

COMPANY REGISTRATION NUMBER: 10784763

**Epos Now Ltd**  
**Annual report and financial statements**  
**31 May 2024**

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# **Epos Now Ltd**

## **Financial statements**

### **Year ended 31 May 2024**

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	
Strategic Report	1 to 5
Director's Report	6 to 10
Independent Auditor's Report	11 to 14
Consolidated Statement of Comprehensive Income	15
Consolidated Statement of Financial Position	16
Company Statement of Financial Position	17
Consolidated Statement of Changes in Equity	18
Company Statement of Changes in Equity	19
Consolidated Statement of Cash Flows	20
Notes to the Financial Statements	21 to 44

## **Epos Now Ltd**

### **Officers and professional advisers**

#### **Director**

J Heavens

#### **Registered office**

2 Whiting Road  
Norwich Business Park  
Norwich  
NR4 6DJ

#### **Independent Auditor**

Azets Audit Services  
6th Floor Bank House  
Cherry Street  
Birmingham  
B2 5AL

# Epos Now Ltd

## Strategic Report

### Year Ended 31 May 2024

#### Introduction

The Director presents the strategic report for the year ended 31 May 2024.

#### Principal activities

Epos Now is a leading provider of cutting-edge point-of-sale (POS) systems designed to empower businesses in the retail and hospitality sectors. By combining intuitive POS technology with seamless payment processing and advanced smart analytics, Epos Now helps businesses streamline operations, enhance customer experiences, and drive growth through smarter, data-driven decision-making.

#### Business Review

During the financial year, Epos Now operated in a challenging but evolving global trading environment. Macro-level pressures, including rising inflation and shifts in consumer behaviour, required businesses to adapt rapidly to maintain competitiveness. Despite these challenges, the demand for advanced technology solutions, particularly in retail and hospitality, remained strong as businesses sought tools to optimise operations and enhance financial resilience.

Epos Now successfully positioned itself as a key enabler of innovation, helping merchants embrace technology-driven solutions to improve efficiency and profitability and thus grew gross profit from £41.5m to £62.3m.

Metric	2024 £000	2023 £000	Year-on-Year Change
Turnover	£84,221	£59,794	40.85%
<b>Gross Profit</b>	<b>£62,265</b>	<b>£41,471</b>	<b>50.14%</b>
Gross Margin	74%	69%	6.59%
<b>EBITDA</b>	<b>£10,470</b>	<b>£5,569</b>	<b>89.4%</b>
EBITDA %	12.4%	9.3%	33.3%
<b>*Rule of 40/60</b>	<b>63</b>	<b>37</b>	<b>64.86%</b>

\*The Rule of 40/60 combines gross profit yearly growth and EBITDA margin to measure operational efficiency and profitability.

In 2024, Epos Now achieved a remarkable combined score of 63, exceeding the critical upper threshold of 60—demonstrating an industry-leading strategy of balanced profitability and growth.

The improvement from 37 (2023) to 63 reflects the ability to both significantly optimise margins and grow the business at the same time.

## **Epos Now Ltd**

### **Strategic Report (continued)**

#### **Year Ended 31 May 2024**

##### **Focus on new technology**

Epos Now continues to innovate across its product suite, cementing its leadership in key areas:

##### **Point of Sale Systems:**

- Our comprehensive POS solutions empower merchants with seamless sales processing, inventory management, and omnichannel capabilities.
- Investments in hardware and software development have enhanced the reliability, speed, and ease of use of our systems.

##### **Future development:**

##### **Cutting-Edge POS Systems**

- Enhanced hardware and software for seamless operations.
- Integrated inventory, sales, and customer management features.

##### **Cash Management Expansion**

- Features to improve merchant cash flow.

##### **Smart Enhancements**

- Predictive analytics to uncover more new revenue streams.
- Customer insights drive loyalty and repeat sales.

##### **Section 172 Statement**

As a Director of Epos Now Ltd, I confirm that I have acted to promote the success of the company throughout the financial year ending 31 May 2024. The decisions made during this period reflect the Board's commitment to our stakeholders, including shareholders, employees, customers, suppliers, and the broader community. Below are key considerations that underpin this responsibility:

##### **Long-term Strategic Success**

- Focused on growing recurring revenue streams to ensure predictable and sustainable cash flows.
- Invested significantly in R&D, with £6.03 million allocated to enhance our platform and maintain technological leadership.
- Strengthened the company's global presence through strategic product launches and geographic expansion, including in new markets.

## **Epos Now Ltd**

### **Strategic Report (continued)**

#### **Year Ended 31 May 2024**

##### **Employee Engagement and Development**

- Prioritised employee well-being and professional growth through initiatives such as:
- Employee surveys to gather actionable feedback.
- Clear career progression pathways, enhanced by a new bonus system and culture framework.
- Ensured inclusivity and support, including for employees with disabilities, with retraining and adjustments as necessary.

##### **Customer and Partner Relationships**

- Continued investment in customer-centric innovations.
- Introduced new communication channels and maintained high levels of customer engagement to support merchants during challenging economic conditions.
- Fostered trust through transparent pricing, ongoing support, and tailored solutions that address real-world challenges faced by merchants.

##### **Community and Environmental Responsibility**

- Achieved measurable environmental impact through partnerships like **GiftTrees**, facilitating the planting of over **180,000 trees**.
- Reduced the company's carbon footprint with some work-from-home options thus minimizing physical office requirements.
- Committed to monitoring and mitigating the environmental impact of our operations, ensuring alignment with global sustainability goals.

##### **Ethical Standards and Corporate Governance**

- Retained senior management with experience in governance to align the business with high ethical standards.
- Launched a values-driven culture framework to guide decision-making across all business operations.
- Prioritised fairness and inclusivity across all stakeholder groups, fostering long-lasting relationships built on trust.

##### **Responsiveness to Economic and Industry Challenges**

- Provided financial relief to customers through discounts and credits during the cost-of-living crisis.
- Pivoted business strategies to meet the rising demand for technology-driven solutions amidst inflation and supply chain pressures.
- Strengthened financial resilience by securing a revolving credit facility to support future growth initiatives.

##### **Principal Risks and Uncertainties**

###### **Industry and Competitive Dynamics**

The retail and hospitality sectors continue to experience rapid digital transformation. Epos Now operates in a highly competitive landscape where technological advances and shifting customer expectations demand constant innovation.

## Epos Now Ltd

### Strategic Report (continued)

#### Year Ended 31 May 2024

##### Industry and Competitive Dynamics (continued)

**Modern Strategy:** To maintain a leadership position, Epos Now invests heavily in R&D and deploys market intelligence tools for proactive strategy adjustments.

