Avature Limited

Annual report and financial statements

Registered number 07892159

31 December 2024

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COMPANY INFORMATION

Directors	Dimitri Boylan Julian Boylan
Registered number	07892159
Registered office	25 Wilton Road,Victoria, London, SW1V 1LW England
Independent auditors	Grant Thornton Chartered Accountants and Statutory Auditors 13-18 City Quay Dublin 2 DO2 ED70 Ireland
Principal Bank	Citibank Canada SQ Service Ctr - Citigroup Ctr 25, Canada Sq, London E14 5LB, UK

STRATEGIC REPORT

Introduction

The Company, Avature Limited, was incorporated and domiciled in the UK on 28 December 2011 with a UK establishment office address at 25 Wilton Road, Victoria, London.

The Directors present their Strategic Report together with the audited financial statements of the Company for the financial year ended 31 December 2024 on the basis of its continued existence.

Business review

2024 has been a year of challenges, but it has also brought progress and evolution—especially for our platform. Since day one, we've focused on building technology capable of adapting to different business contexts. That mission remained unchanged in 2024, but in HR and tech change is the only constant. Tools evolved, and we evolved with them.

Artificial Intelligence (AI) continues to reshape the competitive landscape. To remain ahead of disruption, AI must be more than just an add-on—it must be embedded strategically and meaningfully. That's our vision: building a future-proof platform that empowers users to overcome both tactical and technical challenges and equips them with strategies for what lies ahead.

However, innovation is not limited to AI alone. A platform designed for the future requires robust infrastructure and the highest security standards. In 2024, we reinforced the foundation that supports Avature—from code to data management and cloud infrastructure—ensuring what we build today is resilient, scalable, and secure for tomorrow.

Our focus on customer success remained central. In 2024, we continued to support the digital transformation of our clients and the broader HR community. At Avature, we strive to shape business processes through a flexible and adaptable platform—delivering transformative technology, not just a product. Strengthening our relationships with existing customers remained a priority, as did positioning Avature as the partner of choice for process optimization and operational efficiency.

We held in-person annual conferences in the US, EU, Australia and China. These events were met with overwhelmingly positive feedback and reaffirmed the value our clients find in engaging face-to-face with the Avature community and our teams.

From an internal perspective, the results show we are building an effective, high-performance workplace. We continue to attract and retain top talent across the globe, and our teams remain our most valuable asset in navigating complexity and delivering on our commitments.

The global business environment in 2024 remained highly complex. Our main markets suffer rapid geopolitical and economic shifts—particularly in the US and the EU, creating an adverse climate for growth and investment. Meanwhile Argentina remained marked by persistent political and economic uncertainty which impacted significantly in cost of operations of one our biggest operational base.

These external conditions had a direct impact on the Group's and the Company's financial performance. While the Group and the Company did not record a net profit in 2024, our shareholders remain supportive and committed to continue activities and investment reflecting a long-term strategic vision and confidence in the Group's and the Company's direction.

Looking ahead to 2025, as organizations continue to reposition themselves for greater agility and efficiency, we remain committed to delivering innovations that offer real, sustainable competitive advantages. We are actively realigning our business strategy to better respond to ongoing global changes. This includes operational, structural, and strategic adjustments aimed at positioning the Group and the Company for long-term resilience and sustainable growth.

Analysis of performance and position

The loss for the financial year amounted to £1,329,668 (2023 profit: £1,663,911). The total assets at year end amounted to £13,514,383 (2023: £16,127,155) and total equity amounted to £1,763,562 (2023: £3,093,230).

As for the year ahead, we are looking to continue to grow our customer base and up-sell more solutions to existing customers.

STRATEGIC REPORT (CONTINUED)

Strategic Management

Key performance indicators (KPIs)

Avature's KPIs related to the financial statements: we have decreased of our liquidity ratio to 0.79 (2023: 0.95); we have a working capital of -£2.4 million (2023: £0.7 million); our gross profit margin is 2% (2023: 3%) while our net profit margin is -6% (2023: 10%).

Strategy

Avature aims to create an innovative and agile enterprise Human Capital Management ("HCM") platform for customers to do business the way they want to do it, create the user experience they want, and add a competitive edge to their talent programs.

Avature believes cutting-edge talent acquisition and talent management require new thinking and new solutions, because breakthrough performance requires a break from the past. At Avature we see things differently. Rather than struggling with too many separate systems that do not really communicate with each other, we believe in a one-platform approach. One platform powered by innovative, flexible, and socially oriented software that supports business-driven solutions, not vendor-driven compromises.

Business model

Avature was founded in 2005 by Dimitri Boylan to help organizations across the globe deploy innovative solutions to their HR challenges. Our platform is a people-centric system designed to help manage a company's most important asset - its people. We are goal-oriented, team-spirited professionals looking for challenges. Our individual stories bring insights and perspectives that enrich our products and improve our services. We work together and support each other in an open environment with a common drive to bring interesting technical solutions to the market.

Recognising that leading CRM products were not suitable for modern recruiting, we designed branded email marketing features for passive candidate engagement, developed advanced segmentation based on candidate pipeline progress and talent pool attributes, as well as pioneered personalised multi-channel communication.

