

CLOUDCOCO

THE FUTURE STARTS NOW



**CloudCoCo
Group Plc
Report &
Accounts 2026**
focused on you

Strategic report

- 2 Chairman's statement
- 4 Trading review
- 8 Financial review
- 12 Risks and risk management
- 14 Directors' duties section 172 statement

Corporate governance

- 16 Board of Directors
- 17 Corporate governance report
- 22 Remuneration report
- 24 Directors' report
- 27 Statement of Directors' responsibilities

Financial statements

- 28 Independent Auditor's report
- 34 Consolidated income statement
- 35 Consolidated statement of financial position
- 36 Consolidated statement of changes in equity
- 37 Consolidated statement of cash flows
- 38 Notes to the consolidated financial statements

- 59 Statement of financial position (parent company)
- 60 Statement of changes in equity (parent company)
- 61 Notes to the parent company financial statements
- 66 Directors, Secretary and advisers

Chairman's statement

Introduction

I am pleased to present the annual results of CloudCoCo Group plc for the year ended 30 September 2025. During the year, the Group undertook a transformative restructuring, including the disposal of its legacy managed services businesses, resulting in a simplified operating model and a strengthened balance sheet.

The Group now focuses on two core trading activities: e-commerce through MoreCoCo and IT procurement and value-added resale through Systems Assurance. This repositioning provides a clear platform for future growth.

Strategic and Financial Transformation

The most significant event of the year was the sale of the Group's legacy managed services businesses, CloudCoCo Limited and CloudCoCo Connect Limited, completed on 31 October 2024. Total cash proceeds of £7.9 million, including £7.5 million initial consideration for CloudCoCo Limited, subsequently reduced by £0.385 million following agreement of completion accounts reflecting working capital movements. Further details are included in Note 26. This transaction enabled the full repayment of the £6.2 million MXC loan notes, eliminated long-term debt and avoided a £550,000 extension fee.

As a result, the Group moved from net liabilities of £2.1 million at 30 September 2024 to net assets of approximately £0.5 million and net cash of approximately £0.6 million at 30 September 2025. Driven primarily by the gain on disposal, the Group reported a total comprehensive profit for the year of £2.6 million.

Continuing revenues for the year were £8.0 million, below the restated FY2024 figure, reflecting supplier data-feed disruption in the first quarter and the residual complexity of the pre-disposal structure. Trading improved steadily thereafter, and the Group exited the year with an annualised revenue run-rate approaching £10 million.

This transaction materially strengthened the Group's balance sheet and removed significant long-term debt.

Operational Performance and Cost Discipline

Gross margins improved to approximately 15% before seller fees (around 7% net), supported by improved pricing, automation and commercial terms. MoreCoCo remained the principal driver of revenues, with over half of e-commerce orders now processed without human intervention, enabling growth without a corresponding increase in headcount.

Plc-level costs were reduced by 46% from £0.8 million in FY2024 to £0.5 million in FY2025, of which approximately £0.3 million relates to ongoing Plc costs. In addition, Executive Directors elected to take aggregate salary and associated cost reductions of c.£90,000 per annum from 1 April 2025, demonstrating the Board's commitment to cost discipline and alignment with the scale of the business.

Leadership and People

Our people have been central to the progress made during this transitional year. Despite a lean headcount of 13 employees at the year end, the Group retains significant experience and capability.

In November 2024, Peter Nailor was appointed Managing Director of the trading business. Under his leadership, both MoreCoCo and Systems Assurance have gained momentum, with a renewed focus on execution and growth. The Board thanks all employees for their commitment and professionalism during a year of significant change.

Outlook

The Board's strategy is to scale the trading business toward an initial £10 million annual revenue level, which is expected to support consistent positive monthly cash flow. As revenues increase, the Group anticipates benefiting from operating leverage across its largely fixed cost base.

The Group is focused on increasing higher-margin direct web sales and expanding software-led revenue streams, including its white-label WebStore platforms, which now support approximately 60 business customers. The Board is encouraged by the current pipeline across both e-commerce and WebStore solutions.

Post Year-End Developments

Subsequent to the year end, the Company announced a strategic growth initiative, Project Brightstar, designed to accelerate the Group's expansion in the B2B technology procurement market and support the scaling of revenues beyond the Group's initial £10 million target.

