Calligo Holdings Limited

Directors' Report & Consolidated Financial Statements
for the year ended 31 December 2024

CALLIGO HOLDINGS LIMITED

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CALLIGO HOLDINGS LIMITED

Company information

Directors	Mr Julian Box Mr Andrew Crawford (resigned 16 September 2024) Mr Gilbert Kamieniecky Mr Georg Knoflach Mr Edmund Daubeney Mr Owen Pagan	
Company secretary	Mr Brendan Walsh	
Registered number	129787	
Registered office	Block 3, The Forum Grenville Street St Helier Jersey JE2 4UF	
Auditor	Grant Thornton Limited 46-50 Kensington Chambers St Helier Jersey JE1 1ET	
Bankers	HSBC Bank plc PO Box 14 St Helier Jersey JE4 8NJ	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ
	Royal Bank of Canada 4550 Hurontario Street Mississauga ONL5R 4E4	HSBC Continental Europe, Ireland 1 Grand Canal Square Grand Canal Harbour Dublin Docklands Dublin 2, D02
	EWealthGlobal Second Floor 17 Broad Street St Helier JE2 3RR	
Solicitor	Hatstone Lawyers 2nd Floor 6 Caledonia Place St Helier Jersey JE2 3NG	

CALLIGO HOLDINGS LIMITED

Directors' report for the year ended 31 December 2024

The Directors present their report and the audited consolidated financial statements (the "financial statements") for the year ended 31 December 2024.

Directors of the Group

The Directors, who held office during the year, were as follows:

Mr Julian Box
Mr Andrew Crawford (resigned 16 September 2024)
Mr Gilbert Kamieniecky
Mr Georg Knoflach
Mr Edmund Daubeney
Mr Owen Pagan

Secretary

The secretary of the Company at 31 December 2024 and subsequently was Brendan Walsh who had been secretary for the whole of the year then ended.

Principal activities

The principal activities of the Company and its subsidiaries (the "Group") are the provision of Cloud Services, Managed Services, Data Privacy Services and Data Insight Services.

Immediate and ultimate controlling party

The Directors consider the immediate controlling party to be Canary Investment Limited, a Company that is ultimately controlled by Investcorp Holdings B.S.C.

Results and dividends

The Consolidated Statement of Comprehensive Income for the year ended 31 December 2024 is set out on page 11. There were no dividends paid in the year under review (2023: £nil).

Going concern assessment

The Directors have prepared cash flow projections which show that the Group has a reasonable expectation of maintaining sufficient working capital to enable the Group to meet its liabilities as they fall due for the foreseeable future, being a period of not less than 12 months from the date of approval of this report. A key assumption supporting these projections is a signed undertaking from the principal shareholder to financially support the business for the period to 30 April 2026.

The Group is in a net current liability position of £2,127,350 (2023: £37,057,430) of which £233,576 is due to a related party (2023: £235,110). The Group is in a net liability position of £38,190,247 (2023: net liability position of £28,341,309). The net liability is largely attributable to the historic amortisation and impairment of goodwill, cumulative interest cost on third-party borrowings and the high element of non-recurring costs in the five financial years ending 31 December 2024. The Directors are confident in the ability to grow the business in both the data insights and cloud industry segments particularly.

The Group has no cash commitments (interest or capital) on either the shareholder loan or bond loan until February 2028 and December 2028 respectively. Both instruments bear interest under a PIK arrangement which is compounded on each interest payment date and capitalised into the capital balance for settlement upon maturity.

In view of the above, the Directors do not believe that the reported net liability is a going concern issue and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial risk management

The Group finances its operations through the generation of cash from operating activities and, where required, from additional debt finance.

Liquidity risk is managed through forecasting the future cash flow requirements of the business and maintaining sufficient cash at bank balances.

Employees

The Group's policy is to provide equal opportunities to all present and potential employees. The Group promotes a fair and open recruitment process with both internal and external candidates selected according to their competencies, education, training, merit, experience and abilities to meet the business needs and the organisation's goals. The Group is committed to encouraging and investing in Equality, Diversity and Inclusion ("ED&I") amongst the workforce and opposes all forms of discrimination. The Group has an ED&I policy with commitments, principles and initiatives fully supported by the leadership team.

ESG

At Calligo, our Environmental, social and governance ("ESG") framework remains a core pillar of our business, shaping how we deliver value to our customers while upholding our responsibilities to the planet, our people, and strong corporate governance. We continue to embed ESG principles into our operations, ensuring they align with our mission and resonate with our stakeholders, including employees, partners, suppliers, and investors.

Our ESG journey has been guided by an inclusive working group, reflecting the diversity of our expertise and global presence. While our progress toward B Corporation certification has been slower than originally anticipated, we remain committed to the principles it represents. We continue to make meaningful improvements in our ESG practices, focusing on sustainability, social responsibility, and ethical governance.

In particular, we are refining our approach to environmental stewardship, identifying practical measures to reduce our carbon footprint and enhance sustainability across our operations. At the same time, we maintain a strong emphasis on employee wellbeing, fostering a collaborative, inclusive, and flexible work culture that prioritizes professional growth and social responsibility.

Our governance structure remains robust, with a proactive Group board and specialized sub-committees providing oversight and strategic direction. Through quarterly meetings and interim updates, our leadership ensures that ESG considerations are not only embedded in our business strategy but also drive tangible improvements across our organization.

While the road to B Corp certification is taking longer than initially planned, our commitment to continuous ESG progress remains unwavering. We will continue to advance our initiatives in a way that is both sustainable and impactful, ensuring that Calligo operates with integrity, accountability, and a forward-looking approach to responsible business practices.

Independent auditor

Grant Thornton Limited were appointed as Independent auditor to the Company for a three year term on 28 November 2022.

CALLIGO HOLDINGS LIMITED

Directors' report for the year ended 31 December 2024 (continued)

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Directors' report and the consolidated financial statements in accordance with applicable law and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the Interpretations Committee ("IFRIC").

The financial statements of the Group are required by Jersey Company law to give a true and fair view of the state of affairs of the Group as at the end of the financial period and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed by:
s Julian Box
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Mr Julian Box
Director
30 April 2025

CALLIGO HOLDINGS LIMITED

Independent auditor's report
To the members of Calligo Holdings Limited

Opinion
We have audited the consolidated financial statements of Calligo Holdings Limited (the 'Company') and its subsidiaries (the 'Group') which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of material accounting policy information.

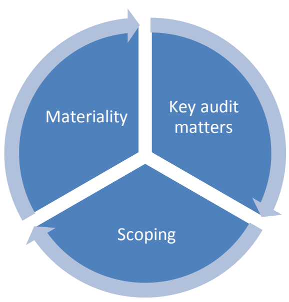
In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended;
- are in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jersey, including the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

Grant Thornton



Overview of our audit approach

Overall materiality:
- Group: £415,000**,** which represents 2% of the Group's total revenues.

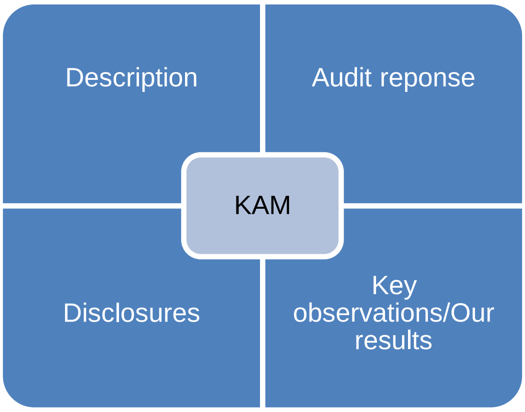
Key audit matters were identified as:
- Impairment of goodwill and other intangible assets (same as previous year); and
- Improper revenue recognition (same as previous year)

Scoping
- We conducted our audit of the consolidated financial statements from Jersey based on information provided by the Group Finance Team, as well as information provided from finance teams in Ireland and Canada.
- Our audit opinion covers the consolidated financial statements of the Group only. We have not been engaged to provide an individual statutory opinion on the financial statements of the Parent Company.
- Coverage of Revenues – 99%

CALLIGO HOLDINGS LIMITED

Key audit matters

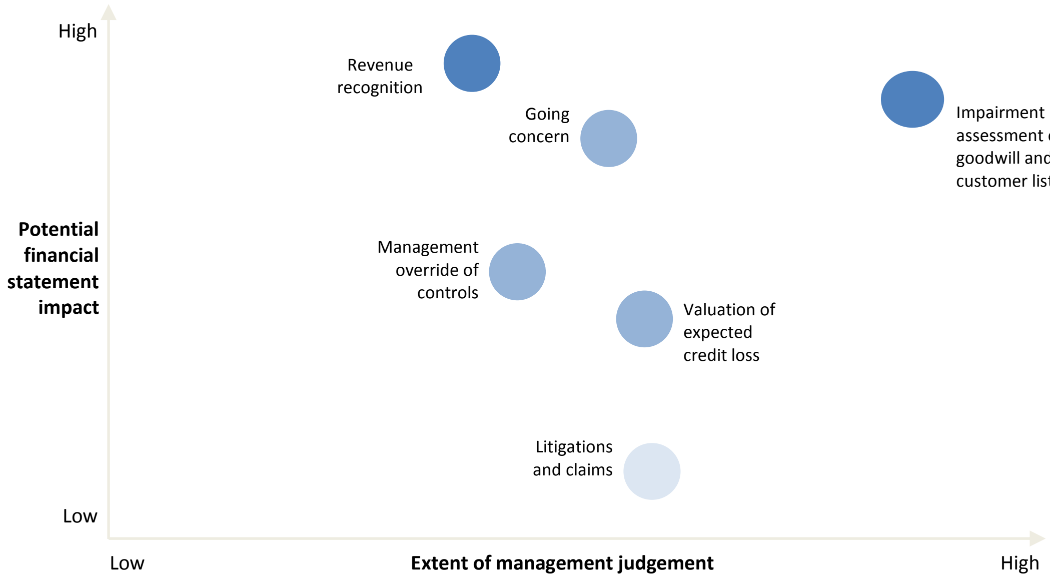
Key audit matters



Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that 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.

