Calligo (UK) Limited

Report and Audited Consolidated Financial Statements
for the year ended 31 December 2023

Registered Number 10559510

CALLIGO (UK) LIMITED

Contents	**Page**

CALLIGO (UK) LIMITED

Company information

Directors	Mr Julian Box (resigned 5 January 2024) Mr Adam Ryan Mr Paul Comerford (appointed 5 January 2024)	
Company secretary	Mr Brendan Walsh	
Registered number	10559510	
Registered office	Suite 3md Siskin Drive Middlemarch Business Park Coventry England CV3 4FJ	
Auditor	Grant Thornton Limited 46-50 Kensington Chambers St Helier Jersey JE1 1ET	
Bankers	HSBC UK Bank plc 60 Queen Victoria Street London EC4N 4TR	Royal Bank of Canada 15 Plains Rd. E. Burlington ON L7T 2B8
	HSBC Bank 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	National Westminister Bank 5 The Courtyard Calvin Street Bolton BL1 8PB
Solicitor	Hatstone Lawyers 2nd Floor 6 Caledonia Place St Helier Jersey JE2 3NG	

CALLIGO (UK) LIMITED

Strategic Report
For the year ended 31 December 2023

Review of the business

Corporate update: Diversified Services and Strategic Initiatives
The Company, along with its subsidiaries (collectively referred to as "the Group"), maintains a robust portfolio of services, encompassing four key areas: cloud services, managed services, privacy services, and data insights services. These offerings are predominantly structured under contractual agreements, with revenue streams primarily derived from monthly billing cycles. This predictable revenue model ensures strong visibility into cashflows.

Market Resilience and Data security Focus
The Group's services cater to a buoyant market, spanning cloud solutions, privacy enhancements, and data-driven insights. Central to our approach is safeguarding data integrity and security across all service lines. As businesses evaluate cloud migration options, our managed services team actively identifies opportunities for upselling and cross-selling, ensuring optimal value for our clients.

People-centric Strategy and Certifications
Investment in our workforce remains a priority. We continually refine our management structure and roles to execute our strategic vision effectively. Additionally, we proudly maintain a SOC 2 Type 2 certification, underscoring our commitment to robust security practices. Recently, we made a strategic decision to shift focus from ISO 14001:2015 alignment to pursuing B Corporation certification by 2025, a testament to our dedication to social and environmental responsibility.

Year end financial position and key performance indicators

The principal KPIs that the Group monitors are monthly recurring revenue ("MRR") and EBITDA. These metrics are identifiable in the management accounts each month. The Group's EBITDA in 2023 was positive £206,867 (2022: positive £925,130 restated) and group recurring revenue was split per service line as follows:

	2023	2022
	£	£
Cloud services	**7,685,453**	7,646,284
Managed services	**2,376,371**	4,053,212
DPOaas	**777,536**	630,390
Data Insights as a Service (DIaaS)	**4,391,676**	4,274,289
	15,231,036	16,604,175

The Group does not currently analyse EBITDA by service line.

Going concern

The Directors have prepared revised 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. The Group has the financial support of its immediate parent company and ultimate controlling party in the execution of its strategy.

The Group is in a net liability position of £42,625,144 (2022: net liability position of £28,277,790 restated). 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 each of the four financial years ended 31 December 2023. The Group continues to generate a positive EBITDA and the Directors are confident in the ability to grow the business in both the data insights and cloud industry segments particularly.

Since the year end, the Group has renegotiated terms of the bond loan following a series of discussions with the bondholders in late 2023. The key new terms were (i) an extension of the maturity/repayment date to December 2028 (ii) the fixing of the interest on the bond loan at 7% per annum as a PIK arrangement compounded on each interest payment date and capitalised into the capital balance for settlement upon maturity. As part of these refinance discussions, the principal shareholder invested a further £3m in the business and this was received on 5 February 2024. This investment was by way of a loan facility which bears interest at 6% per annum and which is also settled by way of a PIK arrangement with no cash payable until December 2028.

CALLIGO (UK) LIMITED

Strategic report (continued)
For the year ended 31 December 2023

As such, 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.

Principal risk and uncertainties

The main risks arising from the Group's operations include credit risk, liquidity risk, market risk and operational risks. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised further as follows:

Credit risk
Credit risk represents the failure of customers and clients or counterparties to fully honour their obligations to the Group, including the whole and timely payment of trade and other receivables. The risk is managed through regular reviews of the aged debtor book and monthly review meetings with the finance team.

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.

The Group monitors sales opportunities and contract renewals during weekly meetings between key members of the commercial team, the CEO and the CFO. Sales are also compared to budget and prior year on a monthly basis in the group's internal management accounts and these are shared with the senior executive team and Main Board each month. In addition, reports that summarise revenue by customer across each location are reviewed by the finance team as part of the month end management accounting process.

On 5 February 2024, newly negotiated terms of the bond loan became effective following a series of discussions with the bondholders in late 2023 and no further cash interest will now be paid until December 2028, the new maturity/repayment date of the bond loan. As part of these refinance discussions, the Company received £3m from the principal shareholder by way of a loan facility and no cash interest is payable on this facility until December 2028.

Market risk
This is the risk of loss arising from potential adverse changes in the value of the Group's assets and liabilities from fluctuations in market variables including, but not limited to, interest rates and foreign exchange rates. On 5 February 2024, under the terms of the newly negotiated terms of the bond loan, the interest on the bond loan will now accrue at a fixed rate of 7% per annum as a PIK arrangement compounded on each interest payment date and capitalised into the capital balance for settlement upon maturity in December 2028.

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.

Operational risks
The Group considers the principal operational risks to be as follows:

(i) Security of our systems – we utilise industry leading security products to protect our systems and services against both known and unknown threats
(ii) Retention of key staff – the Group offers competitive remuneration packages to all staff as well as offering training opportunities and progressive career paths where possible.

Future developments

The Group continues to enhance its client offering ranging from continuous improvement in the cloud environments and associated use of new technologies across to the recruitment and retention of key staff across Europe and North America.

Signed on behalf of the board by:

Paul Comerford

______________________________ Director

Mr Paul Comerford
30 April 2024

CALLIGO (UK) LIMITED

Directors' report for the year ended 31 December 2023

The Directors present their report and the audited consolidated financial statements (the "consolidated financial statements") for the year ended 31 December 2023.

Directors of the group

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

Mr Julian Box (resigned 5 January 2024)
Mr Adam Ryan

Mr Paul Comerford was appointed as a Director on 5 January 2024.

Secretary

The secretary of the Company at 31 December 2023 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 Calligo Limited, a Company incorporated in Jersey. The ultimate holding Company is Calligo Holdings Limited, a Company also incorporated in Jersey and which is ultimately controlled by Investcorp Holdings B.S.C, a company incorporated in Bahrain. The consolidated financial statements of Calligo Holdings Limited are published on the company's website www.calligo.io.

Results and dividends

The Consolidated Statement of Comprehensive Income for the year ended 31 December 2023 is set out on page 16. There were no dividends paid in the year under review (2022: £nil).

Going concern

The Directors have prepared revised 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. The Group has the financial support of its immediate parent company and ultimate controlling party in the execution of its strategy.

The Group is in a net liability position of £42,625,144 (2022: net liability position of £28,277,790 restated). 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 each of the four financial years ended 31 December 2023. The Group continues to generate a positive EBITDA and the Directors are confident in the ability to grow the business in both the data insights and cloud industry segments particularly.

Since the year end, the Group has negotiated terms of the bond loan following a series of discussions with the bondholders in late 2023. The key new terms were (i) an extension of the maturity/repayment date to December 2028 (ii) the fixing of the interest on the bond loan at 7% per annum as a PIK arrangement compounded on each interest payment date and capitalised into the capital balance for settlement upon maturity. As part of these refinance discussions, the principal shareholder invested a further £3m in the business and this was received on 5 February 2024. This investment was by way of a loan facility which bears interest at 6% per annum and which is also settled by way of a PIK arrangement with no cash payable until December 2028.

