6/6	4/5	4/4	-	-
David Hutchinson	5/6	-	-	-	-
Mark Aitchison	5/6	-	-	-	-
James Farrar	6/6	-	-	-	-
Nick Evans	6/6	-	-	-	-

* Excludes meetings held solely for approval of lending proposals

Audit Committee Report

The Board's Audit Committee met 5 times in 2024. The Audit Committee Chair is Tim Fitzpatrick, an independent non-executive. The committee consists of a minimum of 3 members, all independent non-executive directors of the Bank. Details of committee membership and attendance is shown on page 17.

The Audit Committee meetings are also regularly attended by the Chief Executive Officer, Managing Director, Chief Delivery Officer, Chief Risk Officer, and Chief Financial Officer.

Internal Audit

The PricewaterhouseCoopers (PwC) outsourced Internal Audit function is accountable to the Board through the Audit Committee Chair, although administratively reports to the Chief Delivery Officer. In order to carry out their responsibilities, the Internal Audit function has:

- full and unrestricted access to all records, property and personnel;
- independent access to the Audit Committee Chair and members of the Committee;
- the right to request meetings with the Committee; and
- the authority and obligation to report significant findings or other concerns to the Committee.

Internal Audit is independent of and has no responsibility for operational business management. This ensures the integrity and objectivity of its annual Audit Plan. The authority of the Internal Audit function is derived from the Committee. Internal Audit undertakes audits and agrees with management the appropriate findings and actions to remediate and improve internal controls, risk management and governance.

The Chair of the Audit Committee met separately and on a regular basis with PwC to review the current audit programme performance, discuss emerging emissions and future audit activity.

The Audit Committee approves the annual internal audit plan, including the proposed audit scope as the Bank develops, the methods of approach to be used and allocation of resources. The key focus areas of the internal audit plan for 2024 included review work of the bank's management of complaints, GDPR, model governance, credit underwriting, AML / financial crime, Consumer Duty and operational resilience.

The committee challenged management in relation to the design and operational effectiveness of the internal control environment and remedial actions in respect of any control weaknesses.

The Audit Committee undertook the following critical activities during the year:

- approved the ongoing roles and responsibilities of the internal audit function and confirmed their independence which included approving the Audit Charter.
- assessment of the overall quality and effectiveness of the outsource function.
- ensured the "Audit Universe" has been fully considered and assessed against first and second lines of defence.
- approved the annual Audit plan together with any ongoing changes during the year.
- reviewed progress on completion of the annual Audit plan activities including other assurance activities provided.
- reviewed internal audit reports produced to assess the quality and effectiveness of the company's internal systems and controls.
- reviewed the quality and timeliness of management's response to internal audit findings and subsequent actions to address.

The principal focus of the Committee and PwC into 2025 will be data management, operation of the Asset Finance business, IT and Cyber security, lending and security, fraud management, regulatory returns and reporting, governance and Board effectiveness, FSCS compliance and the bank's Recovery and Resolution Plan.

The Committee also considered the ongoing remit of Internal Audit, its budget and resources.

External Audit

BDO were reappointed as the Company's external auditor at the 2024 Annual General Meeting. They have been the Company's external auditor since inception in 2018.

The Committee places great importance on the quality, effectiveness and independence of the external audit process. The Committee approved and has monitored BDO's execution of the external audit plan. It also discussed all significant matters identified in BDO's 2024 final Audit report including the key accounting judgements taken by management and management's responses to any audit findings.

An important responsibility of the Committee is to review and agree the most significant management accounting estimates and judgements which impact the financial statements.

After receiving reports on the significant estimates and areas of judgement and after discussion with BDO, the Committee agreed that the judgements made were appropriate and correctly reflected and presented in the Annual Report. The Company's Accounting Policies and significant judgements can be found in the notes to the financial statements on page 38 onwards.

The Committee is responsible for the implementation and monitoring of the Company's policies on external audit, which are designed to maintain the objectivity and safeguard the independence of the external auditor. These policies are reviewed annually. They cover the engagement of the external auditor for non-audit services and the appointment by the Bank of former employees of the external auditor.

Audit effectiveness is assessed continually using measures including a review of the quality and scope of the proposed audit plan and progress against the plan; responsiveness to changes in our businesses; appropriate scepticism and challenge of management; and monitoring the independence, professionalism, and transparency of the audit.

The Committee's review and confirmation of BDO's independence included examining written confirmation from BDO to confirm that they remained independent and objective within the context of applicable professional standards.

The Committee recognises that certain permissible non-audit services can be completed more cost effectively and efficiently from the incumbent auditor given the audit firm's existing knowledge of Oxbury.

Finally, I would like to thank our colleagues in both PwC, BDO and the Oxbury Finance team for the diligence and huge commitment provided in the current year.

Tim Fitzpatrick
Chair of the Audit Committee

Risk Committee Report

The Board's Risk Committee met 4 times in 2024. The Risk Committee Chair is Simon Featherstone, an independent non-executive. The committee consists of a minimum of 3 members, all independent non-executive directors of the Bank. Details of committee membership and attendance is shown on page 17. The Risk Committee meetings are also regularly attended by the Chief Risk Officer, Chief Executive Officer, Managing Director, Chief Financial Officer, and the Chief Delivery Officer.

The committee has through the year supported the Board by providing more in-depth oversight of the management of existing and emerging risks faced by Oxbury as set out in the Risk Management Section on pages 11 to 15.

This has been delivered through structured reviews of the following areas:

- the Risk Management Framework;
- the Risk Appetite Statement;
- policy approvals within authority delegated by the Board including those related to financial crime, credit risk, cybercrime;
- detailed review of the Risk Register recommending amendments to the Board reflecting the changing internal and external risk environment;
- specific discussion of the impacts on the agricultural sector from climate risk, the potential impact of the UK's new global trading relationships and changes in the food supply chain through in-depth sector reviews, cyber security, the financial crime risks facing Oxbury, credit portfolio quality including review of external benchmarking data and geopolitical risk among others on the risk profile of the business;
- development of scenarios for the bank's stress test processes and subsequent recommendation of the results of these processes to the Board;
- approval of credit applications within the delegated authority of the committee or making recommendations for credit applications requiring approval of the Board; and
- agreement of the Annual Risk and Compliance Plan and oversight of the review findings. Areas subject to review during 2024 have included regular close and continuous oversight of Anti-Money Laundering procedures, the management of complaints, financial promotions, user access, fraud procedures, processes supporting vulnerable customers and the management of colleague training. The committee also monitored the timely closure of actions resulting from these reviews by management.

The Chair of the committee has held regular meetings with the Chief Risk Officer to review the current and emerging risk landscape of the business and the current and future oversight activity.

As we move into 2025 the focus of the committee will continue to be on the existing and emerging risks of the business combined with focus on the performance outcomes of the business against the risk appetite set by the Board as the business continues to grow.

Simon Featherstone
Chair of the Board Risk Committee

Nomination Committee Report

The Board's Nomination Committee met twice during 2024. The Nomination Committee Chair is Huw Morgan, an independent non-executive and Board chair. The committee consists of a minimum of 3 members, all of which are independent non-executive directors of the Bank. Details of committee membership and attendance is shown on page 17. The Nomination Committee meetings are also regularly attended by the Chief Executive Officer, Managing Director, Chief Risk Officer, and the Head of Human Resources.

The committee has supported the Board in providing more in-depth review of the current and future composition of the Board and executive team as well as reviewing the completeness of skills/competencies of the Board and Executive team to ensure they continue to meet the requirements of the Board including design of Board training delivered through the year.

In the previous report, key areas for improvement were set out taking into consideration the strong governance base, following an independent review of our Board effectiveness as follows:

- A process to support the Board to progressively step back from the detail as the company develops, thereby facilitating more focus on strategic development and oversight of delivery.
- Maintaining the skills, diversity and composition of the Board to meet the future needs of the business and successfully manage succession.
- Progressively develop and enhance with the Executive team the culture of the business as it grows in scale.
- In relation to these areas, positive progress was made during the year against these actions.

Although we are not required to report against the Gender Pay Gap given the size of the company, we recognise the best practice contained within the regulations. Accordingly, the committee notes the rich diversity of thought and experience on the Board and in the executive team whilst recognising the lack of more traditional diversity. The committee has encouraged and noted the positive steps taken to increase diversity at senior levels across the Bank below executive level. The committee will continue to review the position and take steps to ensure appropriate diversity principles are maintained and a strong culture progressively developed.

Huw Morgan
Chair of the Nomination Committee

Remuneration Committee Report

The Board's Remuneration Committee met three times during 2024. The Remuneration Committee Chair is Tim Fitzpatrick, an independent non-executive and Senior Independent Director. The committee consists of a minimum of 3 members, all independent non-executive directors of the Bank. Details of committee membership and attendance is shown on page 15. The Remuneration Committee meetings are also regularly attended by the Chief Executive Officer, Managing Director, Chief Risk Officer, and the Head of Human Resources.

The committee has supported the Board by approving the Remuneration Policy and overseeing its implementation in the business. The committee has overseen external benchmark exercises through the year to ensure that the evolution of the reward framework for all colleagues in Oxbury is commensurate to their contribution and market conditions to maintain a motivated and committed team as the business continues to grow.

The committee recognises the diversity position set out in the Nomination Committee report on page 18. The committee has reviewed detailed information on remuneration and is satisfied that within grades and for similar roles there is no significant difference evident within Oxbury between gender.

Tim Fitzpatrick
Chair of the Remuneration Committee

Economic Outlook

The UK economy has continued to show resilience, if not growth, during 2024. Both consumer and business confidence indices have shown volatility in response to geopolitical impacts on the fiscal stance of the UK Government and global trading conditions. Although interest rates have started to fall there remain consumers who will be impacted by increases in mortgage costs as their current fixed rate deals end or have seen continued pressure on rental costs. These factors continue to put pressure on wage growth.

Agricultural commodity prices have been less volatile in 2024 notwithstanding continued uncertainty resulting from the impacts of global weather patterns, the Ukraine war and market speculation. Moving into 2025 increased volatility is possible as the impacts of geopolitical reordering become better understood.

A tightening fiscal position in the UK may lead to continued challenge in the level of domestic demand. However, energy and housing costs remain elevated with resultant continued pressure on wage growth. These mixed signals make the path of UK interest rates difficult to predict with market consensus pointing to a cautious reduction in rates through 2025.

In the agricultural sector there are pressures from continued volatility in global commodity markets and planned fiscal changes in the UK, both general and specific to the agricultural sector, as well as ongoing weather patterns. Against this backdrop the sector, in general, continues to perform strongly with ONS insolvency data showing a reduction in insolvencies in the UK in 2024 and a continuation of evidence of agriculture as one of the lowest impact sectors. This trend is expected to continue into 2025.

Market prices for farmland have seen a softening of price increases although variations around the norm have been evident. The market outlook consensus sees the drivers of land prices such as hedges against inflation, housing and energy production, environmental schemes as well as food production mitigating against a fall in farmland values with a period of relative price stability more likely.

In the UK we continue to see focus on governmental, societal and commercial drives to deliver a carbon net zero economy. This drive combined with opportunities for expansion and seeking of productivity efficiency gains is expected to continue into 2025.

Overall, the economic outlook whilst retaining elements of uncertainty also contains positive conditions which whilst creating challenges for some will create opportunities for others. Oxbury looks forward to supporting current and prospective customers through both.

Huw Morgan,
Chair of the Board of Directors
8th April 2025

Section 172 Statement

The Directors of Oxbury remain cognisant of their responsibilities under section 172 of the Companies Act 2006, to act in good faith to promote the success of the business for all stakeholders, with reference to delivery of Oxbury's strategy.

Within this assessment, the Board recognises that there are a wide range of stakeholders including investors, employees, suppliers, customers, regulators, the environment, and the need to act fairly for all stakeholders.

The Board addressed these responsibilities throughout the year as follows:

Investors

The Board approves Oxbury's business plan on an annual basis together with any amendments that may be required from time to time. In doing so the Board take into consideration the long-term strategy for the business and the need to provide a return to shareholders.

The Board reviews the performance of the business against the business plan, assessing any variations and the development of the business, and its alignment with expectations. In the year, this included review of the launch of the easy access savings product and the work on delivering our SaaS proposition.

The Board has taken specific consideration of the capital and liquidity position of the Bank together with the operational resilience of the Bank and oversight of the project to deliver compliance with the Consumer Duty requirements. In exercising this oversight, the Board and its committees continue to review policies and procedures against which Oxbury will operate. The Board has also assessed and approved the Risk Management Framework and the Risk Appetite Statement.

Employees

The Board recognise the importance of people in developing the capability and culture of Oxbury and have reviewed throughout the year the structure, composition, and recruitment of appropriately skilled colleagues bringing a mix of agricultural knowledge as well as technology and banking expertise.

In step with Oxbury's values the business encourages a diverse workforce and open culture to deliver a diversity of views in its operations and decision making. In doing so, the Board reviewed the outcome of employee surveys and oversaw closure of actions to address feedback including the addition of a range of new employee benefits more aligned to market norms and commitment to increased learning opportunities for colleagues.

Suppliers

The Board recognises the importance of suppliers in the development and ongoing success of the Bank. The selection, performance and remuneration of critical suppliers continue to be reviewed by the Board.

The business reviews suppliers in the context of their fit with the Bank's strategy and overall third-party risks including operational resilience, through policies which were reviewed and further refined through the year.

Customers

The Board oversaw the detailed activity undertaken to prepare the Bank for the obligations of the Consumer Duty regulations which demand the delivery of good customer outcomes. The Board has reflected this requirement within the Risk Appetite Statement. The provision of lending facilities to the UK agricultural community to support both their cashflow management and investment in future success combined with the provision of competitive and innovative deposit products to meet the needs of the general public as well as the rural community are central to the success of the Bank and is designed to deliver good customer outcomes.

The Board continued to review the development of the product range, the development of the customer experience and feedback. The results of the review included the launch of the easy access savings product.

The Board also recognises the need to protect customers and the Bank from financial crime and cyber risk and the Board and its committees continue to review the steps taken to maintain appropriate controls.

Regulators

The Board have ensured that the Bank maintains a transparent and effective relationship with our Regulators throughout the year, involving direct engagement where appropriate at both executive and Board level and through the timely provision of documentation in support of the operations of the Bank.

Oxbury contributed to information requests through the year to provide relevant context in response to regulatory engagements.

Environment and Society

Climate Change is a real and recognised threat to society, the sector we serve and the financial system. Oxbury is conscious of our responsibility to ensure that we grow sustainably and support our customers to transition to a low-carbon, sustainable and resilient economy.

Oxbury's strategy is to actively minimise our carbon footprint and offset any footprint we are unable to eradicate in our standard operations such that Oxbury is a net carbon neutral company, a position we have held since Company formation in May 2018. We will also support our customers to meet their carbon objectives, where possible.

Oxbury is committed to disclosure of our climate impact and separately publishes its Natural Capital Report.

Huw Morgan,
Chair of the Board of Directors
8th April 2025

Directors' Report

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31st December 2024.

The principal activities of the business are to deliver a technology led solution to provide innovative products to meet the needs of the agricultural community and savers across Great Britain. These developments have continued in 2024 with a continuation of a number of food chain finance initiatives. The financial results and position of the business as disclosed in these financial statements are considered satisfactory.

Oxbury is required to hold a sufficient quantum of regulatory capital to meet its capital requirements. In assessing the use of the going concern approach, the Directors have assessed the ability of the Bank to continue to meet those requirements for a period of at least 12 months from the date on which the financial statements are approved.

The assessment takes into consideration the capital legally available to the company, and the excess in that capital, in both quality and quantum, to the regulatory requirement. The Directors also took into consideration the governance process to review changes in trading activity and the potential impact on capital requirements, which efficiently and effectively ensure that the capital position remains in excess of requirements through the period.

When taken into consideration with the forecast continued profitable trading of the business, the Directors conclude that sufficient capital and access to capital was available to support the preparation of the financial statements based on the going concern basis.

The Directors recommend that no dividend payments be made. The Directors confirm that no political contributions were made during the period and that Oxbury maintained provision for qualifying third-party indemnity provisions to the benefit of the Directors, which remain in force at the date of this report.

The primary financial risks to the business are determined as relating to credit, liquidity, interest rate and business. These risks are discussed in more detail in Note 19 to the financial statements.