In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.

In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



●	**Key audit matter**	●	**Significant risk**	●	**Other risk**

CALLIGO HOLDINGS LIMITED

Key Audit Matter – Group	How our scope addressed the matter – Group
Impairment of goodwill and other intangible assets We identified impairment of goodwill and other intangible assets as one of the most significant assessed risks of material misstatement due to fraud or error. The Group has a significant carrying amount of goodwill which is spread across a range of cash-generating units (CGUs) in different countries. Furthermore, the group recognized the customer list as an intangible asset from one of its business acquisitions in the US. The value in use calculation for the CGUs, which represents the estimated recoverable amount, is subjective due to the inherent uncertainty involved in forecasting and discounting estimated future cash flows (specifically the key assumptions such as revenue, operating margin, long-term perpetuity growth rate and discount rate). Estimation uncertainty has increased as a result of inflationary pressures from the macro economic environment and the current geo-political environment. The effect of these matters is that, as part of our risk assessment, we determined that the carrying amount of the CGUs has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. Relevant disclosures in the Consolidated Financial Statements for the year ended 31 December 2024 • Financial statements: Note 11 Goodwill, Note 12 Other intangible assets.	In responding to the key audit matter, we performed the following audit procedures: • Obtained management's impairment assessment of US goodwill; • Assessed inputs and reasonableness of management's calculation of the CGU's estimated recoverable amount and estimated value in use; and • Obtained management assessment to support their decision to further fully impair the goodwill. The decision was further agreed and approved during the audit committee meeting. Summary of work performed with regards to other intangible assets: • For other intangible assets we: - Obtained management's impairment assessments for US customers lists and Canada intellectual property; - Assessed inputs and reasonableness of management's impairment assessments; - Recalculated amortisation charges.
Revenue recognition We identified revenue recognition as one of the most significant assessed risks of material misstatement due to fraud. The group recognised revenue of £20,786,021 (2023: £24,515,192). Revenue is the most quantitatively significant line item in the Consolidated Income Statement and is composed of several geographical areas and service lines. Relevant disclosures in the Consolidated Financial Statements for the year ended 31 December 2024 • Financial statements: Note 5 Revenue	In responding to the key audit matter, we performed the following audit procedures we: • Updated our understanding of the Group's revenue recognition policies; • Compared the revenue recognition policies adopted by the Group against the requirements of the financial reporting framework; • Selected a sample of revenue transactions during the year and agreed to corresponding invoices, and where applicable accompanying agreements, statements of work and proof of collection; • Performed revenue analytics using audit data analysis techniques. Analytical procedures were performed for revenue journals that have unexpected or unrelated accounts. These entries were investigated through inquiry with management and other supporting documentation where necessary.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the audited consolidated financial statements, other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Group; or
- the Group financial statements are not in agreement with the accounting records; or
- we have not received proper returns adequate for our audit from branches not visited by us; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the consolidated financial statements which give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

CALLIGO HOLDINGS LIMITED

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Alexander Ross Langley

For and on behalf of
Grant Thornton Limited
Chartered Accountants
St Helier, Jersey

Date: 30 April 2025

CALLIGO HOLDINGS LIMITED

Consolidated Income Statement
for the year ended 31 December 2024

	Notes	2024 £	2023 £
Revenue	5	**20,786,021**	24,515,192
Cost of sales		**(6,863,979)**	(7,651,377)
Employee benefits expense	6	**(11,007,328)**	(11,101,943)
Depreciation, amortisation and impairment of non-financial assets		**(6,948,745)**	(9,505,598)
Impairment of financial assets		**(106,758)**	(157,794)
Other expenses	7	**(5,160,576)**	(4,738,804)
Operating loss		**(9,301,365)**	(8,640,324)
Finance income	8	**168**	1,770
Finance costs	8	**(2,603,274)**	(4,435,696)
Other financial items	9	**1,439,627**	(37,345)
Loss before taxation		**(10,464,844)**	(13,111,595)
Tax credit/(expense)	10	**30,345**	(246,596)
Loss for the year from continuing operations		**(10,434,499)**	(13,358,191)
Profit for the year from discontinued operations	4	**-**	578,561
Loss for the year		**(10,434,499)**	(12,779,630)
Loss attributable to:			
Owners of the Group		**(10,434,499)**	(12,779,630)

The notes on pages 16-51 form an integral part of these financial statements.

The above shows the results from continuing and discontinued operations.

CALLIGO HOLDINGS LIMITED

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2024

	2024	2023
	£	£
Loss for the financial year	**(10,434,499)**	(12,779,630)
Other comprehensive income		
Exchange differences on retranslation of subsidiaries	**602,859**	99,298
Total comprehensive loss for the year	**(9,831,640)**	(12,680,333)
Total comprehensive loss for the year attributable to:	**-**	-
Owners of the Group	**(9,831,640)**	(12,680,333)

The notes on pages 16-51 form an integral part of these financial statements.

The above results are derived from continuing activities.

CALLIGO HOLDINGS LIMITED

Consolidated Statement of Financial Position
As at 31 December 2024

Assets	*Notes*	**31 Dec 2024 £**	31 Dec 2023 £
Non-current assets			
Goodwill	*11*	**143,764**	4,653,381
Other intangible assets	*12*	**851,727**	1,525,780
Other long-term assets	*13*	**43,361**	420,288
Property, plant and equipment	*14*	**1,929,063**	2,266,966
Right-of-use assets	*15*	**2,372,594**	2,960,545
		5,340,509	11,826,960
Current assets			
Inventory		**2,124**	19,567
Prepayments and other short-term assets	*16*	**1,037,656**	925,424
Trade and other receivables	*17*	**1,489,873**	2,014,128
Cash and cash equivalents	*18*	**1,513,976**	1,334,905
		4,043,629	4,294,024
Total assets		**9,384,138**	16,120,984
Equity and liabilities			
Equity			
Share capital	*19*	**295,911**	295,911
Share premium		**27,127,594**	27,144,893
Retained losses		**(65,613,752)**	(55,782,113)
Equity attributable to owners of Company		**(38,190,247)**	(28,341,309)
Non-current liabilities			
Borrowings	*20*	**38,663,926**	-
Lease liabilities	*21*	**2,739,480**	3,110,543
Other liabilities		**-**	296
		41,403,406	3,110,839
Current liabilities			
Borrowings	*20*	**-**	34,022,809
Trade and other payables	*22*	**4,133,001**	5,245,371
Lease liabilities	*21*	**821,230**	1,168,920
Contract and other liabilities		**719,496**	217,808
Provisions	*29*	**248,785**	183,131
Tax liabilities	*23*	**248,467**	513,415
		6,170,979	41,351,454
Total liabilities		**47,574,385**	44,462,293
Total equity and liabilities		**9,384,138**	16,120,984

The notes on pages 16-51 form an integral part of these financial statements. The consolidated financial statements were approved and authorised for issue by the board of Directors on 30 April 2025 and signed on its behalf by:

Signed by:
Julian Box
16495D24EE194FB...
Director
Mr Julian Box

DocuSigned by:
Georg Knoflach
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Director
Mr Georg Knoflach

CALLIGO HOLDINGS LIMITED

Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

	Share capital £	Share premium £	Retained losses £	Total £
Balance at 1 January 2024	295,911	27,144,892	(55,782,112)	(28,341,309)
Loss for the year	-	-	(10,434,499)	(10,434,499)
Other comprehensive income	-	-	602,859	602,859
New funds from share capital increase	-	(17,298)	-	(17,298)
Balance at 31 December 2024	**295,911**	**27,127,594**	**(65,613,752)**	**(38,190,247)**
Balance at 1 January 2023	285,911	24,171,208	(42,224,175)	(17,767,056)
Loss for the year	-	-	(12,779,630)	(12,779,630)
Other comprehensive income	-	-	99,298	99,298
Employee share-based compensation	-	-	(877,605)	(877,605)
New funds from share capital increase	10,000	2,973,684	-	2,983,684
Balance at 31 December 2023	**295,911**	**27,144,892**	**(55,782,112)**	**(28,341,309)**

The notes on pages 16-51 form an integral part of these financial statements.

CALLIGO HOLDINGS LIMITED

Consolidated Statement of Cash Flows
for the year ended 31 December 2024

	Notes	2024 £	2023 £
Operating activities			
Loss before tax		**(10,464,844)**	(12,477,350)
Non cash adjustments	*24*	**9,026,947**	12,076,446
Net changes in working capital	*24*	**608,637**	1,627,586
Taxes paid		**(222,277)**	(252,919)
Net cash (used in)/generated from operating activities		**(1,051,537)**	973,763
Net cash used from investing activities			
Purchase of tangible fixed assets		**(181,379)**	(813,417)
Sale of businesses		**79,497**	1,368,093
Purchase of other intangible assets		**-**	(78,590)
Sale of fixed assets		**2,501**	-
Interest received		**168**	2,101
Net cash (used in)/generated from investing activities		**(99,213)**	478,187
Cash flows from financing activities			
Issue of new shares (net of issue costs)		**(17,298)**	2,983,684
Finance leases		**(1,681,576)**	(1,417,926)
Loan finance		**3,000,000**	-
Interest paid		**(7,674)**	(2,996,675)
Net cash generated from/(used in) financing activities		**1,293,452**	(1,430,917)
Net increase in cash and cash equivalents		**142,702**	21,033
Cash and cash equivalents and cash in escrow at beginning of year		**1,371,439**	1,350,406
Cash and cash equivalents and cash in escrow at end of year		**1,514,141**	1,371,439

Balance sheet reconciliation of total cash and cash equivalents

	£	£
Cash and cash equivalents (note 18)	**1,513,976**	1,334,905
Cash in escrow included in other debtors (note 17)	**165**	36,534
Total cash, cash equivalents and cash held in escrow in the statement of cash flows	**1,514,141**	1,371,439

The notes on pages 16-51 form an integral part of these financial statements.