As such, 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 though the generation of cash from operating activities and any interest accruing under the bond facility is paid from these cash flows. 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 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 the Calligo Group, our ESG framework is being intricately woven into our organisational ethos—transforming data into customers' most valuable asset while simultaneously elevating our commitment to the planet, people, and ethical governance. This comprehensive approach reflects our overarching mission and resonates deeply with our stakeholders, which encompasses employees, partners, suppliers and investors.

In our journey toward ESG excellence, we've instituted an inclusive ESG working group that mirrors our company's diverse expertise and geographical footprint. This collective has critically evaluated our ESG trajectory, opting to pivot from our initial alignment with the ISO 14001:2015 standard to pursue B Corporation certification. We recognize that B Corp's holistic ESG focus better aligns with our ambition to foster sustainable and socially responsible operations across all facets of our business.

Our path to B Corp certification by 2025 is underscored by a rigorous assessment process. We are diligently identifying and establishing clear, actionable objectives, particularly in the realm of emissions reduction and environmental stewardship. Attainment of the B Corp seal will not only affirm our dedication to excellent corporate governance but also highlight our tangible social and environmental achievements.

As a confluence of technology and human ingenuity, Calligo places immense value on cultivating an employee-centric culture. Our commitment to fostering employee wellbeing, health, and social accountability is demonstrated through a myriad of initiatives aimed at nurturing trust and collaboration, independent of geographic constraints.

Our governance structure, embodied by a proactive Group Board and specialized sub-committees in Audit and Remuneration, ensures rigorous oversight and strategic direction. Meeting quarterly with additional interim updates, the Board, which blends executive insight with non-executive oversight, remains steadfast in steering our ESG agenda. Simultaneously, our Senior Management Team, inclusive of key C-suite leaders, maintains a pulse on operational and strategic dimensions, ensuring that our ESG commitments are seamlessly integrated into our day-to-day and long-term business strategies.

Disclosure to auditors

The Directors confirm at the date of this report that, so far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware and they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Grant Thornton Limited shall continue in office.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The Companies Act 2006 requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the consolidated financial statements in accordance with applicable law and UK-adopted international accounting standards as issued by UK Endorsement Board (UKEB). Under company law, the financial statements are required by law to give a true and fair view of the state of affairs of the Company and Group at the end of the year and of the profit or loss of the Group for the year. 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 UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

DocuSigned by:
Paul Comerford
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Mr Paul Comerford
Director
30 April 2024

Independent auditor's report to the members of Calligo (UK) Limited

Opinion

We have audited the consolidated financial statements of Calligo (UK) Limited (the 'Company') and its subsidiaires (the 'Group') for the year ended 31 December 2023, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Companies Act 2006 and UK-adopted international accounting standards.

In our opinion, the consolidated financial statements:

- give a true and fair view of the state of the Company and Group's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international financial accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the 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 the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's business model including effects arising from macro-economic uncertainties, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period. Our evaluation also considered post balance sheet refinancing and a review of future cash flow forecasts, including challenging assumptions made in such forecasts.

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

In auditing the consolidated financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the consolidated financial statements' section of this report.

Our approach to the audit

Overview of our audit approach

Overall materiality:

- Group: £350,000**,** which represents 2% of the Group's total revenues.

Key audit matters were identified as:

- Impairment of goodwill and other intangible assets; and
- Improper revenue recognition

Our auditor's report for the year ended 31 December 2022 included one key audit matter that has not been reported as a key audit matter in our current year's report. This relates to:

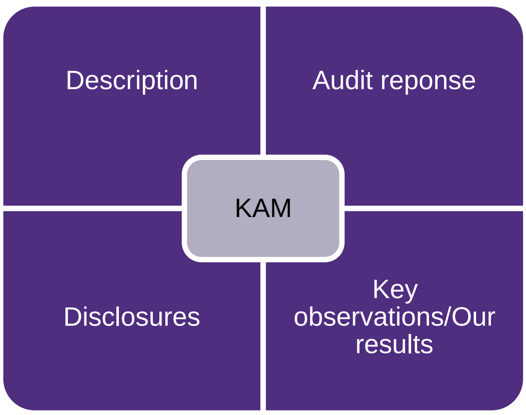
- First time adoption of IFRS

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.
- Other than the Company only balance sheet, our audit opinion covers the consolidated financial statements of the Group only. We have not been engaged to provide individual statutory opinions on the financial statements of the Parent Company or subsidiaries.
- Our audit coverage of revenues was 98.5%

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.

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	In responding to the key audit matter, we performed the following audit procedures: • Reviewed management's impairment assessment of goodwill at the year-end date. • Benchmarked the discount rates applied in the determination of the fair value of the Cash Generating Units (CGUs). • Obtained management's justification for the assumed growth rate applied to determine the fair value of the CGUs. • Reviewed the value in use recoverable amount utilising budgets, forecasts and supported discount rates, and assessed whether this resulted in an impairment. • Discussed with management the value in use for Canada and Ireland and obtained management's assessment to support their decision to further fully impair the goodwill. Summary of work performed with regards to other intangible assets: • For customer contracts: - Recalculated amortization charge for the intangibles – Customer contracts. - Performed impairment assessment of customers contracts.

Key Audit Matter – Group	How our scope addressed the matter – Group
greater than our materiality for the financial statements as a whole. Relevant disclosures in the Annual Report and Accounts 2023 • Financial statements: Note 10 Goodwill, Note 12 Other intangible assets	**Our results** We deemed appropriate the Group's conclusion that Calligo Canada and Caligo Ireland goodwill were impaired and that no impairment was required Calligo US goodwill and other intangible assets. The results of our work on customer contracts supported management's assessment that no further impairment was necessary.
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 £17,553,749 (2022: £22,395,184). Revenue is the most quantitatively significant line item in the Consolidated Income Statement and is composed of several geographical areas and service lines.	In responding to the key audit matter, we performed the following audit procedures: • 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; • Performed cut-off testing on invoices over the year end to ensure they were appropriately recorded in the correct period; and • Performed gap analysis procedures to identify gaps in the invoice sequencing. Where gaps were identified explanations and/or supporting documentation were sought from management.
Relevant disclosures in the Annual Report and Accounts 2023 • Financial statements: Note 4 Segment information	**Our results** We consider that revenue across the Group has been appropriately recognised.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 'Report and 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the consolidated financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group through discussions with management. We determined that the most significant frameworks that are directly relevant to specific assertions in the consolidated financial statements are those related to the financial reporting framework, being UK-adopted international accounting standards and the Companies Act 2006, together with the Nasdaq Stockholm Rulebook for Issuers of Fixed Income Instruments, and tax legislation in the jurisdictions in which the Group operates, including the application of local sales and use taxes and overseas permanent establishments;
- We enquired of management, the finance team, legal counsel and the board of directors about the Group's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and the board of directors whether they were aware of any instances of non-compliance with laws and regulations and whether they had any knowledge of actual, suspected alleged fraud, we corroborated our enquiries by review of board minutes and we identified areas of the above laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management;
- We assessed the susceptibility of the consolidated financial statements to material misstatement due to fraud, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - Enquiring of management, the finance team, legal counsel and the Board about the risks of fraud at the Group and parent Company level, and the controls implemented to address those risks;

- Assessing the design and implementation of controls relevant to the audit that management has in place to prevent and detect fraud, including updating our understanding of the internal controls over journal entries, including those related to the posting of non-standard entries used to record non-recurring, unusual transactions or other non-routine adjustments;
- Making specific inquiries of each member of the finance team to ascertain whether they had been subject to undue pressure or had been asked to make any unusual postings or modifications to reports used in financial reporting;
- Performing journal entries testing through the use of audit data analytics tools to identify high risk journal entries and postings and reviewing unusual transactions and examining supporting evidence and authorisations;
- Performing specific procedures responding to the risk of fraudulent recognition of revenue as detailed within the key audit matters section;
- Challenging assumptions and judgements made by management in its significant accounting estimates (as referenced in the key audit matters section above); and
- Identifying and testing related party transactions.

- These audit procedures were designed to provide reasonable assurance that the consolidated financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the consolidated financial statements, the less likely we would become aware of it.

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud; and

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the entity's operation, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the applicable statutory provisions
- the entity's control environment.