Along the way, we realised that we could get hiring managers to participate in recruiting if we gave them a modern web portal with real-time information on recruiting projects. As it turned out, this not only added transparency but helped hiring managers to gain new respect for the efforts that went into building good talent pipelines and recruiting passive candidates.

Finally, realising that every company has a different way to go to market and attract and retain great talent, we delivered a flexible data model and configurable workflow engine to support the creation of an ever-expanding range of fully bespoke recruiting and talent management solutions, including career sites, referral management, campus and events recruiting, onboarding, internal mobility, performance management and succession planning. In 2023, Avature launched two new solutions: HR Case Management and Social Learning.

We provide recruiting and talent management software to companies of all sizes as a SaaS. We apply one-time charges for the implementation of the software and a recurring fee for maintenance and upgrades with new features.

Business environment

Recruiting software is used across all industry types without much variation. However, for Recruiting CRM software, the buyers are usually high-growth companies, such as software companies, professional services companies, etc. For our Applicant Tracking System ("ATS"), we focus on large companies (10,000 employees or more) that are multinational – essentially, the Global 2000 is our market. The same can be said for our other solutions, which attract big enterprise customers, though there are some exceptions.

Our flagship products are the recruiting CRM and our ATS. In the CRM space, most of our competitors are start-ups, while the majority of our ATS competitors are rigid legacy vendors. We are seeing an increase in our talent management suite, specifically our Avature Onboard and Avature Internal Mobility solutions.

Avature differentiates in the following ways:

STRATEGIC REPORT (CONTINUED)

Business environment (continued)

<u>Fit for Purpose</u>

To survive and thrive in today's highly competitive and rapidly changing market, organisations need a competitive advantage. To hire and retain the talent they need to achieve breakout performance, they require leading-edge technology that empowers them to break away from the pack and activate innovative talent strategies. Rather than acting as a barrier, we believe that their recruiting and talent management technology should be a powerful enabler. As such, we have designed the Avature platform to be more configurable and scalable than the competition so our customers can move to the technology as offense model.

Avature's solutions are not one-size-fits-all. We respect our customers as experts in their own businesses, and we actively encourage them to follow their own vision and define the solution that achieves their objectives. Our platform allows our customers to create real, lasting transformation.

<u>Agility</u>

We believe that agility is more than a buzzword. In recruiting and talent management, agility means the ability to change the way things are done when market conditions change. Agility is only possible when a system is flexible enough for its users to optimise it over time. We have made it possible for customers to configure the system through the user interface, so they can design, modify and optimise digitally based business practices to aggressively compete for and win talent over their competition. In today's environment, it is not enough to acquire a system that is marginally competitive today but cannot scale, lacks innovation and will be ineffective in one or two years' time. We offer customers a steady stream of new functionality to keep pace with evolving technology and trends.

<u>Continuous Improvement</u>

We believe that our customers are co-designers of our software. We produce a steady stream of customer-requested features and enhancements with a focus on recruiting and talent management. We offer multiple channels for customers to present their feedback directly to us (Customer Advisory Counsel, User Conferences, Online Forums, Meet-ups, Account Management) and adhere to a customer-driven roadmap.

<u>World-Class Support</u>

Avature provides full-lifecycle customer support, from the day customers first meet us to the future evolution of their strategy in the years to come. Our Consulting team has extensive domain expertise in sourcing, talent engagement and recruiting service delivery derived from the world's most demanding and innovative recruitment organisations. Our customers are supported by dedicated and experienced Account Managers. We take pride in the fact that our customer-facing teams are just one step away from our technical operations, engineering and product design teams. This allows us to respond to customer issues with real solutions and in real-time, rather than having to deal with an intermediary or system integrator who has limited understanding of the underlying platform or leverage to drive modifications to it.

<u>Experience</u>

We differentiate with our industry experience, commitment and proven staying power. The recruiting and talent management software market is full of heavily venture capital-funded start-ups that are seeking a quick exit. They have no commitment to developing long-term relationships and many have experienced significant changes to management teams in recent months. Their leaders no longer have industry experience. Avature's larger competitors are typically serving up a software product that they purchased several years ago and for which they have no real roadmap or appetite for innovation and advance.

Environmental, employee, social, community, human rights and anti-corruption and anti-bribery matters

<u>Employees</u>

We understand the responsibility we have as a talent technology provider, and we reaffirm our commitment to the initiatives and best practices we have implemented toward positive social and environmental impact.

For employees, we are constantly empowering our own internal teams, promoting long-term career paths and continued education. We champion providing sustainable employment, job security and a thriving space to propose innovative ideas and business initiatives.

STRATEGIC REPORT (CONTINUED)

Business environment (continued)

Environmental, employee, social, community, human rights and anti-corruption and anti-bribery matters (continued)

Employees (continued)

We believe a diverse employee body will bring about creativity and foster innovation. Our vision is that only by accepting our differences, bringing people together and supporting each other we will realise the full potential of each employee and create breakthrough solutions.

Avaturians are trained to focus on the output of the individual and commit to helping each other succeed. Avature has a zero-tolerance stance on discrimination, harassment, and bullying of any kind. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

We require each employee to behave in a professional manner, but we do not require people to change who they are when they come to work for us. As enshrined in our Code of Conduct and Equal Opportunity policy, Avature absolutely condemns forced labour, child labour, modern slavery, and human trafficking of any kind.