Oxbury does not operate to a specific code or standard in relation to the payment of its creditors. The Company agrees the terms of payment with each supplier at the time of engagement and subsequently abides by those terms. The value of outstanding creditors at the end of the period represents 5 days of the total expenditure for the duration of the year.

Emissions and Energy Consumption (UK)

The emissions and energy consumption reporting in respect of Oxbury has been conducted in accordance with methodology set out in the Greenhouse Gas (GHG) Protocol Corporate Standard, and using the Department for Environment, Food and Rural Affairs' (DEFRA) emissions factors to calculate emissions.

Calculation of Oxbury's SECR energy consumption and GHG emissions was completed by an independent third party, e4Environment. The table below presents our global Scope 1 and Scope 2 emissions for the financial year 1 January 2024 to 31 December 2024.

Exclusively UK based	Year ended 31st Dec 2024	Year ended 31st Dec 2023
Total energy consumption used to calculate carbon emissions (kWh)	92,300	66,467
Emissions from purchased electricity in buildings (location-based) [tCO2e] (Scope 2)	0	13.764
Carbon intensity ratio - carbon emissions per full-time employee (location-based) [kgCO2e/ full-time employee]	0	93.63

It should be noted that direct and indirect Scope 1 and 2 emissions contribute a very small proportion of Oxbury's overall impact as indirect emissions through its lending activities to the farming sector are anticipated to represent the vast majority of the Bank's emissions. The Bank has made progress in collecting data and developing processes to improve its existing understanding and ability to estimate Scope 3 emissions related to its lending book. It continues to model financed emissions, but has expanded the collection of on-farm carbon footprints and data related to input purchases by customers which will inform Scope 3 modelling. This is an ongoing project involving continuous improvements to data quality and accuracy which is expected to continue as methodologies evolve and technologies to measure emissions real-time become available.

Since inception it has been Oxbury's intention to avoid emissions where possible, reduce emissions where feasible and offset any remaining emissions on an annual basis using nature-based solutions aligned to our focus on the rural economy. It is also a principle to offset emissions where they occur and therefore we have focused on offsets in Great Britain.

The Woodland Carbon Code was launched in 2011 followed by the Peatland Carbon Code. When a new woodland is planted, it will only start to capture carbon as the trees grow and therefore its carbon capture potential will occur over a period of time in the future. When the emissions to establish the woodland is taken into consideration, a typical woodland would only start to store carbon after about 10 years. The Woodland Carbon Code methodology was developed to estimate the total carbon capture potential of a woodland as well as the timing thereof. Due to the nature of woodland creation, the Woodland Carbon Credit allows for the sale of Pending Issuance Units (PIUs). PIUs allow for the transparent registration of ownership of future woodland carbon creation. Over time and as the trees grow, the PIUs convert into Woodland Carbon Units (WCUs) which can be formally retired against the owner's emissions. Both instruments are registered on the Markit Registry which provides information on the status of individual woodland and peatland projects and the ownership of units.

Since 2020, Oxbury in partnership with Forest Carbon has purchased 7,092 PIUs representing more than 50,000 newly planted trees across 23 hectares in Northumberland and the Scottish Borders. In 2024, 2,271 PIUs were purchased at an average price of £26.9/PIU to offset 2,446 tCO2e. (2023: 1,825.7 PIUs at £25/PIU).

We recognise that these operational emissions have already occurred and that the carbon will only be stored over a long time, but believe that these projects will provide broader benefits, some of which will occur over the short term as habitats are restored and connectivity re-established to benefit nature.

For Oxbury, one of the benefits of investing in woodland development in the UK is that these projects will not only store carbon in future but also contribute to wider biodiversity restoration in these areas. This is exemplified by our purchase of all issued PIUs for Bowshiel in 2024. It is estimated that the 27,000 additional trees planted in and around the existing oakwood will store 6,590 tCO2e over the next century but also supports the habitat of 36 protected species and improve the water quality of the streams flowing through the forest. Oxbury's purchase of the future carbon comprise one element of a diversified rural enterprise which also hosts woodland experiences and provides community access to the forest through footpaths and access ways.

The directors during the year ended 31st December 2024 were as follows:

Independent Non-Executive Directors	**R H Morgan** *Chairman* **S Featherstone** **T Fitzpatrick** **C R Percy**
Executive Directors	**J C D Farrar** *Chief Executive Officer* **N R Evans** *Managing Director*
Investor Non-Executive Directors	**K M Aitchison** **D Hutchinson**

Significant post balance sheet events are disclosed in note 30 of the notes to the financial statements as follows:

- Issuance of additional Share Capital – In the period up to the date of signature of the financial statements, additional investment of £6,260k in the form of capital was raised through the issue of 2,402,705 A shares in £0.01 nominal value. This equated to £24k share capital and £6,236k share premium.

Each of the persons named as Directors when this report is approved has confirmed that:

- as far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all reasonable steps to ensure information needed by the Company's auditor in connection with preparing its report has been provided and to establish that the Company's auditor is aware of that information.

Likely future developments for the business include the continuing review of the product set available to address requirements from customers of both the lending and savings perspectives, together with the potential for international and SaaS opportunities.

This report is approved by the Board and signed on its behalf.

James Farrar
Chief Executive Officer and Company Director
8th April 2025

Directors Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulation. Company law requires the Directors to prepare financial statements for each financial year, in accordance with UK adopted international accounting standards and in conformity with the requirements of the Companies Act 2006.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Company and of their profit or loss for the year referenced. In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK adopted international accounting standards and the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

It is the responsibility of the Directors to keep adequate accounting records that are sufficient to show and provide explanation of the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, enabling them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and have a general responsibility for taking such steps as are reasonably available to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board by:

James Farrar
Chief Executive Officer and Company Director
8th April 2025

Independent auditor's report to the members of Oxbury Bank Plc

Opinion on the Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Oxbury Bank Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Group and Company Statement of Profit or Loss and Other Comprehensive Income, Group and Company Statement of Financial Position, Group and Company Statement of Cash Flows, Group and Company Statement of Changes in Equity and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were reappointed at the Annual General Meeting on 27 June 2024 to audit the financial statements for the year ended 31 December 2024 and subsequent financial periods.

The period of total uninterrupted engagement including retenders and reappointments is 7 years, covering the years ended 31 December 2018 to 31 December 2024. We remain independent of the Group and the Parent Company 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions Relating to Going Concern

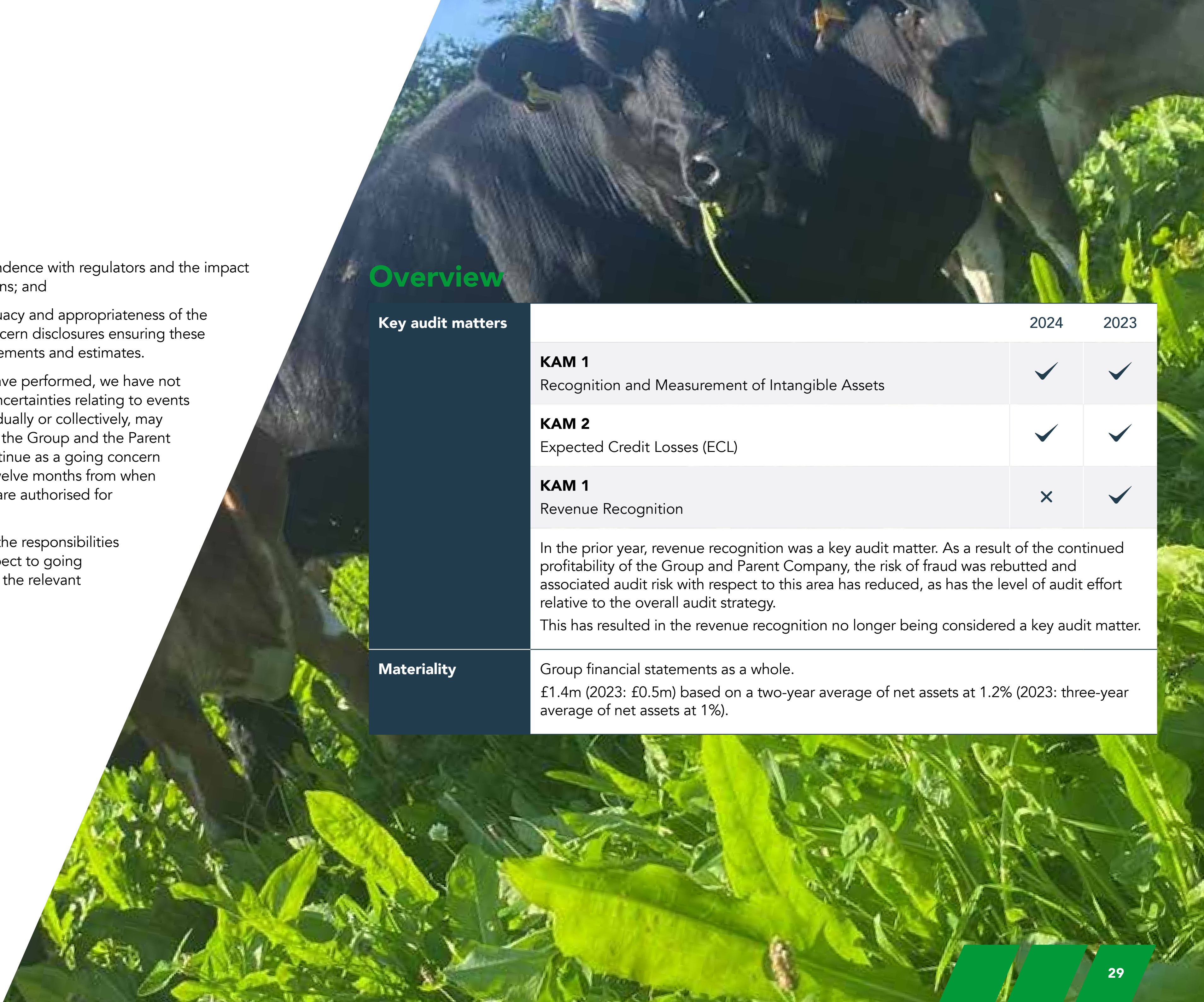
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining the Directors' assessment of the going concern assumption applied in the financial statements and evaluating the appropriateness of Directors' method of assessing going concern in light of the current macroeconomic environment, inflationary pressures, as well as our understanding of the Group's strategy, forecasts, Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) submissions and Prudential Regulation Authority (PRA) minimum capital requirements;
- challenging the Directors' assumptions and judgements applied within the forecast for consistency with our understanding of the business, observations of historic trends, and other corroborative information;
- testing the sensitivity of certain assumptions applied in the forecast through independent sensitivity analysis;
- confirming the arithmetical accuracy of the forecast;
- considering the historical accuracy of forecast through comparison of actual results with prior years forecasts;

- reviewing correspondence with regulators and the impact of the Directors' plans; and
- assessing the adequacy and appropriateness of the Directors going concern disclosures ensuring these reflect the key judgements and estimates.

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

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



Overview

Key audit matters		2024	2023
	KAM 1 Recognition and Measurement of Intangible Assets	✓	✓
	KAM 2 Expected Credit Losses (ECL)	✓	✓
	KAM 1 Revenue Recognition	✗	✓
	In the prior year, revenue recognition was a key audit matter. As a result of the continued profitability of the Group and Parent Company, the risk of fraud was rebutted and associated audit risk with respect to this area has reduced, as has the level of audit effort relative to the overall audit strategy. This has resulted in the revenue recognition no longer being considered a key audit matter.		
Materiality	Group financial statements as a whole. £1.4m (2023: £0.5m) based on a two-year average of net assets at 1.2% (2023: three-year average of net assets at 1%).		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

For the purpose of our group audit, the group consisted of one component in total. This comprised of three legal entities, being Oxbury Bank Plc, Oxbury Earth Limited, and Oxbury Earth LLC.

For the component in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. The further audit procedures were substantive procedures on the financial information of the component.

The Group engagement team has performed all procedures directly, and there were no component auditors involved in the Group audit.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- involvement of climate-related experts in evaluating managements risk assessment; and
- review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Strategic Report may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

We also assessed the consistency of managements disclosures included as 'Statutory Other Information' with the financial statements and with our knowledge obtained from the audit.

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, including 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.

Key audit matter	How the scope of our audit addressed the key audit matter	
Recognition and Measurement of intangible assets - £6.6 million (2023: £6.4 million) The judgements and estimates and the accounting policy, in respect of the recognition and measurement of intangible assets, are disclosed in note 4 of the Consolidated Financial Statements. Further information on the balance is included in note 14 of the Consolidated financial statements.	The Group has continued to invest in its core banking platform. Salaries incurred in acquiring and developing this software are capitalised. Capitalisation of intangible assets requires judgement in determining whether the costs meet the requirements for capitalisation in accordance with the applicable accounting standards. Determination of the stage at which the intangible asset becomes ready for use and the subsequent amortisation period also requires judgement. Management are required to assess whether capitalised assets are impaired when there are indicators of impairment. There is a risk that the impairment assessment is incomplete due to the judgement involved in assessing existence of indicators of impairment. For these reasons we considered this to be a key audit matter.	We addressed the key audit matter by performing a series of procedures, including the below. Obtaining a breakdown of the costs capitalised and reviewing the Group's methodology and accounting policy for capitalisation. We assessed whether these were in line with the capitalisation requirements of the applicable accounting standards. For staff costs capitalised, performed audit procedures to confirm the existence and accuracy of payroll costs for the relevant employees through agreeing to payroll records, payment to bank statements and to signed employment contracts. Enquired with developers to corroborate our understanding of the additional development capitalised during the year. Assessed whether the costs capitalised met the capitalisation requirements of the accounting framework. Considered the stage at which the intangible asset because ready for use. Considered the reasonableness of management's assessment of whether future economic benefits attributable to the capitalised software development costs will flow to the company, based on future business strategy and forecasts. Confirmed that the remaining useful life is in line with the accounting policy. We reperformed the amortisation expense calculation for the current year and compared to that recorded. Independently assessed whether there are any indicators of impairment of the intangible assets, in order to consider the reasonability of management's own consideration. **Key observations:** Based on the work performed, we consider the intangible assets to have been appropriately recognised and measured.

Key audit matter	How the scope of our audit addressed the key audit matter	
Expected Credit Loss (ECL) - £1.3 million (2023: £0.5 million) The judgements and estimates and the accounting policy, in respect of the expected credit losses, are disclosed in note 4 of the Consolidated Financial Statements. Further information on the balance is included in note 19 of the Consolidated financial statements.	The total expected credit loss is a balance subject to management judgement and estimation deemed to present a fraud risk. Under IFRS 9, the Group is required to assess the recoverability of all facilities, not just those specifically identified as impaired. Therefore, the Group needs to assess the Expected Credit Loss (ECL) provision for the loan book as a whole, taking into account forward-looking macro-economic factors (including assessment of Probability of Default (PDs), Loss Given Default (LGDs) and Exposure at Default (EADs)) along with the staging, to ensure that credit impaired loans are presented and valued accurately. These are subject to significant management judgement and estimation, which also include: Accounting interpretations and modelling assumptions used to determine the PDs; The valuation of collateral held and recovery amounts for the portfolio to estimate LGDs. Expected credit loss was therefore determined to be a significant audit risk and key audit matter because it is a complex area which requires significant judgement.	We addressed the key audit matter by performing a series of procedures including the below. Engaged with BDO credit modelling experts to assess whether the model which performs the impairment calculation is in line with the Group's policy and in compliance with IFRS 9, including the methodology implemented in the financial year to include the impact of forward-looking macroeconomic information on the ECL provision Considered the reasonableness of the Group's key assumptions, including the determination of the PDs and haircuts applied to the collateral values to estimate the LGDs by benchmarking to independent third-party data. Recomputed the PDs based on management's methodology for a sample of loans using data from external reports. Considered the reasonableness of the economic forecasts used to determine the final PD used in the ECL calculation. Performed sensitivity analysis on the assumptions used to determine ECL, to identify those to which the provisioning is most sensitive; Assessed the implementation of the Group's significant increase in credit risk (SICR) criteria by conducting file reviews for a sample of customers across the credit risk spectrum to test for correct allocation of loans between stages 1 or 2; For Stage 3 loans, gained an understanding of the cause of default, and assessed that the recovery amounts calculated by management are consistent with the value of collaterals held; On a sample basis, performed our own assessment of the value of collateral, with the assistance of our internal valuations' experts; Assessed the completeness and accuracy of the loan data feeding into the Group's ECL model by agreeing it, on a sample basis, to underlying documentation; and Reperformed arithmetical calculations of the ECL model; Reviewed the completeness and accuracy of credit risk disclosures. **Key observations:** Based on our procedures performed on the key assumptions and judgements made, the ECL balance is adequate and align with the requirements of IFRS 9.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024 £000s	2023 £000s	**2024 £000s**	2023 £000s
Materiality	**1,403**	535	**1,403**	529
Basis for determining materiality	1.2% of a two-year average of net assets	1% of a three-year average of net assets	Materiality was capped at Group materiality for the purposes of the audit.	99% of Group materiality
Rationale for the benchmark applied	Net assets are the focus of stakeholders as the Group and Parent Company continues to develop its banking operations.			
Performance materiality	**1,052**	401	**1,052**	396
Basis for determining performance materiality	75% of the above materiality levels based on our risk assessment together with our assessment of the Group's and Parent Company's overall control environment and history of misstatements.			
Rationale for the percentage applied for performance materiality	Various criteria were considered in order to determine the performance materiality threshold, such as past significant misstatements, management's historic response to proposed adjustments, the complexity of the audit, and the brought forward adjustments from prior periods.			