1 Corporate information

The consolidated financial statements of Calligo Holdings Limited and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 30 April 2025. Calligo Holdings Limited is a private limited company incorporated and domiciled in Jersey. The registered office is located at Block 3, The Forum, Grenville Street, St Helier, Jersey, JE2 4UF.

The principal activity of Calligo Holdings Limited is a holding company. The principal activities of the Group are the provision of Managed Services, Cloud Infrastructure Services, Data Privacy Services and Data Insight Services.

The Directors consider the immediate controlling party to be Canary Investment Limited, a Company that is ultimately controlled by Investcorp Holdings B.S.C.

2 Material accounting policies

2.1 Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements are required to be produced in this format under the terms of the listing of the Nordic bonds on the open market of the Frankfurt Stock Exchange.

The consolidated financial statements have been prepared on an accruals basis. The consolidated financial statements are presented in pound sterling (£) and all values are shown in whole numbers except when otherwise indicated.

2.2 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries at 31 December 2024. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The total comprehensive income/loss of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests. There are no non-controlling interests for both 2024 and 2023.

2.3 New standards, amendments and interpretations to existing standards that are issued but not yet effective

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB or IFRIC. None of these standards or amendments to existing Standards have been adopted early by the Group and no Interpretations have been issued that are applicable and need to be taken into consideration by the Group at either reporting date. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

2.4 Summary of material accounting policies

The following are the material accounting policies applied by the Group in preparing its consolidated financial statements:

a) Business combinations and goodwill

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, including identified intangible assets when they can be measured, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Where applicable, for each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

If the Group acquires a controlling interest in a business in which it previously held an equity interest, that equity interest is remeasured to fair value at the acquisition date with any resulting gain or loss recognised in profit or loss or other comprehensive income, as appropriate.

Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses since IAS 36 adoption from 1 January 2021. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's operating business locations. These are defined to be the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

b) Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Fair value measurement

The Group measures financial assets based on fair value, market-based techniques, when the market information is available. The Group does not have any derivatives, financial assets and liabilities that can be valued based on observable market information.

The Group's financial assets are trade and other receivables and cash at bank. Financial liabilities include contracted liabilities to account for deferred client revenue, trade and other payables and the Group's bond borrowing liability.

Non financial assets and liabilities are measured at amortised cost.

All asset and liability balances are fair value assessed on a CGU basis; when the net assets value is higher than the estimated recoverable value of the overall CGU an impairment value is determined and applied (refer to note 2.4.o) firstly against the goodwill relevant to the CGU.

The estimated carrying value of each CGU is calculated using the FVLCOD (fair value less cost of disposal) method using Management EBITDA forecasts, with an applied growth rate and discount factor based on Group borrowing rate to determine a present value estimate. This determines the price estimate that would be received to sell a CGU (net assets & liabilities within CGU in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the CGU takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability
- On the basis that the principal or the most advantageous market must be accessible by the Group.

The fair value of CGU is measured using the assumptions that market participants would use when pricing the CGU, assuming that market participants act in their economic best interest.

d) Revenue from contracts with customers

Revenue arises from the provision of services relating to cloud services, professional services, data insights and managed services with smaller income streams being derived from hardware, software, and non-cloud income.

To determine whether to recognise revenue, the Group follows a five-step process:

1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations, and then
5 Recognising revenue when/as performance obligation(s) are satisfied.

The Group enters into customer contracts/arrangements to supply a selection of products and services, for example, within cloud services, platform access is purchased with a selection of applications, hosting infrastructure requirements and hardware additions. The arrangement is then assessed to determine whether it contains a single combined obligation or multiple performance obligations. If applicable the total transaction price is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract includes amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers. For service fees where the Group performance obligations are satisfied over time, the Group recognises revenue either using output or input measurement of value methods relevant to the type of service.

The Group recognises contract liabilities for consideration received in respects of unsatisfied performance obligations and reports these amounts as contracts and other liabilities in its Consolidated Statement of Financial Position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises as a trade and other receivables in its Consolidated Statement of Financial Position, depending on whether something other than the passage of time is required before the consideration is due.

Cloud services

The Group provides services to customers through implied customary business to access a Calligo created cloud based platform with access to third-party software provider applications. Access to third-party software provider applications is permitted under Calligo's licenses with a third-party licensor or a SPLA agreement with Microsoft. Multi-tenant clients will be hosted on multi-tenanted servers and dedicated clients will be hosted on dedicated servers. Back up services are provided across servers upon request. Virtual desktops to run platforms can also be provided as part of the service. Cloud Services revenue is determined over time using the output measurement value method.

Managed services

The Group also provides services for customers through implied customary business for services pertaining to system administration, environment patching, network operations, service desk support, managed Microsoft 365 and business cloud voice. Managed services revenue is determined over time using the output measurement value method.

Data insight services

The Group provides data insights consulting services relating to the provision of data strategy, governance, architecture, engineering, analytics and visualisation services. These services typically involve developing a customer-specific design with billing based on a specified payment schedule within each customer's respective statement of work. Revenue is recognised when the underlying consulting service has been delivered resulting in a tangible output to the customer.

IT professional services

The Group provides IT consulting services relating to ad hoc advisory work and cloud migration projects. These services involve developing customer-specific IT service requirements with billing based on a specified payment schedule within each customer's respective statement of work. These services are reported as non-recurring revenue in the cloud services part of the business. Revenue is recognised when the underlying consulting service has been delivered resulting in a tangible output to the customer.

Privacy services

The Group provides privacy consulting services relating to data privacy officer as a service as well as data services around data privacy regulation including GAP analysis and assurance. These services involve developing a customer-specific privacy service requirement with billing based on a specified payment schedule within each customer's respective statement of work.

Revenue for all consulting services is recognised over time if the schedule ensures the Group is entitled to payment for its performance to date throughout the contract period (including a profit margin that, in percentage terms, is equal to or more than the final expected profit margin). In other cases, the payment schedule enables the Group to always recover at least its costs in the contract but not necessarily a full or proportionate profit margin. In these cases, taking into consideration the applicable contract law, the Group does not have an enforceable right to payment for performance completed to date and recognises revenue only to delivery and acceptance of the deliverables.

Revenue for over-time contracts is recognised on a time-and-materials basis as services are provided and costs are expensed as incurred. Amounts remaining unbilled at the end of a reporting period are presented in the Consolidated Statement of Financial Position as trade and other receivables if only the passage of time is required before payment of these amounts will be due or as contract assets if payment is conditional on future performance.

These arrangements include detailed customer payment schedules. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the Consolidated Statement of Financial Position under contract and other liabilities.

Hardware sales

The Group offers the sale of Hardware via third parties to the customers for other services on a customary business basis. The sales can include third-party warranties. The cost in addition to our handling charge is recognised when or as the Group transfers control of the asset and warranty where applicable to the customer.

For stand-alone sales of hardware without installation services, control transfers when the customer takes delivery of the hardware.

Revenue is determined and recognised at a point in time basis using output measurement method. The third-party costs are expensed on delivery and acceptance (i.e. when the related revenue is recognised) and allocated to cost of sales.

Software sales

Revenue from the sale of third-party non-customised third-party software, and where applicable related third-party warranties is recognised when or as the Group transfers control of the asset to the customer.

For stand-alone sales of software with or without installation services, control transfers when the customer gains access to the software.

Revenue is determined and recognised at a point in time basis using the output measurement method. The third-party costs are expensed on delivery and acceptance (i.e., when the related revenue is recognised) and allocated to cost of sales.

e) Cost of sales

Cost of sales are recognised on an accruals basis for services procured in connection with the revenue generating activities of the Group. Where Calligo is principal in the customer contractual arrangement they will ensure costs that relate directly to the customer contract are allocated to cost of sales, these costs may include direct labour, direct materials and pass through costs to the customer. If Calligo's contractual arrangement with a customer is on an agent basis, only direct materials and pass-through costs incurred by Calligo and under its control will be allocated to cost of sales.

f) Operating expenses

Operating expenses are recognised in the Consolidated Income Statement upon utilisation of the service or as incurred.

g) Borrowing costs

Borrowing costs are charged to the Consolidated Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are expensed in the Consolidated Income Statement.

h) Profit or Loss from discontinued operations

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale. Profit or loss from discontinued operations comprises the post-tax profit or loss of is continued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation (see also Note 2.4.w and Note 4).

i) Income Taxation

Tax expense recognised in the Consolidated Income Statement comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period (see note 10). Deferred taxes are calculated using the liability method. The carrying amounts of deferred tax are reviewed at the end of each reporting period based on its most likely amount and adjusted if needed. Assessing the most likely amount of current and deferred tax in case of uncertainties (e.g. as a result of the need to interpreting the requirements of the applicable tax law), requires the group to apply judgments in considering whether it is probable that the taxation authority will accept the tax treatment retained.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions. As a result of these exemptions, the Group does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries (only to the extent that the group controls the timing of the reversal of the taxable temporary difference and that reversal is not likely to occur in the foreseeable future). The Group does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

j) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in GBP, which is also the functional currency of the parent company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in the Consolidated Income Statement.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost and translated using the exchange rates at the transaction date.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into GBP at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into GBP at the closing rate. Income and expenses have been translated into GBP at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

k) Dividends

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the Consolidated Statement of Changes in Equity.

l) Property, plant and equipment

Property, plant and equipment (comprising IT equipment, other equipment, motor vehicles and leasehold improvements) are initially recognised at acquisition cost including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property, plant and equipment over the useful lives of the asset. The following useful lives are applied:

- Leasehold improvements: Term of lease
- Right-of-use Assets: 3 to 15 years
- IT equipment: 3 to 5 years
- Other equipment: 3 to 12 years
- Motor vehicles 5 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the Consolidated Income Statement either within other income or other expenses.