Use of our report

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

Jason Lees-Baker
Senior Statutory Auditor
for and on behalf of Grant Thornton Limited
Chartered Accountants
St Helier, Jersey

30 April 2024

CALLIGO (UK) LIMITED

Consolidated Income Statement
for the year ended 31 December 2023

	Notes	2023 £	2022 *Restated* £
Revenue	*4*	**17,553,749**	22,395,184
Costs of Sales		**(5,680,261)**	(7,211,201)
Employee benefits expense	*5*	**(10,043,426)**	(12,559,714)
Depreciation, Amortisation and Impairment of Non-financial assets		**(8,716,842)**	(2,348,921)
Impairment of Financial Assets		**(147,963)**	(62,555)
Other expenses	*6*	**(2,824,401)**	(3,439,153)
Operating loss		**(9,859,144)**	(3,226,360)
Finance income	*7*	**1,770**	36,522
Finance costs	*7*	**(4,377,592)**	(4,030,017)
Other financial items	*8*	**(30,277)**	(80,875)
Loss before taxation		**(14,265,243)**	(7,300,730)
Tax expense	*9*	**(205,206)**	(178,153)
Loss for the year		**(14,470,449)**	(7,478,883)
Loss attributable to:			
Owners of the Group		**(14,470,449)**	(7,478,883)

The notes on pages 22-60 form an integral part of these financial statements.

The above results are derived from continuing activities.

CALLIGO (UK) LIMITED

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2023

	2023	2022 *Restated*
	£	£
Loss for the financial year	**(14,470,449)**	(7,478,883)
Other comprehensive income		
Exchange differences on retranslation of subsidiaries	**123,095**	(312,713)
Total comprehensive loss for the year	**(14,347,354)**	(7,791,596)
Total comprehensive loss for the year attributable to:		
Owners of the Group	**(14,347,354)**	(7,791,596)

The notes on pages 22-60 form an integral part of these financial statements.

The above results are derived from continuing activities.

CALLIGO (UK) LIMITED

Consolidated Statement of Financial Position
As at 31 December 2023

	Notes	**31 Dec 2023**	31 Dec 2022 *Restated*
Assets		**£**	£
Non-current assets			
Goodwill	*10*	**4,509,619**	11,243,226
Other intangible assets	*12*	**1,525,780**	2,164,804
Other long term assets	*13*	**420,288**	743,426
Property, plant and equipment	*14*	**2,176,994**	1,951,793
Right of use assets	*15*	**2,583,470**	2,130,049
		11,216,151	18,233,298
Current assets			
Inventory		**19,569**	41,794
Prepayments and other short term assets	*16*	**468,655**	494,697
Trade and other receivables	*17*	**16,483,759**	3,482,209
Cash and cash equivalents	*18*	**571,763**	1,099,622
		17,543,746	5,118,322
Total assets		**28,759,897**	23,351,620
Equity and liabilities			
Equity			
Share capital	*19*	**6,660,974**	6,660,974
Retained losses		**(49,286,118)**	(34,938,764)
Equity attributable to owners of company		**(42,625,144)**	(28,277,790)
Non-current liabilities			
Borrowings	*20*	**-**	34,244,653
Lease liabilities	*21*	**3,098,352**	2,229,350
		3,098,352	36,474,003
Current liabilities			
Borrowings	*20*	**34,022,809**	-
Trade and other payables	*22*	**32,589,061**	13,377,874
Lease liabilities	*21*	**812,547**	1,009,909
Contract and other liabilities		**175,726**	248,275
Provisions		**173,131**	91,519
Tax liabilities	*23*	**513,415**	427,830
		68,286,689	15,155,407
Total liabilities		**71,385,041**	51,629,410
Total equity and liabilities		**28,759,897**	23,351,620

The notes on pages 22-60 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 2024 and signed on its behalf by:

DocuSigned by:
Paul Comerford
6C83F9D1F81248C... Director
Mr Paul Comerford

DocuSigned by:
Adam Ryan
BC3127354D8C479... Director
Mr Adam Ryan

CALLIGO (UK) LIMITED

Company Statement of Financial Position
As at 31 December 2023

Assets	*Notes*	**31 Dec 2023 £**	31 Dec 2022 £
Non-current assets			
Intangible assets	*10*	**-**	354,700
Investment in subsidiaries	*11*	**7,122,489**	7,063,926
Property, plant and equipment	*14*	**198,757**	344,931
Right of use assets	*15*	**303,815**	770,171
		7,625,061	8,533,728
Current assets			
Inventory		**-**	309
Prepayments and other short term assets	*16*	**238,332**	199,220
Trade and other receivables	*17*	**22,423,176**	23,200,393
Cash and cash equivalents	*18*	**141,807**	271,963
		22,803,315	23,671,885
Total assets		**30,428,376**	32,205,613
Equity and liabilities			
Equity			
Share capital	*19*	**6,660,974**	6,660,974
Retained losses		**(26,792,384)**	(21,138,098)
Equity attributable to owners of company		**(20,131,410)**	(14,477,124)
Non-current liabilities			
Borrowings	*20*	**-**	34,244,653
Lease liabilities	*21*	**63,649**	270,128
Other liabilities		**-**	-
		63,649	34,514,781
Current liabilities			
Borrowings	*20*	**34,022,809**	-
Provisions		**5,301**	-
Trade and other payables	*22*	**16,183,960**	11,434,714
Lease liabilities	*21*	**195,866**	557,694
Contract and other liabilities		**88,201**	175,548
Tax liabilities	*23*	**-**	-
		50,496,137	12,167,956
Total liabilities		**50,559,786**	46,682,737
Total equity and liabilities		**30,428,376**	32,205,613

The notes on pages 22-60 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 2024 and signed on its behalf by:

DocuSigned by:
Paul Comerford
6C83F9D1F81248C... Director
Mr Paul Comerford

DocuSigned by:
Adam Ryan
BC3127354D8C479... Director
Mr Adam Ryan

CALLIGO (UK) LIMITED

Consolidated Statement of Changes in Equity
for the year ended 31 December 2023

	Share capital £	Share premium £	Retained losses £	Total £
Balance at 1 January 2023	6,660,974	-	(34,938,764)	(28,277,790)
Loss for the year	-	-	(14,470,449)	(14,470,449)
Other comprehensive income	-	-	123,095	123,095
Balance at 31 December 2023	**6,660,974**	**-**	**(49,286,118)**	**(42,625,144)**
Balance at 1 January 2022	6,660,974	-	(27,147,168)	(20,486,194)
Loss for the year – restated (note 29)	-	-	(7,478,883)	(7,478,883)
Other comprehensive income – restated (note 29)	-	-	(312,713)	(312,713)
Balance at 31 December 2022	**6,660,974**	**-**	**(34,938,764)**	**(28,277,790)**

The notes on pages 22-60 form an integral part of these financial statements.

Company Statement of Changes in Equity
for the year ended 31 December 2023

	Share capital £	Share premium £	Retained losses £	Total £
Balance at 1 January 2023	6,660,974	-	(21,138,098)	(14,477,124)
Loss for the year	-	-	(5,654,286)	(5,654,286)
Balance at 31 December 2023	**6,660,974**	**-**	**(26,792,384)**	**(20,131,410)**
Balance at 1 January 2022	6,660,974	-	(15,236,125)	(8,575,151)
Loss for the year	-	-	(5,901,973)	(5,901,973)
Balance at 31 December 2022	**6,660,974**	**-**	**(21,138,098)**	**(14,477,124)**

The notes on pages 22-60 form an integral part of these financial statements.