Component performance materiality

For the purposes of our Group audit opinion, all procedures on the component have been performed to Group performance materiality.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £70,000 (2023: £26,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent 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.
Matters on which we are required to report by exception	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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company 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.

Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013

In our opinion the information given in note 28 for the financial year ended 31 December 2024 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and Parent Company and the industry in which it operates;
- discussion with management, those charged with governance, members of the Audit Committee, members of the Board of Directors and Members of Internal Audit;
- obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- discussion with personnel in the legal department;

We considered the significant laws and regulations to be the Companies Act 2006, UK tax legislation, and UK adopted International Accounting Standards. We also considered the Group's compliance with the licence conditions and supervisory requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment taxes, health and safety, and the Bribery Act 2010.

Our procedures in respect of the above included:

- review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation;
- involvement of tax specialists in the audit;
- review of legal expenditure accounts to understand the nature of expenditure incurred;
- enquiring of management, the Audit Committee, and the Board of Directors of their knowledge of instances of non-compliance with laws and regulations; and
- obtaining an understanding and considering the effectiveness of the control environment related to monitoring compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance, including the Audit Committee, the Board of Directors and Internal Audit regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
  - detecting and responding to the risks of fraud; and
  - internal controls established to mitigate risks related to fraud;
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team and with forensic specialists as to how and where fraud might occur in the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and expected credit losses.

Our procedures in respect of the above included:

- in addressing the risk of fraud through management override of controls, testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation and testing payments for implementation of controls relating to approvals and segregation of duties;
- in response to risk of fraud in in expected credit losses, the procedures performed in the 'Key Audit Matters' section above;
- understanding all the relevant systems and processes, including the design and implementation of key controls and testing the operating effectiveness of IT General Controls in areas carrying a significant risk of material misstatement; and
- assessing significant estimates made by management for bias (refer to key audit matter section above).

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stefan Beyers
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor, London, UK
8th April 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

2024 Financial Statements

Statement of Profit or Loss and Other Comprehensive Income – Year ended 31st December 2024

		Group		Company	
	Notes	Year ended 31st Dec 2024	Year ended 31st Dec 2023	Year ended 31st Dec 2024	Year ended 31st Dec 2023
		£000s	£000s	£000s	£000s
Interest receivable & similar income on loans and advances to customers	5	61,691	34,375	61,691	34,375
Interest income – deposits placed with financial institutions	5	50,776	14,255	50,776	14,255
Total interest income		**112,467**	**48,630**	**112,467**	**48,630**
Interest payable & similar expenditure	5	(81,060)	(29,258)	(81,060)	(29,258)
Net Interest Income		**31,407**	**19,372**	**31,407**	**19,372**
Other (Expenditure) / Income	5	(104)	22	(104)	22
Total Net Income		**31,303**	**19,394**	**31,303**	**19,394**
Staff Costs	6	(10,919)	(7,875)	(10,741)	(7,844)
Depreciation & Amortisation	13, 14	(2,191)	(1,562)	(1,937)	(1,319)
Other Operating Expense	9	(8,184)	(5,635)	(8,039)	(5,471)
Operating Profit before expected credit loss provisions		**10,009**	**4,322**	**10,586**	**4,760**
Expected credit loss on loans and advances	19	(1,031)	(464)	(1,031)	(464)
Profit on Operations		**8,978**	**3,858**	**9,555**	**4,296**
Finance costs	10	(2,067)	(1,249)	(2,067)	(1,249)
Profit from Ordinary Activities before tax		**6,911**	**2,609**	**7,488**	**3,047**
Taxation	11	(1,625)	(733)	(1,625)	(733)
Profit from Ordinary Activities after tax		**5,286**	**1,876**	**5,863**	**2,314**
Total Comprehensive Profit		**5,286**	**1,876**	**5,863**	**2,314**

There were no recognised gains or losses for 2024 or 2023, other than those included in the statement of profit or loss and other comprehensive income.

The results for the current and preceding year relate entirely to continuing operations. The notes which form part of these financial statements can be located from page 44 to page 78.

Statement of Financial Position – As at 31st December 2024

(Company: Oxbury Bank Plc; Registered Number: 11383418)

		Group		Company	
	Notes	**Year ended 31st Dec 2024**	**Year ended 31st Dec 2023**	**Year ended 31st Dec 2024**	**Year ended 31st Dec 2023**
Assets		**£000s**	**£000s**	**£000s**	**£000s**
Cash and cash equivalents:					
Cash at Bank of England	24	1,470,898	530,991	1,470,898	530,991
Cash at Credit Institutions	24	21,539	12,990	21,120	12,674
Loans and Advances to Customers	25	1,025,824	605,711	1,025,824	605,711
Other Assets	16	4,352	2,053	5,525	2,487
Property, Plant & Equipment	13	792	972	786	971
Intangible Assets	14	6,579	6,382	5,426	5,416
Investment in Subsidiary		-	-	2,466	2,466
Net Deferred Tax Asset	11, 29	1,981	3,209	1,942	3,209
Total Assets		**2,531,965**	**1,162,308**	**2,533,987**	**1,163,925**
Liabilities					
Customer Deposits	26	2,349,721	1,059,947	2,350,433	1,060,658
Other Liabilities and Accruals	17	10,464	7,251	10,449	7,409
Subordinated Debt	4,12	17,798	15,191	17,798	15,191
Total Liabilities		**2,377,983**	**1,082,389**	**2,378,680**	**1,083,258**
Equity					
Share Capital	20	1,028	762	1,028	762
Share Premium	21	160,636	92,226	160,636	92,226
Accumulated Losses	22	(8,049)	(13,335)	(6,724)	(12,587)
Share Based Payment Reserves	23	367	266	367	266
Total Equity		**153,982**	**79,919**	**155,307**	**80,667**
Total Liabilities & Equity		**2,531,965**	**1,162,308**	**2,533,987**	**1,163,925**

The notes which form part of these financial statements can be located from page 44 to page 78.

The financial statements have been approved and authorised for issue by the Board and are signed on its behalf by:

James Farrar
Chief Executive Officer
and Company Director
8th April 2025

Statement of Cash Flows – For the year to 31st December 2024

	Note	Group		Company	
		Year ended 31st Dec 2024	Year ended 31st Dec 2023	Year ended 31st Dec 2024	Year ended 31st Dec 2023
		£000s	£000s	£000s	£000s
Cash flows from operating activities					
Profit for the year after taxation		5,286	1,876	5,863	2,314
Reduction in Net Deferred Tax Asset	11	1,228	1,074	1,268	1,074
Corporation Tax		358	-	358	-
Research & Development Tax Credit	11	-	(341)	-	(341)
Profit for the year before taxation		**6,872**	**2,609**	**7,489**	**3,047**
Adjustments for non-cash items:					
Depreciation & Amortisation	13, 14	2,191	1,562	1,937	1,319
Expected credit loss provision		798	402	798	402
Share-based payment expense	23	101	159	101	159
Net increase in Bank of England Interest Accrual		1,138	1,158	1,138	1,158
Subordinated loan interest expense		1,980	1,177	1,980	1,177
Lease interest expense		71	43	71	43
Net Interest Income		(31,407)	(19,372)	(31,407)	(19,372)
		(18,256)	**(12,262)**	**(17,893)**	**(12,067)**
Net changes in operating assets and liabilities					
Net (decrease) in other assets		(2,299)	(1,139)	(3,039)	(1,462)
Net increase in other liabilities		2,964	2,176	2,792	2,384
Net increase in customer deposits		1,283,668	613,853	1,283,668	613,852
Increase in loans and advances to customers		(420,283)	(255,123)	(420,283)	(255,123)
Interest Received - Bank of England		49,638	13,097	49,638	13,097
Interest Received - Lending accounts		61,062	32,917	61,062	32,917
Interest Paid - Deposit accounts		(74,953)	(24,370)	(74,953)	(24,370)
R&D Tax Credits - payments received		-	1,068	-	1,068
Cash flows generated from operating activities		**881,541**	**370,217**	**880,992**	**370,296**

Statement of Cash Flows (continued)

		Group		Company	
		Year ended 31st Dec 2024	Year ended 31st Dec 2023	Year ended 31st Dec 2024	Year ended 31st Dec 2023
		£000s	£000s	£000s	£000s
Investing activities					
Purchase of tangible assets	13	(126)	(188)	(119)	(188)
Addition in intangible assets and trademarks	14	(2,081)	(2,281)	(1,643)	(2,281)
Net cash flows used in investing activities		**(2,207)**	**(2,469)**	**(1,762)**	**(2,469)**
Financing activities					
Issue of share capital		68,951	24,262	68,951	24,262
Costs directly related to issue of share capital		(275)	(226)	(275)	(226)
Increase in Subordinated Debt	12	2,500	7,500	2,500	7,500
Interest paid on Subordinated Debt		(1,873)	(1,151)	(1,873)	(1,151)
Interest paid on lease payments		(71)	(43)	(71)	(43)
Payments in relation to leases		(109)	(148)	(109)	(148)
Net cash flows from financing activities		**69,123**	**30,194**	**69,123**	**30,194**
Net increase in cash and cash equivalents in the year		**948,456**	**397,942**	**948,353**	**398,021**
Cash and cash equivalents at start of the year		**543,981**	**146,039**	**543,665**	**145,644**
Cash and cash equivalents at end of the year		**1,492,437**	**543,981**	**1,492,018**	**543,665**

Group Statement of Changes in Equity – year ended 31st December 2024

GBP £000s	Called Up Share Capital	Share Premium	Accumulated Losses	Share Based Payments	TOTAL
Notes	**20**	**21**	**22**	**23**	
As at 31st December 2022	**650**	**68,302**	**(15,200)**	**107**	**53,859**
Issue of Share Capital (net of costs)	112	23,924	-	-	24,036
Prior Year Consolidation Adjustment	-	-	(11)	-	(11)
Profit for the year	-	-	1,876	-	1,876
Employee based share awards	-	-	-	159	159
As at 31st December 2023	**762**	**92,226**	**(13,335)**	**266**	**79,919**
Issue of Share Capital (net of costs)	266	68,410	-	-	68,676
Profit for the year	-	-	5,286	-	5,286
Employee based share awards	-	-	-	101	101
As at 31st December 2024	**1,028**	**160,636**	**(8,049)**	**367**	**153,982**

Company Statement of Changes in Equity – year ended 31st December 2024

GBP £000s	Called Up Share Capital	Share Premium	Accumulated Losses	Share Based Payments	TOTAL
Notes	**20**	**21**	**22**	**23**	
As at 31st December 2022	**650**	**68,302**	**(14,901)**	**107**	**54,158**
Issue of Share Capital (net of costs)	112	23,924			24,036
Profit for the year	-	-	2,314		2,314
Employee based share awards	-	-	-	159	159
As at 31st December 2023	**762**	**92,226**	**(12,587)**	**266**	**80,667**
Issue of Share Capital (net of costs)	266	68,410	-	-	68,676
Profit for the year	-	-	5,863	-	5,863
Employee based share awards	-	-	-	101	101
As at 31st December 2024	**1,028**	**160,636**	**(6,724)**	**367**	**155,307**

Notes forming part of the financial statements

For the year ended 31 December 2024

1. Corporate Information

The financial statements comprise Oxbury Bank Plc ("the Bank"; "Company"; which is a company incorporated as a public limited company in England under registered company number 11383418), under The Companies Act 2006 and domiciled in the United Kingdom.

The registered office address is located at One City Place, Queens Road, Chester, CH1 3BQ. The nature of the operations of each business and its principal activities are set out in the Directors' Report.

2. Accounting Policies and basis of preparation

The principal accounting policies are summarised below. They have been applied consistently throughout the year and to the preceding reporting period.

The financial statements have been prepared in accordance with UK adopted international accounting standards and the Companies Act 2006.

The financial statements have been prepared based on a historical cost basis, and are presented in Pounds Sterling (£), with values rounded to the nearest thousand, unless otherwise indicated. "0" identifies a value which is below one thousand when rounded, "-" represents absolute zero.

New standards which are effective during the period of the financial statements have been adopted, with no material impact on the results in the year, and no change in the accounting policies.

There are several standards, amendments and interpretations which have been issued and are effective for the subsequent accounting periods. The following are effective post January 2025:

- IFRS 16 Leases (Amendments – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current liabilities with Covenants)
- IFRS 7 Supplier Finance Arrangements

An assessment of these standards is ongoing, with no expected material impact on Oxbury subject to the adoption of these standards.

3. Critical accounting estimates and judgements

The preparation of financial statements in compliance with IFRS's requires the Group and Company to use certain estimates and assumptions, which are consistently reviewed for appropriateness based on historical experience and forecast expectations. As a result, future experience may differ from the estimates and assumptions used. It also requires the Company's management to exercise judgement in applying accounting policies.

Management regards the following as being the items which have the largest material impact on the financial statements as presented:

/// Going Concern (Note 4.1)

The assessment of the business is as a going concern, taking into consideration the trading position of the business, the principal risks which could impact on that assumption, and the mitigation to those risks. This is an accounting estimate and the application of expert judgement.

/// Effective Interest Rate (EIR) (Note 4.12)

The company calculates the EIR on facilities including a key judgement related to the behavioural life of facilities and repayments made outside of the contractual terms. Historical analysis is used to form an expectation of future behaviour, informing a calculation of the future timing of cashflows, which impacts the equivalent EIR used in the recognition of income.

/// Expected Credit Loss (ECL) (Notes 4.11 & 19)

The calculation of the expected credit loss is forward looking and requires various estimates and judgements to be made, including the probability of default of individual customers and the loss at the point of default. A reduction of the value of the collateral of 10% from the valuations taken would increase the

ECL by £53k (2023: £31k). A deterioration in the credit scores by 1 decile reflecting the probability of default would increase the ECL by £710k (2023: £356k).

/// Intangible Asset (Note 4.3 & 14)

The intangible asset is held at the cost incurred, including an allocation of the costs incurred in the internal development of the asset. Expert judgement of the expenditure incurred is used to identify the proportion of costs which can be capitalised under IAS 38 and the useful life of the asset, being those which enhance the asset to provide additional economic benefit to the company.

/// Deferred Tax Asset (Note 4.8)

Oxbury recognised a deferred tax asset in 2022, and continue to hold an asset at the end of 2024, taking into consideration the previous performance of the business and the expectation of future profits against which the losses can be set, based on the sufficient level of expectation that the profits will be available, involving both accounting estimates and expert judgement.

4. Summary of material accounting policies

4.1 Going Concern

Oxbury is required to adopt the going concern basis for accounting in the preparation of financial statements unless the Directors believe that at the date of approval of the financial statements, they intend to liquidate and cease trading or have no realistic alternative.

Oxbury is required to hold a sufficient quantum of regulatory capital to meet its capital requirements. In assessing the use of the going concern approach, the Directors have assessed the ability of the Bank to continue to meet those requirements for a period of at least 12 months from the date on which the financial statements are approved.