Customers

Our decision to respond directly to our customers' needs, listen to them, and partner with them is at the heart of Avature's operating model. We develop all our solutions in-house, and we are in complete control of the quality and evolution of our platform, allowing us to directly engage with our customers and co-create the next-generation enterprise platform. Our commitment to high-quality engineering, transparency, and service, together with this partnership and the people we bring to this commitment, are our competitive advantage and part of our customers' advantage.

We offer a core platform meant to serve up only the solutions, tools and functionality that an organization needs for their processes, to avoid distraction from their objectives. When, and if they wish to evolve or expand, the platform can adapt to additional or modified processes, new strategies, enhanced functionality, new tools or extended solutions.

Furthermore, we give users the training to use our solutions specifically for their processes and we view this training and support as ongoing.

Suppliers

We understand that corporate social responsibility extends to our entire supply chain. This encompasses not only the products and services provided, but also the human rights, ethics, and social practices of Avature and our suppliers. One goal of our corporate social responsibility procurement program is to build partnerships with like-minded organisations by actively seeking out business partners who are the most environmentally and workforce friendly.

This includes the following areas:

- Responsible environmental impact: Avature and its suppliers shall conduct ongoing efforts to reduce environmental pollution while increasing sustainability.

- Forced labour: Avature and its suppliers and supply chain shall employ all employees under their own free will with no individual being subjected to bonded or forced labour.

- Child labour: Avature and its suppliers and supply chain shall not employ any people under the minimum legal working age of the country in which they work.

- Modern slavery and human trafficking: Avature does not tolerate human trafficking or slavery in any form and in any part of our global organization or our supply chain.

Avature has a diverse supplier policy. For non-strategic supply, managers are expected to include small-business vendors and minority-owned vendors in any bid group unless a reason is given for not including them. We recognise that size does not relate to performance and the only reason company size can be used as a criteria for selection is when size is needed for the execution of the service.

Avature's abiding rule on diversity is that our vendors' diversity should align with the general diversity of the country where they operate their business. A strong deviation from this model can be considered a negative attribute in any evaluation. A vendor employment policy that supports diversity can be considered a positive attribute.

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties

The Group and the Company is required to give a description of the principal risks and uncertainties that it faces. These principal risks are set out hereunder:

- Liquidity risk: the risk that the Group and the Company may not have, or may not be able to raise, cash funds when needed and therefore encounter difficulty in meeting obligations associated with financial liabilities.
- Market risk: the risk that the value of a financial instrument will fluctuate in terms of fair value or future cash flows as a result of a fluctuation in market prices.
- Operational risk: the risk of direct or indirect loss arising from a wide variety of causes associated with the Group´s and the Company's processes personnel, technology, and infrastructure.
- Credit risk: the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The financial instruments that are exposed to such risk include cash and cash equivalents, and other receivables, notes receivable.
- Interest rate risk: the Group´s exposure to interest rate risk mainly concerns financial liabilities, which are at fixed rate. At present, the Group does not hold loans and receivables that are long-term in nature. The Group is not significantly exposed to interest rate risk.
- Foreign currency risk: the Group's financial statements are presented in US dollars while the Company's financial statements are presented in British pounds. Each entity within the consolidated group determines its own functional currency. The Group is exposed to certain currency risks in that the value of certain financial instruments will fluctuate due to changes in foreign exchange rates. Management has mitigated the risk by holding sufficient cash in US dollars.

The Group has insurance, business policies and organizational structures to limit these risks and the Board of Directors regularly reviews, re-assess, and proactively limits these risks.

Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006

The Directors of the Group must act in accordance with a set of general duties including (among others) those under s172 of the Companies Act to promote the success of the companies.

The Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) (a-f) of the Act) in the decisions taken during the financial year ended December 31, 2024.

- The Directors oversee a structured approach to the development of the Group's strategy, looking at commercial considerations and the development of current and possible future markets. They also take a long-term perspective on matters such as possible strategic workforce requirements and the impact of new technology. Long-term business planning and key strategic decisions are undertaken in line with the strategy agreed by the Directors.

- The Group's employees are fundamental to the delivery of Group's goals. The Group aims to be a responsible employer in their approach to the pay and benefits their employees receive. The health, safety and well-being of their employees is one of their primary considerations in the way it does business (see previous section). In this regard, the Group annually conducts an in-depth review of entire workforce remuneration and the alignment of incentives with the Group's culture. The review covers the structuring of pay and incentives across the Group.

- Delivering on the commitments the companies make to their customers is critical to their long-term success. Senior Executives meet regularly with customers and, as necessary, subsequently brief the Directors on the status of these important relationships and how the Group is delivering on its commitments. During the year, the Directors were also provided with details of the output from the group's customer satisfaction surveys.

STRATEGIC REPORT (CONTINUED)

Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006 (continued)

- The Group considered the impact of its operations on the community and environment and in particular how the companies influence the regions where facilities are located (for more information see previous section).

- Responsible behaviour is fundamental to how the companies do business. The Group's Code of Conduct sets out the standards and behaviours expected of all the companies' employees to meet the high standards of business conduct – legally and ethically – that their customers and other stakeholders expect. The Directors' intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance. The intention is to nurture the companies' reputation through the compliance of the Code of Conduct which is reflected in the companies' actions. Also, during the year the Directors reviewed how employees were encouraged to seek guidance, raise concerns or report issues, if necessary, to the Group's Ethics Committee.