In March 2026, shareholders approved a capital reorganisation and a subscription for new ordinary shares. In this regard, the subscription is expected to raise £275,000 (gross) through the issue of 229,166,666 new ordinary shares at 0.12 pence per share, with net proceeds of approximately £260,000. The capital reorganisation reduced the nominal value of the Company's ordinary shares to facilitate the fundraising.

Chairman's statement (continued)

Post Year-End Developments (continued)

The proceeds of the subscription will be used to support the recruitment of an experienced enterprise sales team and further develop the Group's digital commerce and IT procurement capabilities. The Board believes this initiative represents a natural evolution of the Group's strategy, combining its e-commerce infrastructure with higher-value enterprise procurement services to drive scalable revenue growth and improved margin quality.

The Board believes the Group is well positioned to accelerate its growth strategy in FY2026.

Simon Duckworth

Chairman
31 March 2026

Trading Review

Performance Overview

The year ended 30 September 2025 represents the first full reporting period following the Group's strategic transition to a focused IT procurement and e-commerce model. Continuing operations generated revenues of £8.0 million (FY2024 continuing: £8.7 million), with Trading Group EBITDA improving to £80k (FY2024 continuing: £63k), reflecting the underlying operating leverage of the streamlined Group and the benefits of a more focused trading strategy.

Performance in the first quarter was impacted by supplier data-feed disruption and the residual effects of operating within a more complex Group structure prior to the disposal of the managed services businesses in October 2024. Trading momentum improved steadily thereafter, with quarterly revenues increasing from £1.4 million in Q1 to £2.4 million in Q4, as illustrated in the quarterly revenue chart, equating to an annualised run-rate approaching £10 million by the year end.

The statutory operating loss from continuing operations was £394k (FY2024: £540k), after charging amortisation of acquired intangibles of £79k, share-based payments of £2k and Plc-level costs of £354k.

MoreCoCo – E-Commerce Platform

MoreCoCo remained the principal driver of Group revenues, accounting for the majority of value-added resale income of £7.8 million. During the year, six new vendor distribution partners were onboarded, expanding the product catalogue to over 190,000 items and improving price competitiveness and product availability, particularly within IT hardware and gaming components.

Operational scalability continued to improve materially. Over 50% of e-commerce orders are now processed without human intervention, with automation handling more than 7,000 orders per month. This has reduced marginal fulfilment costs and provides a scalable platform capable of supporting significant revenue growth with minimal additional headcount.

Third-party marketplaces, predominantly Amazon, accounted for approximately 91% of e-commerce revenues during the year. While these channels provide valuable volume, customer reach and supplier pricing leverage, net margins after marketplace fees average approximately 4%, compared with c.12% on direct website sales and other lower-fee channels. Management's strategic priority is therefore to increase the proportion of direct and alternative channel sales over time, improving blended margins while maintaining overall sales volumes.

Systems Assurance – B2B Procurement and WebStore Growth

Systems Assurance has been repositioned as a specialist IT value-added reseller and procurement broker, focusing on hardware, licensing and software rather than managed IT services. Continuing managed IT services revenues reduced to £246k (FY2024 continuing: £420k), consistent with the Group's strategy to prioritise scalable, repeatable procurement-led activity over labour-intensive service contracts.

The business secured 10 new customers in the first half of the year and continued to build its pipeline in the second half, supported by growing demand for structured procurement solutions and best-value sourcing. A key development has been the expansion of the Group's branded WebStore offering, with approximately 60 WebStore customers onboarded during the year. These platforms provide business customers with 30-day credit terms, delegated approval workflows, consolidated invoicing and rapid fulfilment, supporting repeat purchasing behaviour and improved customer retention, and creating software-enabled, higher-quality revenue streams.

Trading Performance

For the year ended 30 September 2025, the Group's total performance, including both continuing and discontinued operations, is as follows:

- Total Revenue: £9.6 million (FY24: £27.5 million)
- Gross Profit: £1.0 million (FY24: £7.6 million)
- Trading Group EBITDA¹: £0.2 million (FY24: £1.6 million)

The financial statements present the discontinued operations separately in accordance with IFRS 5. The continuing e-commerce business is now the primary contributor to the Group's revenue and profitability.

Continuing and Discontinued Operations

Following the disposal of CloudCoCo Limited and CloudCoCo Connect Limited, the Group's discontinued managed services activities are presented separately in accordance with IFRS 5. The continuing e-commerce and procurement businesses through MoreCoCo and Systems Assurance are now the sole contributors to the Group's future revenue and profitability.