CALLIGO (UK) LIMITED

Consolidated Statement of Cash Flows
for the year ended 31 December 2023

	Notes	**2023** £	2022 *Restated* £
Operating activities			
Loss before tax		**(14,265,243)**	(7,300,730)
Non cash adjustments	*24*	**13,135,815**	6,724,086
Net changes in working capital	*24*	**5,629,023**	380,005
Taxes (paid)/reclaimed		**(119,621)**	228,628
Net cash from operating activities		**4,379,974**	31,989
Net cash used in investing activities			
Purchase of tangible fixed assets		**(708,781)**	(713,155)
Purchase of intangible fixed assets		**(78,590)**	(158,235)
Sale of businesses		**81,155**	160,870
Interest received		**1,770**	36,522
Net cash used in investing activities		**(704,446)**	(673,998)
Cash flows from financing activities			
Payment of finance lease liabilities		**(1,204,183)**	(1,328,915)
Repayment of Nordic bond facility		**-**	(8,588,539)
Interest paid		**(2,998,424)**	(3,636,737)
Net cash used in financing activities		**(4,202,607)**	(13,554,191)
Net decrease in cash and cash equivalents		**(527,079)**	(14,196,200)
Cash and cash equivalents and cash in escrow at beginning of year		**1,135,376**	15,331,576
Cash and cash equivalents and cash in escrow at end of year		**608,297**	1,135,376

Balance sheet reconciliation of total cash and cash equivalents

	£	£
Cash and cash equivalents	**571,763**	1,099,622
Cash in escrow included in other debtors (note 17)	**36,534**	35,754
Total cash, cash equivalents and cash held in escrow in the statement of cash flows	**608,297**	1,135,376

The notes on pages 22-60 form an integral part of these financial statements.

1 Corporate information

The consolidated financial statements of Calligo (UK) Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 30 April 2024. Calligo (UK) Limited is a private limited company incorporated and domiciled in the UK. The registered office is located at Suite 3md Siskin Drive, Middlemarch Business Park, Coventry, England CV3 4FJ.

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 Calligo 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 UK-adopted international accounting standards as issued by UK Endorsement Board (UKEB).

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 accrual 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 2023. 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 2023 and 2022. The principal subsidiaries of the Company are detailed in note 31.

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

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 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 significant 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 and liabilities 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 include 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 assets and liability balances are fair value assessed on a cash generating unit (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 firstly against the goodwill relevant to the CGU (refer to note 2.4.n).

The estimated carrying value of each CGU is calculated using the FVLCOD (fair value less cost of disposal) method using EBITDA 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 and 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 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 receivable 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 and 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 customers respective statement of work.

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 billings based on a specified payment schedule within each customers' respective statement of work. These services are reported as non-recurring revenue in the cloud services part of the business.

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 billings based on a specified payment schedule within each customers 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 has an enforceable right to payment for performance completed to date and recognises revenue only on 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 accounts receivable 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 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 without installation services, control transfers when the customer downloads 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 cost that relates 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 the Group and under its control will be allocated to cost of sales.

f) Operating expenses

Operating expenses are recognised in 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) 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 9). Deferred income 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 control 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.

i) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in £, 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 the 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.

j) 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.

k) 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 life 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.

l) 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 value 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 as much 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.m. 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 profit or loss within other income or other expenses.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually at each 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.

m) 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 all 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 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 – 1.5 years

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 continued 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 as operating leases. 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 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.

n) 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 inflows (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.

CGUs are 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) growth estimates 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 CGUs recoverable amount exceeds its carrying amount, excluding goodwill. The Group did not reverse any previous period impairment losses in 2023.

o) 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 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 included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets 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.

p) 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.

q) 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.

r) 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 UK 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.

s) 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.

t) Going concern

The Directors have prepared revised 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. The Group has the financial support of its immediate parent company and ultimate controlling party in the execution of its strategy.

The Group is in a net liability position of £42,625,144 (2022: net liability position of £28,277,790 restated). 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 each of the four financial years ended 31 December 2023. The Group continues to generate a positive EBITDA and the Directors are confident in the ability to grow the business in both the data insights and cloud industry segments particularly.

Since the year end, the Group has negotiated terms of the bond loan following a series of discussions with the bondholders in late 2023. The key new terms were (i) an extension of the maturity/repayment date to December 2028 (ii) the fixing of the interest on the bond loan at 7% per annum as a PIK arrangement compounded on each interest payment date and capitalised into the capital balance for settlement upon maturity. As part of these refinance discussions, the principal shareholder invested a further £3m in the business and this was received on 5 February 2024. This investment was by way of a loan facility which bears interest at 6% per annum and which is also settled by way of a PIK arrangement with no cash payable until December 2028.

As such, 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.

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 and 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 contact 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 financial assets and liabilities. In many cases, the judgements applied refer to the recoverable amount of assets and the useful life of tangible assets and CGU assessment (note 10).

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 10 – Goodwill, note 14 – Property, plant and equipment, note 15 – Right of use assets, note 21 - Lease Liabilities and note 29 - Contingent Liabilities).

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

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 loss carry-forwards 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 £7,232,753 (2022: £8,988,000). The deferred tax asset arises from losses, intangible assets and other timing differences of £29,657,682 (2022: £39,018,000).

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 2023, the Group recognised an impairment loss on goodwill (see note 10).

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.

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 2023.

Customer Lists valuation

Management have used 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 acquired in 2023.

Fair value measurement

Refer to accounting policies 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 of 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 (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 firstly against the Goodwill relevant to the CGU (refer to accounting policies note 2.4.n).

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.

Litigations and claims

The Directors have applied judgment in determining liabilities in respect of an unfair dismissal claim as outlined in note 30.

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 undertakes research 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.

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

4 Segment information

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

For the year ended 31 December 2023

	Cloud Services	Managed Services	Data Insights	Privacy Services	Hardware & Software	Other	Total
	£	£	£	£	£	£	£
UK	**3,697,476**	**295,068**	**106,877**	**786,992**	**214,687**	**24,712**	**5,125,812**
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**	**148,956**	**5,589,776**
	7,956,457	**2,422,830**	**5,209,983**	**786,992**	**928,773**	**248,714**	**17,553,749**
Services transferred	**7,956,457**	**2,422,830**	**5,209,983**	**786,992**	**-**	**248,714**	**16,624,976**
Goods transferred	**-**	**-**	**-**	**-**	**928,773**	**-**	**928,773**
	7,956,457	**2,422,830**	**5,209,983**	**786,992**	**928,773**	**248,714**	**17,553,749**

For the year ended 31 December 2022 ***(restated – note a)***

	Cloud Services	Managed Services	Data Insights	Privacy Services	Hardware & Software	Other	Total
	£	£	£	£	£	£	£
UK	3,327,302	402,627	78,000	698,616	181,703	15,789	4,704,037
Ireland	1,251,521	1,303,035	-	19,585	804,832	13,967	3,392,940
Canada	3,366,353	2,389,302	18,572	-	844,315	84,730	6,703,272
USA	39,736	-	6,983,447	14,607	294,099	263,046	7,594,935
	7,984,912	4,094,964	7,080,019	732,808	2,124,949	377,532	22,395,184
Services transferred	7,984,912	4,094,964	7,080,019	732,808	-	377,532	20,270,235
Goods transferred	-	-	-	-	2,124,949	-	2,124,949
	7,984,912	4,094,964	7,080,019	732,808	2,124,949	377,532	22,395,184

Note a: Other revenue for the year ended 31 December 2022 includes an additional £18,429 from the figures previously reported. This relates to a correction of an error as disclosed in note 29.

The Group has identified the following geographic areas as its basis of segmentation.

- Americas
- Europe

Each of these operating segments have an individual appointed as Segment Finance Lead responsible for these segments, who in turn reports to the Chief Financial Officer.

The Group measures segment performance based on the total revenues, gross profit and EBITDA before separately disclosed costs and other expense and exceptional items.

The accounting policies of the operating segments are the same as those described in note 2.4. Transactions between reportable segments are accounted for at historic cost less impairment and are eliminated on consolidation.

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

The following tables present certain results, assets and liabilities information regarding the Group's segments.