**Key Focus:** Strengthening product differentiation through advanced AI tools and embedded finance capabilities.

##### SMB Resilience in Challenging Times

The economic environment remains complex, particularly for SMBs, which form a significant portion of the customer base. Factors include:

- Workforce shortages, supply chain constraints, and rising operational costs.
- Increased risk of SMBs defaulting on their commitments during economic uncertainty.

##### Strategic Adjustments:

- Launching tailored solutions, such as Instant Settlement and Epos Now Capital, to improve SMB cash flow and operational efficiency.

##### Macroeconomic Pressures

The prolonged impact of inflation and elevated energy costs has placed significant pressure on consumer spending and business sustainability.

- **Mitigation Tactics:** Epos Now has extended pricing flexibility, offered discounts, and enhanced customer support to assist struggling merchants.

Despite short-term pressures, the company sees growth potential in:

- Accelerated adoption of omnichannel solutions and digital transformation by SMBs.
- Recovery trends in retail and hospitality sectors, spurred by evolving customer preferences for convenience and technology-driven experiences.

##### Financial Risk Management Objectives and Policies

The group uses various financial instruments including deposit accounts and cash, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to ensure sufficient finance for the company's operations. The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below. The main risks arising from the group's financial instruments are credit risk and interest rate risk, they are summarised below. These policies have remained unchanged from previous periods.

##### Price Risk

- **Key Issue:** Procurement of inventory from third parties remains subject to fluctuating costs.
- **Modern Solution:** The group utilises dynamic supplier partnerships, secures long-term agreements, and leverages bulk purchasing strategies to stabilise procurement costs.

## Epos Now Ltd

### Strategic Report (continued)

#### Year Ended 31 May 2024

#### Financial Risk Management Objectives and Policies (continued)

##### Credit Risk

Key Issue: Ensuring timely collection from trade debtors.

Strategic Enhancement: Introduction of AI-powered credit monitoring and customer risk assessment tools to manage and preempt default risks effectively.

##### Interest Rate Risk

- Key Issue: Navigating market-driven fluctuations in borrowing costs.
- Updated Policy: The group ensures borrowing arrangements are at competitive market rates, leveraging financial forecasts to minimize exposure to rate hikes.

##### Liquidity Risk


Key Issue: Maintaining cash flow health amid dynamic market conditions.

##### Proactive Measures:

- Optimised financial modeling and stress-testing scenarios.
- Continued reliance on robust cash reserves and revolving credit facilities, ensuring liquidity across operational cycles.

Epos Now's modernised financial strategies and proactive risk mitigation frameworks position the company to thrive in an evolving economic and industry environment. These forward-thinking measures ensure operational agility and resilience while prioritising long-term stakeholder value.

This report was approved by the Director on .....<sup>24/01/</sup> 2025 and signed by:

  
.....

J Heavens  
Director

Registered office:  
2 Whiting Road  
Norwich Business Park  
Norwich  
NR4 6DJ

## **Epos Now Ltd**

### **Director's Report**

#### **Year Ended 31 May 2024**

The Director presents his report and the group consolidated financial statements for the year ended 31 May 2024.

#### **Director of the group**

The sole Director who held office during the year and up to the point of signing the financial statements was J Heavens.

#### **Research and Development**

A large proportion of the company's revenues, including the majority of recurring revenue streams, are powered by its proprietary technology platform. In addition to providing a complete electronic point of sale solution to our merchants, the platform also provides the business with a number of important competitive advantages, including flexibility, speed of development of new features, and differentiation from more generic propositions available in the market. To remain competitive and promote innovation, ongoing investment in the technology platform remains a priority for the business. Research and development spend of £4,672,848 (2023 - £4,087,868) was capitalised as intangible assets in the year and £1,309,309 (2023: £1,193,031) has been recognised as an expense.

#### **Dividends**

A dividend of £203,095 was declared for the year, reflecting the company's strong financial health and commitment to delivering shareholder value (2023: £Nil).

#### **Going Concern**

The going concern basis of preparation has been adopted in preparing these financial statements. The director assesses going concern on a group wide basis. In determining that this basis is appropriate the Director has assessed the group's forecast trading performance and financial resources for a period to 31 January 2026, being considered the foreseeable future. Underpinning the Director's assessment is a forecast model that has been prepared to consider at monthly intervals the trading, cash flow and balance sheet position of the group.

It takes account of existing and expected working capital facilities together with consideration of the following principal assumptions that could give rise to a material variation from expected outturn:

- Customer acquisition and conversion rates.
- Customer churn rates.
- Average gross transaction values per customer.
- Growth rate of payment product lines.
- Cost inflation.
- Working capital assumptions.

While consideration has been given to the effect of sensitivities the forecasts have been prepared on what are judged to be conservative assumptions. Beyond this, separate stress test scenarios have been modelled demonstrating the impact of reduced or no growth and removal of marketing spend. Under all scenarios there are a number of actions management could take to mitigate the impact and improve cashflow. As a result there was not deemed to be a risk to going concern in the stressed scenarios.

## **Epos Now Ltd**

### **Director's Report (continued)**

#### **Year Ended 31 May 2024**

##### **Going concern (continued)**

This approach implicitly takes account of mitigating actions that could be taken to address shortfalls against expectations such as a reduction in marketing expenditure or product development on a short-term basis to conserve cash balances. Working capital facilities available to the group of which this company is a part principally comprise:

- A revolving credit facility secured to August 2025, with an agreement reached with the group's bankers for a 3 year extension for a larger facility at an improved rate. This is subject to continued compliance with contractual terms including financial covenant measures, which under the terms agreed under the new facility is forecast to be the case. The Director maintains a close relationship with the lenders and it has been agreed that any covenant breaches up to the date of approval of the financial statements are waived.
- Group cash balances as at 31 May 2024 of £3.7m (£7.1m at 31 May 2023).

As a result of the above matters, in the Director's opinion it remains appropriate to adopt the going concern basis of preparation.

##### **Outlook**

Looking ahead, Epos Now is well-positioned to capitalize on market opportunities. The adoption of digital payment solutions, embedded finance, and AI-driven tools is expected to grow, providing a solid foundation for continued expansion.

##### **Events after the reporting period**

On 6 December 2024, the group entered into an asset purchase agreement with Yoello Limited to purchase a number of defined assets including IT operating systems, trademarks, intellectual property and domain names under a future revenue share agreement with likely financial effect of between £1,000,000 and £3,000,000.

##### **Director's responsibilities**

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Under company law the Director must not approve the financial statement unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period.

In preparing these financial statements, the Director is required to:

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

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Epos Now Ltd**

### **Director's Report (continued)**

#### **Year Ended 31 May 2024**

##### **Director's liabilities**

The company has provided an indemnity for the Director, which is a qualifying third party indemnity provision for the purposes of s.234 of the Companies Act 2006. An indemnity is in place in relation to the financial year and up to the date of approval of the financial statements.