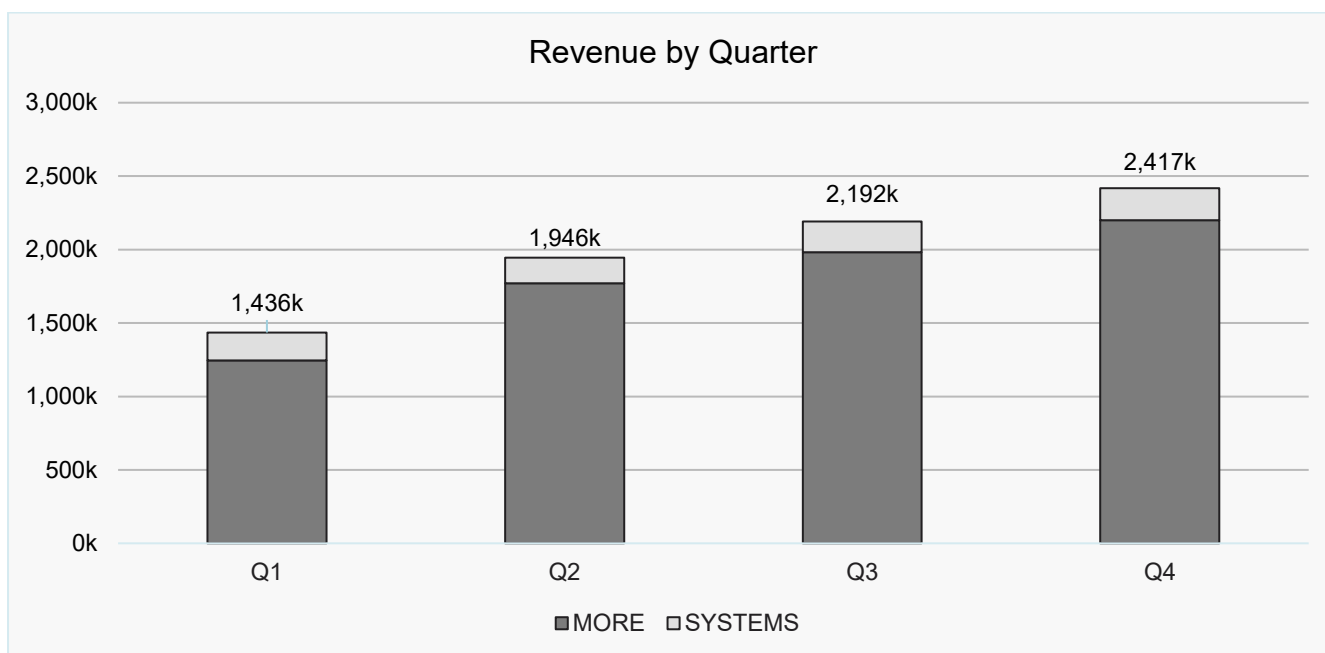
Including discontinued operations, the Group generated revenues of £9.6 million in the year (FY2024: £27.5 million), reflecting the disposal of the majority of the managed services activities. Discontinued operations contributed £1.6 million of revenue (FY2024: £18.8 million), while continuing operations delivered £8.0 million (FY2024: £8.7 million), of which £7.8 million related to value-added resale.

Trading Review (continued)

Continuing Operations Performance

Our continuing operations, comprising the e-commerce business through Systems Assurance and MoreCoCo, delivered solid performance during the year. This segment focuses on providing IT hardware, components, and related products to both business and consumer customers through our online platform.

	Continuing 2025 £'000	Continuing 2024 £'000
More Computers – e-commerce	7,198	7,406
Systems Assurance – B2B Procurement and Managed Services	793	911
Total Revenue	7,991	8,737



Key highlights for the continuing operations include:

- Trading EBITDA¹ growth during the period as a result of better gross margins and improved cost controls.
- Plc costs were reduced by 21% to £354k and the Group ended the year largely debt-free with a cash balance of £635k
- WebStore developed to increase sales to B2B customers in 2026.

Gross Margin and Cost Base

Gross profit from continuing operations was £1.2 million, representing a gross margin of approximately 15% before seller fees (c.7% net). This improvement reflects enhanced pricing discipline, improved supplier terms, increased automation and lower payment processing costs.