- The Directors' intention is to behave responsibly toward Group's shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of the Group's long-term objectives.

Our Stance on Diversity

Avature understands that innovation goes hand in hand with solutions designed to offer accessibility for individuals with disabilities and which can be leveraged to remove bias and partiality in hiring practices. This has informed, and will continue to inform, our functionality and roadmap on an ongoing basis.

We are committed to ensuring that our own internal hiring and mobility philosophy reflects what we help our customers do: hire the person before anything else. By way of example, by the end of the year, 564 (2023: 499) Avaturians are women, and 120 (2023: 109) of them correspond to 33% (2023: 36%) of senior leadership positions at Avature, surpassing the number at other leading tech organisations.

Equality and diversity are at the core of our organisation. Our talent acquisition strategy is absolutely neutral in regard to any form of self-identification including gender, sexual orientation, race, etc.

This report was approved by the board and signed on its behalf.

Dimitri Boylan
Director
Date: 27 October 2025

Directors' report

The directors submit their annual report together with the audited financial statements for the financial year to 31 December 2024, on the basis of its continued existence.

Principal activity and review of the development of the business

The principal activity of the Company in the year under review was the sale and marketing of software services.

Results and dividends

The loss for the year, after taxation, amounted to £1,329,668 (2023 profit: £1,663,911).

The directors have not recommended a dividend (2023: Nill).

Energy and Carbon reporting information

The Company is not required to make a detailed disclosure of energy and carbon information as the Company consumes considerably less than 40MWh in the United Kingdom and including offshore areas annually. In assessing whether or not the 40MWh threshold was met, we considered all the energy from gas, electricity and transport fuel usage as defined in section 7 of government's policy on Streamlined Energy and Carbon Reporting (SECR).

Research and development activities

The Company has not incurred expenses in relation to research and development activities during the year and in the prior year.

Directors

The directors who held office during the year were as follows:

Dimitri Boylan
Julian Boylan

Subsequent events

There have not been significant events since the period end, which require adjustment to or disclosure in these financial statements.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company´s auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company´s auditor is aware of the information.

Matters contained in the Strategic Report

The disclosure requirements under the Companies (Miscellaneous Reporting) Requirements 2018, with respect to the directors' engagement with stakeholders, is covered in the Strategic Report. Further information on Financial risk management, future developments, employees and employment of disabled persons is also included in the Strategic Report.

Directors' report (continued)

Auditor

The auditor, Grant Thornton, Chartered Accountants & Statutory Auditors, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board:

Dimitri Boylan
Director

Date: 27 October 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 ‘Reduced Disclosure Framework'.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for that financial year.

In preparing the financial statements, the directors are required to:

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

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and the profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2006. The directors 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.

On behalf of the board:

Dimitri Boylan
Director

Date: 27 October 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVATURE LIMITED

Opinion

We have audited the financial statements of Avature Limited (“Company”), which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity for the year ended 31 December 2024, and the related notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is UK law and accounting standards issued by the Financial Reporting Council including FRS 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice) .

In our opinion, Avature Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the year then ended; and

- have been properly 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 ‘Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 directors' use of 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 Company's ability to continue as a going concern for a period of at least twelve months from the date 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.

Other information

Other information comprises information included in the Annual Report, other than the financial statements and our auditor's report thereon, including the Directors' Report. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVATURE LIMITED

Opinions on 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in respect of the following matters where 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 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 management and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101, and for such internal control as they determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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 an auditor's 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 misstatement in the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVATURE LIMITED

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

Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with, Data Privacy law and Employment law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- Enquiries of management and the Board on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company's legal correspondence and review of minutes of Board meetings during the year to corroborate enquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including – allowance for credit losses, useful lives of depreciable assets, impairment of financial assets and impairment on tangible assets; and
- review of the financial statement disclosures to underlying supporting documentation and enquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

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.

Jason Crawford (Senior Statutory Auditor)
For and on behalf of
GRANT THORNTON
Chartered Accountants & Statutory Auditors
Dublin
Republic of Ireland
Date: 28 October 2025

Statement of Profit and Loss
For the year ended 31 December 2024

	Note	**2024**	2023
		£	£
Revenue	2	**20,663,614**	17,042,994
Cost of sales		**(20,209,355)**	(16,526,720)
Gross profit		**454,259**	516,274
Selling expenses	5	**(2,153,902)**	(1,839,809)
Administrative expenses	5	**(965,069)**	(965,462)
Other operating loss, net	3	**(680,871)**	(1,093,811)
Operating loss		**(3,345,583)**	(3,382,808)
Financial gain	4	**1,733,801**	5,280,780
(Loss) Profit before tax		**(1,611,782)**	1,897,972
Taxation	7	**282,114**	(234,061)
(Loss) Profit for the year		**(1,329,668)**	1,663,911

The notes on pages 17 to 29 form part of these financial statements.

The above results were derived entirely from continuing operations.