##### **Disclosure of information to auditors**

The Director confirms that each of the persons who is a Director at the end of the approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- The Director has taken the steps that they have 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.

##### **Reappointment of auditors**

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

##### **Employee engagement and disabled persons**

The group continues to engage fully with its employees, regularly exchanging information concerning the operation of the company and providing them with information on matters of concern to them as employees. Consultation with representatives of staff has continued to take place on a regular basis, so that the views of employees can be taken into account in making decisions which are likely to affect their interests. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

##### **Disclosure of information in the strategic report**

The Strategic report includes the following disclosures that would otherwise have been included in the Directors' report:

- An indication of exposure to price risk, credit risk, interest rate risk and liquidity risk;
- Financial risk management objectives and policies;

## Epos Now Ltd

### Director's Report (continued)

Year Ended 31 May 2024

#### Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)

	kWh	Kg CO2	CO2 emissions tonnes	Intensity ratio (tonnes CO2e/per full time employee)
Emissions from combustion of gas (Scope 1 – tonnes of CO2e)	50,736	9,280	9.28	0.024
<b>Total Scope 1</b>	50,736	9,280	9.28	0.024
Emissions from electricity purchased for own use, (Scope 2 – tonnes of CO2e)	177,005	32,392	32.39	0.085
<b>Total Scope 2</b>	177,005	32,392	32.39	0.085
Emissions from business travel in employee-owned vehicles (Scope 3 - tonnes of CO2e)	35,070	9,641	9.64	0.025
<b>Total Scope 3</b>	35,070	9,641	9.64	0.025
<b>Total gross CO2e based on above</b>		51,313	51.31	0.13
<b>Total Intensity ratio (kgCO2e/per full time employee)</b>		133.97		

Epos Now, in partnership with GiftTrees, has been recognised for environmental best practices, winning the International Green Apple Environment Award 2023. This accolade highlights our efforts in promoting sustainability. Through the integration of the GiftTrees app into Epos Now's point-of-sale systems, merchants can facilitate customer contributions to plant fruit trees in developing countries. This initiative aids in offsetting carbon emissions, combating climate change, and supporting economic growth in impoverished communities. To date, over 180,000 trees have been planted through this collaboration, underscoring Epos Now's commitment to environmental responsibility.

The above has been compiled using SECR methodology (as specified in "Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and greenhouse gas reporting") used in conjunction with Government GHG reporting conversion factors.

#### Scope 1 Natural Gas

Quantified consumption from automatic metering, invoices and manual meter reads from each property supply. Where there are estimates our energy management team have generated these by forward projecting (pro-rata extrapolation) the consumption using previous performance in the reporting period.

#### Scope 2 Electricity

Quantified consumption readings from automatic metering, invoices and manual meter reads from each property supply.

**Epos Now Ltd**

**Director's Report (continued)**

**Year Ended 31 May 2024**

**Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR) (continued)**

**Scope 3 Business Travel Grey Fleet**

Employees driving their own vehicle with without a monetary allowance – Mileage travelled in employee vehicles used for business travel, without an allowance are reported in the expenses system. Employees make claims for reimbursement following their journey. We report distance travelled in miles, The recorded emission rate of each vehicle is not currently captured in the system. We have chosen to use the conversion factor for diesel until more data becomes available. We have excluded hire vehicles at this time as mileage is not currently captured. We do not have Scope 1 transport emissions

This report was approved by the Director on .....24/01/2025 and signed by:



J Heavens  
Director

## **Epos Now Ltd**

### **Independent auditor's report to the members of Epos Now Ltd**

#### **Year Ended 31 May 2024**

#### **Opinion**

We have audited the financial statements of Epos Now Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2024, which comprise 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 Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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**

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

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 and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Epos Now Ltd**

### **Independent auditor's report to the members of Epos Now Ltd (continued)**

#### **Year Ended 31 May 2024**

##### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

## **Epos Now Ltd**

### **Independent auditor's report to the members of Epos Now Ltd (continued)**

#### **Year Ended 31 May 2024**

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

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

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

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

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

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](http://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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;

## Epos Now Ltd

### Independent auditor's report to the members of Epos Now Ltd (continued)

#### Year Ended 31 May 2024

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

- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### Use of 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Ben Sheldon ACA  
(Senior Statutory Auditor)

Date: 24/01/2025

For and on behalf of Azets Audit Services

Chartered Accountants  
Statutory Auditor

6th Floor, Bank House  
Cherry Street, Birmingham  
United Kingdom  
B2 5AL

## Epos Now Ltd

### Consolidated Statement of Comprehensive Income

Year ended 31 May 2024

	Note	2024 £	2023 £
Turnover	5	84,221,136	59,793,720
Cost of sales		<u>21,956,431</u>	<u>18,322,978</u>
<b>Gross profit</b>		62,264,705	41,470,742
Administrative expenses		55,504,705	38,159,063
Other operating income	6	<u>-</u>	<u>25,533</u>
<b>Operating profit</b>	7	6,760,000	3,337,212
Other interest receivable and similar income	11	26,017	5,371
Interest payable and similar expenses	12	<u>(1,289,789)</u>	<u>(1,378,342)</u>
<b>Profit before tax</b>		5,496,229	1,964,241
Tax on profit	13	<u>(746,513)</u>	<u>(530,663)</u>
<b>Profit for the financial year</b>		4,749,716	1,433,578
<b>Other comprehensive income:</b>			
Exchange losses arising on the translation of foreign operations and intercompany balances treated as part of the Group's net investment		<u>(24,945)</u>	<u>(21,073)</u>
<b>Profit and total comprehensive income for the year</b>		<u>4,724,771</u>	<u>1,412,505</u>
<b>Profit for the year attributable to :</b>			
Owners of the parent		3,918,927	1,266,026
Non-controlling interest		<u>830,788</u>	<u>167,552</u>
		<u>4,749,716</u>	<u>1,433,578</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		3,898,354	1,247,415
Non-controlling interest		<u>826,417</u>	<u>165,090</u>
		<u>4,724,771</u>	<u>1,412,505</u>

All the activities of the group are from continuing operations.

The notes on pages 21 to 44 form an integral part of these financial statements.