The value of property, plant and equipment is assessed as per the accounting policy outlined in note 2.4.c.

m) Other intangible assets

Initial recognition of other intangible assets

Customer lists

Customer lists acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values using an income valuation approach method. The value is determined by estimating the present value of future economic benefits attributable to the Group and incorporating observable market data into the valuation related to the acquired customer list. This approach does rely on projected financial information and discounted rates based on group borrowing rates. Customer lists are deemed to have a finite life.

Intellectual property

Intellectual property, including IP addresses, acquired is initially recognised at acquisition cost including any costs directly attributable to bringing the assets to a condition necessary for them to be capable of operating in the manner intended by the Group's management. Intellectual property is deemed to have an indefinite useful life.

Subsequent measurement

All intangible assets with a finite life are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in note 2.4.o.

The following useful lives are applied:

- Customer lists 4 to 6 years
- Intellectual property Infinite life

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

Subsequent expenditure on the maintenance of other intangible assets is expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement within other income or other expenses.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, at CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with finite useful lives are amortised and are tested for impairment annually at each CGU level.

n) Leases

The Group assesses whether a contract is or contains a lease at inception of the contract.

Finance Leases
A finance lease conveys the right to direct the use and obtain substantially all the economic benefits of an identified asset for a period in exchange for consideration.

The Group makes use of leasing arrangements principally for the provision of office space and IT equipment. These have been identified to be finance leases. The lease contracts for offices are typically negotiated for terms of between 3 and 12.5 years and some of these have extension terms. Lease terms for IT equipment are between 6 months and 6 years without any extension terms. The Group does not enter into sale and leaseback arrangements.

All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

Some lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices and servicing. The Group has elected to separate its leases for offices into lease and non-lease components and accounts for these contracts as lease and non-lease components based on their relative stand-alone prices.

Right-of-use asset

At the finance lease commencement date, the Group recognises a right-of-use asset in its Consolidated Statement of Financial Position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Useful lives:

Property Leases	Term range from 1 – 12.5 years
IT Equipment Leases	Term range from 1 – 3 years

In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Where the lessor has made a leasehold improvement contribution upon commencement of the lease (as a lease incentive) and the Group is not required to reimburse, the Group determines the contribution value. The Group adds the value of the Leasehold improvement to the leasehold property asset and depreciates over the life of the lease on a straight-line basis. A reduction to the right-of-use asset is processed for the same value and this adjustment is written back to the Consolidated Income Statement over the life of the lease on a straight-line basis.

Lease Liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the incremental borrowing rate relevant to each lease at the commencement date of the lease. If no rate is identified, the rate is determined following general guidance from advisors. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options reasonably certain to be exercised.

After initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arise from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group’s incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset, the exception being when the carrying amount of the right-of-use asset has been reduced to zero, then any excess is recognised in the Consolidated Income Statement.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate, except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

To respond to business needs, particularly in the demand for office space, the Group will enter negotiations with landlords to either increase or decrease available office space or to renegotiate amounts payable under the respective leases. In some instances, the Group can increase office capacity by taking additional floors available and therefore agrees with the landlord to pay an amount that is commensurate with the stand-alone pricing adjusted to reflect the particular contract terms. In these situations, the contractual agreement is treated as a new lease and accounted for accordingly.

In other instances, the Group can negotiate a change to a lease such as reducing the amount of office space taken, reducing the lease term or by reducing the total amount payable under the lease, both of which were not part of the original terms and conditions of the lease. In these situations, the Group does not account for the changes as though there is a new lease. Instead, the revised contractual payments are discounted using a revised discount rate at the date the lease is effectively modified. For the reasons explained above, the discount rate used is the Group's incremental borrowing rate relevant to the market the lease is held, determined at the modification date, as the rate implicit in the lease is not readily determinable.

The remeasurement of the lease liability to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease, is dealt with by a reduction in the carrying amount of the right-of-use asset. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to office space and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the Consolidated Income Statement on a straight-line basis over the lease term.

The Group only reflects leases on this basis whereby the contract conveys Calligo's right to control the contracted asset.

Operating Lease

The Group assesses leases to determine whether the asset under lease transfers substantially all the risks and rewards of ownership to the Group. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases. The Group holds operating leases for some licenced accommodation and data centres. Costs of operating leases are processed directly in the Consolidated Income Statement.

The Group as a lessor

Subleases are classified as a finance lease if the sublease transfers all the risks and rewards incidental to ownership of the underlying asset, and as an operating lease if all the risks and rewards incidental to ownership of the underlying asset are not transferred. In accordance with IFRS 16, the 'underlying asset' is the right-of-use asset arising from the headlease. For finance leases, at the commencement date of the sublease, the right-of-use asset on the headlease is derecognised, and a 'net investment in the lease' finance lease receivable is recognised. The lease liability on the headlease continues to be recognised. The interest rate implicit in the lease is used to measure the net investment in the lease, unless it cannot be readily determined, in which case the discount rate used for the headlease is used, adjusted for any initial direct costs associated with the sublease.

Any difference at the commencement date, between the net investment in the lease recognised, and the right-of-use asset on the headlease derecognised, is recognised immediately in profit and loss, as either a gain or a loss. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. Lease payments relating to the period are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

The lease liability on the headlease, and the net investment in the lease on the sublease, are presented gross in the financial statements. Interest payable arising on the lease liability on the headlease, and investment income arising on the net investment in the lease on the sublease, are presented gross in the financial statements.

o) Impairment testing of goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, net assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). The Group's CGUs are based on local geographical trading businesses. Goodwill is allocated to the CGU that is expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

The CGU is assessed annually for impairment loss. An impairment loss is recognised for the amount by which CGUs carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use and/or value-less-costs of disposal, management estimates expected future cash flows from each CGU based on Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA), applies future growth rates and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each CGU and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for CGU reduce first the carrying amount of any goodwill allocated to the cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the CGU.

Except for goodwill, all assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the assets or CGU's recoverable amount exceeds its carrying amount, excluding goodwill. The Group did not reverse any previous period impairment losses in 2024 or 2023.

p) Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification and initial measurement of financial assets

Except for those trade receivables and contract assets that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, are classified into one of the following categories:

- amortised cost

- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are valued using FVTPL or FVOCI that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

For the periods presented, the Group presented all financial assets at amortised cost.

Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI and trade receivables recognised and measured under IFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due. Refer to note 28 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Where consistent with the provisioning horizon, the possible impact of climate risks on the determination of expected credit losses has been integrated.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables, and contract liabilities. Financial liabilities are initially measured at fair value, and where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. The group hold no derivatives and financial liabilities designated at FVTPL. The bond borrowing facility is valued based on amortised cost, as the bond has a static value on the Frankfurt stock exchange.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

r) Provisions, contingent assets and contingent liabilities

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

s) Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The Group recorded IFRS 16 Lease changes from GAAP pre 1st January 2021 in a change in accounting policy reserve, this was consolidated into the 1 January 2021 retained earnings balance.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration.

All transactions with owners of the parent are recorded separately within equity.

t) Pension plans

The Group pays fixed defined contributions into independent entities in relation to several retirement plans for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

u) Share-based employee remuneration

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transaction, regardless of how the equity instruments are obtained by the entity.

The grant date fair value of equity settled share-based arrangements granted to employees is recognised as a personnel expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non market conditions at the vesting date. For share-based payment awards with non vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true up for differences between expected and actual outcomes.

Share-based payment transactions in which the entity receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the entity's equity instruments are accounted for as cash settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employee becomes unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

v) Going concern

The Directors have prepared cash flow projections which show that the Group has a reasonable expectation of maintaining sufficient working capital to enable the Group to meet its liabilities as they fall due for the foreseeable future, being a period of not less than 12 months from the date of approval of this report. A key assumption supporting these projections is a signed undertaking from the principal shareholder to financially support the business for the period to 30 April 2026.

The Group is in a net current liability position of £2,127,350 (2023: £37,057,430) of which £233,576 is due to a related party (2023: £235,110). The Group is in a net liability position of £38,190,247 (2023: net liability position of £28,341,309). The net liability is largely attributable to the historic amortisation and impairment of goodwill, cumulative interest cost on third-party borrowings and the high element of non-recurring costs in the five financial years ending 31 December 2024. The Directors are confident in the ability to grow the business in both the data insights and cloud industry segments particularly.

The Group has no cash commitments (interest or capital) on either the shareholder loan or bond loan until February 2028 and December 2028 respectively. Both instruments bear interest under a PIK arrangement which is compounded on each interest payment date and capitalised into the capital balance for settlement upon maturity.

In view of the above, the Directors do not believe that the reported net liability is a going concern issue and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

w) Non-current assets and liabilities classified as held for sale and discontinued operations

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation. The Group had no non-current assets held for sale as at 31 December 2024 (2023: nil).

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations (see Note 2.4.h).

3 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the Group's consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses.

The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on these consolidated financial statements.

Recognition of contract revenue over time or at a point in time

For some of the Group's contracts with customers, significant judgement is required to assess whether control of the related performance obligation(s) transfers to the customer over time or at a point in time in accordance with IFRS 15. Specifically, for contracts that involve developing a customer-specific requirements with no alternative use to the Group, judgement is needed to determine whether the Group is entitled to payment for its performance throughout the contract period if the customer sought to cancel the contract. This relates mainly to consulting contracts for cloud services, data insights, or privacy services. In making this assessment, the Group compares the amount it is entitled to collect based on the agreed payment schedule to the estimated level of costs at all stages in the contract. In making this judgement, the Group has considered the applicable contract law in the event of a customer seeking to cancel a contract without having the right to do so and has concluded that the court of law would not necessarily enforce specific contract performance.