Administrative expenses relating to continuing operations reduced to £0.9 million (FY2024 continuing: £1.0 million), reflecting the full-year impact of operating as a standalone trading group following the disposal of discontinued operations, including costs previously absorbed elsewhere within the Group.

Plc-level costs were reduced by 21% to £354k (FY2024: £472k). Further cost alignment was achieved through Executive Directors electing to take aggregate salary and associated cost reductions of £100k per annum from 1 April 2025. As revenues grow toward the initial £10 million annual target, management expects the largely fixed central cost base to be leveraged more effectively, supporting improved profitability.

¹ profit or loss before net finance costs, tax, depreciation, amortisation, plc costs, exceptional items and share-based payments.

Trading Review (continued)

Cash Flow, Working Capital and Balance Sheet

The Group remained focused on cash discipline throughout the year. Net cash outflow from operating activities was £1.18 million, reflecting operating losses, working capital movements and the Group operating below target scale. This was more than offset by investing inflows of £7.33 million, primarily from the disposal of CloudCoCo Limited and CloudCoCo Connect Limited.

Financing outflows of £6.34 million largely comprised the full repayment of the MXC loan notes and accrued interest following the disposal. As a result, the Group moved from a net debt position of £5.15 million at 30 September 2024 to net cash position of approximately £0.53 million at 30 September 2025. Cash at bank at the year end was £0.64 million (FY2024: £1.04 million), and net assets improved to £0.5 million (FY2024: net liabilities of £2.1 million).

Technology, Automation and Scalability

The Group continues to invest selectively in technology to enhance efficiency and customer experience. AI-enabled tools are currently deployed in supplier invoice processing and web development, with further applications under evaluation to improve product discovery, customer support and post-sale services across a catalogue exceeding 300,000 stocked items. The Group operated with a lean headcount of 13 employees at the year end (FY2024: 82). Due to the low-touch nature of the e-commerce model, management believes revenues could be materially increased with limited incremental headcount, providing strong operational leverage as scale increases.

Strategic Focus and Future Opportunities

Following the disposal of the Managed Services businesses, the Group's strategic focus is firmly aligned around scaling its remaining operations in a disciplined and capital-efficient manner. Management's priority is to grow revenues while improving gross margins and cash generation, leveraging the inherently scalable nature of the Group's e-commerce and procurement platforms.

A central element of this strategy is the continued expansion of direct web sales, which offer materially higher net margins than third-party marketplaces. While marketplaces such as Amazon continue to provide valuable volume, customer reach and supplier pricing leverage, the Group is increasingly focused on migrating repeat and business customers toward its own digital channels. This approach is expected to improve blended margins over time while maintaining overall sales volumes.

In parallel, the Group is developing white-label and private WebStore solutions to serve professional bodies, affinity marketing groups and multi-site organisations. These platforms allow partners and customers to offer curated procurement environments supported by the Group's infrastructure, credit facilities and fulfilment capabilities, creating scalable, software-enabled revenue streams with attractive repeat-purchase characteristics.

The Group also continues to strengthen strategic relationships with key manufacturers and distributors, with a focus on improving product availability, pricing and fulfilment reliability. As scale increases, management expects these partnerships to further enhance commercial terms and reinforce the Group's competitive positioning.

Within Systems Assurance, the strategic emphasis is on expanding higher-value consultancy, procurement and middleware solutions that support business customers in managing complex IT purchasing requirements. Rather than competing directly in the crowded managed IT services market, the Group is positioning itself as a specialist procurement and integration partner, enabling customers to source, deploy and manage IT infrastructure more efficiently.

Market Environment and Principal Risks

Trading during the year took place against a backdrop of ongoing UK cost-of-living pressures and inflationary impacts on both consumer and business spending. The Group's focus on essential IT hardware, flexible procurement models and rapid fulfilment has helped mitigate some of these pressures, particularly where technology investment remains operationally necessary for customers.

The principal risks facing the Group remain centred on execution and scale. These include the need to grow revenues sufficiently to fully absorb Plc-level costs, exposure to inventory management and potential product obsolescence, reliance on key suppliers and marketplaces, and the requirement to maintain robust cyber security across increasingly digital platforms. The Board actively monitors these risks and continues to strengthen internal controls, supplier diversification and technology resilience.