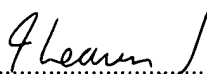
# Epos Now Ltd

## Consolidated Statement of Financial Position

31 May 2024

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Intangible assets	14	8,789,690	6,356,658
Tangible assets	15	<u>6,464,289</u>	<u>4,117,074</u>
		15,253,979	10,473,732
<b>Current assets</b>			
Stocks	17	1,323,326	849,435
Debtors	18	14,420,207	8,526,606
Cash at bank and in hand		<u>3,723,861</u>	<u>7,071,450</u>
		19,467,393	16,447,491
<b>Creditors: Amounts falling due within one year</b>	19	<u>(25,721,154)</u>	<u>(24,751,106)</u>
<b>Net current liabilities</b>		(6,253,761)	(8,303,615)
<b>Total assets less current liabilities</b>		<u>9,000,218</u>	<u>2,170,116</u>
<b>Creditors: Amounts falling due after more than one year</b>	20	(3,830,691)	(1,823,128)
<b>Provision for liabilities</b>	22	(300,862)	-
<b>Net assets</b>		<u>4,868,665</u>	<u>346,989</u>
<b>Capital and reserves</b>			
Called up share capital	26	2,000	2,000
Profit and loss account		4,196,461	473,560
Foreign exchange reserve		<u>(182,717)</u>	<u>(190,669)</u>
<b>Equity attributable to owners of the parent</b>		4,015,744	284,891
Non-controlling interests		852,921	62,098
<b>Shareholders' funds</b>		<u>4,868,665</u>	<u>346,989</u>

These financial statements were approved by the Director and authorised for issue on ..... 24/01/2025 .....  
and are signed by:

  
.....

J Heavens  
Director

Company registration number: 10784763

The notes on pages 21 to 44 form an integral part of these financial statements.

# Epos Now Ltd


## Company Statement of Financial Position

31 May 2024

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Investments	16	200	200
<b>Current assets</b>			
Debtors	18	2,000	2,000
Creditors: Amounts falling due within one year	19	<u>(200)</u>	<u>(3,144)</u>
<b>Net current liabilities</b>		1,800	(1,144)
<b>Total assets less current liabilities</b>		<u>2,000</u>	<u>(944)</u>
Creditors: Amounts falling due after more than one year	20	-	-
<b>Net (liabilities)/assets</b>		<u>2,000</u>	<u>(944)</u>
<b>Capital and reserves</b>			
Called up share capital	26	2,000	2,000
Profit and loss account		-	(2,944)
<b>Shareholders' (deficit)/funds</b>		<u>2,000</u>	<u>(944)</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these Financial Statements. The profit for the financial year of the parent company was £170,445 (2023: £Nil).

These financial statements were approved by the Director and authorised for issue on 24/01/2025... and are signed by:

  
.....

J Heavens  
Director

Company registration number: 10784763

The notes on pages 21 to 44 form an integral part of these financial statements.

**Epos Now Ltd**

**Consolidated Statement of Changes in Equity**

**Year ended 31 May 2024**

	Share capital £	Foreign currency reserve £	Profit and loss account £	Attributable to owners of the parent £	Non- controlling interest £	Total £
At 1 June 2022	2,000	-	(1,067,516)	<b>(1,065,516)</b>	-	<b>(1,065,516)</b>
Recognition of non-controlling interest	-	14,677	88,315	<b>102,992</b>	(102,992)	-
Profit for the year	-	-	1,266,026	<b>1,266,026</b>	167,552	<b>1,433,578</b>
Foreign currency retranslation	-	(205,350)	186,739	<b>(18,611)</b>	(2,462)	<b>(21,073)</b>
At 31 May 2023	2,000	(190,673)	473,564	<b>284,891</b>	62,098	<b>346,989</b>
Profit for the year	-	-	3,918,927	<b>3,918,927</b>	830,788	<b>4,749,716</b>
Dividends	-	-	(167,501)	<b>(167,501)</b>	(35,594)	<b>(203,095)</b>
Foreign currency retranslation	-	(30)	(20,543)	<b>(20,573)</b>	(4,372)	<b>(24,945)</b>
At 31 May 2024	2,000	(190,703)	4,204,447	<b>4,015,745</b>	852,921	<b>4,868,665</b>

The notes on pages 21 to 44 form an integral part of these financial statements.

**Epos Now Ltd**

**Company Statement of Changes in Equity**

**Year ended 31 May 2024**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 June 2022	2,000	(2,944)	(944)
Result for the year	-	-	-
At 31 May 2023	<u>2,000</u>	<u>(2,944)</u>	<u>(944)</u>
Result for the year	-	170,445	170,445
Dividends	-	(167,501)	(167,501)
At 31 May 2024	<u>2,000</u>	<u>-</u>	<u>2,000</u>

The notes on pages 21 to 44 form an integral part of these financial statements.

## Epos Now Ltd

### Consolidated Statement of Cash Flows

Year ended 31 May 2024

	Note	2024 £	2023 £
<b>Cash flows from operating activities</b>			
Profit for the year		4,749,716	1,433,578
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation	14/15	3,786,301	2,231,972
Finance income	11	(26,017)	(5,371)
Interest expense	12	1,289,789	1,378,342
Foreign exchange movements		(316,067)	(287,967)
Income tax charge	13	746,513	530,663
(Increase)/decrease in stock	17	(480,881)	794,610
Increase in debtors	18	(6,458,736)	(1,266,859)
Increase in creditors	19/20	5,089,938	771,060
Income taxes received		234,722	665,718
<b>Net cash flows from operating activities</b>		<b>8,615,276</b>	<b>6,245,745</b>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets	15	(1,878,100)	(1,565,380)
Acquisition of intangible assets	14	(4,787,278)	(4,154,643)
Dividends paid		(203,095)	-
<b>Net cash flows from investing activities</b>		<b>(6,868,473)</b>	<b>(5,720,023)</b>
<b>Cash flows from financing activities</b>			
Proceeds from/(repayment of) bank borrowings		(3,818,953)	969,211
Interest paid		(1,289,789)	(1,167,067)
Interest received		26,017	5,371
Net repayment of director's loan account		1,172	-
<b>Net cash flows from financing activities</b>		<b>(5,081,554)</b>	<b>(192,485)</b>
<b>Net (decrease)/increase in cash at bank and in hand</b>		<b>(3,334,751)</b>	<b>333,237</b>
<b>Cash at bank and in hand at beginning of year</b>		<b>7,071,450</b>	<b>6,802,929</b>
Effect of foreign exchange on opening cash balances		(12,839)	(64,717)
<b>Cash at bank and in hand at end of year</b>		<b>3,723,861</b>	<b>7,071,449</b>

The notes on pages 21 to 44 form an integral part of these financial statements.

# **Epos Now Ltd**

## **Notes to the Financial Statements**

### **Year ended 31 May 2024**

#### **1 General information**

Epos Now Ltd is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 2 Whiting Road, Norwich Business Park, Norwich, NR4 6DJ.

The principal activity of the company was a non-trading holding company. The principal activity of the group was the provision of point of sale software, with hardware (where applicable) and additional services such as payments, table-side ordering, delivery integrations and omnichannel ordering. The target customers are predominantly in the retail, hospitality and service sectors. The group services a large addressable market predominantly in the USA, UK and Australia.

#### **2 Statement of compliance**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

#### **3 Accounting policies**

##### **Basis of preparation of the financial statements**

The financial statements are prepared on a going concern basis, under the historic cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements have been rounded to the nearest £.