Climate-related matters

The potential impact of climate-related matters has been considered in the preparation of these financial statements, including environmental legislation and commitments made by the Group which may affect the value of assets and liabilities. In many cases, the judgements applied refer to the recoverable amount of assets and the useful life of tangible assets (notes 14 & 15) and CGU assessment (note 11).

The long-term consequences of climate changes on financial statements are difficult to predict and require entities to make significant assumptions and develop estimates.

Assumptions used by the Group are subject to uncertainties relating to regulatory changes (e.g green taxes adopted by governments), new environmental commitments made by the Group to meet its carbon reduction goals, development of new technologies, depletion of natural resources used to produce telecommunication hardware, etc. Due to these uncertainties, the figures reported in the Group's future financial statements could differ from the estimates established at the time these financial statements were approved (see note 11 – Goodwill, note 14 – Property, plant and equipment, note 15 – Right-of-use assets, note 21 – Lease liabilities and note 29 – Provisions.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax losses carried forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

The Directors have not recognised deferred tax assets because they do not have sufficient confidence that taxable profits will arise in the relevant jurisdictions in the short term. The Group has unrecognised deferred tax assets of £7,528,602 (2023: £7,232,753). The deferred tax asset arises from losses, intangible assets and other timing differences of £31,450,561 (2023: £29,657,682).

Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or CGU (net of intercompany balances) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In 2024, the Group recognised an impairment loss on goodwill (see note 11).

Significant estimates and assumptions

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives and residual values of depreciable assets

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and environmental regulations that can make polluting assets to be depreciated more quickly.

Expected credit losses

Management use customer payment patterns over the past 12 months and historical credit losses carried forward when assessing the level of credit loss provision at the balance sheet date. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within each annual reporting period.

Business combinations

Management uses various valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. In particular, the fair value of contingent consideration is dependent on the outcome of many variables including the acquirees' future profitability. No businesses were acquired in 2024.

Customer lists valuation

Management uses various valuation techniques when determining the fair value of acquired customers using prior year and forecasted sales over a 5 year period. Consideration is dependant on anticipated attrition, future EBITDA %, tax rate and discount rate. No customer lists were purchased in 2024.

Fair value measurement

Refer to accounting policy note 2.4.c.

The Group measures based on fair value, market-based techniques, when the market information is available. The Group does not have any derivatives or financial assets and liabilities that can be valued based on observable market information.

All the Group's financial assets and liabilities are valued on an amortised cost method as these balances are not in an active traded market.

Non financial assets and liabilities are measured at amortised cost.

All asset and liability balances are fair value assessed on a CGU basis and when the net assets value is higher than the estimated recoverable value of the overall CGU, an impairment value is determined and processed (refer to accounting policies note 2.4.o).

Management uses various valuation techniques to determine the fair value of each CGU within the group. This involves developing estimates and assumptions consistent with how market participants would price each CGU.

Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Equity settled share-based payments

The Directors have used the Black Scholes method to determine the fair value of:

- the bonuses it has awarded to staff that have been settled in equity; and
- the share options it has granted to date

The Directors applied judgement in determining a fair value of the shares for the awards made in 2024 and assumed an exit date in respect of the vesting period.

Litigations and claims

The Directors have applied judgement in determining liabilities in respect of an unfair dismissal claim and two insurance claims as outlined in note 29.

Leases – determination of the appropriate discount rate to measure lease liabilities

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available. If the rate of interest as at the transition date is unavailable, the borrowing rate as at the date of transition has been applied.

The Group consults with its advisers to determine what interest rate they would expect to charge the Group to borrow money to purchase a similar asset to that which is being leased. These rates are, where necessary, then adjusted to reflect the credit worthiness of the entity entering into the lease and the specific condition of the underlying leased asset. The estimated incremental borrowing rate is higher than that of the parent company for leases entered into by its subsidiary undertakings.

4 Discontinued operations

A summary of the discontinued operations was as follows:

	2024	2023
	£	£
Revenue	-	1,112,235
Cost of sales	-	(323,488)
Employee benefits expense	-	(247,990)
Depreciation, amortisation and impairment of non-financial assets	-	(148,536)
Other expenses	-	(130,727)
Operating profit		261,494
Finance income	-	331
Finance costs	-	(4,574)
Profit before taxation	-	257,251
Tax expense	-	(55,685)
Profit for the year	-	201,566
Gain on sale of discontinued operation (note 1)	-	376,995
Tax on gain on sale of discontinued operation	-	-
Profit from discontinued operations (net of tax)	-	578,561

Note 1: In December 2023, the Group disposed of its 100% equity interest in its subsidiary, Calligo (Luxembourg) PSF S.A. The consideration, all of which was received in 2023, was £1,378,564 and this generated a profit on disposal of £376,995.

Cash flows generated by Calligo (Luxembourg) SA for the reporting periods was as follows:

	2024	2023
	£	£
Net cash from operating activities	-	307,038
Net cash from investment activities (note 1)		1,300,887
Net cash from financing activities	-	(45,512)
Cash flows from discontinued operations	-	1,562,413

Note 1: Cash flows from investing activities include the net proceeds from the sale of Calligo (Luxembourg) SA.

5 Revenue

The Group's revenue disaggregated by primary geographical markets and service lines is as follows:

For the year ended 31 December 2024

	Cloud Services	Managed Services	Data Insights	Privacy Services	Hardware & Software	Other	Total
	£	£	£	£	£	£	£
Channel Islands	**6,254,258**	**70,464**	**8,640**	**142,120**	**30,194**	**114,954**	**6,620,630**
UK	**3,588,406**	**285,751**	**94,910**	**629,302**	**97,615**	**85,273**	**4,781,257**
Ireland	**905,342**	**554,149**	**42,896**	**-**	**175,021**	**59,939**	**1,737,347**
Canada	**2,395,394**	**481,853**	**90,008**	**-**	**89,435**	**205,098**	**3,261,788**
USA	**86,062**	**-**	**3,909,536**	**-**	**225,460**	**163,941**	**4,384,999**
	13,229,462	**1,392,217**	**4,145,990**	**771,422**	**617,725**	**629,205**	**20,786,021**
Services transferred	**13,229,462**	**1,392,217**	**4,145,990**	**771,422**	**-**	**629,205**	**20,168,296**
Goods transferred	**-**	**-**	**-**	**-**	**617,725**	**-**	**617,725**
	13,229,462	**1,392,217**	**4,145,990**	**771,422**	**617,725**	**629,205**	**20,786,021**

For the year ended 31 December 2023

	Cloud Services	Managed Services	Data Insights	Privacy Services	Hardware & Software	Other	Total
	£	£	£	£	£	£	£
Channel Islands	6,238,817	287,579	4,320	176,040	36,720	217,967	6,961,443
UK	3,697,476	295,068	106,877	786,991	214,686	24,713	5,125,811
Ireland	1,153,419	702,463	3,800	-	284,577	19,124	2,163,383
Canada	3,011,732	1,425,299	-	-	181,825	55,922	4,674,778
USA	93,830	-	5,099,306	-	247,684	148,957	5,589,777
	14,195,274	2,710,409	5,214,303	963,031	965,492	466,683	24,515,192
Services transferred	14,195,274	2,710,409	5,214,303	963,031	-	466,683	23,549,700
Goods transferred	-	-	-	-	965,492	-	965,492
	14,195,274	2,710,409	5,214,303	963,031	965,492	466,683	24,515,192

6 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	2024	2023
	£	£
Wages, salaries	**8,728,645**	9,510,094
Social security costs	**801,238**	881,616
Share-based payments	**-**	(877,605)
Pension costs	**307,549**	344,702
Healthcare costs	**71,783**	45,435
Contractors	**427,227**	541,759
Recruitment	**84,784**	34,072
Training	**28,146**	20,418
Travel	**230,705**	248,292
Other	**327,251**	353,160
	11,007,328	11,101,943

Share-based employee remuneration

On 21 January 2015, the Company adopted the Calligo Limited executive share option scheme 2015 (the "option scheme"). The Company held no ordinary shares in treasury at the year end and therefore there were no unallocated shares at 31 December 2024.

The amount of share-based expenses for the reporting periods is as follows:

	2024	2023
	£	£
Share-based payment expenses	**-**	(877,605)

Pensions and other employee obligations

The company only offers defined contribution pension plans.

7 Other expenses

Other expenses are analysed below:

	2024	2023
	£	£
Marketing	**433,373**	465,245
Establishment	**803,140**	714,934
IT	**801,411**	777,077
Legal & professional	**552,480**	443,428
Subscriptions	**237,981**	160,918
Sundry costs	**211,394**	190,128
Restructuring costs	**1,287,012**	1,342,566
Debt raise and debt repayment costs	**717,222**	497,756
Litigation provision	**114,746**	-
Merger and acquisition costs	**1,817**	146,752
	5,160,576	4,738,804

8 Finance costs and finance income

Finance costs for the reporting periods consist of the following:

	2024	2023
Finance income	**£**	£
Interest income	**(168)**	(1,770)
Finance costs		
Acquisition finance	**2,158,491**	4,090,911
Finance leases & hire purchase contracts	**406,410**	302,125
Other interest & charges	**38,373**	42,660
	2,603,274	4,435,696

9 Other financial items

Other financial items for the reporting periods consist of the following:

	2024	2023
	£	£
Foreign exchange (gain)/loss	**(1,435,145)**	21,729
(Profit)/loss on sale of assets	**(4,482)**	15,616
	(1,439,627)	37,345

10 Tax expense

	2024	2023
	£	£
Current (credit)/charge – overseas subsidiaries (note 1)	**(30,345)**	246,596
	(30,345)	246,596

Note 1: Included in this amount is £31,142 of irrecoverable Canadian & USA withholding tax (2023: £41,389) suffered on management charges from Jersey and Washington State tax of £63,644 (2023: £73,651). There was no CGT payable this year (2023: £41,566).