Statement of Financial Position

As at 31 December 2024

	Note	2024	2023
		£	£
ASSETS			
Non-current assets			
Property, plant and equipment	8	**221,417**	106,529
Trade and other receivables	10	**3,732,025**	3,732,025
Deferred tax assets	9	**307,826**	-
		4,261,268	3,838,554
Current assets			
Trade and other receivables	10	**4,301,814**	5,905,764
Cash and cash equivalents	11	**4,951,301**	6,382,837
		9,253,115	12,288,601
TOTAL ASSETS		**13,514,383**	16,127,155
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**100**	100
Retained earnings		**1,763,462**	3,093,130
Total equity		**1,763,562**	3,093,230
Non-current liabilities			
Deferred tax liabilities	9	**(77,008)**	(51,472)
		(77,008)	(51,472)
Current liabilities			
Trade and other payables	12	**(11,673,813)**	(12,982,453)
		(11,673,813)	(12,982,453)
Total liabilities		**(11,750,821)**	(13,033,925)
TOTAL EQUITY AND LIABILITIES		**13,514,383**	16,127,155

The notes on pages 17 to 29 form part of these financial statements.

The financial statements were approved and authorised for issue by the board on 27 October 2025 and were signed on its behalf by:

Dimitri Boylan
Director

Date: 27 October 2025

Company registered number: 07892159 (England & Wales)

Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2023	100	1,429,219	1,429,319
Total profit for the year	-	1,663,911	1,663,911
Balance at 31 December 2023	**100**	**3,093,130**	**3,093,230**
Total loss for the year	-	(1,329,668)	(1,329,668)
Balance at 31 December 2024	**100**	**1,763,462**	**1,763,562**

The notes on pages 17 to 29 form part of these financial statements.

Notes forming part of the financial statements

1 Accounting policies

Avature Limited (the "Company") is a private company limited by shares, with registration number 07892159, and is incorporated and domiciled in the United Kingdom. The registered office is located at 25 Wilton Road,Victoria, London, England.

The Company previously prepared its financial statements in accordance with the UK-adopted International Accounting Standards ("UK-adopted IAS") and the UK statute comprising of the Companies Act 2006. The Company's financial statements for the year ended 31 December 2024 have been prepared and approved by the directors in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS101") and UK statute comprising of the Companies Act 2006. This is the first year that the Company has applied FRS 101. The transition to FRS 101 does not affect the recognition, measurement or presentation of amounts previously reported under UK-adopted IAS. The impact is limited to the disclosure exemptions adopted as permitted by FRS 101 (see note 1.1).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Financial Reporting Standard 101 - reduced disclosure exemption

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:

  (i) paragraph 79(a)(iv) of IAS 1; and

  (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- The requirements in the following paragraphs of IAS 1 Presentation of Financial Statements:

  (i) paragraph 79(a)(iv) of IAS 1

  (ii) 10(d) (statement of cash flows);

  (iii) 16 (statement of compliance with all IFRS);

  (iv) 38A (requirement for minimum of two primary statements, including cash flow statements);

  (v) 38D (additional comparative information);

  (vi) 111 (cash flow statement information); and

  (vii) 134 to 136 (capital management disclosures).
- The requirements of IAS 7 'Statement of Cash Flows'.
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

The Company has availed of these disclosure exemptions available under FRS101 on the grounds that it is a qualifying undertaking, where the results of the Company are included within the consolidated financial statements of Avature Group Limited, which are available from 1 Charterhouse Mews, London.

Notes forming part of the financial statements (continued)

2 Accounting policies (continued)

1.2 Measurement convention

The financial statements are prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets at that time.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs t o the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

• Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 1.13.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

1.3 Going concern

During the year, the Company reported a loss of £1,329,668 (2023: profit of £1,663,911) and has net current liabilities of £11,750,821 (2023: £13,033,925) at year end. The Company meets its day-to-day working capital requirements through a combination of its cash reserves and borrowings. At the year-end date, the Company held cash reserves of £4,951,301 (2023: £6,382,837).

The directors recognise that current economic conditions continue to create uncertainty, particularly in relation to the level of demand for the Company's services. Nevertheless, the directors have prepared detailed forecasts and projections through to 2026, which take into account reasonably possible changes in performance as well as the prevailing macro-economic environment. Based on these forecasts, the directors are satisfied that the Company will continue to generate sufficient cash flows and has adequate resources available to meet its liabilities as they fall due.

In addition, the Company has received a letter of support from its parent undertaking, confirming that funding and financial support will be made available if required for a period of at least 12 months from the date of approval of these financial statements. The directors are further satisfied that the parent undertaking has sufficient resources to provide such support, if necessary.

Accordingly, the financial statements have been prepared on a going concern basis.

1.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates.

The Company's functional and presentational currency is GBP (£).

Notes forming part of the financial statements (continued)

3 Accounting policies (continued)

1.4 Functional and presentation currency (continued)

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

1.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Financial assets are classified, at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Subsequent to initial recognition, Company's financial assets are measured at amortised cost. The Company measures financial assets at amortised cost if both of the following criteria are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade and other receivables.

ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Subsequent to initial recognition financial, Company's liabilities are measured at fair value through profit or loss.

- Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss and other comprehensive income.