##### **Disclosure exemptions**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included.

##### **Going concern**

The going concern basis of preparation has been adopted in preparing these financial statements. The director assesses going concern on a group wide basis. In determining that this basis is appropriate the Director has assessed the group's forecast trading performance and financial resources for a period to 31 January 2026, being considered the foreseeable future. Underpinning the Director's assessment is a forecast model that has been prepared to consider at monthly intervals the trading, cash flow and balance sheet position of the group. It takes account of existing and expected working capital facilities together with consideration of the following principal assumptions that could give rise to a material variation from expected outturn:

- Customer acquisition and conversion rates

## Epos Now Ltd

### Notes to the Financial Statements

#### Year ended 31 May 2024

#### 3 Accounting policies (continued)

##### Going concern (continued)

- Customer churn rates
- Average Gross Transaction Values per customer
- Growth rate of payment product lines
- Cost inflation
- Working capital assumptions

While consideration has been given to the effect of sensitivities the forecasts have been prepared on what are judged to be conservative assumptions. Beyond this, separate stress test scenarios have been modelled demonstrating the impact of reduced or no growth and removal of marketing spend. Under all scenarios there are a number of actions management could take to mitigate the impact and improve cashflow. As a result there was not deemed to be a risk to going concern in the stressed scenarios. This approach implicitly takes account of mitigating actions that could be taken to address shortfalls against expectations such as a reduction in marketing expenditure or product development on a short-term basis to conserve cash balances. Working capital facilities available to the group principally comprise:

- A revolving credit facility secured to August 2025 with an agreement reached with the group's bankers for a 3 year extension for a larger facility at an improved rate.. This is subject to continued compliance with contractual terms including financial covenant measures, which under the terms agreed under the new facility is forecast to be the case. The Director maintains a close relationship with the lenders and it has been agreed that any covenant breaches up to the date of approval of the financial statements are waived.
- Group cash balances as at 31 May 2024 of £3.7m (£7.1m at 31 May 2023).

As a result of the above matters, in the Director's opinion it remains appropriate to adopt the going concern basis of preparation.**Basis of consolidation**

The consolidated financial statements consolidate the financial statements of Epos Now Ltd and all of its subsidiary undertakings.

Intercompany transactions and balances between group companies are eliminated in full.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

A non-controlling interest is recognised for the share of equity in a subsidiary which is not attributable to the parent company of the group. Where there is a change in the parent company's controlling interest in a subsidiary which does not result in a change of control in a subsidiary, this is accounted

# **Epos Now Ltd**

## **Notes to the Financial Statements**

### **Year ended 31 May 2024**

#### **3 Accounting policies (continued)**

##### **Basis of consolidation (continued)**

for as a transaction between equity holders with no gain or loss being recognised. The share of net assets attributable to the non-controlling interest is recognised and updated accordingly each year.

##### **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### ***Sale of goods***

Revenue from the sale of goods is recognised at the point of dispatch, as long as all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### ***Rendering of services***

Revenue from contracts to provide services, including access to software, ongoing support, and payments, is recognised in the period in which the services are accessible by the customer as long as all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the costs incurred or to be incurred in the provision of the service can be measured reliably.

## **Epos Now Ltd**

### **Notes to the Financial Statements**

#### **Year ended 31 May 2024**

#### **3 Accounting policies (continued)**

##### ***Composite transactions***

Where a transaction comprises separable components (i.e. when software and hardware are sold as a complete solution) revenue is recognised for each component as if it were an individual contract.

##### **Supplier Subsidies**

If a fee, commission or form of consideration (subsidy) is received from a supplier and is not in connection with any distinct goods or services, it is considered as falling into one of the following categories:

- Category 1 – performance related consideration; or
- Category 2 – non-performance related consideration (e.g. subsidy of expenses)

Fees and commissions from suppliers will be initially recognised at the fair value of the asset received (or receivable), and if any of the fees or commissions become repayable, the Group will recognise a liability at the point in time at which the repayment meets the definition of a liability.

Category 1 subsidies will be recognised on a systematic basis up to the point the performance criteria is satisfied. Category 2 subsidies will be recognised as the expenses and associated costs are incurred, but no earlier than the subsidy being received or receivable. Any subsidies received but not meeting the recognition criteria will be recognised as deferred consideration (liabilities) on the balance sheet.

##### **Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

##### **Current and deferred tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Consolidated Statement of Financial Position date, except that:

# Epos Now Ltd

## Notes to the Financial Statements

### Year ended 31 May 2024

#### 3 Accounting policies (continued)

##### Current and deferred tax (continued)

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### Foreign currencies

The group and company's functional and presentation currency is the pound sterling and is rounded to the nearest pound.

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Consolidated Statement of Comprehensive Income.

The trading results of group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in other comprehensive income.

Exchange differences recognised in Group entities' separate financial statements on the retranslation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned, are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

##### Borrowing costs

Borrowing costs are charged to the Statement of Comprehensive Income 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 initially recognised as a reduction in the proceeds of the associated capital instrument.

##### Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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 initially recognised as a reduction in the proceeds of the associated capital instrument.

# Epos Now Ltd

## Notes to the Financial Statements

### Year ended 31 May 2024

#### 3 Accounting policies (continued)

##### Operating Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### Intangible assets

Intangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

##### Capitalisation and amortisation of development costs

Directly attributable payroll and third party development costs incurred in the development of the Epos Now platform are capitalised as an intangible asset in accordance with the requirements of FRS 102.

##### Amortisation

Amortisation is calculated to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Platform development costs	5 years
Computer software	5 years

The period over which platform development costs are amortised is determined to be the minimum expected lifetime during which value will be derived from the asset.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### Research and development

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- There are adequate technical, financial, and other resources available to complete the development and to use or sell the intangible asset; and

## Epos Now Ltd

### Notes to the Financial Statements

#### Year ended 31 May 2024

#### 3 Accounting policies (continued)

##### Research and development (continued)

- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

##### Tangible assets

Tangible assets are stated in the Consolidated Statement of Financial Position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

##### Depreciation

Depreciation is calculated to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold property improvements	25% straight line
Office equipment	25% straight line
Motor vehicles	25% reducing balance
Computer equipment	25% straight line
Payment devices & similar equipment	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

##### Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include labour and attributable overheads.

## **Epos Now Ltd**

### **Notes to the Financial Statements**

#### **Year ended 31 May 2024**

##### **3 Accounting policies (continued)**

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped based on similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### **Defined contribution pension obligation**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

## **Epos Now Ltd**

### **Notes to the Financial Statements**

#### **Year ended 31 May 2024**

#### **3 Accounting policies (continued)**

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Statement of Comprehensive Income and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

##### **Dividends**

Dividends and other distributions to the group'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 shareholders. These amounts are recognised in the statement of changes in equity.