Reconciliation of effective tax rate

	2024	2023
	£	£
Loss on ordinary activities before taxation	**(10,464,8444)**	(13,111,595)
Tax on loss on ordinary activities before taxation (at effective rate of 23% (2023: 25.1%)	**(2,404,672)**	(3,298,323)
Factors affecting tax charge for the year:		
Expenses not deductible for tax purposes, net of incentives	**1,299,704**	4,044
Movement in unrecognized deferred tax assets	**1,104,967**	3,265,525
Overseas tax adjustments	**151,745**	205,029
Adjustment in respect of prior years	**(182,089)**	70,320
Total current income tax (credit)/charge for the year	**(30,345)**	246,596

The Company is subject to Jersey income tax at the rate of 0%. The subsidiary entities bear the following corporate tax rates for both 2024 and 2023 – Jersey 0% (2023:0%), UK 25% (2023:25%), Ireland 12.5% (2023: 12.5%), Canada 26.5% (2023:26.5%) and USA Federal Tax 21% (2023:21%).

No deferred tax asset has been recognised on these losses in these financial statements as the Directors do not have sufficient confidence that taxable profits will arise in the relevant jurisdictions in the short term. The Group has unrecognised deferred tax assets of £7,528,602 (2023: £7,232,753). The deferred tax asset arises from losses, intangible assets and other timing differences of £31,450,561 (2023: £29,657,682).

CALLIGO HOLDINGS LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2024

11 Goodwill

The movements in the net carrying amount of goodwill are as follows:

	Goodwill
Gross carrying amount	£
At 1 January 2024	31,350,619
Foreign exchange translation differences	(892,762)
At 31 December 2024	**30,457,857**
Accumulated impairment	
At 1 January 2024	26,697,238
Impairment for the year	4,544,180
Foreign exchange translation differences	(927,325)
At 31 December 2024	**30,314,093**
Net book value	
At 31 December 2024	**143,764**
At 31 December 2023	4,653,381

The Group made no acquisitions or disposals during the year.

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the defined cash-generating units (the group has defined these to be the local operating business) expected to benefit from the synergies of the business combinations in which the goodwill arises and is compared to its recoverable value.

The Group tests CGUs with goodwill annually for impairment, or more frequently if there is an indication that a CGU to which goodwill has been allocated may be impaired. The recoverable amount of a CGU is the higher of the CGU's fair value less cost of disposal ('FVLCD') and its value-in-use.

FVLCD is determined based on the projected income approach, using forecasted EBITDA, growth rates and discount factor based on the Group's borrowing rate (see note 2.4.c & o).

Growth rates

With regards the business in the USA, the period relating to the full year 31 December 2025 is based on the Group's internal budget, the period for the year ending 2026 is an annualised calculation of the quarter 4 performance in December 2025 plus a growth target which have also been applied for FY 27 and FY 28. These growth targets have been assessed in a number of ways including generic targets of 10% per annum to a range of fixed financial EBITDA improvement targets for FY 26, FY 27 and FY 28.

At this stage and considering the direct exposure of the Group to climate changes, management has considered growth rates were not significantly affected and were still consistent with long-term prospects of its industry and expectations from market participants. Despite risks mentioned in note 28, climate-related matters could nevertheless generate new business opportunities for the Group.

Discount rates

The discount rates reflect the appropriate Group's borrowing rate.

Cash flow assumptions

Projections of cash flows as referred to above are extracted from the Group's business plan for the next financial year as adjusted for growth thereafter.

The recoverable amount of the CGU relating to the USA business was considered to be below the carrying amount. As such, an impairment loss of £4,544,180 was recognised in the year and this is included within depreciation, amortisation and impairment of non-financial assets. The business experienced a reduction in sales with some key customers during the year and this was the key driver behind the impairment loss referred to above.

12 Other intangible assets

Details of the Group's other intangible assets and their carrying amounts are as follows:

	Customer Lists	**IP addresses**	**Total**
Gross carrying amount	£	£	£
At 1 January 2024	3,062,638	224,159	3,286,797
Foreign exchange translation differences	53,366	(14,092)	39,274
At 31 December 2024	**3,116,004**	**210,067**	**3,326,071**
Accumulated impairment			
At 1 January 2024	1,761,017	-	1,761,017
Charge for the year	610,180	-	610,180
Impairment for the year	-	59,372	59,372
Foreign exchange translation differences	43,706	69	43,775
At 31 December 2024	**2,414,903**	**59,441**	**2,474,344**
Net book value			
At 31 December 2024	**701,101**	**150,626**	**851,727**
At 31 December 2023	1,301,621	224,159	1,525,780

No impairment loss was recognised for customer lists. The Company recognised an impairment of £59,372 in the year against the book value of the IP addresses which were stated at historic cost. This provision is based on independent auction realisations during 2024.

All amortisation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets. The customer lists will be fully amortised in February 2026.

13 Other long-term assets

Other long-term assets for the reporting periods consist of the following:

	2024	2023
	£	£
Receivable from sale of business	**-**	63,822
Net investment in sublease	**-**	218,333
Escrow debtor	**43,361**	138,133
	43,361	420,288

14 Property, plant and equipment

Details of the Group's property, plant and equipment and their carrying amounts are as follows:

	Other Equipment	Computer Equipment	Leasehold improvement	Motor vehicles	Total
Gross carrying amount	£	£	£	£	£
At 1 January 2024	1,296,597	7,568,238	2,456,432	41,213	11,362,480
Additions	-	183,677	-	-	183,677
Disposals	-	-	-	(766)	(766)
Foreign exchange translation differences	(10,848)	(110,778)	(72,986)	(1,874)	(196,486)
At 31 December 2024	**1,285,749**	**7,641,137**	**2,383,446**	**38,573**	**11,348,905**
Accumulated depreciation					
At 1 January 2024	1,026,092	7,181,945	851,118	36,359	9,095,514
Charge for the year	97,919	238,444	154,763	3,320	494,446
Disposals	-	-	-	(766)	(766)
Foreign exchange translation differences	(12,078)	(103,314)	(51,486)	(2,474)	(169,352)
At 31 December 2024	**1,111,933**	**7,317,075**	**954,395**	**36,439**	**9,419,842**
Net book value					
At 31 December 2024	**173,816**	**324,062**	**1,429,051**	**2,134**	**1,929,063**
At 31 December 2023	270,505	386,293	1,605,314	4,854	2,266,966

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

The Group reviewed the useful lives of its main IT equipment assets and concluded that no changes were required at this stage. This is consistent with the Group's overall climate commitments and measures the Group will implement in the future.

The Group has no capital work in progress at 31 December 2024 (2023: Nil).

The Group does not hold leased assets within property, plant and equipment, the asset value is held in right-of-use assets.

15 Right-of-use assets

	Property	IT Equipment	Total
Gross carrying amount	£	£	£
At 1 January 2024	3,494,813	3,757,382	7,252,195
Additions	-	510,453	510,453
Adjustment	51,686	-	51,686
Foreign exchange translation differences	(50,736)	1,268	(49,468)
At 31 December 2024	**3,495,763**	**4,269,103**	**7,764,866**
Accumulated depreciation			
At 1 January 2024	1,153,769	3,137,881	4,291,650
Charge for the year	447,420	793,912	1,241,332
Adjustment	(126,944)	-	(126,944)
Foreign exchange translation differences	(14,890)	1,124	(13,766)
At 31 December 2024	**1,459,355**	**3,932,917**	**5,392,272**
Net book value			
At 31 December 2024	**2,036,408**	**336,186**	**2,372,594**
At 31 December 2023	2,341,044	619,501	2,960,545

16 Prepayments & other short term assets

Prepayments and other short term assets consist of the following:

	2024	2023
	£	£
Prepayments & deposits	**942,400**	805,379
Other debtors	**6,943**	7,237
Accrued income	**88,313**	112,808
	1,037,656	925,424

17 Trade and other receivables

Trade and other receivables consist of the following:

	2024	2023
	£	£
Trade receivables (note a)	**1,140,789**	1,625,209
Other receivables	**348,919**	352,385
Cash in escrow (note b)	**165**	36,534
	1,489,873	2,014,128

Note a: The trade receivables are net of expected credit loss provisions of £447,675 (2023: £371,829).

Note b: The cash in escrow balance represents funds retained under the terms of the Nordic bond facility.

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

18 Cash and cash equivalents

	2024	2023
Current Assets	**£**	£
Cash at bank and in hand		
- GBP	**789,454**	162,669
- Euro	**277,844**	619,977
- US$	**347,889**	413,843
- CAD$	**98,789**	138,416
	1,513,976	1,334,905

The amount of cash and cash equivalents inaccessible to the wider Group as at 31 December 2024 amounts to £77,409 (31 December 2023: £76,980).

19 Equity

Share Capital

The share capital of the parent company, Calligo Holdings Limited, consists of fully paid Ordinary shares with a nominal (par) value of 1p per share and fully paid preferred shares with a nominal (par) value of 1p per share. Ordinary shares entitle the shareholder to receive dividends and the repayment of capital and represent one vote per ordinary share at shareholders meetings of Calligo Holdings Limited. Preferred shares do not have voting rights, but do entitle the holder to receive dividends and repayment of capital at twice the issue price.

	2024	2023
Authorised	**£**	£
50,000,000 Ordinary shares of 1p each (2023: 50,000,000 at 1p each)	**500,000**	500,000
50,000,000 Preferred shares of 1p each (2023: 50,000,000 Preferred shares of 1p each)	**500,000**	500,000
	1,000,000	1,000,000
Allotted, called up and fully paid		
28,591,116 Ordinary shares of 1p each (2023: 28,591,116 at 1p each)	**285,911**	285,911
1,000,000 Preferred shares of 1p each (2023: 1,000,000 Preferred shares of 1p each)	**10,000**	10,000
	295,911	295,911

Share-based payments

The Company established the Calligo Share Option Scheme 2019, a share option scheme that entitles key management personnel and senior employees to purchase shares in the Company. A summary of the options granted are as follows:

	No. of options 2024	No. of options 2023
At beginning of the period	**2,751,495**	2,511,495
Issued in the period	**575,000**	1,660,000
Lapsed in the period/considered as non vesting	**(1,625,000)**	(1,420,000)
At end of the period	**1,701,495**	2,751,495

The options vest after a three year period and this period begins when the employee in question commences employment with the Company. The strike price for these awards ranges from US$0.87 to US$4.50 (2023: US$1.42 to US4.50) and the options can only be exercised on an exit event as defined under the rules. The Company has determined that the exit event is a non market performance condition. All options are to be settled by physical delivery of shares.