The assessment takes into consideration the capital legally available to the company, and the excess in that capital, in both quality and quantum, to the regulatory requirement. The Directors also took into consideration the governance process to review changes in trading activity and the potential impact on capital requirements, which efficiently and effectively ensure that the capital position remains in excess of requirements through the period.

When taken into consideration with the forecast continued profitable trading of the business, the Directors conclude that sufficient captial and access to capital was available to support the preparation of the financial statements based on the going concern basis.

4.2 Cash and Cash Equivalents

Cash and cash equivalents comprise liquid assets which carry an insignificant risk of change of values, are marketable and with original maturity of less than 90 days.

4.3 Intangible Assets

The Bank utilises a cloud based technological system for the management of future activities as the business matures through the defined steps in its business plan. This is the business' core banking platform and is a key element to the successful achievement of the business plan, and critical in the generation of a profitable revenue base. The Bank will continue to develop its systems to enhance customer experience together with operational efficiency and resilience.

Consultancy, salaries and other costs directly attributable to the acquisition and development of this software are capitalised where they meet the criteria for capitalisation. In addition to an assessment of the cost being directly related to the asset, the specific criteria under IAS 38 to allow capitalisation are as follows:

- Probable future economic benefit.
- Intention to complete the asset.
- Adequate available resources to complete.
- Ability to use the asset.
- Technical feasibility to complete the asset.
- Able to measure the expenditures reliably.

Subsequent to the acquisition of Naqoda Ltd (Renamed Oxbury Earth Ltd) in January 2022, an assessment of the transaction identified the purchase of an intangible asset, which is presented on consolidation, and therefore within the Group presentation.

Intangible assets are stated at cost less amortisation and impairment losses.

In the year, amortisation charges in the Company of £1,633k (2023: £1,117k) and in Group £1,884k (2023 £1,359k) have been recognised at the date of these financial statements. The cost is based on evidenced expenditure of developing the asset. Amortisation is recognised to write off the cost or valuation of assets less their residual values over their expected useful lives, using the straight-line method, on the following basis.

- Operating System Software
  - Core Banking Platform – 7 Years
  - Asset Finance – 5 years

The estimated life of the Core Banking Platform was assessed in the prior year, the result of which was to increase the expected total life from 5 years to 7 years from when first available for use, taking into consideration the technology and business planning assumptions in regard to its use. The financial impact on the performance in the year is for a lower level of amortisation than would have impacted the performance of the business. The impact of the change took into consideration the net book value brought forward, and is prospective from 1st January 2023, as opposed to retrospective.

Intangible assets are regularly reviewed for evidence of impairment, defined as where the carrying value of that asset is lower than its recoverable value, being the higher of the value of the asset in use and the fair value less cost to sell. Where the value of the asset is deemed to be impaired, the carrying value is immediately reduced to the recoverable value.

The primary intangible asset held by Oxbury is in relation to the core banking system, which provides the technological solution against which business operations are underpinned. The assessment of impairment is based on value in use, through the sum of discounted future cashflows for the business. The assessment includes the use of business forecasts, which are subject to variation, including the gross and net incomes and cost base for the business. A range of discount factors are used to demonstrate that the assessment that there is no impairment is not sensitive to the discount factor used, including a reverse calculation to identify the discount factor required to equate to the carrying value. This was significantly in excess of 100%, and therefore mitigates potential sensitivity of the forecasts, and as a result, no impairment was identified.

4.4 Tangible Assets

Property Plant & Equipment

Fixtures, Fittings and Office Equipment and Computer and IT Equipment are stated at cost less accumulated depreciation and any recognised impairment loss. The cost is based on evidenced cost of purchasing the asset. Depreciation is recognised to write off the cost or valuation of assets less their residual values over their expected useful lives, using the straight-line method, on the following bases:

Fixtures, Fittings and Office Equipment – 2 Years

Computer and IT Equipment – 2 Years

4.5 Pensions

The Company offers a defined contribution pension scheme for its employees. Any contributions made by the Company are charged to staff costs as incurred.

4.6 Share Capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs, if any, directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds.

4.7 Share-Based Awards

The Company operates an equity-settled share remuneration plan for certain employees, of which none are cash settled. It also grants share-based payments for services and goods received from specific suppliers.

The Company accounts for these schemes based on the requirements of IFRS 2, under which the fair value of the options at granting is determined through the use of an options modelling approach, as no active market is available for the instruments. Assumptions and market comparatives, where available, are used to input into the model, together with the options exercise price and current market values.

The fair value of options granted to employees is determined indirectly through reference to the fair value of the equity instrument granted using an options pricing model. Where options are granted to suppliers, the fair value is to the comparative value of that service, or where not directly ascertainable, the options pricing model is used.

Where required, a charge, equivalent to the value of the option as determined in the model, based on a pro rata of the expected period to exercise of the option, is realised in the statement of profit or loss and other comprehensive income each month, with a corresponding increase in equity. Details are contained in note 23 to the accounts.

4.8 Taxation

Corporation Tax is based on the taxable profits of Oxbury, including reliefs which are available. Taxable profits differ from the financial statements due to items which are excluded for tax purposes or because of the deductibility occurring in differing periods.

Where applicable, the Company's liability to tax takes into consideration the tax rates enacted or substantively enacted for the period.

Where R&D tax credits are claimed, they are assessed under IAS 12, and are recognised as a credit to taxation in the statement of profit or loss and other comprehensive income.

Deferred Tax

A deferred tax asset has been recognised for the current financial year, based on the expectation of sufficient future taxable profits to offset against in the foreseeable future. The likelihood of those future taxable profits has been considered to be of sufficient certainty to recognise the full available asset.

In arriving at this conclusion, the Board took into consideration the performance of the business through 2024, and the continued growth in profitability. The full value was recognised based on a combination of the going concern approach and the forecast utilisation of the deferred tax asset within two years from the reporting date.

4.9 Financial Assets

Based on the nature of the stock of financial assets at the reporting date, Oxbury initially recognises at fair value less, if applicable, transaction costs. Subsequent measurement is based on amortised cost, as dictated by the business model test of holding assets to maturity.

4.10 Financial Liabilities

All financial liabilities are initially measured at fair value and subsequently measured at amortised cost.

During 2024, Oxbury issued £2.5 million of 10-year subordinated notes with a coupon of 11.5%, on which Oxbury can repay 5-years after issuance, or within that period subject to conditions including the cessation of qualifying as regulatory capital or their tax treatment.

These liabilities are held at amortised cost, and are not convertible. At the end of 2024, the principal amount of £17.5m was outstanding (2023: £15.0m), all of which was due in a period greater than five years from the accounting date.

4.11 Financial Instruments

(i) Recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Business model assessment:

The 'business model assessment' determines whether the Company's objective is to generate cash flows from collecting contractual cash flows, or by both collecting contractual cash flows and selling financial assets. The assessment is performed at a portfolio level as this best reflects the way business is managed and how information is provided to Management. The assessment is based on Management's expectations. If cashflows are realised in a manner that is different from the original expectation, the classification of the remaining assets in that portfolio is not changed but such information is used when assessing new financial assets going forward.

Cash flow characteristics test:

The assessment of cash flow characteristics determines whether the contractual cash flows of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding and is referred to as the 'SPPI test'. For the purposes of the SPPI test, the principal is defined as the fair value of the financial asset at initial recognition. Interest is defined as consideration for the time value of money and credit risk associated with the principal amount outstanding and for other basic lending rights and costs (e.g. liquidity risk and administrative costs), as well as a reasonable profit margin. The SPPI test is performed at an instrument level based on the contractual terms of the instrument at initial recognition.

Based on those assessments, financial assets are classified as follows:

Amortised cost: A financial asset is classified as measured at amortised cost if it is held within a business model whose objective is to hold the assets to collect contractual cashflows; and its contractual terms give rise on specified dates to cash flows that are SPPI.

FVOCI: A financial asset is classified as FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and its contractual terms give rise on specified dates to cash flows that are SPPI.

FVTPL: Financial assets that are managed on a fair value basis, or not classified as measured at amortised cost or FVOCI as per above, are classified as FVTPL. This includes all derivative financial assets.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be classified as measured at amortised cost or FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement of financial asset categories held by the Company is as follows:

Financial assets at FVTPL: subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of profit or loss and other comprehensive income.

Financial assets at amortised cost: subsequently measured at amortised cost using the effective interest rate method. Amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in the Statement of profit or loss and other comprehensive income. Any gain or loss on derecognition is also recognised in the Statement of profit or loss and other comprehensive income.

Financial assets measured at FVOCI: subsequently measured at fair value, with interest, impairment and foreign exchange gains and losses recognised in profit or loss, with all other gains/losses recognised in other comprehensive income. Upon derecognition amounts in other comprehensive income are reclassified to profit or loss.

Reclassification:

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

(iii) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

The Company classifies its financial liabilities as either measured at amortised cost or FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not: (i) contingent consideration of an acquirer in a business combination; (ii) held-for-trading; or (iii) designated as at FVTPL; are measured subsequently at amortised cost using the effective interest method. Financial liabilities categorised as measured at amortised cost are initially recognised at fair value minus incremental direct transaction costs. Oxbury holds deposits based on amortised cost.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is: (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of resale in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other (Expenditure) /Income' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability. The Company as of year-end has no financial liabilities categorised as FVTPL that this applies to.

(iv) Derecognition

Derecognition is the point at which the company ceases to recognise a financial asset or financial liability on its Balance Sheet.

(a) Financial assets

The Company derecognises a financial asset (or a part of a financial asset) when:

- the contractual rights to the cash flows from the financial asset have expired;
- the Company transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred; or
- the Company transfers the financial asset in a transaction in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the asset. If the Company retains control of the asset it continues to recognise the transferred asset only to the extent of its continuing involvement and derecognises the remainder.

On derecognition of a financial asset the difference between the carrying amount (or the carrying amount allocated to the portion being derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss and other comprehensive income.

(b) Financial liabilities

The Company derecognises financial liability (or a part of a financial liability) when its contractual obligations are extinguished (i.e. discharged, cancelled, or expired).

On derecognition of a financial liability, the difference between the carrying amount (or the carrying amount allocated to the portion being derecognised) and the sum of the consideration paid (including any new asset obtained less any new liability assumed) is recognised in the Statement of profit or loss and other comprehensive income.

(vi) Effective interest rate

The interest income and expense are recognised in profit or loss using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

(vii) Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date.

(viii) Impairment of Financial Assets

The impairment charge in the statement of profit or loss and other comprehensive income includes the change in expected credit losses. Expected credit losses (ECL) are recognised for loans and advances to customers and banks, other financial assets held at amortised cost and loan commitments.

Expected credit losses are calculated as an unbiased and probability weighted estimate using an appropriate probability of default adjusted to take into account a range of possible outcomes. The outcomes are measured in a manner that reflects the time value of money and uses reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The information considers the value of any collateral held, other mitigants of loss and the impact of discounting using the effective interest rate.

At initial recognition, allowance is made for expected credit losses resulting from default events that are possible within the next 12 months. A provision is made in the case of loan commitments resulting from loss events that are possible within the next 12 months. The combination of these are 12-month expected credit losses. In the event of a significant increase in credit risk (SICR) since origination an allowance (or provision) is made for expected credit losses resulting from all possible default events over the expected lifetime of the financial instrument (lifetime expected credit losses).

Measurement of expected credit losses (ECL’s) is based on the ‘stage’ of the financial asset, based on changes in credit risk occurring since the assets initial recognition as explained below:

Stage 1: When a financial asset is first recognised, it is assigned to Stage 1. If there is no significant increase in credit risk from initial recognition the financial asset remains in Stage 1. Stage 1 also includes financial assets where the credit risk has improved and the financial asset has been reclassified back from Stage 2. For financial assets in Stage 1, a 12-month expected credit loss is recognised. The expected credit loss is calculated by multiplying the probability of default (PD) by the outstanding amount that will be expected to be the exposure at default (EAD), the loss ratio in case of default (LGD) and a discounting factor.

Stage 2: When a financial asset shows a SICR from initial recognition it is moved to Stage 2. Stage 2 also includes financial assets where the credit risk has improved and the financial asset has been reclassified back from Stage 3. A similar formula as in Stage 1 is used but a lifetime ECL is recognised for Stage 2 financial assets. Financial assets may also be considered in Stage 2 , based on review including evidence such as deterioration in credit score following late or missing repayments, and irrespective of when the backstop overdue period is met.

Stage 3: When there is objective evidence of impairment and the financial asset is considered to be in default, or otherwise credit impaired, it is moved to Stage 3. Objective evidence of credit impairment would be overdue for 90 days or maybe due to persistent missed payments, significant credit deterioration and assessment by the credit committee. For financial assets in Stage 3, a lifetime ECL is recognised and is calculated by multiplying the outstanding amount at reporting date (EAD) by the probability of default (PD) and the Loss Given Default (LGD).

For loan commitments, where the loan commitment relates to the undrawn component of a facility, it is assigned to the same stage as the drawn component of the facility. For the loans underwritten but not yet originated, the loan commitment is assigned to Stage 1.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Write offs constitute a derecognition event as detailed in (iv) above. Financial assets that are written off can still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. Amounts subsequently recovered on assets previously written off are recognised within other income in the statement of profit or loss.

Receivables can be written off if they:

- have been abandoned through negotiation with the customer in particular as part of an insolvency plan;
- are prescribed; or
- have been the subject of an unfavourable court ruling (negative result of legal proceedings or litigation).

Presentation of loss allowances in the statement of financial position

Loss allowances are presented in the Balance Sheet as follows:

Loans and advances to customers and investment securities: as a deduction from the gross carrying amount of the financial assets; and

Loan commitments: generally, as a provision; and where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the undrawn loan commitment component separately from those on the drawn component; the Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Loans and advances to customers

Loans and advances to customers are financial assets of the Company.

Loan receivables are accounted for as per IFRS 9 and as such they are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate is the internal rate of return to maturity or, for variable rate loans, to the nearest rate adjustment date. The discounted amount of amortisation on any difference between the initial loan amount and the amount payable at maturity is calculated using the effective interest rate.

In addition to the contractual component of the loan receivable, the amortised cost of loan receivables may include arrangement fees paid by customers, and commissions paid for referral of business. These items, which are all factors in the return of the loan, are either deducted from or added to the amount receivable. They are recognised in the Statement of profit or loss and other comprehensive income as a pro-rated portion discounted at the effective interest rate for the loan receivable to which they apply.

(i) Identifying credit risk

Credit risk is defined as the risk of default on a financial asset that may arise from a borrower failing to make required payments.

When determining whether the risk of default on loans and advances to customers has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort as discussed above.

An assessment of whether credit risk has increased significantly since initial recognition considers the change in the risk of default occurring over the remaining expected life of the financial instrument. The assessment is unbiased, probability-weighted and uses forward-looking information consistent with that used in the measurement of expected credit losses. In determining whether there has been a significant increase in credit risk, the Company uses quantitative tests based on relative and absolute probability of default (PD) movements together with qualitative indicators such as watchlists and other indicators of historical delinquency, credit weakness or financial difficulty. However, unless identified at an earlier stage, the credit risk of financial assets is deemed to have increased significantly when more than 30 days past due. Where the credit risk subsequently improves such that it no longer represents a significant increase in credit risk since initial recognition, the asset is transferred back to Stage 1. The transfer back to Stage 1 following cure is 12 months for Stage 2 and 24 months for Stage 3 exposures.

(ii) Calculation of expected credit losses ('ECL's)

ECLs are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), detailed below. ECLs are determined by projecting the PD, EAD and LGD for each future month for each exposure. The three components are multiplied together and adjusted to reflect forward looking information. This calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Probability of default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at default ('EAD') is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

EAD is designed to address increases in utilisation of committed limits and unpaid interest and fees that the Company would ordinarily expect to observe to the point of default, or through to the point of realisation of the collateral.

Loss given default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is expressed as a percentage of the EAD.

Significant increase in credit risk

The Company applies a series of quantitative, qualitative and backstop criteria to determine if an account has demonstrated a significant increase in credit risk and should therefore be moved to Stage 2:

Quantitative criteria: this considers the increase in an account's lifetime PD at the reporting date compared to the expected PD when the account was originated.