Notes forming part of the financial statements (continued)

4 Accounting policies (continued)

1.5 Financial Instruments (continued)

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv) Hedge accounting

Company does not have financial instruments of hedge accounting.

v) Impairment of financial assets

The Company 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. In applying this forward-looking approach, a distinction is made between financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk and financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

1.6 Property, plant and equipment

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciatio n and impairment losses.Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Office equipment 3 years
- IT equipment 3 years
- Servers 3 years

Useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Profit and Loss.

1.7 Leases

For any new contracts the Company considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use.
- the Company assess whether it has the right to direct ‘how and for what purpose' the asset is used throughout the period of use.

Notes forming part of the financial statements (continued)

5 Accounting policies (continued)

1.7 Leases (continued)

The Company did not have Finance Leases before or after 1 January 2024, nor 2023.

The Company did not act as a Lessor before or after 1 January 2024, nor 2023.

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2024	2023
	£	£
Short-term leases	**19,451**	15,117
	19,451	15,117

1.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, on demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows only, cash and cash equivalents include bank overdrafts repayable on demand. Since the characteristics of such banking arrangements are that the bank balance often fluctuates from being positive to overdrawn, they are considered an integral part of the Company's cash management.

1.9 Provisions

Where, at the reporting date, the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the Company will settle the obligation, a provision is made in the statement of financial position. Provisions are made using best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period they arise. Restructuring provisions are only recognised once the formal plan has been communicated to affected parties.

1.10 Revenue

The Company derives revenues primarily from subscription services and professional services. Revenues are recognized when control of these services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those services. We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, we satisfy a performance obligation

Professional services primarily consists of fees for integration and customization. Revenue are fixed fee arrangements recognized as the services are rendered.

Notes forming part of the financial statements (continued)

6 Accounting policies (continued)

1.10 Revenue (continued)

Some of our contracts with customers contain multiple performance obligations. For these contracts, we account for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises a contract asset in its statement of financial position.

There was no significant judgement applied or significant estimate determined in applying this accounting policy.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.12 Estimates and judgements

The preparation of financial statements in compliance with FRS 101 requires requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

In determining the carrying amounts of certain assets and liabilities, the Company make assumptions of the effects of uncertain future events on those assets and liabilities at the reporting date. The Company's estimates and assumptions are based on historical experience and expectation of future events and are reviewed annually. This excludes uncertainty over future events and judgements in respect of measuring financial instruments. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below:

(a) Allowance for credit losses

The Company makes an estimate of the recoverable value of trade and other debtors. The Company uses estimates based on historical experience, as well as reasonable and supportable forecasts, in determining the level of debts that the Company believes will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of impairment allowance would have a positive impact on the operating results. The level of impairment allowance required is reviewed on an on-going basis.

Notes forming part of the financial statements (continued)

7 Accounting policies (continued)

1.12 Estimates and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis, revisions to accounting estimates are recognised in the year in which the estimate is revised if revision affects only that year or in the year of the revision and future years if the revision affects both current and future periods.

(b) Useful lives of depreciable assets

The Company reviews its estimate of the useful lives 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.

The estimates and underlying assumptions are reviewed on an ongoing basis, revisions to accounting estimates are recognised in the year in which the estimate is revised if revision affects only that year or in the year of the revision and future years if the revision affects both current and future periods.

(c) Impairment on financial assets

In assessing impairment of financial assets, management estimates the recoverable amount of each asset based on expected future cash flows. Estimation uncertainty relates to assumptions about future operating results.

(d) Impairment on tangible assets

The Company assesses impairment on tangible assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business;
- Significant negative industry or economic trends.

In determining the estimated cash flows expected to be generated from continued use of the assets, the Company is required to make estimates and assumptions that can materially affect the financial statements. These assets are reviewed for impairment whenever events of changes in circumstances indicate the carrying amount may not be recoverable.

1.13 Application on new IFRS requirements

For the preparation of these consolidated financial statements, the following amended Standards are mandatory for the first time for the financial year beginning 1 January 2024.

New Standards and Amendments

- Non-current Liabilities with Covenants (Amendments to IAS 1). The application of these amendments did not have any impact on these Group and Company's financial statements.
- Lease Liability in a Sale and Leaseback Amendments to IFRS 16. The application of these amendments did not have any impact on these Group and Company's financial statements.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7). The application of these amendments did not have any impact on these Group and Company's financial statements.

Other than the above standards, none of the standards, amendments and interpretations effective during the current financial year had a significant impact on the Group and Company's financial statements.

Notes forming part of the financial statements (continued)

2 Revenue

2.1 Dissaggregated revenue information

	2024	2023
	£	£
Application services	**14,941,838**	12,202,644
Professional services	**5,721,776**	4,840,350
Total revenue from contracts with customers	**20,663,614**	17,042,994

2.2 Geographical revenue information

	2024	2023
	£	£
EMEA	**20,291,720**	16,624,111
Asia	**370,339**	412,359
America	**1,555**	6,524
Total revenue	**20,663,614**	17,042,994

Revenue from the EMEA region includes revenue generated from the United Kingdom, which amounted to £9,320,586 for the current financial year (2023: £7,290,995).