The Company has determined that the scheme is an equity settled arrangement and the fair value of the share options granted have been calculated using the Black-Scholes method. The Directors consider this to be an appropriate valuation tool as it takes into account the time value of money.

The Company did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

20 Borrowings

Borrowings include the following financial liabilities:

	2024	2023
	£	£
Current	**-**	34,022,809
Non-current	**38,663,926**	-
	38,663,926	34,022,809
Carrying value at amortised cost	**£**	£
Nordic bond facility	**35,468,508**	34,512,660
Less: unamortised bond arrangement fee	**-**	(489,851)
	35,468,508	34,022,809
Shareholder loan	**3,195,418**	-
	38,663,926	34,022,809

The Nordic Bond facility has a repayment date of 31 December 2028. It is listed on the open market of the Frankfurt Stock Exchange and Nasdaq Stockholm. As security, Calligo (UK) Limited and the material group companies (being Calligo Limited, Calligo (UK) Limited, Calligo (Ireland) Limited, Calligo (Canada) Inc and Calligo (US) Inc) each granted the following:

- Security in respect of all shares in these companies
- Security over all present and future material intragroup loans; and
- Security over the escrow account and the acquisition account

The shareholder loan has a repayment date of 5 February 2028 and bears interest at 6% per annum under a PIK arrangement. It is listed on The International Stock Exchange (TISE), formerly known as the Channel Islands

Securities Exchange (CISE). This loan facility shares security with the bond loan with senior ranking under an intercreditor agreement.

Following the newly negotiated terms of the bond loan on 5 February 2024, the Company is required to comply with a financial covenant at each month end, whereby the minimum cash balance must not fall below £500,000. The Company complied with this covenant throughout the reporting period.

21 Lease Liabilities

Lease liabilities are presented in the Consolidated Statement of Financial Position as follows:

	2024	2023
	£	£
Current	**821,230**	1,168,920
Non-current	**2,739,480**	3,110,543
	3,560,710	4,279,463

The Group has finance leases for its offices and IT equipment. With the exception of operating leases, short-term leases and leases of low-value underlying assets, each lease is reflected in the Consolidated Statement of Financial Position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 14,15).

Lease interest for the year ending 31 December 2024 was £411,340 (2023: £314,255).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure right-of-use assets and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the Consolidated Statement of Financial Position at 31 December 2024:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of Leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to a rate	No of leases with termination options
Office Buildings	8	1-12.5 Years	3.32	1	0	8	1
IT Equipment	3	1-5 years	0.58	0	3	3	0

The lease liabilities are secured by the related underlying assets. Future lease payments at 31 December 2024 and 31 December 2023 were as follows:

	Lease payments due						
31 December 2024	**Within 1 year**	**Within 1-2 Years**	**Within 2-3 years**	**Within 3-4 years**	**Within 4-5 years**	**After 5 years**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Lease payments	1,106	546	459	420	429	1,885	4,845
Finance charges	(267)	(216)	(192)	(171)	(148)	(291)	(1,285)
Net present values	**839**	**330**	**267**	**249**	**281**	**1,594**	**3,560**

	Lease payments due						
31 December 2023	**Within 1 year**	**Within 1-2 Years**	**Within 2-3 years**	**Within 3-4 years**	**Within 4-5 years**	**After 5 years**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Lease payments	1,442	736	422	423	353	2,403	5,779
Finance charges	(273)	(229)	(209)	(190)	(144)	(455)	(1,500)
Net present values	**1,169**	**507**	**213**	**233**	**209**	**1,948**	**4,279**

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Operating leases as lessor

The Group does not lease out investment properties.

The Company does sublet of its office properties. During the year, the Company recognised lease income of £133,129, costs of £17,445 and lease interest income of £4,930 on this property. The sublease will expire in October 2025.

22 Trade and other payables

Trade and other payables consist of the following:

	2024	2023
	£	£
Trade payables	**2,214,442**	2,355,257
Social security & employment taxes	**338,102**	515,187
Other creditors	**545,964**	1,695,921
Accruals and deferred income	**1,034,493**	679,006
	4,133,001	5,245,371

All amounts are short-term. The carrying values of trade payables and other creditors are considered to be a reasonable approximation of fair value.

23 Taxation

Taxation liabilities consist of the following:

	2024	2023
	£	£
With-holding taxes	**200,740**	352,202
Other overseas taxes payable	**47,727**	161,213
	248,467	513,415

24 Non cash adjustments and changes in working capital

The following non-cash adjustments and net changes in working capital have been made to profit before tax to arrive at operating cash flow:

	2024	2023
Non cash adjustments	**£**	£
Depreciation, amortisation and impairment of non-financial assets	**2,404,564**	3,355,965
Impairment of financial assets	**4,544,180**	6,298,169
Foreign exchange gains	**(1,062,234)**	(1,382,127)
Interest and dividend income	**(168)**	(2,101)
Interest expense	**2,532,039**	4,405,213
Share-based payment expenses	**-**	(877,605)
Bond prepayment fee expenses	**489,852**	489,852
Gain on disposal of non-financial assets	**-**	(361,379)
Inventory write down	**16,552**	22,226
Provision for credit losses	**102,162**	128,233
	9,026,947	12,076,446

	2024	2023
Net changes in working capital	**£**	£
Change in prepayments and other short-term assets	**(118,254)**	(162,444)
Change in trade and other receivables	**279,590**	1,692,413
Change in trade and other payables	**(1,075,969)**	300,751
Change in other assets	**380,228**	(425,865)
Change in other liabilities	**1,143,042**	222,731
	608,637	1,627,586

25 Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long-term borrowings	Short term borrowings	Lease liabilities	Total
1 January 2024	**£**	**£**	**£**	**£**
	-	34,022,809	4,279,463	38,302,272
Cash flows				
- Repayments	-	-	(1,681,576)	(1,681,576)
- Proceeds	3,000,000	-	-	3,000,000
Non cash				
- Additions	-	-	510,453	510,453
- Reclassification	34,022,809	(34,022,809)	-	-
- Interest	3,241,807	-	406,410	3,648,217
- Other	(1,600,690)	-	45,960	(1,554,730)
31 December 2024	**38,663,926**	**-**	**3,560,710**	**42,224,636**

	Long-term borrowings	Short term borrowings	Lease liabilities	Total
1 January 2023	**£**	**£**	**£**	**£**
	34,244,653	-	4,199,978	38,444,631
Cash flows				
- Repayments	-	-	(1,417,926)	(1,417,926)
- Proceeds	-	-	-	-
Non cash				
- Additions	-	-	1,708,297	1,708,297
- Reclassification	(34,244,653)	34,244,653	-	-
- Interest	-	-	299,636	299,636
- Other	-	(221,844)	(510,522)	(732,366)
31 December 2023	**-**	**34,022,809**	**4,279,463**	**38,302,272**

26 Related party transactions

On 5 February 2024, the Company, through one of its subsidiaries Calligo (UK) Limited, entered into a loan facility agreement with Canary Investment Limited. The facility was a condition of the renegotiated terms of the bond loan which became effective on this date. The facility agreement is for £4m of which £3m has been drawn down at 31 December 2024. The facility bears interest at 6% per annum under a PIK arrangement. It shares security with the bond loan with senior ranking under an intercreditor agreement.

Georg Knoflach and Gilbert Kamieniecky, Directors, are both employed by Investcorp Securities Limited, a Company that is ultimately owned by Investcorp Holding B.S.C. They did not receive any Director fees in 2024 (2023: nil).

At 31 December 2024, the Group owed £205,223 (2023: £225,467) and Euro 34,259 (2023: Euro 11,120) to Investcorp for invoices that had been settled directly by them for professional services provided to the Calligo group of companies. These balances are unsecured, interest free with no repayment date.

Owen Pagan, a Director, received fees and expenses of £60,000 in the year (2023: £50,000). Mr Pagan is also an advisor to Investcorp.

Edmund Daubeney, a Director, received fees and expenses of £20,000 in the year (2023: £20,000).

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Key management of the Group are the Senior Management Team and the non-executive directors of Calligo Holdings Limited. Key management personnel remuneration includes the following expenses:

	2024	2023
	£	£
Short term employee benefits		
Salaries including bonuses	**1,574,619**	1,260,061
Social security costs	**146,451**	118,085
Pension costs	**64,179**	45,582
	1,785,249	1,423,728
Termination benefits	**161,357**	-
	1,946,606	1,423,728

27 Financial assets and liabilities

Categories of financial assets and financial liabilities

Note 2.4.p provides a description of each category of financial assets and liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities are as follows:

31 December 2024	*Note*	**Amortised cost**	**FVTPL**	**Total**
		£	**£**	£
Financial assets				
Trade and other receivables	*17*	**1,489,873**	**-**	**1,489,873**
Cash and cash equivalents	*18*	**1,513,976**	**-**	**1,513,976**
Total financial assets		**3,003,849**	**-**	**3,003,849**
Financial liabilities				
Borrowings	*20*	**38,663,926**	**-**	**38,663,926**
Contract liability		**719,496**	**-**	**719,496**
Lease liabilities	*21*	**3,560,710**	**-**	**3,560,710**
Trade and other payables (excl taxes)	*22*	**3,794,899**	**-**	**3,794,899**
Total financial liabilities		**46,739,031**	**-**	**46,739,031**

31 December 2023	*Note*	**Amortised cost**	**FVTPL**	**Total**
		£	**£**	£
Financial assets				
Trade and other receivables	*17*	2,014,128	-	2,014,128
Other long-term assets	*13*	218,333	-	218,333
Cash and cash equivalents	*18*	1,334,905	-	1,334,905
Total financial assets		3,567,366	-	3,567,366
Financial liabilities				
Borrowings	*20*	34,022,809	-	34,022,809
Contract liability		217,808	-	217,808
Lease liabilities	*21*	4,279,463	-	4,279,463
Trade and other payables (excl taxes)	*22*	4,730,184	-	4,730,184
Total financial liabilities		43,350,264	-	43,350,264

A description of the Group's financial instrument risks, including risk management objectives and policies is given in note 28.