##### **Related party transactions**

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Director, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

##### **Provisions**

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

# Epos Now Ltd

## Notes to the Financial Statements

### Year ended 31 May 2024

#### 4 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are considered to be the areas of estimation uncertainty where a material variation from actual to estimated outcomes may arise:

- Determining whether an allowance is required against certain customer and other receivable balances involves an estimate of the ability of counterparties to make required payments. If the financial positions of the counterparties were to deteriorate, affecting their ability to make payments, additional allowances may be required in future periods. Refer to note 18 for further information regarding debtor carrying values and note 7 for impairment charges recognised in the period.
- Management estimate the proportion of internal costs, associated with the ongoing development of the platform, which should be capitalised by reference to the nature of the work undertaken and only when the relevant criteria have been met (note 3).

The following are considered to be the principal areas where judgement has been applied in preparing these financial statements:

- Revenue recognition: See note 3 for narrative concerning the basis of disaggregation of revenue derived from bundled sales of hardware and software solutions.
- For customers who cancel their contracts, the group recognises the revenue due to it from that customer over the remaining period of the contract. Management then assess and estimate the level of risk and doubtful debt associated with such balances periodically and where appropriate, will provide for or impair the balances accordingly. Refer to note 18 for further information regarding debtor carrying values and note 7 for impairment charges recognised in the period.

## Epos Now Ltd

### Notes to the Financial Statements

#### Year ended 31 May 2024

##### 5 Turnover

Turnover arises from:

	2024 £	2023 £
Sale of goods	5,297,047	5,562,383
Rendering of services	69,780,781	46,823,099
Commissions received	7,691,555	6,750,897
Other services	1,451,753	657,341
	<u>84,221,136</u>	<u>59,793,720</u>

\*Commissions received are recurring

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2024 £	2023 £
Europe	52,556,757	38,168,791
Americas	24,033,587	16,294,208
Asia-Pacific	7,630,793	5,330,721
	<u>84,221,136</u>	<u>59,793,720</u>

##### 6 Other operating income

	2024 £	2023 £
Other	-	25,533
	<u>-</u>	<u>25,533</u>

##### 7 Operating profit

Operating profit or loss is stated after charging/(crediting):

	2024 £	2023 £
Depreciation expense	1,494,017	798,046
Amortisation expense	2,325,385	1,433,860
Impairment of trade debtors	7,638,141	5,939,719
Research and development cost	1,309,309	1,193,031
Foreign exchange gains	<u>(84,594)</u>	<u>(208,991)</u>

## Epos Now Ltd

### Notes to the Financial Statements

Year ended 31 May 2024

#### 8 Auditors' remuneration

	2024 £	2023 £
Audit of the parent company and the group's consolidated financial statements	50,000	50,000
Audit of the company's subsidiaries	<u>63,750</u>	<u>60,000</u>

#### 9 Staff costs

The average number of persons employed by the group during the year, including the Director, was:

	2024 Number	2023 Number
Operations	92	89
Product development	128	84
Administrative staff	229	231
	<u>449</u>	<u>404</u>

No individuals were employed by the company in this or the prior year.

The aggregate payroll costs incurred during the year, relating to the above, were:

	2024 £	2023 £
Wages and salaries	15,063,505	13,764,914
Social security costs	1,291,134	1,259,487
Other pension costs	377,281	262,335
	<u>16,731,920</u>	<u>15,286,736</u>

No group employee received any remuneration from the company in this or the prior year.

#### 10 Director's remuneration

The Director's aggregate remuneration in respect of qualifying services was:

	2024 £	2023 £
Remuneration	<u>-</u>	<u>231,974</u>

The remuneration for the prior year included £31,974 relating to the preceding year.

It is considered there are no key management personnel other than the Director.

## Epos Now Ltd

### Notes to the Financial Statements

Year ended 31 May 2024

#### 11 Other interest receivable and similar income

	2024 £	2023 £
Other interest receivable and similar income	26,017	5,371

#### 12 Interest payable and similar expenses

	2024 £	2023 £
Interest on bank loans and overdrafts	1,289,789	1,378,342

#### 13 Taxation

	2024 £	2023 £
<b>Current tax</b>		
UK current tax income		1,915
Adjustments in respect of prior periods	(213,122)	2,416
Total UK current tax	(213,122)	4,331
Foreign current tax	7,235	133,917
Adjustments in respect of prior periods		(1,344)
Total current tax	(205,887)	136,904
<b>Deferred tax</b>		
Origination and reversal of timing differences	146,111	186,724
Losses and other deductions	922,792	
Adjustments in respect of prior periods	(116,503)	207,035
Total deferred tax	952,400	393,759
<b>Tax on profit</b>	746,513	530,663

## Epos Now Ltd

### Notes to the Financial Statements

#### Year ended 31 May 2024

##### 13 Taxation (continued)

###### Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 20%).

The differences are reconciled below:

	2024	2023
	£	£
Profit before tax	<u>5,496,229</u>	<u>1,964,241</u>
Corporation tax at standard rate - 25% (2023 - 20%)	1,374,057	392,848
Adjustment to tax charge in respect of prior periods - current tax	(213,122)	1,072
Adjustment to tax charge in respect of prior periods - deferred tax	(116,503)	207,035
Effect of expense not deductible for tax purposes	18,992	15,481
Effect of capital allowances and depreciation	(94,642)	(19,769)
Additional deduction for R&D expenditure	(588,271)	(368,050)
Remeasurement of deferred tax for changes in tax rate		23,341
Difference in overseas rates	(4,549)	32,834
Other timing differences	370,744	46,323
Other differences	(2,615)	1,915
Deferred tax not recognised	613,456	197,632
Tax on profit	<u>746,513</u>	<u>530,663</u>

Brought forward losses have been utilised totalling £3,532,762 providing a tax effect of £883,190 which has therefore also reduced the deferred tax asset arising on trading losses by the same amount.

###### Factors that may affect future tax charges

With effect from 1 April 2024 the main rate of corporation tax in the United Kingdom rose to 25% for companies earning annual taxable profits in excess of £250,000.

**Epos Now Ltd**  
**Notes to the Financial Statements**

**Year ended 31 May 2024**

**14 Intangible assets**

**Group**

	<b>Development costs</b>	<b>Computer Software</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 June 2023	9,112,971	66,584	9,179,555
Additions	4,672,848	114,430	4,787,278
FX differences	(40,948)	-	(40,948)
At 31 May 2024	<u>13,744,871</u>	<u>181,014</u>	<u>13,925,885</u>
<b>Amortisation</b>			
At 1 June 2023	2,822,897	-	2,822,897
Charge for the year	2,325,385	-	2,325,385
FX differences	(12,087)	-	(12,087)
At 31 May 2024	<u>5,136,195</u>	<u>-</u>	<u>5,136,195</u>
<b>Carrying amount</b>			
At 31 May 2024	<u>8,608,676</u>	<u>181,014</u>	<u>8,789,690</u>
At 31 May 2023	<u>6,290,074</u>	<u>66,584</u>	<u>6,356,658</u>

Amortisation on intangible assets is charged to administrative expenses.