Qualitative criteria: this includes the observation of specific events such as forbearance, watchlist information and expert review.

Backstop criteria: IFRS 9 includes a rebuttable presumption that 30 days past due is an indicator of a significant increase in credit risk. The Company considers 30 days past due to be an appropriate backstop measure and does not rebut this presumption.

(iii) Forward-looking information

IFRS 9 introduced into the credit risk-related expected loss (ECL) calculation the notion of "forward looking". Through this notion, the requirements in terms of monitoring and measuring credit risk are introduced with the use of forward-looking data, in particular of macroeconomic type.

The incorporation of forward-looking data is not intended to determine a prudential margin on the amount of provisions. It mainly concerns taking account of the fact that past observations do not necessarily reflect future expectations and consequently adjustments are necessary to the amount of the provision determined on the basis of parameters calibrated exclusively on a historic basis. Such adjustments of the amount of the provision can be made either upwards or downwards.

(iv) Definition of default

The Company considers a financial asset to be in default, with respect to loan receivables, as soon as:

- one or more instalments have remained unpaid for at least three months or 90 days (or first unpaid instalment on a forborne exposure); or
- the deterioration in the counterparty's financial circumstances translates into a risk of non-collection. In particular in the event of over-indebtedness/insolvency procedures, receivership, bankruptcy, compulsory liquidation, personal bankruptcy or liquidation of assets; or
- there are direct litigation proceedings with the counterparty.

(v) Critical accounting estimates and judgements

The recognition and measurement of ECL involves the use of judgements and estimates. Macroeconomic indicators such as GDP and employment historically have not impacted Agricultural output, and the impact on a forward looking scenario-based methodology has no significant and in fact is of limited impact, which has been indicated by the sensitivity analysis of the major factors impacting the calculation below.

Sensitivity analysis:

Changes in the probability of default and loss given default assumptions could be driven by actual default performance, seasoning of the portfolio or changes in the collateral values, which would affect the allowance for credit losses.

The Company measures the allowance for credit loss at 12-month expected credit losses. If it is determined the credit risk of a receivable has increased significantly since origination, the Company increases the measurement of credit loss to an amount equal to the lifetime expected credit loss.

The sensitivity to the key elements of the calculations has been performed by a credit score deterioration of 1 decile which corresponds to an increase in the probability of default. A 10% movement in the written down value of security has also been applied. The year-end expected credit loss value would have increased by approximately £793k (2023: £406K) if solely based on the deterioration of the major factors and would have been reduced by approximately £315k (2023: £153k) if solely based on their improvement. Overall, the effect on the ECL coverage increases to 0.19% from 0.12% when factors deteriorate and decreases to 0.09% from 0.12% when factors improve.

Loans and Advances to customers			
Group & Company	**Stage 1**	**Stage2**	**Stage3**
	£'000	**£'000**	**£'000**
Balance as at 1 January 2024	596,825	8,272	614
Increase in loans and advances to customers	412,455	4,426	4,576
Gross loans and advances to customers	**1,009,280**	**12,698**	**5,190**
Less: allowance for losses on loans and advances	(1,236)	(45)	(63)
Net loans and advances to customers as at 31 December 2024	**1,008,044**	**12,653**	**5,127**

	2024	**2023**
	£'000	**£'000**
Gross loans and advances to customers	1,027,168	606,256
Less: allowance for losses on loans and advances	(1,344)	(545)
Net loans and advances to customers as at 31 December 2024	**1,025,824**	**605,711**
of which :	95,270	42,471
Due within one year	930,554	563,240
Due after one year	**1,025,824**	**605,711**

Further analysis of loans and advances is provided in Note 19 and 25

	2024	**2023**
	£'000	**£'000**
Fair value of collateral held (Full)	1,529,362	1,473,303

Where required, collateral would be realised up to the maximum exposure of the obligor.

4.12 Interest Receivable and Other Income

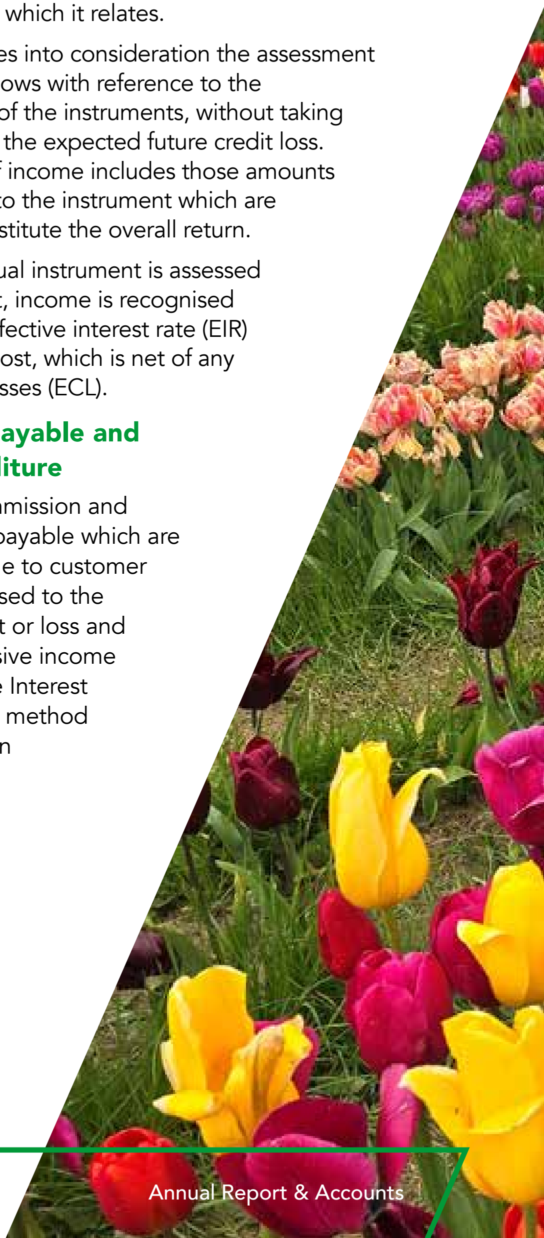
Interest income and similar income for interest bearing financial instruments is recognised using the effective interest rate (EIR) method. The EIR methodology calculates the amortised cost of a financial asset and allocates the interest over the period to which it relates.

The Company takes into consideration the assessment of expected cashflows with reference to the contractual terms of the instruments, without taking into consideration the expected future credit loss. The recognition of income includes those amounts which are related to the instrument which are considered to constitute the overall return.

Where the individual instrument is assessed as being in default, income is recognised by applying the effective interest rate (EIR) to the amortised cost, which is net of any expected credit losses (ECL).

4.13 Interest Payable and Similar Expenditure

Interest, fees, commission and transaction costs payable which are directly attributable to customer savings are expensed to the statement of profit or loss and other comprehensive income using the Effective Interest Rate method (EIR) method and are included in interest expense.



5. Interest receivable and similar income, Interest payable and similar expenditures and Other Income

Interest and similar income/expense

Net interest income comprises interest income and interest expense calculated using the effective interest method. These are disclosed separately on the face of the statement of profit or loss and other comprehensive income for both interest income and interest expense to provide comparable information.

Group & Company		
	Year ended 31st Dec 24 £000s	**Year ended 31st Dec 23 £000s**
Interest receivable & similar income		
Interest income from loans and advances to customers	61,691	34,375
Interest from placement of funds with counterparties	50,776	14,255
Total	**112,467**	**48,630**
Interest payable & similar expenditure		
Interest expense on customer deposits	81,057	29,256
Other interest expenditure	3	2
Total	**81,060**	**29,258**

Other Expenditure/Income

The Company and Group incurred Other Net Expenditure of £104k. (2023: Company and Group generated net fee income of £22k)

6. Staff Costs

The total number of employees in the Group as at December 2024 is 218, and in the Company 211. (2023 – Group: 169; Company: 168).

	Group			
	Total as at 31st Dec 2024	**Average during 2024**	**Total as at 31st Dec 2023**	**Average during 2023**
Management	12	12	11	11
Other	206	176	158	136
Total	**218**	**188**	**169**	**147**
	Company			
	Total as at 31st Dec 2024	**Average during 2024**	**Total as at 31st Dec 2023**	**Average during 2023**
Management	12	12	11	11
Other	199	172	157	135
Total	**211**	**184**	**168**	**146**

The aggregate remuneration comprised (including directors):

	Group		**Company**	
GBP (000s)	**Year to 31st Dec 24**	**Year to 31st Dec 23**	**Year to 31st Dec 24**	**Year to 31st Dec 23**
Salaries and bonuses including share-based payment provision	8,970	6,478	8,843	6,451
Social security contributions	923	726	905	723
Pension contributions	1,026	671	993	670
Staff costs per statement of profit or loss and other comprehensive income	**10,919**	**7,875**	**10,741**	**7,844**
Capitalised Salaries – **not included in the above**				
Salaries, wages and bonuses	1,639	1,617	1,400	1,617
Social security contributions	245	169	218	169
Total Remuneration in the year	**12,803**	**9,661**	**12,359**	**9,630**

7. Key Management Remuneration

Group & Company		
GBP (000s)	**Year ended 31st Dec 24**	**Year ended 31st Dec 23**
Fees, wages, benefits and bonuses	2,255	1,701
Share based payment provision	49	31
Social security contributions	294	220
Pension contributions	105	104
Total Remuneration	**2,703**	**2,056**

Key management are defined as members of the Bank's Executive Committee plus executive and non-executive directors.

8. Total Directors Remuneration

Group & Company		
GBP (000s)	**Year to 31st Dec 24**	**Year to 31st Dec 23**
Fees, wages, benefits and bonuses	1,129	877
Share based payment provision	6	6
Social security contributions	147	113
Pension contributions	21	59
Total Remuneration	**1,303**	**1,055**

Highest Paid Director Remuneration Group & Company		
GBP (000s)	**Year to 31st Dec 24**	**Year to 31st Dec 23**
Fees, wages, benefits and bonuses	401	298
Social security contributions	54	40
Pension contributions	11	29
Total Remuneration	**466**	**367**

Director's remuneration has not been capitalised (2023: Zero).

9. Other Operating Expense

	Group		Company	
GBP (000s)	**Year to 31st Dec 24**	**Year to 31st Dec 23**	**Year to 31st Dec 24**	**Year to 31st Dec 23**
Other operating costs	6,026	4,134	5,986	3,970
Foreign exchange loss	11	3	9	3
Legal and Professional fees	1,386	831	1,283	831
External audit fees	761	667	761	667
Total Other Operating Expense	**8,184**	**5,635**	**8,039**	**5,471**

Of the £761k total external audit fees disclosed above, £719k relates to the audit of these financial statements and £42k to 2023. (2023: £667k total; of which £596k relates to 2023 and £71k to 2022).

10. Finance costs

Group & Company		
GBP (000s)	**Year ended 31st Dec 24**	**Year ended 31st Dec 23**
Finance Expense:		
Finance of Subordinated Debt	1,996	1,206
Finance element of lease agreements	71	43
Total 31st December 2024	**2,067**	**1,249**

11. Taxation

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

	Group		Company	
GBP (000s)	**Year to 31st Dec 24**	**Year to 31st Dec 23**	**Year to 31st Dec 24**	**Year to 31st Dec 23**
Profit on ordinary activities before taxation	6,911	2,609	7,488	3,047
Standard rate of corporation tax	25.00%	23.52%	25.00%	23.52%
Expected Tax Charge (pre refund)	**1,728**	**614**	**1,872**	**717**
Effects of: Disallowable expenses	117	45	117	45
Group deduction allowance	-	-	(90)	
Movement in deferred tax asset not recognised	-	58	-	58
Timing differences	-	(28)	-	(54)
Adjustment: prior year(s) in respect of R&D claim	-	(341)	-	(341)
Adjustment: prior year in respect of deferred tax	(274)	263	(274)	263
Impact of tax rate change	-	45	-	45
Tax impact on consolidation	55	77	-	-
Tax charge for the year	**1,625**	**733**	**1,625**	**733**
Of which:				
Current Tax				
Current Year – Corporation Tax	358	-	358	-
R&D tax credits	-	(341)	-	(341)
Adjustment in respect of prior years	-	-	-	-
	358	**(341)**	**358**	**(341)**
Deferred Tax				
Current Year	1,541	1,074	1,541	1,074
Adjustment in respect of prior years	(274)	-	(274)	-
Impact as a result of a change in tax rate	-	-	-	-
	1,267	**1,074**	**1,267**	**1,074**
Tax charge for the year	**1,625**	**733**	**1,625**	**733**

	Group		Company	
GBP (000s)	**Year to 31st Dec 24**	**Year to 31st Dec 23**	**Year to 31st Dec 24**	**Year to 31st Dec 23**
Deferred Tax Asset on losses brought forward:	3,703	4,666	3,703	4,666
Movement in the year	(1,699)	(875)	(1,699)	(875)
Other	39	-	-	-
Prior year adjustment	472	(88)	472	(88)
Deferred tax asset recognised	**2,515**	**3,703**	**2,476**	**3,703**
Deferred tax liability on tangible and intangible assets brought forward:	(494)	(383)	(494)	(383)
Prior year adjustment	(197)	(175)	(197)	(175)
Movement in the year	157	64	157	64
Total deferred tax liability recognised	**(534)**	**(494)**	**(534)**	**(494)**

Tax losses were anticipated in the initial years of the Company's development as the Bank build completed, along with initial trading expectations as the income generating assets are acquired. These tax losses were available for carry forward against future taxable profits, being reported in the "Total deferred tax asset recognised at year end" total. The carrying value further declined through 2024, with the profitable trading result utilising the brought forward losses to mitigate tax liabilities. The Directors concluded that it was appropriate to recognise a deferred tax asset due to expected profitability, which has since been partially realised due to the profitable trading position. Based on the forecasted trading position, the Board expects the realisation of the asset within the foreseeable future.

The company has an unrecognized deferred tax asset of £64k calculated at a rate of 25% (gross value: £256k) in respect of share options unvested at year end (FY23: £57k) due to uncertainty on the exercise of this options such that they can only be exercised in the event of an exit.

Deferred tax liabilities represent taxes which are owed but are not due to be paid until a future date and refer to tangible and intangible assets held by Oxbury at the balance sheet date.

In relation to a claim made under the government Research and Development tax relief scheme focussing on innovation in technology, unlike in 2023, the Company did not receive a Research and Development tax credit (2023: £341k), due to the scheme not paying out funds where the company traded profitably in the relevant period. However, the company did receive tax credits in the year, which can be utilised to offset future losses due to the claim that was made.

12. Subordinated Loan

GBP (000s)	Group		Company	
	Year ended 31st Dec 24	Year to 31st Dec 23	Year to 31st Dec 24	Year to 31st Dec 23
Brought forward	15,191	7,665	15,191	7,665
Issued during 2024 – Cash Inflow	2,500	7,500	2,500	7,500
Carried forward – 31 Dec 2024	**17,691**	**15,165**	**17,691**	**15,165**
Change in accrued interest	107	26	107	26
Subordinated Loan	**17,798**	**15,191**	**17,798**	**15,191**

All notes are due after 5 years. The accrued interest is due within 1 year.

Subordinated liabilities by maturity – Group and Company - 31 December 2024					
GBP (000s)	Less than 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Subordinated loan	496	1,516	8,061	24,252	**34,325**

Cashflows are shown on an undiscounted basis.

Subordinated liabilities by maturity – Group and Company - 31 December 2023					
GBP (000s)	Less than 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Subordinated loan	430	1,300	6,905	22,284	**30,919**

13. Property & Equipment

Group				
GBP (000s)	**Fixtures, Fittings & Office Equipment**	**Computer & IT Equipment**	**Right of Use Assets**	**Total**
Cost				
Brought forward at 1st Jan 2024	142	265	1,039	**1,446**
Additions in 2024	35	84	7	**126**
Cost as at 31st Dec 2024	**177**	**349**	**1,046**	**1,572**
Accumulated Depreciation				
Brought forward at 1st Jan 2024	(54)	(180)	(240)	**(474)**
Depreciation charge for 2024	(62)	(78)	(166)	**(306)**
Depreciation as at 31st Dec 2024	**(116)**	**(258)**	**(406)**	**(780)**
Net Book Value as at 31st Dec 2024	**61**	**91**	**640**	**792**
Net Book Value as at 31st Dec 2023	**88**	**85**	**799**	**972**

The right of use assets relates to the office facilities contracted by Oxbury, commencing 1st September 2021 and 1st December 2022 (vacated November 2023) and 19th September 2023 and 17th November 2023. The total of cash outflows in the year in relation to the right of use asset totalled £182k (2023 £168k.)