The methods used to measure financial assets and liabilities reported at fair value are described in note 2.4.c.

28 Financial instruments risk

Risk management objectives and policies

The Group has exposure to a number of financial risks. The main types of risk are market risk, credit risk and liquidity risk, all of which are considered further below.

The board of Directors have overall responsibility for the Group's risk management arrangements. The Group's risk management is coordinated at its headquarters in close cooperation with the board of directors and focuses on actively securing the Group's short to medium cash flows by minimising any exposure to volatile financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The Group's financial assets and liabilities by category are summarised in note 27.

Market risk

Interest rate sensitivity
The Group does not have any fixed interest rate hedging arrangements in place. The Group has no variable interest rate exposure on the Nordic bond facility as the rate is fixed at 7% under a PIK arrangement until the maturity date of 31 December 2028. The rate on this facility was variable in the previous year and was 12.472% at 31 December 2023. The shareholder loan is fixed at 6% under a PIK arrangement until the maturity date of 5 February 2028. Balances at cash in bank do not earn material interest and there is therefore limited interest rate risk.

Foreign currency sensitivity
The Group's functional and presentation currency is Pound Sterling, but the Group hold financial assets and financial liabilities in other currencies which can be significantly affected by currency translation movements. Exposure to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (US$), Canadian dollars (CAD$), Euro, and Pounds Sterling (GBP). A summary of the Group's exposure to foreign currencies for the year ended 31 December 2024 and 31 December 2023 is summarised below:

	GBP '000	Euro '000	US$ '000	CAD$ '000
Year ended 31 December 2024				
Turnover	**11,402**	**2,051**	**5,596**	**5,701**
Operating loss	**(1,175)**	**(755)**	**(7,697)**	**(2,489)**
As at 31 December 2024				
Non-current assets	**709**	**112**	**3,559**	**3,049**
Current assets	**2,253**	**354**	**1,288**	**836**
Non-current liabilities (excl intercompany)	**(3,395)**	**(42,857)**	**(1,927)**	**(1,798)**
Current liabilities	**(3,783)**	**(404)**	**(1,423)**	**(1,645)**

	GBP '000	Euro '000	US$ '000	CAD$ '000
Year ended 31 December 2023				
Turnover	10.973	2,485	6,951	7,833
Operating loss	(3,183)	(724)	(55)	(8,791)
As at 31 December 2023				
Non-current assets	863	220	11,087	3,458
Current assets	2,653	640	1,299	871
Non-current liabilities (excl intercompany)	(410)	(39,872)	(1,909)	(2,570)
Current liabilities	(4,526)	(598)	(1,701)	(1,501)

At 31 December 2024 and 31 December 2023, the Group's principal borrowing was the Nordic bond facility and this is denominated in Euro. A 5% strengthening of the euro against GBP will add approximately £1.86m to the sterling value of the Nordic bond facility (2023: 1.8m).

The Group does not have a formal policy in place to manage foreign exchange exposure, however revenue received in foreign currency is used wherever possible to settle liabilities in the same currency. The Group does not have any forward FX contracts in place at the balance sheet date.

Price risk

The Group's principal price risk relates to the listed bond security, see note 20, with the Nordic bond being recorded at amortised cost. The bond did not experience much volatility in the financial year ended 31 December 2024. It is unlikely the Bond price will be impacted by inflationary price risk despite global inflation increasing by approximately 5.7% in 2024.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balances. The Directors consideration of going concern is detailed in the Directors' Report.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented in the Consolidated Statement of Financial Position.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to optimise the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The amounts managed as capital by the Group for the reporting periods under review are summarised as follows:

	2024	2023
	£	£
Total equity	**(38,190,247)**	(28,341,309)
Cash and cash equivalents	**1,513,976**	(1,334,905)
Capital	**(36,676,271)**	(29,676,214)
Total equity	**(38,190,247)**	(28,341,309)
Borrowings	**38,663,926**	34,022,809
Lease liabilities	**3,560,710**	4,279,463
Overall financing	**4,034,389**	9,960,963

The Group has no externally imposed capital requirements with which it needs to comply.

Credit risk analysis

Credit risk represents the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents and trade and other receivables.

The Group only deposits cash with major banks with a high quality credit rating as indicated by the ratings and outlook metrics issued by Moody's (Long-term/senior A1, Short term P-1) and Standard and Poor's (Long-term/Senor A+, Short term A-1). Details of the Group's financial assets are disclosed in note 27.

Trade receivables credit risk is managed through the regular review of the aged debtor book and monthly review meetings with the finance team. Trade receivables consist of a large number of customers in various industries and geographical areas.

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The Group applies the IFRS 9 simplified model of recognising lifetime expected credit loss to all trade receivables as these items do not have a significant financing component. The expected loss rates are based on the payment profile for sales over the past 12 months and historical credit losses carried forward. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within each annual reporting period. Total bad debts written off in the year amounts to £106,759 (2023 £157,794).

On the above basis, the expected credit loss for trade receivables as at 31 December 2024 and 31 December 2023 was determined as follows:

31 December 2024	**Contract assets days past due**		**Trade receivables days past due**				
£'000	**Current**	**Total**	**Current**	**> 30 days**	**> 60 days**	**> 90 days**	**Total**
Expected credit loss rate	-	-	1.1%	9.4%	32.8%	86.5%	28.2%
Gross carrying amount	-	-	1,036	40.9	20.4	491.5	1,589
Lifetime expected credit loss	-	-	11.8	3.8	6.7	425.2	447.7

31 December 2023	**Contract assets days past due**		**Trade receivables days past due**				
£'000	**Current**	**Total**	**Current**	**> 30 days**	**> 60 days**	**> 90 days**	**Total**
Expected credit loss rate	-	-	1.0%	1.4%	17.8%	87.8%	18.6%
Gross carrying amount	-	-	1,441.4	75.5	92.5	387.7	1,997.1
Lifetime expected credit loss	-	-	13.8	1.1	16.5	340.4	371.8

A 1% increase in the 2024 expected loss rate to 29.2% (2023: 19.6%) would increase the level of annualised expected credit loss movement by £15,886 (2023: £19,590).

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient cash or collateral to make payments to its counterparties and customers as they fall due. This risk is managed through forecasting the future cash flow requirements and maintaining sufficient cash at bank balances.

The Group has reported no events of default under the Nordic bond facility since it was renegotiated on 5 February 2024.

The Group's non-derivative financial liabilities have undiscounted contractual maturities as summarised below:

31 December 2024	**Current**		**Non current**	
	Within 6 mths	**6 to 12 mths**	**1 to 5 years**	**Later than 5 years**
	£	£	£	£
Trade and other payables	3,022,523	558,979	451,394	100,105
Contract and other liabilities	719,222	274	-	-
Lease liabilities	486,023	352,999	1,443,765	1,277,923
Borrowings	-	-	38,663,926	-
Total	**4,227,768**	**912,252**	**40,559,085**	**1,378,028**

31 December 2023	**Current**		**Non current**	
	Within 6 mths	**6 to 12 mths**	**1 to 5 years**	**Later than 5 years**
	£	£	£	£
Trade and other payables	4,884,598	58,816	301,957	-
Contract and other liabilities	219,182	(1,374)	-	-
Lease liabilities	692,987	476,183	1,162,974	1,947,319
Borrowings	-	34,022,809	-	-
Total	**5,796,767**	**34,556,434**	**1,464,931**	**1,947,319**

29 Provisions

Unfair dismissal claims

The Company, through one of its subsidiaries Calligo (Canada) Inc, has been defending a claim raised by a former employee in 2021. This matter was settled in January 2025 and the settlement amount has been fully provided for in these financial statements. The provision has not been individually disclosed so as to not prejudice the Group's position in any similar or related cases.

Insurance claims

The Company, through one of its subsidiaries Calligo (Canada) Inc, is reviewing two potential insurance claims relating to two incidents with customers in Canada. These matters are at an early stage with no admission of liability by the Company at the balance sheet date. The Company has made a prudent provision in these financial statements to cover any estimated liability under these claims. The provisions have not been individually disclosed so as to not prejudice the Group's position in any similar or related cases.

30 Principal subsidiaries

The principal subsidiary undertakings of the Company, which are 100% owned, are as follows:

Name	**Country of incorporation**	**Description of shares held**	**Principal activity**
Calligo Limited	Jersey	Ordinary £1 shares	Cloud computing and data privacy services
Calligo (UK) Limited	England	Ordinary £1 shares	Cloud computing, data privacy & data insight services
Calligo (US) Inc	USA	Ordinary common shares	Data privacy & data insight services
Calligo (Canada) Inc	Canada	Common CAD$1 shares	IT infrastructure services provider
Calligo (Ireland) Holdings Limited	Ireland	Ordinary shares Euro	Holding Company
Calligo (Ireland) Limited	Ireland	Ordinary shares Euro	Managed Service provider

31 Authorisation of financial statements

The consolidated financial statements for the year ended 31 December 2024 (including comparatives) were approved by the board of directors on 30 April 2025.