**Company**

The company has no intangible assets.

**Epos Now Ltd**  
**Notes to the Financial Statements**

**Year ended 31 May 2024**

**15 Tangible assets**

**Group**

	Leasehold property improvements	Office equipment	Motor vehicles	Computer equipment	Payment devices	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 June 2023	380,591	216,969	30,332	774,836	4,700,460	6,103,188
Additions	87,540	23,697	-	65,513	3,682,200	3,858,950
FX differences	(1,230)	(1,187)	-	(4,385)	(20,213)	(27,015)
At 31 May 2024	<u>466,902</u>	<u>239,479</u>	<u>30,332</u>	<u>835,964</u>	<u>8,362,447</u>	<u>9,935,124</u>
<b>Depreciation</b>						
At 1 June 2023	367,083	161,376	29,915	547,027	880,713	1,986,114
Charge for the year	909	21,836	-	131,171	1,340,101	1,494,017
FX differences	(928)	(1,004)	-	(2,851)	(4,512)	(9,296)
At 31 May 2024	<u>367,064</u>	<u>182,208</u>	<u>29,915</u>	<u>675,347</u>	<u>2,216,302</u>	<u>3,470,835</u>
<b>Carrying amount</b>						
At 31 May 2024	<u>99,838</u>	<u>57,271</u>	<u>417</u>	<u>160,617</u>	<u>6,146,145</u>	<u>6,464,289</u>
At 31 May 2023	<u>13,508</u>	<u>55,593</u>	<u>417</u>	<u>227,809</u>	<u>3,819,747</u>	<u>4,117,074</u>

**Company**

The company has no tangible assets.

**16 Investments**

**Group**

The group has no investments.

**Company**

**Shares in  
group  
undertakings  
£**

**Cost and carrying amount**

At 1 June 2023 and 31 May 2024

200

## Epos Now Ltd

### Notes to the Financial Statements

#### Year ended 31 May 2023

#### 16 Investments (continued)

##### Details of undertakings

Details of the investments in which the company directly or indirectly holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of shares held	
		2024	2023
<b>Subsidiary undertakings</b>			
Epos Now (UK) Ltd	Ordinary	82.47%	82.47%
EposNow LLC*	Ordinary	100%	100%
Epos Systems Pty Ltd*	Ordinary	100%	100%
Epos Now SL*	Ordinary	100%	100%
Epos Now Limited*	Ordinary	100%	100%
Epos Now SA de CV*	Ordinary	50%	50%

The registered office of Epos Now (UK) Ltd is 2 Whiting Road, Norwich Business Park, Norwich, NR4 6DJ. Epos Now Ltd exerts dominant influence over Epos Now (UK) Ltd.

The registered office of EposNow LLC is The Chase Plaza, South Tower, Suite 2021, 189 S. Orange Avenue, Orlando, FL-32801, United States.

The registered office of Epos Systems Pty Ltd is 47 Gordon Street, Hendra, Queensland, 4011, Australia.

The registered office of Epos Now SL is Calle Vallehermoso 82, Bajo Ext Izda, 28015 Madrid, Spain.

The registered office of Epos Now Limited is 1881 Steeles Ave., W., C/o Cbes 406, Toronto, Ontario, Canada, M3H 0A1.

The registered office of Epos Now SA de CV is 2 Whiting Road, Norwich Business Park, Norwich, NR4 6DJ

\*indirect holding

#### 17 Stocks

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Finished goods and goods for resale	1,323,326	849,435	-	-

**Epos Now Ltd**  
**Notes to the Financial Statements**

**Year ended 31 May 2024**

**18 Debtors**

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	11,182,587	4,793,974	-	-
Amounts owed by group undertakings	1,223,879	1,015,860	2,000	2,000
Deferred tax asset	21,484	673,022	-	-
Prepayments and accrued income	1,906,813	2,002,069	-	-
Director's loan account	1,920	3,092	-	-
Other debtors	83,523	38,588	-	-
	<u>14,420,207</u>	<u>8,526,606</u>	<u>2,000</u>	<u>2,000</u>

**19 Creditors: Amounts falling due within one year**

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Loans and borrowings	7,490,802	11,309,755	-	-
Trade creditors	10,661,920	4,699,343	-	-
Amounts owed to group undertakings	-	-	200	3,144
Amounts owed to associates	139,793	72,657	-	-
Accruals and deferred income	4,980,446	5,998,995	-	-
Upfront supplier payments	391,398	969,250	-	-
Corporation tax payable	141,656	115,878	-	-
Social security and other taxes	1,634,586	1,577,827	-	-
Other payables	280,554	7,400	-	-
	<u>25,721,154</u>	<u>24,751,105</u>	<u>200</u>	<u>3,144</u>

**20 Creditors: Amounts falling due after more than one year**

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Long term trade creditors	3,830,691	1,431,729	-	-
Upfront supplier payments	-	391,398	-	-
	<u>3,830,691</u>	<u>1,823,127</u>	<u>-</u>	<u>-</u>

## Epos Now Ltd

### Notes to the Financial Statements

#### Year ended 31 May 2024

##### 21 Loans and borrowings

Analysis of the maturity of loans is given below:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
<b>Amounts falling due within one year</b>				
Loans and borrowings	7,490,802	11,309,755	-	-

During the prior year the Group secured a new revolving credit facility totalling £21,000,000. The facility is secured by a fixed and floating charge over the assets of the company and the company's subsidiary Epos Now (UK) Limited and its interest in Epos Now LLC. Each amount drawn down on the facility is repayable, along with interest due, at the end of a six month term. The facility is subject to interest rates of 4% above the Bank of England's Sterling Overnight Index Average (SONIA) rate on drawn amounts and 1.6% on undrawn amounts. Covenant breach waivers have been agreed with the group's bankers and a larger facility at an improved rate has been agreed.

The debt facility in place in the US based subsidiary, which had an outstanding balance at the prior year end of £442,394, was fully repaid by August 2023.