Group				
GBP (000s)	**Fixtures, Fittings & Office Equipment**	**Computer & IT Equipment**	**Right of Use Assets**	**Total**
Cost				
Brought forward at 1st Jan 2023	48	171	483	**702**
Additions in 2023	94	94	576	**764**
	142	265	1,059	**1,466**
Disposals in 2023	-	-	(20)	**(20)**
Cost as at 31st Dec 2023	**142**	**265**	**1,039**	**1,446**
Accumulated Depreciation				
Brought forward at 1st Jan 2023	(27)	(121)	(124)	**(272)**
Depreciation charge for 2023	(27)	(59)	(123)	**(209)**
	(54)	(180)	(247)	**(481)**
Depreciation on disposals in 2023	-	-	7	**7**
Depreciation as at 31st Dec 2023	**(54)**	**(180)**	**(240)**	**(474)**
Net Book Value as at 31st Dec 2023	**88**	**85**	**799**	**972**
Net Book Value as at 31st Dec 2022	**21**	**50**	**359**	**430**

13. Property & Equipment (continued)

Company				
GBP (000s)	**Fixtures, Fittings & Office Equipment**	**Computer & IT Equipment**	**Right of Use Assets**	**Total**
Cost				
Brought forward at 1st Jan 2024	142	263	1,039	**1,444**
Additions in 2024	35	78	7	**119**
Cost as at 31st Dec 2024	**177**	**341**	**1,046**	**1,563**
Accumulated Depreciation				
Brought forward at 1st Jan 2024	(54)	(179)	(240)	**(473)**
Depreciation charge for 2024	(62)	(77)	(165)	**(304)**
Depreciation as at 31st Dec 2024	**(116)**	**(256)**	**(405)**	**(777)**
Net Book Value as at 31st Dec 2024	**61**	**85**	**641**	**786**
Net Book Value as at 31st Dec 2023	**88**	**84**	**799**	**971**

The right of use assets relates to the office facilities contracted by Oxbury, commencing 1st September 2021 and 1st December 2022 (vacated November 2023) and 19th September 2023 and 17th November 2023. The total of cash outflows in the year in relation to the right of use asset totalled £182k (2023 £168k).

Company				
GBP (000s)	**Fixtures, Fittings & Office Equipment**	**Computer & IT Equipment**	**Right of Use Assets**	**Total**
Cost				
Brought forward at 1st Jan 2023	48	169	483	**700**
Additions in 2023	94	94	576	**764**
	142	263	1,059	**1,464**
Disposals in 2023	-	-	(20)	**(20)**
Cost as at 31st Dec 2023	**142**	**263**	**1,039**	**1,444**
Accumulated Depreciation				
Brought forward at 1st Jan 2023	(27)	(120)	(124)	**(271)**
Depreciation charge for 2023	(27)	(59)	(123)	**(209)**
	(54)	(179)	(247)	**(480)**
Depreciation on disposals in 2023	-	-	7	**7**
Depreciation as at 31st Dec 2023	**(54)**	**(179)**	**(240)**	**(473)**
Net Book Value as at 31st Dec 2023	**88**	**84**	**799**	**971**
Net Book Value as at 31st Dec 2022	**21**	**49**	**359**	**429**

14. Intangible Assets

The intangible asset relates specifically to the cost of the development of the operating system which will provide the customer interaction which drives revenues.

Group			
GBP (000s)	**Operating System Software**	**Trademarks**	**Total**
Cost			
Brought forward at 1st Jan 2024	10,044	6	10,050
Additions in 2024	2,062	20	2,082
	12,106	26	12,132
Disposals in 2024	-	-	-
Cost as at 31st Dec 2024	**12,106**	**26**	**12,132**
Accumulated Amortisation			
Brought forward at 1st Jan 2024	(3,668)	-	(3,668)
Amortisation charge for 2024	(1,885)	-	(1,885)
	(5,553)	-	(5,553)
Amortisation on disposals in 2024	-	-	-
Amortisation as at 31st Dec 2024	**(5,553)**	**-**	**(5,553)**
Net Book Value as at 31st Dec 2024	**6,553**	**26**	**6,579**
Net Book Value as at 31st Dec 2023	**6,376**	**6**	**6,382**

Group			
GBP (000s)	**Operating System Software**	**Trademarks**	**Total**
Cost			
Brought forward at 1st Jan 2023	7,763	6	7,769
Additions in 2023	2,281	-	2,281
	10,044	6	10,050
Disposals in 2023	-	-	-
Cost as at 31st Dec 2023	**10,044**	**6**	**10,050**
Accumulated Amortisation			
Brought forward at 1st Jan 2023	(2,309)	-	(2,309)
Amortisation charge for 2023	(1,359)	-	(1,359)
	(3,668)	-	(3,668)
Amortisation on disposals in 2023	-	-	-
Amortisation as at 31st Dec 2023	**(3,668)**	**-**	**(3,668)**
Net Book Value as at 31st Dec 2023	**6,376**	**6**	**6,382**
Net Book Value as at 31st Dec 2022	**5,454**	**6**	**5,460**

14. Intangible Assets (continued)

Company			
GBP (000s)	**Operating System Software**	**Trademarks**	**Total**
Cost			
Brought forward at 1st Jan 2024	8,534	6	8,540
Additions in 2024	1,624	20	1,644
	10,158	26	10,184
Disposals in 2024	-	-	-
Cost as at 31st Dec 2024	**10,158**	**26**	**10,184**
Accumulated Amortisation			
Brought forward at 1st Jan 2024	(3,124)	-	(3,124)
Amortisation charge for 2024	(1,633)	-	(1,633)
	(4,757)	-	(4,757)
Amortisation on disposals in 2024	-	-	-
Amortisation as at 31st Dec 2024	**(4,757)**	**-**	**(4,757)**
Net Book Value as at 31st Dec 2024	**5,401**	**26**	**5,427**
Net Book Value as at 31st Dec 2023	**5,410**	**6**	**5,416**

Company			
GBP (000s)	**Operating System Software**	**Trademarks**	**Total**
Cost			
Brought forward at 1st Jan 2023	6,253	6	6,259
Additions in 2023	2,281	-	2,281
	8,534	6	8,540
Disposals in 2023	-	-	-
Cost as at 31st Dec 2023	**8,534**	**6**	**8,540**
Accumulated Amortisation			
Brought forward at 1st Jan 2023	(2,007)	-	(2,007)
Amortisation charge for 2023	(1,117)	-	(1,117)
	(3,124)	-	(3,124)
Amortisation on disposals in 2023	-	-	-
Amortisation as at 31st Dec 2023	**(3,124)**	**-**	**(3,124)**
Net Book Value as at 31st Dec 2023	**5,410**	**6**	**5,416**
Net Book Value as at 31st Dec 2022	**4,246**	**6**	**4,252**

15. Related party transactions

Group & Company

Director and Key management emoluments are separately disclosed within Notes 7 and 8.

Transactions with Directors and key management

The table below discloses outstanding balance and transactions with key personnel, comprised of Directors and members of the executive committee, and close family members.

	Number of individuals 2024	Total value 2024	Number of individuals 2023	Total value 2023
Savings				
Balances outstanding at the end of the reporting period	14	£962k	13	£1,151k
Interest expense for Oxbury	16	£44k	13	£45k

No loans or advances were made to key management during the year (2023 – Nil).

Material transactions with entities for which key management personnel of Oxbury were key management of those entities and had the potential to impact financial and operating policies in Oxbury.

- CR CM and HJ Percy trading as Cottingham Farms – Oxbury Bank plc held £1k of deposits for this business at the end of the year. The business realised less than £1k of interest income from Oxbury Bank (2023: Zero deposits and zero Interest expense). The entity held a lending balance with Oxbury of less than £1k at the end of the year and having less than £1k of interest expense. (2023: Less than £1k of lending and less than £1k of interest).
- HL Hutchinson Ltd – Oxbury Bank plc held deposits of £10,778k for this entity at the end of the year, and incurred £397k of interest expense (2023: Deposits £6,381k and Interest expense £286k). No income was recognised in the year (2023: £0k).
- Frontier Agriculture Limited – Oxbury recognised £468k of interest income in the year on the loans guaranteed by Frontier. (2023: £406k).
- Frontier provided a guarantee against £31,674k of the loans and advances to customers as at Dec-24 (2023: £26,703k).
- Oxbury Earth Ltd – a wholly owned company – Oxbury Bank held deposits of £711k (2023: £711k) at the year end and incurred no interest expense. There was an interest free Inter-company loan balance of £1,173k owed by Oxbury Earth to Oxbury Bank, comprising of costs paid on behalf of the subsidiary by Oxbury Bank (Dec 2023 £408k). Oxbury Bank Plc incurred a cost of £72k (including VAT) for the year from Oxbury Earth Ltd in relation to a service contract (2023 £72k).
- Dunthrop Farms Limited – The entity was no longer a related party at the year ended 31st December 2024 (2023: Loan £552k and £39k interest income).

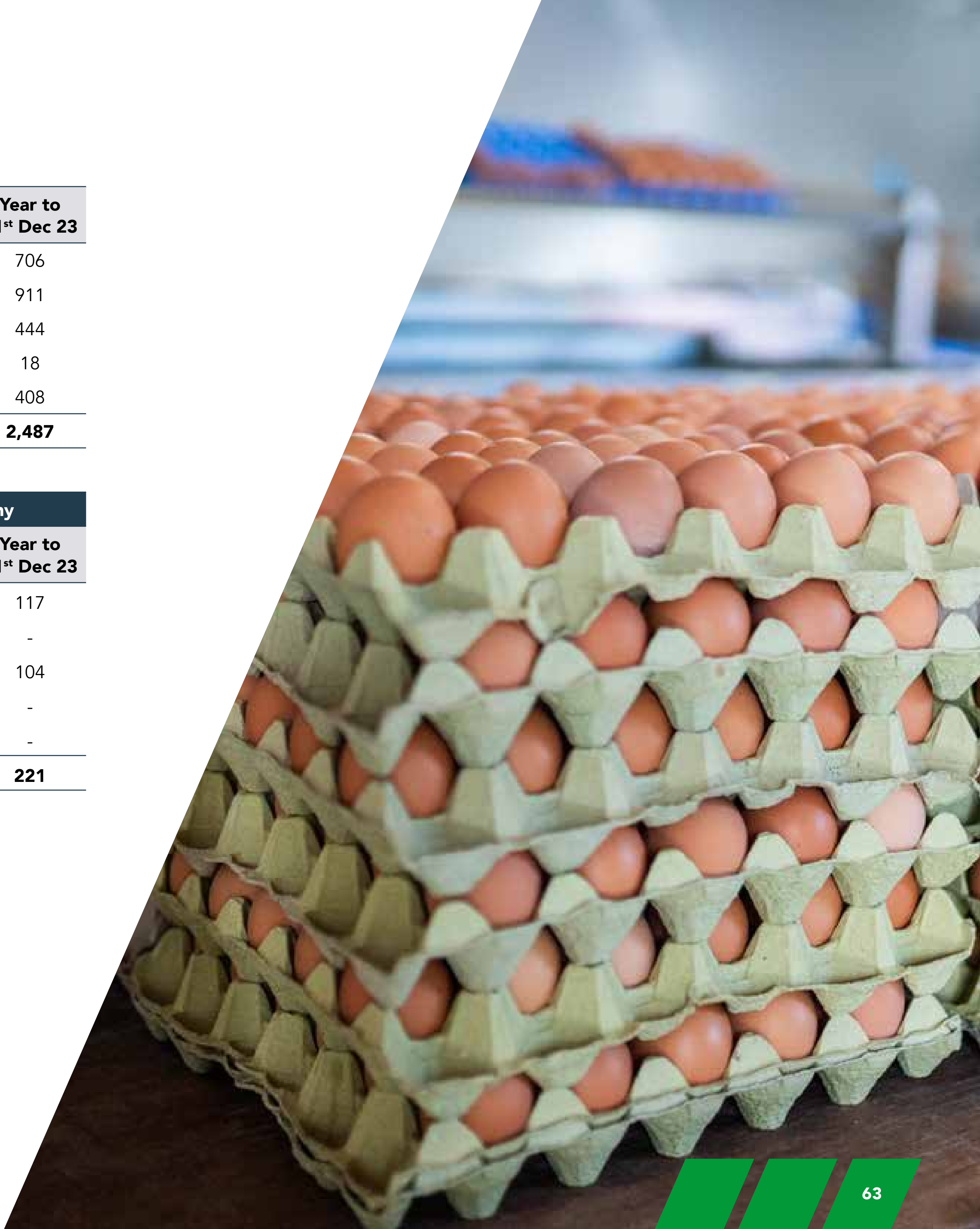
IAS 24 related parties include those individuals who provide key management personnel services to Oxbury, including having the authority and responsibility for planning, directing, and controlling the activities of the business. Entities are determined as related parties where a member of the key management personnel of Oxbury is also a member of key management of that third party entity and had the potential to impact financial and operating policies, and a material transaction was in place during the year.

16. Other Assets

GBP (000s)	Year to 31st Dec 24	Year to 31st Dec 23	Year to 31st Dec 24	Year to 31st Dec 23
Prepayments	1,251	706	1,241	706
Accrued Income & Deferred Payments	2,934	911	2,934	911
Other Assets	107	418	117	444
Trade Receivables	60	18	60	18
Inter-Company Loan	-	-	1,173	408
Total	**4,352**	**2,053**	**5,525**	**2,487**

Of which; falling due after more than one year:

	Group		Company	
GBP (000s)	**Year to 31st Dec 24**	**Year to 31st Dec 23**	**Year to 31st Dec 24**	**Year to 31st Dec 23**
Prepayments	271	117	271	117
Accrued Income & Deferred Payments	-	-	-	-
Other Assets	104	104	104	104
Trade Receivables	-	-	-	-
Inter-Company Loan	-	-	-	-
Total	**375**	**221**	**375**	**221**



17. Other Liabilities and Accruals

	Group		Company	
GBP (000s)	**Year to 31st Dec 24**	**Year to 31st Dec 23**	**Year to 31st Dec 24**	**Year to 31st Dec 23**
Trade Creditors	183	385	168	365
Taxes and Social Security	378	289	358	288
Corporation Tax	358	-	358	-
Lease Liabilities	709	818	709	818
Accruals, Deferred Income & Other Liabilities	8,836	5,759	8,857	5,938
Total	**10,464**	**7,251**	**10,449**	**7,409**

Of which; falling due after more than one year:

	Group		Company	
GBP (000s)	**Year to 31st Dec 24**	**Year to 31st Dec 23**	**Year to 31st Dec 24**	**Year to 31st Dec 23**
Trade Creditors	-	-	-	-
Taxes and Social Security	-	-	-	-
Lease Liabilities	523	632	523	632
Accruals, Deferred Income & Other Liabilities	-	-	-	-
Total	**523**	**632**	**523**	**632**

Included in the balances shown against Accruals, Deferred Income & Other Liabilities (both Group and Company), £7,130k is deferred income (2023 £5,055k) which relates to income such as fees on lending facilities, which are recognised across the life of the facility in line with the calculation of the Effective Interest Rate.

18. Capital Management

Group & Company

Oxbury manages the Bank's capital position to achieve the maintenance of sufficient capital in terms of both quantum and quality to meet its regulatory requirements. These requirements were met at all times during the financial period.

The requirements are assessed through the Internal Capital Adequacy Assessment Process (ICAAP), which provides a review of the planned capital requirements over a five-year period.

Through this process, Oxbury assesses the primary risks to which it is exposed, and the resultant capital requirements. Oxbury applies the standard approach to capital calculations for credit risk, and the basic indicator approach for operational risk.

At the end of the financial year, Oxbury held Common Equity Tier 1 regulatory capital, comprising share capital, share premium and retained earnings, together with required regulatory adjustments totalling £136m.