2.3 Contract balances

	2024	2023
	£	£
Gross trade receivables	**2,077,847**	5,164,647
Contract assets	**462,507**	193,846
Contract liabilities	**5,188,641**	5,282,099
Amount included in contract liabilities at the beginning of the year	**5,282,099**	3,587,169

2.4 Performance obligations

Information about the Company´s performance obligation are summarized below:

Application Services (SaaS Subscription, Customer Support and On-demand training)
Subscription services are combined with customer support and free on-demand training as a single unit of accounting. The performance obligation is satisfied ratably over the contract term beginning on the commencement date of each contract. Payment is generally due to 30 to 45 days after billing.

Professional services

Professional services performance obligation is satisfied as services are delivered to the customer. The Company typically bills for these services either in arrears on a time and materials basis or upfront based on a fixed price. Implementation services are generally rendered over a specific period and involve the delivery of several dissimilar acts. Payment is generally due to 30 to 45 days after billing.

3 Other operating loss, net

	2024	2023
	£	£
Intercompany commission	**(738,143)**	(1,157,077)
Other income	**57,272**	63,266
Total other operating loss	**(680,871)**	(1,093,811)

Notes forming part of the financial statements (continued)

4 Financial gain

	2024	2023
	£	£
Net foreign exchange gain *	**1,650,725**	5,203,835
Intercompany interest	**77,151**	76,945
Income tax interest	**5,925**	-
Total financial income	**1,733,801**	5,280,780

* In 2024 exchange gain includes £1,460,308 related to the settlement of bonds traded to settle Argentinian Peso denominated liabilities by the Company (2023: £2,351,449) and £190,417 related to net foreign exchange gain of the year (2023: £2,852,386).

During 2024 and 2023, the Company has not classified financial assets or liabilities at fair value through profit or loss.

5 Expenses and auditor's remuneration

Auditor's remuneration:

	2024	2023
	£	£
Auditor's remuneration – Audit fee	**33,339**	34,451
Auditor's remuneration – Advisory & tax fees	**9,429**	2,501
	42,768	36,952

Included in profit or loss are the following:		
Payroll	**1,619,247**	1,352,473
Marketing and Advertising	**534,655**	479,067
Professional fees	**182,190**	216,558
Depreciation	**140,741**	194,291
Allowance for expected credit loss	**24,395**	26,134
Office rent	**19,451**	15,117
Premises costs	**-**	350
Other	**598,292**	521,281
	3,118,971	2,805,271

6 Staff numbers and costs

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

	Number of employees	
	2024	2023
Employees	**16**	8
Directors	**2**	2
	18	10

The directors did not receive or accrue any remuneration from the Company in the current year (2023 : £Nil). Directors received their remuneration at a Group level.

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£	£
Wages and salaries	**1,413,555**	1,127,279
Payroll taxes	**205,692**	225,194
	1,619,247	1,352,473

Notes forming part of the financial statements (continued)

7 Taxation

Recognised in the income statement

	2024	2023
	£	£
Current tax expense	**-**	(213,239)
Transfer pricing additional corporation tax liabilities	**-**	(4,638)
Interest refund from HMRC	**-**	6,134
Difference in 2023 tax return	**(176)**	-
Total current tax	**(176)**	(211,743)
Temporary differences	**(25,536)**	(22,318)
Adjustments recognised in the year	**307,826**	-
Total deferred tax benefit (expense)	**282,290**	(22,318)
Total tax benefit (expense)	**282,114**	(234,061)

The following is a reconciliation between income tax as charged to the Statement of Profit and Loss and the amount that would have resulted from applying the relevant tax rate to taxable income before tax:

Reconciliation of effective tax rate

	2024	2023
	£	£
(Loss) Profit before tax	**(1,611,782)**	1,897,972
Total tax benefit (expense)	**282,114**	(234,061)
(Loss) Profit for the year	**(1,329,668)**	1,663,911
Tax using the UK corporation tax rate of 25% (2023: 23,5%)	**402,946**	(446,023)
Non deductible expenses	**(2,393)**	(25,144)
Non deductible Capital Allowance	**3,538**	(30,705)
Transfer pricing additional corporation tax liabilities	**-**	(4,638)
Interest refund from HMRC	**-**	6,134
Group relief (surrended) claimed	**(121,801)**	266,315
Difference in 2023 tax refund	**(176)**	-
Total tax benefit (expense)	**282,114**	(234,061)

The Company has £1,231,304 (2023: £nil) of tax losses carried forward.

Factors that affect tax charges:

The standard rate of UK Corporation Tax remained at 19% until 31 March 2023 when the rate was increased from 19% to 25%. The 2023 rate of 23.5% represents the blended UK tax rate over the 12 month period to 31 December 2023. In summary, the rate of corporation tax from 1 April 2023 increased to 25% for companies generating taxable profits of more than £250,000.

Deferred tax at the balance sheet date has been measured using the enacted tax rates of 25% (2023: 25%).