##### 22 Provision for liabilities

	Deferred taxation
Group	£
At 1 June 2023	(673,022)
Charged to profit and loss	952,400
At 31 May 2024	<u>279,378</u>

## Epos Now Ltd

### Notes to the Financial Statements

Year ended 31 May 2024

#### 23 Deferred tax

The deferred tax included in the Statement of Financial Position is as follows:

	2024	2023
	£	£
Fixed asset timing differences	300,862	163,251
	<u>300,862</u>	<u>163,251</u>
 <b>Deferred tax assets (included in debtors; note 18)</b>		
	2024	2023
	£	£
Short term timing differences	4,689	13,451
Losses and other deductions	16,795	822,822
	<u>21,484</u>	<u>836,273</u>
Included in debtors (note 18)		

#### 24 Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £377,281 (2023: £262,335).

## Epos Now Ltd

### Notes to the Financial Statements

#### Year ended 31 May 2024

#### 25 Financial instruments

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
<b>Financial assets</b>				
Financial assets measured at fair value	3,723,861	7,071,450	-	-
Financial assets measured at amortised cost	12,495,910	5,851,513	2,000	2,000
	<u>16,219,771</u>	<u>12,922,963</u>	<u>2,000</u>	<u>2,000</u>
<b>Financial liabilities</b>				
Financial liabilities measured at fair value	-	-	-	-
Financial liabilities measured at amortised cost	24,633,787	18,143,936	200	3,144
	<u>24,633,787</u>	<u>18,143,936</u>	<u>200</u>	<u>3,144</u>

Financial assets measured at fair value through profit and loss comprise cash and cash equivalents and short term deposits, and other investments.

Financial assets measured at amortised cost comprise investments, trade debtors, amounts owed by group undertakings, and other debtors.

Financial liabilities measured at fair value through profit and loss are nil in both periods.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group undertakings, accruals, upfront supplier payments and other creditors.

#### 26 Share capital

##### Issued and called up

	2024		2023	
	Number	£	Number	£
A Ordinary shares of £0.01 each	100,000	1,000	100,000	1,000
B Ordinary shares of £0.01 each	100,000	1,000	100,000	1,000
	<u>200,000</u>	<u>2,000</u>	<u>200,000</u>	<u>2,000</u>

The A and B shares rank pari passu in all respects other than as follows:

- The company may not distribute profits to the holders of the B shares without prior approval of the holders of the A shares.
- The B shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the company or in any written resolution.
- On a return of assets on liquidation or capital reduction or otherwise the surplus of assets of the company shall be applied first in paying the holders the A shares and the B shares the nominal value of each such shares and secondly 100% shall be distributed amongst the holders of the A shares.

Interim dividends of £0.837 per share (2023: Nil) have been declared by the company during the year.

## Epos Now Ltd

### Notes to the Financial Statements

#### Year ended 31 May 2024

##### 27 Analysis of changes in net debt

	At 1 June 2023		Cash flows	Non-cashflow	At 31 May 2024	
	£	£		£	£	£
Cash at bank and in hand	7,071,450	(3,347,590)			3,723,861	
Debt due within one year	(11,309,755)	3,701,320		117,633	(7,490,802)	
	<u>(4,238,305)</u>	<u>353,730</u>		<u>117,633</u>	<u>(3,766,942)</u>	

##### 28 Operating leases

The total of future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Not later than 1 year	48,815	37,739
Later than 1 year and not later than 5 years	36,294	-
	<u>85,108</u>	<u>37,739</u>

The value of operating leases recognised as an expense in the Consolidated Statement of Comprehensive Income for the year is £51,062 (2023: £52,857).

##### 29 Director's advances, credits and guarantees

During the year the Director entered into the following advances and credits with the company and its subsidiary undertakings:

	2024	2023
	£	£
Balance brought forward	3,092	-
Advances to the Director	(1,172)	3,092
Balance outstanding	<u>1,920</u>	<u>3,092</u>

No interest was charged on the outstanding balance during the current or prior period.

## **Epos Now Ltd**

### **Notes to the Financial Statements**

#### **Year ended 31 May 2024**

#### **30 Related party transactions**

##### **Group**

The related party balance as at year end includes a receivable from Blue House Investments Limited, of which the ultimate owner is J Heavens. The balance of £528,877 (2023: £501,691) relates to expenses paid by the group on behalf of Blue House Investments Limited. It is included within debtors in the Statement of Financial Position. Other related party transactions undertaken during the year relate to rental charges from Blue House Investments Limited to the company, for the use of premises it owns. These total £291,863 (2023: £228,000) and are paid monthly. There was no outstanding balance for rental charges at year end.

The amounts owed by group undertakings at the year end includes a receivable from Technology Growth Ventures Limited, a member of the Technology Growth Holdings Limited group. The balance of £1,972 (2022 - £1,972) relates to expenses paid by the company on behalf of Technology Growth Ventures Limited. It is included in debtors in the Statement of Financial Position. There were no related party transactions undertaken during the year (2022 - £nil).

The related party balance at the year end includes a receivable from Chase 20 LLC, also a member of the Technology Growth Holdings Limited group. The balance of £560,031 (2023: £512,274) relates to overhead expenses paid by the group on behalf of Chase 20 LLC and loans to the company. It is included within debtors within the Statement of Financial Position. In addition, the group's US subsidiary pays rental charges to Chase 20 LLC for the use of premises it owns. These charges total £85,277 for the year (2023: £80,277). £34,207 (2023: £68,921) was payable by the group at year end, included within trade creditors.

The group was also owed £132,999 (2023: £Nil) from XXXVII Limited, also a member of the Technology Growth Holdings Limited group having made cash transfers of £132,999 during the year.

The related party balance at year end includes a payable of £139,793 (2023 - £72,657) to Recruitment Junky Limited, of which J Heavens is a director and shareholder, and which is an associate to the Technology Growth Holdings Limited group. The related party transactions relate to recruitment services provided to the group during the year. The charges for the year total £563,373 (2023: £597,926) and are paid monthly.

##### **Company**

At the year end the Company owed £200 (2023: £200) to Epos Now (UK) Limited, in relation to unpaid share capital.

#### **31 Contingent liabilities and guarantees**

As disclosed in note 21, a group RCF facility is present which is secured by a fixed and floating charge over the assets of this company and its interest in Epos Now (UK) Limited and its subsidiaries. Furthermore, a cross company guarantee and debenture is in place between Technology Growth Holdings Limited and its subsidiary entities for loan liabilities held by Chase LLC and Technology Growth Holdings Limited.

## **Epos Now Ltd**

### **Notes to the Financial Statements**

#### **Year ended 31 May 2024**

##### **32 Controlling party**

At the balance sheet date, 100% of the A shares and 100% of the B shares in the company were owned by Technology Growth Holdings Limited, a company wholly owned by J Heavens. J Heavens is regarded as the ultimate controlling party of the group.

The largest group of which the company was a member and for which group accounts were prepared was Technology Growth Holdings Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

##### **33. Events after the reporting period**

On 6 December 2024, the group entered into an asset purchase agreement with Yoello Limited to purchase a number of defined assets including IT operating systems, trademarks, intellectual property and domain names under a future revenue share agreement with likely financial effect of between £1,000,000 and £3,000,000.