The ratio of the total available capital to total risk weighted assets at the end of 2024 was 22.5% (2023: 19%)

Oxbury manages capital to maintain an appropriate capital structure for its operations, taking into consideration both cost and availability.

In the year the management of capital included the total share capital of the Company and cash resources.

The management of capital is through the review of the financial performance to expectations and cash resources held by the business.

The comparison of the available and required capital positions are reviewed formally on a monthly basis.


Oxbury
The Agricultural Bank

19. Financial Risk Management

Group & Company

The Company's operations expose it to credit risk, liquidity risk, interest rate risk and business risk; it is not exposed to any significant foreign exchange risk. Responsibility for the control of overall risk lies with the board of directors, operating within a management framework. The interest rate and liquidity risk faced by the Company is managed by the Asset and Liability Committee.

The credit risk is carefully monitored by the Company's credit committee and credit functions in practice, day to day, under oversight of management. Business risk, defined as risk potentially posed through changes in the company'sfirms business - including income volatility and business model viability, is managed through regular reporting and oversight.

Credit Risk

Credit risk management

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due and is managed through the application of strict underwriting criteria, determined by the Company's credit committee and credit functions. Significant credit exposures are measured and reported on a regular basis. Expected credit loss provisions are provided for losses that are expected to be incurred at the Balance sheet date. The risk to financial institutions which the Directors believe the Company is materially exposed to at the reporting date is credit risk of the cash held at banks, and the counterparty failing to meet its obligations.

Oxbury mitigates this risk through the use of banking partners, either with a sufficient credit rating or where a credit rating is not available, sufficient due diligence, to inform that the deposited funds are not at risk. Oxbury has a Reserve Account at the Bank of England, in which excess funds are deposited as a risk mitigating activity.

Institution	Balance	Credit Rating Long Term	Credit Rating Short Term	Source	Date
Santander UK plc	£843k	A-1	P-1	Fitch	Nov-24
James Brearley	£104k	N/A	N/A	N/A	N/A
ClearBank Limited	£20,592k	N/A	N/A	N/A	N/A
Bank of England	£1,470,898k	AA-	N/A	Fitch	Sep-24

For loans and advances. credit risk arises both from amounts lent and commitments to extend credit to a customer, principally loan commitments In measuring the credit risk of loans and advances, the Company reflects three components: (i) the 'probability of default' of an obligor defaulting (credit event) on some obligation (ii) current exposures to the counterparty and their likely future development, from which the Company derives the 'exposure at default'; and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default').

Credit risk mitigation

Credit principles set out the approach to which credit risk is managed, which in turn is the basis for credit policy. Principles and policy are reviewed regularly, and any changes are subject to a review and approval process. Credit policy includes lending guidelines, which define the responsibilities of lending officers and provide a disciplined and focused benchmark for credit decisions.

Concentration risk: Credit risk management is monitored against defined risk appetite.

Counterparty limits: Credit risk is subject to individual credit assessments, which consider the strengths and weaknesses of individual transactions and the balance of risk and reward. The Company's exposure to individual counterparties, groups of counterparties or customer risk segments is controlled through a tiered hierarchy of delegated sanctioning authorities.

Credit concentration: Loans and advances to customers: The Company lends to customers geographically located in the United Kingdom. Collateral held as security against loans and advances to customers is primarily in the form of Legal mortgage followed by Agricultural charges, Debentures and Guarantees.

Loans, commitments & related ECL by PD Grade:

December 2024

Loans and advances to customers - gross carrying value

		Stage 1	Stage2	Stage3	Total
	PD range	£'000	£'000	£'000	£'000
Grade 1	0.00 - 0.36%	540,735	4,936	44	**541,072**
Grade 2	0.37 - 0.85%	170,235	1,774	-	**172,663**
Grade 3	0.86 - 1.61%	228,368	4,471	36	**236,984**
Grade 4	1.62 - 3.45%	46,034	1,457	107	**47,599**
Grade 5	3.45 - 6.25%	10,977	21	3,519	**14,415**
Grade 6	6.26 - 100%	12,931	39	1,483	**14,436**
		1,009,280	**12,698**	**5,190**	**1,027,168**

Loans commitments

		Stage 1	Stage2	Stage3	Total
	PD range	£'000	£'000	£'000	£'000
Grade 1	0.00 - 0.36%	52,806	17	2	**52,825**
Grade 2	0.37 - 0.85%	10,079	-	-	**10,079**
Grade 3	0.86 - 1.61%	17,174	72	-	**17,246**
Grade 4	1.62 - 3.45%	5,198	-	-	**5,198**
Grade 5	3.45 - 6.25%	3,946	3	20	**3,970**
Grade 6	6.26 - 100%	1,701	47	-	**1,748**
		90,903	**140**	**22**	**91,065**

All loans and advances in Stage 1 are less than 30 days past due. Stage 2 loans are between 30 and 90 days overdue or deemed to have significantly increased for credit risk in line with accounting policies in note 4.14. Exposures included in Stage 3 are in excess of 90 days overdue, or deemed to have defaulted.

Loans and advances to customers - Expected credit loss

In respect to drawn facilities

		Stage 1	Stage2	Stage3	Total
	PD range	£'000	£'000	£'000	£'000
Grade 1	0.00 - 0.36%	373	14	20	**406**
Grade 2	0.37 - 0.85%	116	1	-	**117**
Grade 3	0.86 - 1.61%	307	17	1	**325**
Grade 4	1.62 - 3.45%	173	10	1	**185**
Grade 5	3.45 - 6.25%	74	2	18	**94**
Grade 6	6.26 - 100%	194	1	23	**218**
		1,236	**45**	**63**	**1,344**

In respect to undrawn facilities

		Stage 1	Stage2	Stage3	Total
	PD range	£'000	£'000	£'000	£'000
Grade 1	0.00 - 0.36%	29	-	-	**29**
Grade 2	0.37 - 0.85%	12	-	-	**12**
Grade 3	0.86 - 1.61%	43	1	-	**44**
Grade 4	1.62 - 3.45%	32	-	-	**32**
Grade 5	3.45 - 6.25%	15	-	-	**15**
Grade 6	6.26 - 100%	32	-	-	**32**
		163	**1**	**-**	**164**

December 2023

Loans and advances to customers - gross carrying value

		Stage 1	Stage2	Stage3	Total
	PD range	£'000	£'000	£'000	£'000
Grade 1	0.00 - 0.36%	334,976	2,700	-	**337,676**
Grade 2	0.37 - 0.85%	89,951	-	-	**89,951**
Grade 3	0.86 - 1.61%	123,104	1,095	-	**124,199**
Grade 4	1.62 - 3.45%	30,626	18	-	**30,644**
Grade 5	3.45 - 6.25%	14,523	3,960	-	**18,483**
Grade 6	6.26 - 100%	4,152	530	621	**5,303**
		597,332	**8,303**	**621**	**606,256**

Loans commitments

		Stage 1	Stage2	Stage3	Total
	PD range	£'000	£'000	£'000	£'000
Grade 1	0.00 - 0.36%	32,940	-	-	**32,940**
Grade 2	0.37 - 0.85%	8,848	-	-	**8,848**
Grade 3	0.86 - 1.61%	12,495	22	-	**12,517**
Grade 4	1.62 - 3.45%	3,505	2	-	**3,507**
Grade 5	3.45 - 6.25%	882	-	-	**882**
Grade 6	6.26 - 100%	932	-	-	**932**
		59,602	**24**	**-**	**59,626**

Loans and advances to customers - Expected credit loss

In respect to drawn facilities

		Stage 1	Stage2	Stage3	Total
	PD range	£'000	£'000	£'000	£'000
Grade 1	0.00 - 0.36%	116	4	-	**120**
Grade 2	0.37 - 0.85%	50	-	-	**50**
Grade 3	0.86 - 1.61%	134	3	-	**137**
Grade 4	1.62 - 3.45%	94	-	-	**94**
Grade 5	3.45 - 6.25%	55	18	-	**73**
Grade 6	6.26 - 100%	58	6	7	**71**
		507	**31**	**7**	**545**

In respect to undrawn facilities

		Stage 1	Stage2	Stage3	Total
	PD range	£'000	£'000	£'000	£'000
Grade 1	0.00 - 0.36%	18	-	-	**18**
Grade 2	0.37 - 0.85%	12	-	-	**12**
Grade 3	0.86 - 1.61%	26	-	-	**26**
Grade 4	1.62 - 3.45%	19	-	-	**19**
Grade 5	3.45 - 6.25%	9	-	-	**9**
Grade 6	6.26 - 100%	14	-	-	**14**
		98	**-**	**-**	**98**

Loans, commitments & related ECL Movement Analysis:

31st December 2024

Analysis of movement in the Gross carrying amounts for loans and advances by stage:				
In respect to drawn facilities	**Stage 1**	**Stage2**	**Stage3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Balance as at 1 January 2024	597,332	8,303	621	**606,256**
Increase due to origination	437,625	-	-	**437,625**
(Decreases)/Increases due to changes in credit risk	(12,116)	(4,682)	85	**(16,713)**
Transfer from Stage1 to Stage2	(9,077)	9,077	-	**-**
Transfer from Stage1 to Stage3	(965)	-	965	**-**
Transfer from Stage2 to Stage3	-	(3,519)	3,519	**-**
Transfer from Stage3 to Stage2	-	-	-	**-**
Transfer from Stage3 to Stage1	-	-	-	**-**
Transfer from Stage2 to Stage1	-	-	-	**-**
At 31 December 2024	**1,012,799**	**9,179**	**5,190**	**1,027,168**

In respect to undrawn facilities	**Stage 1**	**Stage2**	**Stage3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Balance as at 1 January 2024	59,602	24	-	**59,626**
Drawdown on opening	(37,331)	(2)	-	**(37,333)**
Increase due to origination	68,632	118	22	**68,772**
At 31 December 2024	**90,903**	**140**	**22**	**91,065**

Analysis of movement in the allowance for impairment losses by stage:				
In respect to drawn facilities	**Stage 1**	**Stage2**	**Stage3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Balance as at 1 January 2024	507	31	7	545
Increase due to origination	755	-	-	755
(Decreases)/Increases due to changes in credit risk	31	(4)	17	44
Transfer from Stage1 to Stage2	(36)	36	-	-
Transfer from Stage1 to Stage3	(21)	-	21	-
Transfer from Stage2 to Stage3	-	(18)	18	-
Transfer from Stage3 to Stage2	-	-	-	-
Transfer from Stage3 to Stage1	-	-	-	-
Transfer from Stage2 to Stage1	-	-	-	-
At 31 December 2024	1,236	45	63	1,344

In respect to undrawn facilities	**Stage 1**	**Stage2**	**Stage3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Balance as at 1 January 2024	98	-	-	**98**
Drawdown on opening	(28)	-	-	**(28)**
Increase due to origination	94	-	-	**94**
At 31 December 2024	**164**	**-**	**-**	**164**

31st December 2023

Analysis of movement in the Gross carrying amounts for loans and advances by stage				
In respect to drawn facilities	**Stage 1**	**Stage2**	**Stage3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Balance as at 1 January 2023	346,543	2,623	510	**349,676**
Increase due to origination	303,859	-	62	**303,921**
Decreases due to changes in credit risk	(47,204)	(137)	-	**(47,341)**
Transfer from Stage1 to Stage2	(5,817)	5,817	-	**-**
Transfer from Stage1 to Stage3	(49)	-	49	**-**
Transfer from Stage2 to Stage3	-	-	-	**-**
Transfer from Stage3 to Stage2	-	-	-	**-**
Transfer from Stage3 to Stage1	-	-	-	**-**
Transfer from Stage2 to Stage1	-	-	-	**-**
At 31 December 2023	**597,332**	**8,303**	**621**	**606,256**

In respect to undrawn facilities	**Stage 1**	**Stage2**	**Stage3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Balance as at 1 January 2023	30,813	-	-	**30,813**
Drawdown on opening	(17,951)	-	-	**(17,951)**
Increase due to origination	46,740	24	-	**46,764**
At 31 December 2023	**59,602**	**24**	**-**	**59,626**

31st December 2023

Analysis of movement in the allowance for impairment losses by stage:				
In respect to drawn facilities	**Stage 1**	**Stage2**	**Stage3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Balance as at 1 January 2023	125	13	5	**143**
Increase due to origination	434	-	-	**434**
Decreases due to changes in credit risk	(51)	(9)	-	**(60)**
Transfer from Stage1 to Stage2	(1)	27	-	**26**
Transfer from Stage1 to Stage3	-	-	2	**2**
Transfer from Stage2 to Stage3	-	-	-	**-**
Transfer from Stage3 to Stage2	-	-	-	**-**
Transfer from Stage3 to Stage1	-	-	-	**-**
Transfer from Stage2 to Stage1	-	-	-	**-**
At 31 December 2023	**507**	**31**	**7**	**545**

In respect to undrawn balances and loan commitments	**Stage 1**	**Stage2**	**Stage3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Balance as at 1 January 2023	36	-	-	**36**
Increase due to origination	62	-	-	**62**
At 31 December 2023	**98**	**-**	**-**	**98**

Loan to Value (LTV) – Credit Impaired:		
	2024	**2023**
LTV ratio	**£'000**	**£'000**
10% - 20%	36	583
20% - 30%	-	-
30% - 40%	-	-
40% - 50%	811	-
50% - 60%	-	-
60% - 70%	3,520	-
70% - 80%	-	-
80% - 90%	-	-
90 - 100%	672	-
Unsecured	151	38
	5,190	**621**

Repossessed collateral

Collateral held against loans and advances to customers principally comprises agricultural land and buildings. The Company has not taken physical possession of any collateral but uses agents to realise the collateral's value as soon as practicable to settle indebtedness. Any surplus funds are then returned to the borrower or are otherwise dealt with in accordance with appropriate insolvency regulations. The carrying value of any repossessed collateral is considered an approximation of fair value.

19.1 – Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due. To manage this risk the Company ensures the maturity of deposit liabilities and HQLA deposits held at the Bank of England are sufficient to cover lending assets in line with the Companies liquidity appetite. Liquidity risks are managed by the Finance department of the Company, in consultation with the Asset and Liability Committee (ALCO). Weekly reviews of funding positions are undertaken to anticipate any shortfalls.

The tables within this note analyse the gross undiscounted contractual cashflows from assets and liabilities. The "Net liquidity gap" is reported excluding behavioural adjustments. The figures assume that inflows related to debt, and outflows related to deposits, occur on the contractual due dates. Moreover, balances from Easy Access and Notice deposits with a maturity less than 3 months deposits are reported according to the earliest date that Oxbury could be required to transfer the balance to the customer. This does not include the impact of management actions or evaluation of customer behavioural characteristics which the business reviews regularly in line with its regulatory obligations, risk appetite and in accordance with interactions with the Prudential Regulation Authority.

Group (Gross)						
As at December 2024		0-3 months	4-12 months	1-5 years	5 years +	Total
Assets	**Note**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and cash equivalents (note 24)	A	1,492,437	-	-	-	**1,492,437**
Loans and advances to customers (note 25)	B	56,460	106,202	473,312	1,144,727	**1,780,701**
Other assets (note 16)	C	550	491	149	121	**1,311**
Total assets inflows		1,549,447	106,693	473,461	1,144,848	**3,274,449**
Liabilities						
Financial liabilities (note 12)	D	496	1,516	8,061	24,252	**34,325**
Deposits (note 26)	E	1,927,417	354,944	89,077	-	**2,371,438**
Other liabilities (note 17 & note 27)	C	601	772	354	169	**1,895**
Total liability outflows		1,928,514	357,231	97,492	24,421	**2,407,658**
Net liquidity gap		(379,067)	(250,538)	375,969	1,120,427	**866,790**

Company (Gross)						
As at December 2024		0-3 months	4-12 months	1-5 years	5 years +	Total
Assets	**Note**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and cash equivalents (note 24)	A	1,492,018	-	-	-	**1,492,018**
Loans and advances to customers (note 25)	B	56,460	106,202	473,312	1,144,727	**1,780,701**
Other assets (note 16)	C	550	491	149	121	**1,311**
Total assets inflows		1,549,028	106,693	473,461	1,144,848	**3,274,030**
Liabilities						
Financial liabilities (note 12)	D	496	1,516	8,061	24,252	**34,325**
Deposits (note 26)	E	1,928,129	354,944	89,077	-	**2,372,150**
Other liabilities (note 17 & note 27)	C	601	772	354	169	**1,895**
Total liability outflows		1,929,226	357,231	97,492	24,421	**2,408,370**
Net liquidity gap		(380,198)	(250,538)	375,969	1,120,427	**865,659**

Note	Cash flows from assets and liabilities are allocated to the appropriate time bands are as follows:
A	Based on availability of 'cash and cash equivalents' classified by contractual maturity date.
B	Customer payments are assumed to occur on the latest contractual date and no behaviour adjustments are made for customer early settlements.
C	Classified based on the earliest contractual due date.
D	Classified according to the remaining period to maturity relates to Tier 2 subordinated loan based on the latest possible contractual due date.
E	Classified according to the remaining period to maturity relates to customer deposits based on the earliest possible contractual due date.