	Europe		Americas		Total	
	2023	2022	**2023**	2022 *Restated*	**2023**	2022 *Restated*
	£	£	**£**	£	**£**	£
Revenue	**7,289,195**	8,096,977	**10,264,554**	14,298,207	**17,553,749**	22,395,184
EBITDA	**(1,217,427)**	(1,168,552)	**1,424,294**	2,095,123	**206,867**	926,571
Loss for the year	**(7,021,766)**	(5,961,891)	**(7,448,683)**	(1,516,992)	**(14,470,449)**	(7,478,883)

	Europe		Americas		Total	
	2023	2022	**2023**	2022 *Restated*	**2023**	2022 *Restated*
	£	£	**£**	**£**	**£**	£
Segment assets	**15,746,557**	5,014,589	**13,013,340**	18,358,428	**28,759,897**	23,373,017
Segment liabilities	**(49,792,920)**	(47,513,263)	**(21,592,120)**	(4,137,543)	**(71,385,040)**	(51,650,806)
Net Assets	**(34,046,363)**	(42,498,674)	**(8,578,780)**	14,220,885	**(42,625,143)**	(28,277,789)

5 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	2023	2022
	£	£
Wages, salaries	**7,976,912**	9,823,486
Social security costs	**804,130**	983,737
Pension costs	**277,806**	321,583
Healthcare costs	**35,459**	65,959
Contractors	**419,362**	643,576
Recruitment costs	**2,649**	135,201
Training and events	**15,857**	19,214
Travel costs	**176,852**	239,672
Other	**334,399**	327,286
	10,043,426	12,559,714

Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2023	2022
Number of permanent employees	**106**	146

The aggregate payroll costs of these persons were as follows:

	2023	2022
	£	£
Wages and salaries	**7,976,912**	9,823,486
Social security costs	**804,130**	983,737
Pensions	**277,806**	321,583
	9,058,848	11,128,806

Pensions and other employee obligations

The company only offers defined contribution pension plans.

6 Other expenses

Other expenses are analysed below:

	2023	2022
	£	£
Marketing	**164,950**	87,589
Establishment	**575,103**	654,790
IT	**101,606**	122,104
Legal & professional (note 1)	**262,853**	270,925
Subscriptions	**121,254**	196,624
Restructuring costs	**722,378**	728,047
Debt raise and debt repayment costs	**483,505**	811,145
M&A costs	**83,132**	99,163
Potential Legal Claim	**-**	45,353
Other	**309,620**	423,413
	2,824,401	3,439,153

Note 1: includes audit fees of £62,126 (2022: £92,868).

7 Finance costs and finance income

Finance costs for the reporting periods consist of the following:

	2023	2022
Finance income	£	£
Interest income	**(1,770)**	(36,522)
Finance costs		
Debt finance	**4,090,911**	3,638,534
Finance leases & hire purchase contracts	**249,944**	347,740
Other interest & charges	**36,737**	43,743
	4,377,592	4,030,017

8 Other financial items

Other financial items are analysed below:

	2023	2022
	£	£
Foreign exchange	**14,660**	142,865
(Profit)/loss on sale of assets	**15,617**	(61,990)
	30,277	80,875

9 Tax expense

	2023	2022
	£	£
Current charge – overseas subsidiaries (note 1)	**205,206**	178,153
	205,206	178,153

Note 1: Included in this amount is £41,566 capital gains tax on the sale of a business unit in Ireland (2022: nil) and Washington State tax of £73,651 (2022: £79,705).

Reconciliation of effective tax rate

	2023	2022
	£	£
Loss on ordinary activities before taxation	**(14,265,243)**	(7,300,730)
Tax on loss on ordinary activities before taxation (at weighted average statutory rate of 23.12% (2022: 20.19%)	**(3,298,322)**	(1,474,959)
Factors affecting tax charge for the year:		
Expenses not deductible for tax purposes	**4,044**	4,329
Movement in unrecognised deferred tax assets	**3,265,524**	1,470,631
Overseas tax adjustments	**163,640**	78,644
Adjustment in respect of prior years	**70,320**	99,508
Total current income tax (credit)/charge for the year	**205,206**	178,153

The Company is subject to UK income tax at the rate of 23.5%, a hybrid rate based on 19% applying until 31 March 2023 and 25% applying from 1 April 2023.

The subsidiary entities bear the following corporate tax rates for both 2023 and 2022 – Ireland 12.5%, Canada 26.5% and USA 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 £7,232,753 (2022: £8,988,000). The deferred tax asset arises from losses, intangible assets and other timing differences of £29,657,682 (2022: £39,018,000).

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

10 Goodwill

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

	Group
Cost or valuation	£
At 1 January 2023	30,499,542
Acquisitions in the year	-
Foreign exchange translation differences	(677,603)
At 31 December 2023	**29,821,939**
Accumulated amortisation	
At 1 January 2023	19,256,316
Impairment for the year	6,298,169
Foreign exchange translation differences	(242,165)
At 31 December 2023	**25,312,320**
Net book value	
At 31 December 2023	**4,509,619**
At 31 December 2022	11,243,226

	Company
Cost or valuation	£
At 1 January 2023	7,969,632
Acquisitions in the year	-
Foreign exchange translation differences	-
At 31 December 2023	**7,969,632**
Accumulated amortisation	
At 1 January 2023	7,614,932
Adjustment	(243,199)
Impairment for the year	597,899
Foreign exchange translation differences	-
At 31 December 2023	**7,969,632**
Net book value	
At 31 December 2023	**-**
At 31 December 2022	354,700

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the defined CGUs (the group has defined these to be the local operating businesses) 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 a discount factor based on the Group's borrowing rate (see note 2.4.c & n).

Growth rates

The period relating to the full year 31 December 2024 is based on the Group's internal budget, the period for the year ending 2025 is an annualised calculation of the quarter 4 performance in December 2024. All subsequent periods assume a prudent long-term average growth rate of 3%.

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 CGUs were substantially in excess of its carrying amount, with the exception of Ireland and Canada. The Ireland goodwill impairment loss of £1,071,632 (£597,899 included in the UK company) in 2023 (2022: £169,781) and the Canada goodwill impairment loss of £5,226,537 in 2023 (2022: £0) was included within depreciation, amortisation and impairment of non-financial assets.

No acquisitions and disposals were made in the group in 2023 (2022: nil).

11 Investment in Subsidiaries (Company)

Cost	£
At 1 January 2023	7,063,926
Adjustment	57,565
Acquisitions in the year	998
At 31 December 2023	**7,122,489**
Net book value	
At 31 December 2023	**7,122,489**
At 31 December 2022	7,063,926

Investments in subsidiaries are measured initially at cost, which is normally the transaction price. Subsequent to initial recognition investments in subsidiaries are measured at cost less impairment. Any impairment charges are recognised in the Consolidated Income Statement. See note 31 for a list of the Company's principal subsidiaries.

12 Other intangible assets

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

Group	**Customer List**	**IP addresses**	**Total**
Cost or valuation	£	£	£
At 1 January 2023	3,222,643	150,652	3,373,295
Additions in the year	-	78,590	78,590
Foreign exchange translation differences	(160,007)	(5,083)	(165,090)
At 31 December 2023	**3,062,636**	**224,159**	**3,286,795**
Accumulated amortisation			
At 1 January 2023	1,208,491	-	1,208,491
Charge for the year	627,130	-	627,130
Foreign exchange translation differences	(74,606)	-	(74,606)
At 31 December 2023	**1,761,015**	**-**	**1,761,015**
Net book value			
At 31 December 2023	**1,301,621**	**224,159**	**1,525,780**
At 31 December 2022	2,014,152	150,652	2,164,804

No impairment loss was recognised for other intangible assets.

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

13 Other long term assets

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

	2023 Group	2022 Group *Restated*	**2023 Company**	2022 Company
	£	£	**£**	£
Receivable from sale of business	**63,822**	143,305	**-**	-
Net investment in sublease	**218,333**	429,499	**-**	-
Escrow debtor	**138,133**	170,622	**-**	-
	420,288	743,426	**-**	-

14 Property, plant and equipment

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

Group	**Other Equipment**	**Computer Equipment**	**Leasehold improvement**	**Motor vehicles**	**Total**
Cost or valuation	£	£	£	£	£
At 1 January 2023	1,170,061	3,348,421	1,438,700	66,005	6,023,187
Additions	18,511	154,312	1,051,079	-	1,223,902
Disposals	(15,675)	(128,121)	-	(23,241)	(167,037)
Reclassifications	(180,701)	110,345	62,209	-	(8,147)
Foreign exchange translation differences	(20,857)	(61,229)	(95,556)	(1,551)	(179,193)
At 31 December 2023	**971,339**	**3,423,728**	**2,456,432**	**41,213**	**6,892,712**
Accumulated depreciation					
At 1 January 2023	688,306	2,711,702	639,885	31,501	4,071,394
Charge for the year	212,215	450,578	184,319	14,933	862,045
Disposals	(13,193)	(104,095)	-	(9,618)	(126,906)
Reclassifications	(164,972)	110,344	46,479	-	(8,149)
Foreign exchange translation differences	(11,267)	(51,378)	(19,565)	(456)	(82,666)
At 31 December 2023	**711,089**	**3,117,151**	**851,118**	**36,360**	**4,715,718**
Net book value					
At 31 December 2023	**260,250**	**306,577**	**1,605,314**	**4,853**	**2,176,994**
At 31 December 2022	481,755	636,719	798,815	34,504	1,951,793

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 2023 (2022: Nil).