Notes forming part of the financial statements (continued)

8 Property, plant and equipment

	Servers	Office equipment	IT equipment	Total
	£	**£**	**£**	**£**
Cost				
Balance at 31 December 2023	1,557,393	54,966	77,614	1,689,973
Additions	245,414	9,358	857	255,629
Balance at 31 December 2024	1,802,807	64,324	78,471	1,945,602

	Servers	Office equipment	IT equipment	Total
	£	**£**	**£**	**£**
Depreciation				
Balance at 31 December 2023	1,458,952	47,232	77,260	1,583,444
Depreciation charge for the year	132,482	7,797	462	140,741
Balance at 31 December 2024	1,591,434	55,029	77,722	1,724,185
Net book value				
At 31 December 2023	98,441	7,734	354	106,529
At 31 December 2024	**211,373**	**9,295**	**749**	**221,417**

9 Deferred tax assets and liabilities

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	Assets 2024	2023
	£	£
Tax loss carry forward*	**307,826**	-
Total deferred tax assets	**307,826**	-

*A deferred tax asset of £307,826 has been recognised in the year (2023: £nil). Management expects to be utilising the deferred tax asset on future taxable profits.

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Liabilities 2024	2023
	£	£
Accelerated capital allowances	**77,008**	51,472
Total deferred tax liabilities	**77,008**	51,472

Notes forming part of the financial statements (continued)

10 Trade and other receivables

	2024	2023
Current	**£**	£
Trade receivables	**2,077,847**	5,164,647
Allowance for expected credit loss	**(50,529)**	(26,134)
Trade receivables – net	**2,027,318**	5,138,513
Other financial assets with group companies	**215,526**	138,375
Other receivables due from group companies and related parties	**1,122,580**	90,153
Prepayments	**283,835**	250,832
Other receivables	**186,111**	90,108
Rent deposit	**3,937**	3,937
Contract assets	**462,507**	193,846
Total current trade and other receivables	**4,301,814**	5,905,764
Non current	**£**	£
Other financial assets with group companies	**3,732,025**	3,732,025
Total non current trade and other receivables	**3,732,025**	3,732,025

There is no material difference between the fair value of receivables and their carrying amount.

Provisions, write-off of uncollectible receivables and utilisation of the allowance for expected credit losses are presented in the statement of profit or loss within administration expenses. The table below analyses changes in the allowance for impairment losses in the year.

	2024	2023
ALLOWANCE FOR EXPECTED CREDIT LOSSES	**£**	£
Balance at 1 January	**26,134**	-
Increase in allowance for expected credit losses	**24,395**	26,134
Balance at 31 December	**50,529**	26,134

Allowance for expected credit losses for trade and other receivables have been determined based on 12 months expected credit losses, as these have not shown increased credit risk since initial recognition and are low credit risk financial instruments at the reporting date. As there was no indication of increased credit risk sinc e initial recognition of any trade and other receivables balances, none of the trade and other receivables credit losses were determined based on the lifetime expected credit losses.

The Company defines a default event as when the customer fails to repay its debt after 90 days, 30 days after debt repayment was due.

The Company assesses an asset to be credit impaired when one or more events that have a detrimental impact of the estimated future cash flows of that financial asset has occurred.

No collateral pertaining to trade and other receivables is held by the Company at the reporting date.

At 31 December 2024, the Company had loans receivable from group companies amounting to £3,732,025 (2023: £3,732,025). The loans are unsecured, bears interest at 2% per annum, and is repayable in July 2026. The current portion relates to interest receivable of £215,526 (2023: £138,375).

Interest income of £77,151 (2023: £75,732) has been recognised in the income statement in respect of these loans.

Other amounts owed by group companies and related party undertakings are unsecured, interest free and repayable on demand.

Notes forming part of the financial statements (continued)

11 Cash and cash equivalents

	2024	2023
	£	£
Bank balances	**4,951,301**	3,557,815
Short term bank deposits	**-**	2,825,022
Cash and cash equivalents	**4,951,301**	6,382,837

There is no material difference between the fair value and the carrying amount of cash and cash equivalents. The effective interest rate on short-term bank deposits is 2.77% (2023: 5.02%). Short term bank deposits were fully withdrawn during the year.

12 Trade and other payables

Current	**2024**	2023
	£	£
Trade payables due to group companies	**4,546,049**	6,075,230
Other trade payables	**100,717**	32,658
Non-trade payables due to third parties	**234,048**	385,061
Non-trade payables due to parent company	**1,372,772**	898,635
Payroll	**231,586**	308,770
Contract liabilities	**5,188,641**	5,282,099
	11,673,813	12,982,453

The carrying amount of trade and other payables and contract liabilities is considered to be in line with their fair value at the reporting date.

Amounts owed to group companies are unsecured, interest-free and payable on demand.

Non current	**2024**	2023
	£	£
Deferred tax liabilites (Note 9)	**77,008**	51,472
	77,008	51,472

13 Capital

	2024	2023
	£	£
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each – fully paid	**100**	100
	100	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. No dividends have been declared in the year (2023: £Nil).

14 Subsequent events

There have been no significant events since the financial year end, which require adjustment to or disclosure in these financial statements.

15 Controlling party

The immediate parent company is Avature Group Limited, a private company limited by shares incorporated in the UK. The registered office address is 1 Charterhouse Mews, London. These financial statements are consolidated into those of Avature Group Limited for the current year.

The ultimate parent company is Avature Holdings Limited, a private exempt limited liability company incorporated in Malta, with a UK establishment office address at 1 Charterhouse Mews, London. These financial statements are consolidated into those of Avature Holdings Limited for the current year.

The ultimate controlling party of the Group is Mr. Dimitri Boylan, a director.