Group (Gross)						
As at December 2023		0-3 months	4-12 months	1-5 years	5 years +	Total
Assets	**Note**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and cash equivalents (note 24)	A	543,981	-	-	-	**543,981**
Loans and advances to customers (note 25)	B	20,360	64,808	267,799	791,070	**1,144,037**
Other assets (note 16)	C	325	-	-	-	**325**
Total assets inflows		564,666	64,808	267,799	791,070	**1,688,343**
Liabilities						
Financial liabilities (note 12)	D	430	1,300	6,905	22,284	**30,919**
Deposits (note 26)	E	672,560	353,076	50,453	-	**1,076,089**
Other liabilities (note 17 & note 27)	C	792	47	380	252	**1,471**
Total liability outflows		673,782	354,423	57,738	22,536	**1,108,479**
Net liquidity gap		(109,116)	(289,615)	210,061	768,534	**579,864**

Company (Gross)						
As at December 2023		0-3 months	4-12 months	1-5 years	5 years +	Total
Assets	**Note**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and cash equivalents (note 24)	A	543,665	-	-	-	**543,665**
Loans and advances to customers (note 25)	B	20,360	64,808	267,799	791,070	**1,144,037**
Other assets (note 16)	C	733	-	-	-	**733**
Total assets inflows		564,758	64,808	267,799	791,070	**1,688,435**
Liabilities						
Financial liabilities (note 12)	D	430	1,300	6,905	22,284	**30,919**
Deposits (note 26)	E	673,271	353,076	50,453	-	**1,076,800**
Other liabilities (note 17 & note 27)	C	792	47	380	252	**1,471**
Total liability outflows		674,493	354,423	57,738	22,536	**1,109,190**
Net liquidity gap		(109,735)	(289,615)	210,061	768,534	**579,245**

Note	Cash flows from assets and liabilities are allocated to the appropriate time bands are as follows:
A	Based on availability of 'cash and cash equivalents' classified by contractual maturity date.
B	Customer payments are assumed to occur on the latest contractual date and no behaviour adjustments are made for customer early settlements.
C	Classified based on the earliest contractual due date.
D	Classified according to the remaining period to maturity relates to Tier 2 subordinated loan based on the latest possible contractual due date.
E	Classified according to the remaining period to maturity relates to customer deposits based on the earliest possible contractual due date.

20. Share Capital

Group & Company	Number of Shares	Nominal Value	Number of Shares	Nominal Value
	31st Dec 2024 (GBP 000s)	31st Dec 2024 (GBP 000s)	31st Dec 2023 (GBP 000s)	31st Dec 2023 (GBP 000s)
A Ordinary Shares	99,670,596	997	70,533,458	706
B Ordinary Shares	4	0	2,500,000	25
C Ordinary Shares	3,117,119	31	3,117,119	31
Total	**102,787,719**	**1,028**	**76,150,577**	**762**

A Ordinary and B Ordinary shares rank pari passu and have full voting and economic rights, C shares have no voting rights but do have economic rights, when vested. Unvested C shares do not have any voting or economic rights. All shares are fully paid.

During the year ended 31 December 2024, 26,637,142 Ordinary shares of £0.01 nominal value were issued for a total value of £68,676k, resulting in share capital of £266k and share premium of £68,410k, net of directly related costs. 2,499,996 B Ordinary shares were converted to A Ordinary shares in October 2024. (2023 issued 11,149,095 A ordinary shares of £0.01 nominal value; which resulted in share premium £23,924k net of costs).

At the end of December 2024, the Company had authorisation for the issuance of 120,800,004 shares, consisting of a maximum of 115,800,000 A shares, 4 B shares and 5,000,000 C shares. (At the end of December 2023, the Company had authorisation for the issuance of 96,000,000 shares, consisting of 88,500,000 A shares, 2,500,000 B shares and 5,000,000 C shares.)

21. Share Premium

Group & Company		
GBP (000s)	**31st Dec 2024**	**31st Dec 2023**
Share Premium balance brought forward	92,226	68,302
Additions during the year	68,680	24,122
Costs directly attributable to capital raises	(270)	(198)
Share Premium as at the end of the year	**160,636**	**92,226**

22. Accumulated Losses

	Group		Company	
	31st Dec 2024	31st Dec 2024	31st Dec 2023	31st Dec 2023
Accumulated Loss brought forward	(13,335)	(15,200)	(12,587)	(14,901)
Prior Year consolidation adjustment	-	(11)	-	-
Profit for the year	5,286	1,876	5,863	2,314
As at the end of the year	**(8,049)**	**(13,335)**	**(6,724)**	**(12,587)**

23. Share Based Payments

Group & Company

The Company operates a share option scheme for specific employees, all of which are determined to be exclusively equity-settled.

Share options have also been utilised as part of the purchase of the subsidiary company in 2022. The impact is consistent across the Group and Company.

The value of the awards granted to employees is determined using the Black-Scholes valuation model at grant date, in the absence of an active market for the shares.

The employee options include a vesting requirement based on a completion of a period of employment for employees and are exercisable based on a specific company event at an indeterminable point in the future. The maximum term of options granted is 15 years.

The calculations within the model require the use of subjective assumptions, including the expected volatility of the share price, expected life of the award and any dividend yield. All these factors can impact the fair value estimate.

Oxbury operates separate schemes for employees and one for suppliers, the main assumptions for each is as per the table below.

	2020; employees	2022; suppliers	2022 & 2023; employees	2024; employees	2024; employees
Tranche	2	3	4	5 & 6	7 & 8
Risk free rate	1.00%	0.32%	0.41%	1.27%	1.44%
Expected Volatility	100.00%	55.24%	44.74%	43.84%	44.17%
Dividend Yield	Nil	Nil	Nil	Nil	Nil
Expected Life of Options (years)	0.1	3.0	7.5	7.5	7.5

No share options were exercised by employees in the calendar year to December 2024 by employees (Dec-23: zero).

Options over 39,497 ordinary C shares expired during 2024. (2023: 11,383).

The model assumes that there is constant predictable volatility in the share price, which has been estimated based on the comparable deviation for a selection of comparable quoted banks over the expected term of the option.

The amount recognised is expensed in the relevant period for those shares related to employees, or capitalised where relevant for those related to suppliers.

	31st Dec 2024 GBP (000s)	31st Dec 2023 GBP (000s)
Share Based Payment Reserve brought forward	266	107
Additions during the year	101	159
As at 31st December 2024	**367**	**266**

	Number of Shares	Weighted Average Exercise Price - GBP	Original Contractual life *(where available)* - Years	Weighted Average Remaining Contractual Life *(where available)* - Years
Outstanding 31st Dec 2023	1,068,737	£1.96	7.5	5.9
Granted during the year	203,347	£2.60	7.5	7.0
Forfeited in the year	39,497	£2.07	7.5	N/A
Exercised in the year	-	-	-	-
Expired in the year	-	-	-	-
Outstanding at 31st Dec 2024	**1,232,587**	**£2.06**	**7.5**	**4.8**
Of which Tranche 2	100,690	£1.10	7.5	3.4
Of which Tranche 3	125,000	£2.05	3.0	0.0
Of which Tranche 4	805,281	£2.05	7.5	5.1
Of which Tranche 5	3,334	£2.20	7.5	6.6
Of which Tranche 6	134,116	£2.60	7.5	6.9
Of which Tranche 7	53,917	£2.60	7.5	7.2
Of which Tranche 8	10,249	£2.70	7.5	7.3
Exercisable as at 31st Dec 2024	**-**	**-**	**-**	**-**

24. Cash and Cash Equivalents

	Group		Company	
	31st Dec 2023 GBP (000s)	31st Dec 2023 GBP (000s)	31st Dec 2023 GBP (000s)	31st Dec 2023 GBP (000s)
Balances held with the Bank of England	1,470,898	530,991	1,470,898	530,991
Balances held with other banks	21,435	12,889	21,016	12,573
Other balances	104	101	104	101
As at the end of the year	**1,492,437**	**543,981**	**1,492,018**	**543,665**

No offsetting or netting arrangements were in place. No allowance for ECL was assessed during the year based on an assessment of the counterparties credit rating where available, as shown in note 19. Where a credit rating is not available, the business model of the counterparty is taken into consideration, such as the extent to which the party is regulated and the use / placement of those funds.

The Group's credit risk exposure to cash and cash equivalent balances was £1,492,437k (2023: £543,981k). The Company's credit risk exposure to cash and cash equivalent balances was £1,492,018k (2023: £543,665k).

25. Loans and Advances to Customers

Group & Company

The total of customer loans as at 31st December 2024 was £1,027,168k (2023; £606,256k) of which £96,614k (2023; £43,017k) was due within one year, excluding the impact of the ECL. The maximum exposure to credit risk from loans and advances to customers including loan commitments is £1,153,354k (2023; £689,404k). This includes revolving credit products at 100% of facility limits which is higher compared to IFRS 9, which measures loan commitments at the expected utilisation for the next 12 months.

The increase in loan commitments is measured as the difference between the contractual facility limit and the expected utilisation under IFRS 9. The increase is £35,283k (2023; £23,533k) of limits which are not expected to be utilised.

Loans and Advances to Customers - maturity bucketing

Amounts due:	31st Dec 2024 GBP (000s)	31st Dec 2023 GBP (000s)
- within one year	96,614	43,017
- over one year but less than five years	252,389	114,889
- over five years	678,165	448,350
Gross Loans and Advances	1,027,168	606,256
Allowance for ECL	(1,344)	(545)
As at 31st December 2024	**1,025,824**	**605,711**

Total revolving credit facilities within Loans and Advances are £150,926k in 2024 (2023: £94,846k). The maturity bucketing in 2022 assumed that the revolving credit products balances would remain stable over time. To remain stable, the assumption is that contractual repayments and additional drawdowns are approximately the same. Within Loans and Advances are Finance Leases. All Finance Leases are Hire Purchase (HP) contracts which are a composite Supply of Goods with a Financing arrangement.

Finance Lease disclosure – maturity bucketing	31st Dec 2024 GBP (000s)	31st Dec 2023 GBP (000s)
- within one year	50,848	11,346
- between one and two years	40,587	9,055
- between two and three years	29,963	6,774
- between three and four years	18,628	4,185
- between four and five years	9,230	2,021
- over five years	4032	905
Total Finance Lease payments receivable	**153,288**	**34,286**
Guaranteed residual value		-
Unearned finance income	(23,065)	(5,793)
Allowance for credit losses	(436)	(101)
Deferred origination costs	(2,265)	(572)
Net investment in finance leases	**127,522**	**27,821**

26. Customer Deposits

The value of all customer deposits in the Company as at 31 December 2024 totalled £2,350,433k (2023; £1,060,658k).

	Group		Company	
	31st Dec 2024	31st Dec 2023	31st Dec 2024	31st Dec 2023
	GBP (000s)	GBP (000s)	GBP (000s)	GBP (000s)
Customer Deposits	2,349,721	1,059,947	2,350,433	1,060,658
Amounts due:				
- no later than one month	140,493	32,648	141,205	33,359
- over one month and less than 3 months	534,690	253,533	534,690	253,533
- over 3 months and less than one year	351,589	347,783	351,589	347,783
- over one year and less than five years	88,235	49,697	88,235	49,697
- over five years		-	-	-
Total Notice and Term deposits	1,115,007	683,661	1,115,719	684,372
Easy Access Accounts	1,234,714	376,286	1,234,714	376,286
Total Deposits	2,349,721	1,059,947	2,350,433	1,060,658

Notice and Term deposit products are provided to both personal and business customers, with growth in the year reflecting the funding of the growth in the lending asset.

At the period end, Oxbury Earth Ltd had funds deposited with Oxbury Bank Plc of £711k (2023: £711k).

Customer deposit liabilities by maturity.
(All cashflows are shown on an undiscounted basis).

	Group		Company	
	31st Dec 2024	31st Dec 2023	31st Dec 2024	31st Dec 2023
	GBP (000s)	GBP (000s)	GBP (000s)	GBP (000s)
Customer Deposits	2,349,721	1,076,089	2,350,433	1,076,800
Amounts due:				
- no later than one month	152,911	38,883	153,623	39,594
- over one month and less than 3 months	539,792	257,391	539,792	257,391
- over 3 months and less than one year	354,944	353,076	354,944	353,076
- over one year and less than five years	89,077	50,453	89,077	50,453
- over five years	-	-		-
Total Notice and Term deposits	1,136,724	699,803	1,137,436	700,514
Easy Access Accounts	1,234,714	376,286	1,234,714	376,286
Total Deposits	2,371,438	1,076,089	2,372,150	1,076,800

27. Lease Liabilities

Group & Company	31st Dec 2024	31st Dec 2023
	GBP (000s)	GBP (000s)
	Land and Buildings	Land and Buildings
As at 1st January	818	379
Additions	0	576
Disposals	-	(12)
Interest expense	71	44
Interest adjustment	-	(21)
Lease Payments	(180)	(148)
As at 31 December	**709**	**818**
Of which due within one year	186	186
Due between one year and five years	354	380
Due after five years	169	252

Included in the above is a dilapidations provision of £26k (2023: £13k), which is based on the estimated relevant liability at the end of the lease.

Interest on the above amount is expected to total £183k (2023: £252k) over the length of the leases. £196k of lease liabilities relate to office space for the Company's registered office (2023: £244k).

The Company took over the lease of office space at One City Place, Chester on 1st September 2021 and changed its registered office to that address on 19th October 2021. This lease runs until November 2026.

The Company took over the lease of an area of office space at The Steam Mill, Chester on 19th September 2023, with the lease running for a period of eight years and two months. The Company also took over the lease of a further area of office space at The Steam Mill, Chester on 17th November 2023, and in exchange relinquished the lease on the small office taken over on 17th November 2022. The new lease runs for three years from November 2023.

The contractual undiscounted lease liabilities at the end of the year equated to £899k of which £256k was due within one year, and the remainder due within the subsequent three to seven years (2023; £1,119k, of which £220k was due within one year, and the remainder due within the subsequent three years).

28. Country by Country Reporting

	Group		Company	
GBP £000s	**31st Dec 2024**	**31st Dec 2023**	**31st Dec 2024**	**31st Dec 2023**
Turnover *	31,407	19,372	31,407	19,372
Profit before Tax (GBP 000s)	6,911	2,609	7,488	3,047
Corporation tax payable / (refundable) (GBP 000s)	358	-	358	-
Average number of employees (FTE)	188	147	184	146

*Turnover is defined as total interest income less interest expense.

The reporting obligations set out in the European Union's Capital Requirements Directive IV (CRD IV) have been implemented in the UK by Capital Requirements (Country by Country Requirements) Regulations 2013.

The regulations require the Company to disclose information regarding the source of its income and location of its operations.

29. Net Deferred Tax Asset

	Group		Company	
GBP £000s	**31st Dec 2024**	**31st Dec 2023**	**31st Dec 2024**	**31st Dec 2023**
Opening Balance	3,209	4,283	3,209	4,283
Adjustment in respect of prior years	313	-	274	-
Current year movement	(1,541)	(1,074)	(1,541)	(1,074)
Closing Balance	1,981	3,209	1,942	3,209

Further detail is included in Note 11.

30. Post Balance Sheet Events

Issue of additional Share Capital

In the period to the date of signature of these financial statements the Company secured investment of £6,260k in the form of a capital raise through the issue of 2,402,705 A ordinary shares of £0.01 nominal value. This equated to £24k share capital together with £6,236k share premium.

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