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

Company	Other Equipment	IT Equipment	Total
Cost or valuation	£	£	£
At 1 January 2023	388,777	1,277,867	1,666,644
Additions	1,724	7,775	9,499
Reclassification	-	(1,791)	(1,791)
At 31 December 2023	**390,501**	**1,283,851**	**1,674,352**
Accumulated depreciation			
At 1 January 2023	235,692	1,086,021	1,321,713
Charge for the year	79,736	75,937	155,673
Reclassification	-	(1,791)	(1,791)
At 31 December 2023	**315,428**	**1,160,167**	**1,475,595**
Net book value			
At 31 December 2023	**75,073**	**123,684**	**198,757**
At 31 December 2022	153,085	191,846	344,931

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

The Company 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 Company's overall climate commitments and measures the Company will implement in the future.

The Company has no capital work in progress at 31 December 2023. (2022: Nil).

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

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

15 Right of use assets

Group	**Property**	**IT Equipment**	**Total**
Cost or valuation	£	£	£
At 1 January 2023 - *restated*	2,058,488	2,110,725	**4,169,213**
Additions	1,237,748	218,851	**1,456,599**
Disposals	(14,985)	-	**(14,985)**
Adjustments	-	7,623	**7,623**
Foreign exchange translation differences	(72,062)	(559)	**(72,621)**
At 31 December 2023	**3,209,189**	**2,336,640**	**5,545,829**
Accumulated depreciation			
At 1 January 2023 - *restated*	564,638	1,474,526	**2,039,164**
Charge for the year	373,191	556,305	**929,496**
Disposals	(14,985)	-	**(14,985)**
Adjustments	-	7,623	**7,623**
Foreign exchange translation differences	2,426	(1,365)	**1,061**
At 31 December 2023	**925,270**	**2,037,089**	**2,962,359**
Net book value			
At 31 December 2023	**2,283,919**	**299,551**	**2,583,470**
At 31 December 2022 - *restated*	1,493,850	636,199	2,130,049

Company	**Property**	**IT Equipment**	**Total**
Cost or valuation	£	£	£
At 1 January 2023	203,030	2,090,681	**2,293,711**
Adjustment	-	83,390	**83,390**
Foreign exchange translation differences	-	-	**-**
At 31 December 2023	**203,030**	**2,174,071**	**2,377,101**
Accumulated depreciation			
At 1 January 2023	69,058	1,454,482	**1,523,540**
Charge for the year	38,135	503,988	**542,123**
Adjustment	-	7,623	**7,623**
Foreign exchange translation differences	-	-	**-**
At 31 December 2023	**107,193**	**1,966,093**	**2,073,286**
Net book value			
At 31 December 2023	**95,837**	**207,978**	**303,815**
At 31 December 2022	133,972	636,199	770,171

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

16 Prepayments & other short term assets

Prepayments and other short term assets consist of the following:

	2023 Group	2022 Group *Restated*	**2023 Company**	2022 Company
	£	£	**£**	£
Prepayments & deposits	**370,268**	275,571	**163,360**	138,277
Other Debtors	**7,142**	92,739	**2,778**	10,311
Accrued Income	**91,245**	126,387	**72,194**	50,632
	468,655	494,697	**238,332**	199,220

17 Trade and other receivables

Trade and other receivables consist of the following:

	2023 Group	2022 Group *Restated*	**2023 Company**	2022 Company
	£	£	**£**	£
Trade receivables (note a)	**1,548,566**	2,653,494	**449,642**	708,156
Other receivables	**162,543**	139,434	**-**	-
Net Investment in Finance Lease	**189,842**	202,585		
Intercompany Debtor (outside group)	**14,546,274**	450,942	**21,937,000**	22,456,483
Cash in escrow (note b)	**36,534**	35,754	**36,534**	35,754
	16,483,759	3,482,209	**22,423,176**	23,200,393

Note a: The trade receivables are net of expected credit loss provisions of £362,615 (2022: £242,395).

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

	2023 Group	2022 Group	**2023 Company**	2022 Company
Current Assets	**£**	£	**£**	£
Cash at bank and in hand				
- GBP	**120,575**	46,335	**120,149**	45,785
- Euro	**57,893**	327,439	**16,063**	217,883
- US$	**254,880**	518,728	**5,595**	8,295
- CAD$	**138,415**	207,120	**-**	-
Total	**571,763**	1,099,622	**141,807**	271,963

The amount of cash and cash equivalents inaccessible to the wider Group as at 31 December 2023 amounts to £76,980 (31 December 2022: £112,741).

19 Equity

Share Capital

The share capital of the parent company, Calligo (UK) Limited, consists only of fully paid ordinary shares with a nominal (par) value of 1p per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of Calligo (UK) Limited.

	2023	2022
Authorised	**£**	£
6,660,974 Ordinary shares of 1p each (2022: 6,600,974 at 1p each)	**6,660,974**	6,660,974
	6,660,974	6,660,974
Allotted, called up and fully paid		
6,660,974 Ordinary shares of 1p each (2022: 6,660,974 at 1p each)	**6,660,974**	6,660,974
	6,660,974	6,660,974

The Company is authorised to issue an unlimited number of shares.

20 Borrowings

Borrowings include the following financial liabilities:

Group and Company	**2023 Group £**	2022 Group £	**2023 Company £**	2022 Company £
Carrying amount at amortised cost:				
Nordic bond facility	**34,512,660**	35,224,356	**34,512,660**	35,224,356
Less: unamortised bond arrangement fee	**(489,851)**	(979,703)	**(489,851)**	(979,703)
Total	**34,022,809**	34,244,653	**34,022,809**	34,244,653

At the balance sheet date, the Nordic Bond facility was repayable on 30 December 2024 and is therefore classified as a current liability. Since the year, new terms were agreed with the bondholders (note 32) and the maturity date of the facility has been extended to 31 December 2028.

During the financial year ending 31 December 2023, the margin on the facility ranged from 10.628% to 12.472% per annum above benchmark rate which is 3 months EURIBOR with a floor of 0%. 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

21 Lease Liabilities

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

	2023 Group	2022 Group	**2023 Company**	2022 Company
	£	£	**£**	£
Current	**812,547**	1,009,909	**195,866**	557,694
Non-current	**3,098,352**	2,229,350	**63,649**	270,128
	3,910,899	3,239,259	**259,515**	827,822

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).

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 substantial 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 2023:

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	7	2.5 – 12.5 Years	4.5	1	0	7	1
IT Equipment	6	Under 1 year	0.5	0	6	6	0

The lease liabilities are secured by the related underlying assets. Future lease payments at 31 December 2023 and 31 December 2022 were as follows:

	Lease payments due						
	Within 1 year	**Within 1-2 Years**	**Within 2-3 years**	**Within 3-4 years**	**Within 4-5 years**	**After 5 years**	**Total**
31 December 2023							
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Lease payments	1,074	724	422	423	353	2,402	5,398
Finance charges	(261)	(229)	(209)	(190)	(144)	(455)	(1,488)
Net present values	**813**	**495**	**213**	**233**	**209**	**1,947**	**3,910**

	Lease payments due						
	Within 1 year	**Within 1-2 Years**	**Within 2-3 years**	**Within 3-4 years**	**Within 4-5 years**	**After 5 years**	**Total**
31 December 2022							
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Lease payments	1,048	832	445	161	155	1,064	3,705
Finance charges	(104)	(75)	(55)	(46)	(41)	(146)	(467)
Net present values	**944**	**757**	**390**	**115**	**114**	**918**	**3,238**

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), operating leases 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.

22 Trade and other payables

Trade and other payables consist of the following

	2023 Group	2022 Group *Restated*	**2023 Company**	2022 Company
	£	£	**£**	£
Trade payables	**1,068,109**	1,046,462	**427,870**	279,682
Social security & employment taxes	**495,470**	626,305	**210,662**	254,267
Other creditors	**1,436,861**	629,262	**1,300,721**	428,747
Accruals and deferred income	**495,779**	698,322	**139,565**	337,003
Intercompany Creditors (outside UK Group)	**29,092,842**	10,377,523	**14,105,142**	10,135,015
	32,589,061	13,377,874	**16,183,960**	11,434,714

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

23 Taxation

Taxation liabilities consist of the following:

	2023 Group	2022 Group	**2023 Company**	2022 Company
	£	£	**£**	£
Withholding taxes	**352,202**	321,261	**-**	-
Other overseas taxes payable	**161,213**	106,569	**-**	-
	513,415	427,830	-	-

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

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:

	2023	2022
Non cash adjustments	**£**	£
Depreciation, amortisation and impairment of non financial assets	**2,418,673**	2,179,145
Impairment of financial assets	**6,298,169**	169,781
Foreign exchange	**(568,024)**	243,491
Interest and dividend income	**(1,770)**	(38,297)
Interest expense	**4,340,854**	3,984,503
Bond prepayment fee expenses	**489,852**	489,853
Inventory write down	**22,226**	-
Loss/(gain) on disposal of non financial assets	**15,616**	(61,995)
Provision for credit losses	**120,219**	(242,395)
	13,135,815	6,724,086

	2023	2022
Net changes in working capital	**£**	£
Change in inventories	**-**	(2,123)
Change in prepayments and other short term assets	**(169,812)**	(253,427)
Change in trade and other receivables	**1,449,264**	640,649
Change in trade and other payables	**(465,791)**	242,866
Change in other assets	**(28,304)**	-
Change in other liabilities	**4,843,666**	(247,960)
	5,629,023	380,005

25 Reconciliation of liabilities arising from financing activities

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

1 January 2023	**Long term borrowings**	**Short term borrowings**	**Lease liabilities**	**Total**
	£	**£**	**£**	**£**
	34,244,653	**-**	**3,239,259**	**37,483,912**
Cash flows				
- Repayments	-	-	(1,204,183)	**(1,204,183)**
- Proceeds	-	-	-	**-**
Non cash				
- Additions	-	-	1,467,563	**1,467,563**
- Reclassification	(34,244,653)	34,244,653	-	**-**
- Interest	-	-	258,724	**258,724**
- Other	-	(221,844)	149,536	**(72,308)**
31 December 2023	**-**	**34,022,809**	**3,910,899**	**37,933,708**

1 January 2022	**Long term borrowings**	**Short term borrowings**	**Lease liabilities**	**Total**
	£	**£**	**£**	**£**
	40,517,719	-	**4,304,305**	**44,822,024**
Cash flows				
- Repayments	(8,588,539)	-	(1,328,915)	**(9,917,454)**
- Proceeds	-	-	-	**-**
Non cash				
- Additions	-	-	-	**-**
- Prepayment release	489,853	-	-	**489,853**
- Interest	-	-	356,340	**356,340**
- Other	1,825,620	-	(92,471)	**1,733,149**
31 December 2022 - *restated*	**34,244,653**	**-**	**3,239,259**	**37,483,912**

26 Related party transactions

At 31 December 2023 and 2022, the Group had the following balances with related parties:

	2023	2022
	£	£
Calligo Limited Liabilities	**(14,546,569)**	(9,926,581)

The above balance is non-interest bearing and repayable on demand. The balance includes annual management charges for services provided to/by other members of the wider group along with cost recharges for services provided to the wider group but invoiced by suppliers to one entity. Included in the consolidated operating loss are the following related party transactions:

	2023	2022
	£	£
Management charges from Calligo Limited (note 1)	**398,975**	492,577
Management charges to Calligo Limited	**(261,915)**	(259,738)
Net cost	**137,060**	232,839

Directors Remuneration

Note 1: included within the Management charges from Calligo Limited are Directors Remuneration of £33,227 (2022: £99,683).

Directors' remuneration is split between the Holding Group and the UK Group but only the cost pertaining to the UK Group are included in the UK group financial statements.

The aggregate remuneration paid to directors in respect of qualifying services during 2023 was £247,619 (2022: £316,981). There were no gains made by directors on the exercise of share options.

Emoluments includes salary, fees and bonuses and estimated money value of any other benefits received otherwise than in cash except for the value of any share options granted or gains on the exercise of any such options, company contributions paid in respect of any pension scheme or any other money or assets paid to or receivable under any long term incentive scheme.

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

Related parties (Company)

At 31 December 2023 and 2022, the Company had the following balances with related parties:

	2023	2022
	£	£
Calligo Limited	**(14,079,396)**	(10,135,015)
Calligo (Canada) Inc	**5,921,878**	6,294,100
Network Integrity Services Limited	**(24,895)**	-
Calligo (US) Inc	**9,179,704**	9,543,711
Calligo (Ireland) Holdings Limited	**6,834,567**	6,618,672
Net Asset	**7,831,858**	12,321,468

The above balances are non-interest bearing and repayable on demand. The balances include annual management charges for services provided to/by other members of the wider group along with cost recharges for services provided to the wider group but invoiced by suppliers to one entity.

Included in the operating loss are the following related party transactions:

	2023	2022
	£	£
Management charges to Calligo (Canada) Inc	**295,687**	357,766
Management charges from Calligo (Canada) Inc	**(10,047)**	(10,570)
Management charges to Calligo Limited	**254,379**	251,811
Management charges from Calligo Limited	**(233,418)**	(222,782)
Management charges to Calligo (US) Inc	**240,042**	420,996
Net income	**546,643**	797,221

Refer to notes 4 and 31 for the nature of the relationship between the parties.

Key management of the Group are the Directors of the Company and the Senior Management Team. Key management personnel remunerations includes the following expenses:

	2023	2022
	£	£
Short term employee benefits		
Salaries including bonuses	**1,067,542**	890,323
Social security costs	**130,585**	124,859
Pension costs	**39,338**	36,361
Management costs recharged from Calligo Limited	**135,643**	377,844
	1,373,108	1,429,387
Termination benefits	**-**	30,000
Share based benefits	-	-
	1,373,108	1,459,387

27 Financial assets and liabilities

Categories of financial assets and financial liabilities

Note 2.4.o 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 2023	*Note*	**Amortised cost**	**FVTPL**	**Total**
		£	**£**	£
Financial assets				
Trade and other receivables	*17*	16,483,759	-	16,483,759
Other long term assets	*13*	218,333	-	218,333
Cash and cash equivalents	*18*	571,763	-	571,763
Total financial assets		**17,273,855**	**-**	**17,273,855**
Financial liabilities				
Borrowings	*20*	34,022,809	-	34,022,809
Contract liability		175,726	-	175,726
Trade & other payables (excl taxes)	*22*	32,093,591	-	32,093,590
Lease liabilities	*21*	3,910,899	-	3,910,899
Total financial liabilities		**70,203,025**	**-**	**70,203,024**

31 December 2022	*Note*	**Amortised cost**	**FVTPL**	**Total**
		£	**£**	£
Financial assets				
Trade and other receivables	*17*	3,482,209	-	3,482,209
Other long term assets	*13*	429,499	-	429,499
Cash and cash equivalents	*18*	1,099,622	-	1,099,622
Total financial assets		**5,011,330**	**-**	**5,011,330**
Financial liabilities				
Borrowings	*20*	34,244,653	-	34,244,653
Contract liability		248,275	-	248,275
Trade & other payables (excl taxes)	*22*	12,751,569	-	12,751,569
Lease liabilities	*21*	3,239,259	-	3,239,259
Total financial liabilities		**50,483,756**	**-**	**50,483,756**

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.

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

Market risk

Interest rate sensitivity
The Group does not have any fixed interest rate hedging arrangements in place. The only variable interest rate exposure the Group has is in relation to the Nordic bond facility. The rate on this facility was 12.472% at 31 December 2023 (2022: 10.628%) however this was reduced to a fixed rate of 7% in February 2024 following a renegotiation of terms with the bondholders (note 32). A 1% increase in the rate equates to an increased annualised interest cost of Euro 398,000. 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 may hold financial assets and financial liabilities in other currencies which can be significantly affected by currency translation movements. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD $), Canadian dollars (CAD $), Euro and Pounds Sterling (GBP). A summary of the Group's exposure to foreign currencies is summarised below:

	GBP '000	Euro '000	US$ '000	CAD$ '000
Year ended 31 December 2023				
Turnover	5,126	2,485	6,951	7,833
Operating loss	(3,287)	(1,204)	(55)	(8,791)
As at 31 December 2023				
Non-current assets	253	220	11,087	3,458
Current assets	1,356	640	1,299	871
Non current liabilities (excl intercompany)	(64)	(39,872)	(2,342)	(1,909)
Current liabilities	(2,368)	(598)	(1,710)	(1,501)

	GBP '000	Euro '000	US$ '000	CAD$ '000
Year ended 31 December 2022 (restated)				
Turnover	4,704	3,979	9,303	10,755
Operating loss	(2,198)	(213)	739	37
As at 31 December 2022 (restated)				
Non-current assets	1,115	1,578	9,499	12,416
Current assets	2,195	872	2,294	1,467
Non current liabilities (excl intercompany)	(270)	39,961	684	2,052
Current liabilities	(2,033)	686	1,498	1,398

At 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 £1.8m to the sterling value of the Nordic bond liability.

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 2023. It is unlikely the Bond price will be impacted by inflationary price risk despite global inflation increasing by approximately 11% in 2023.

Capital risk management
The Group manages its capital to ensure it will be able to continue as a going concern while maximising return to 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 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:

	2023	2022 *Restated*
	£	£
Total equity	**(42,625,144)**	(28,277,790)
Cash and cash equivalents	**571,763**	1,099,622
Capital	**(42,053,381)**	(27,178,168)
Total equity	**(42,625,144)**	(28,277,790)
Borrowings	**34,022,809**	34,244,653
Lease liabilities	**3,910,899**	3,239,259
Overall financing	**(4,691,436)**	9,206,122

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 Aa3) and Standard and Poor's (Long term/Senior A+, Short term A-1). Details of the Group's financial assets are disclosed in note 27.

Trade debtors 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.

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 before 31 December 2023 and 31 December 2022 respectively as well as the corresponding historical credit losses during that period. 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 impaired assets or bad debts written off during the year amounts to £147,963 (2022 £57,911).

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

On the above basis the expected credit loss for trade receivables as at 31 December 2023 and 31 December 2022 was determined as follows:

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	-	-	0.9%	1.4%	16.9%	88.8%	19%
Gross carrying amount	-	-	1,370.4	75.4	89.5	375.9	1,911.2
Lifetime expected credit loss	-	-	12.5	1.1	15.1	333.9	362.6

31 December 2022	**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	-	-	1.5%	7.7%	6.4%	56.4%	8.4%
Gross carrying amount	-	-	2,353.1	71.7	129.3	341.8	2,895.9
Lifetime expected credit loss	-	-	35.8	5.5	8.3	192.8	242.4

A 1% increase in the 2023 expected loss rate to 20% (2022: 9.4%) would increase the level of annualised expected credit loss movement by £19,621.

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 taken out in December 2021. However, it did not pay the quarterly interest initially due on 29 December 2023 as this was covered by the written procedure which had been issued to bondholders on 15 December 2023 (note 32).

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

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	3,201,468	9,937	284,812	-
Contract and other liabilities	177,173	(1,447)	-	-
Intercompany creditors	-	29,092,842	-	-
Lease liabilities	478,551	334,245	1,150,784	1,947,319
Borrowings	-	34,022,809	-	-
Total	**3,857,192**	**63,458,386**	**1,435,596**	**1,947,319**

31 December 2022 - *restated*	**Current**		**Non current**	
	Within 6 mths	**6 to 12 mths**	**1 to 5 years**	**Later than 5 years**
	£	£	£	£
Trade and other payables	2,452,560	249,310	298,481	-
Contract and other liabilities	227,497	20,778	-	-
Intercompany creditors	-	10,377,523	-	-
Lease liabilities	521,442	423,205	1,376,612	918,000
Borrowings	-	-	34,244,653	-
Total	**3,201,499**	**11,070,816**	**35,919,746**	**918,000**

CALLIGO (UK) LIMITED

Notes to the consolidated financial statements
For the year ended 31 December 2023

29 Correction of error

During 2023, the Group discovered that it had incorrectly accounted for a sublease that had been entered into by one of its subsidiary entities and which became effective in 2022. The following tables summarise the impact on the Group's consolidated financial statements to correct this error.

(i) Consolidated statement of financial position

		Impact of correction of error		
31 December 2022	*Notes*	**As previously reported 31 Dec 2022**	**Adjustments**	**As restated 31 Dec 2022**
Total assets		£	**£**	**£**
Right of use assets		2,259,297	(129,248)	2,130,049
Other long term assets		313,927	429,499	743,426
Prepayments and other short term assets		546,792	(52,095)	494,697
Trade and other receivables		3,279,624	202,585	3,482,209
Others		16,522,636	-	16,522,636
		22,922,276	450,741	23,373,017
Total liabilities				
Lease liabilities – non current		(1,833,133)	(396,217)	(2,229,350)
Lease liabilities – current		(825,045)	(184,864)	(1,009,909)
Trade and other payables		(13,365,473)	(12,401)	(13,377,874)
Others		(35,033,675)	1	(35,033,674)
		(51,057,326)	(593,481)	(51,650.807)
Total equity		(28,135,050)	(142,740)	(28,277,790)

(ii) Consolidated statement of Comprehensive Income

		Impact of correction of error		
31 December 2022	*Notes*	**As previously reported 31 Dec 2022**	**Adjustments**	**As restated 31 Dec 2022**
		£	**£**	**£**
Income		22,376,755	18,429	**22,395,184**
Depreciation, Amortisation and impairment of non financial assets		(2,393,811)	44,890	**(2,348,921)**
Finance costs		(4,028,248)	(10,376)	**(4,038,624)**
Finance Income		-	8,601	**8,601**
Other financial items		85,545	(166,414)	**(80,869)**
Others		(23,394,384)	(19,870)	**(23,414,254)**
Loss for the year		(7,354,143)	(124,740)	**(7,478,883)**
Exchange differences on retranslation of subsidiaries		(294,713)	(18,000)	**(312,713)**
Total comprehensive loss for the year		(7,648,856)	142,740	**(7,791,596)**

30 Contingent liabilities

Unfair dismissal claims

The Company continues to defend a claim raised by a former employee in 2021 which remains the subject of litigation proceedings. The Company has made a prudent provision in these financial statements to cover its estimated liability under this claim. The total amount of the contingent liability has not been disclosed as the Directors consider it to be commercially sensitive and they do not want to prejudice the position of the Group until this claim is resolved.

31 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 (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

32 Events after the reporting date

Bond refinance

On 5 February 2024, newly negotiated terms of the bond loan became effective following a series of discussions with the bondholders in late 2023 and the subsequent completion of a written procedure which outlined the revised terms and conditions.

The key new terms were as follows:
- The maturity/repayment date of the bond loan was extended to December 2028
- Interest on the bond loan will now accrue at a fixed rate of 7% per annum as a PIK arrangement compounded on each interest payment date and capitalised into the capital balance for settlement upon maturity. The interest payment which was originally due on 29 December 2023 is also subject to these new terms

As part of these refinance discussions, the principal shareholder invested a further £3m in the business and this was received on 5 February 2024. This investment was by way of a loan facility which bears interest at 6% per annum and which is also settled by way of a PIK arrangement. This loan facility shares security with the bond loan with senior ranking under an intercreditor agreement.

32 Authorisation of financial statements

The consolidated financial statements for the year ended 31 December 2023 (including comparatives) were approved by the board of directors on 30 April 2024.