While the Board remains mindful of broader economic uncertainty and the competitive nature of the IT procurement and e-commerce markets, the Group enters the new financial year with a strengthened balance sheet, minimal debt, a lean cost base and a clearly defined strategic focus. Management believes this provides a solid foundation from which to navigate market challenges and pursue sustainable, long-term growth. Technology, Automation and Scalability

Trading Review (continued)

The Group continues to invest selectively in technology to enhance efficiency and customer experience. AI-enabled tools are currently deployed in supplier invoice processing and web development, with further applications under evaluation to improve product discovery, customer support and post-sale services across a catalogue exceeding 300,000 stocked items.

The Group operated with a lean headcount of 13 employees at the year end (FY2024: 82). Due to the low-touch nature of the e-commerce model, management believes revenues could be materially increased with limited incremental headcount, providing strong operational leverage as scale increases.

Strategic Focus and Market Outlook

Following the disposal of the managed services businesses, the Group's strategic focus is firmly aligned around scaling its remaining operations in a disciplined and capital-efficient manner. Management's priority is to grow revenues while improving gross margins and cash generation, leveraging the inherently scalable nature of the Group's e-commerce and procurement platforms.

A central element of this strategy is the continued expansion of direct web sales, alongside the development of white-label and private WebStore solutions for professional bodies, affinity groups and multi-site organisations. The Group also continues to strengthen relationships with key manufacturers and distributors to improve pricing, availability and fulfilment reliability.

Subsequent to the year end, the Group announced Project Brightstar, a strategic initiative intended to accelerate the Group's growth in the B2B technology procurement market by combining its digital commerce platform with enterprise-focused sales capability. The programme is designed to increase direct customer engagement, improve margin quality and expand higher-value procurement and services opportunities.

In March 2026, shareholders approved a capital reorganisation and a subscription to raise £275,000 (gross) to support the initial phase of this initiative. The Board believes this additional growth capital will enable the Group to accelerate its revenue scaling strategy while maintaining its disciplined approach to cost management.

Trading during the year took place against a backdrop of ongoing UK cost-of-living pressures and inflationary impacts on both consumer and business spending. The Group's focus on essential IT hardware, flexible procurement models and rapid fulfilment has helped mitigate some of these pressures.

The principal risks facing the Group remain centred on execution and scale, including the need to grow revenues to absorb Plc-level costs, managing inventory exposure and obsolescence risk, reliance on key suppliers and marketplaces, and maintaining robust cyber security across digital platforms. These risks are actively monitored by the Board.

Conclusion

The 2025 financial year marked a decisive reset for CloudCoCo Group plc. While the disposal of the managed services businesses was necessary to repay legacy debt, it has also created a simpler, more scalable and more focused trading group. With a debt-free balance sheet, a disciplined cost base and improving revenue momentum, the Board believes the Group is now positioned to pursue the next phase of growth.

With the launch of Project Brightstar and the strengthening of the Group's commercial capabilities, the Board believes the Company is well positioned to accelerate revenue growth, improve margin quality and move toward sustainable positive EBITDA, including the absorption of Plc-level costs, while continuing to focus on long-term value creation for shareholders.

Darron Giddens
31 March 2026

Financial review

The financial results for the year reflect a significant transition for the Group, following the disposal of the Infrastructure division on 31 October 2024. As a result, the Group now reports a substantially simplified business focused on its continuing operations. While the disposal has materially reduced the Group's scale, it has also removed a large operational cost base and balance sheet complexity. The continuing business therefore ended this financial year with a cleaner balance sheet, a leaner cost structure and a clearer strategic focus.

The following sections discuss the key movements during the year.

Revenues

Group revenues reduced from £27.5 million in FY-2024 to £9.6 million in FY-2025, reflecting the sale of the legacy Managed IT Services businesses, CloudCoCo Limited and CloudCoCo Connect Limited, which completed on 31 October 2024.

Revenues	2025 £'000	2024 £'000
Revenues generated by Direct Sales channels	2,440	20,118
Revenues generated by E-Commerce channels	7,198	7,406
Total Revenue	9,638	27,524

Where results are presented as "Continuing Operations", they comprise the Group's e-commerce and IT procurement activities delivered through More Computers Limited (trading as MoreCoCo) and Systems Assurance Limited.

Revenues - Continuing Operations

Revenue from continuing operations for the year was £8.0 million (FY-2024: £8.7 million).

Following the disposal of the Managed IT Services businesses and the appointment of Peter Nailor as Managing Director of the continuing trading businesses in November 2024, the Group has made encouraging progress in stabilising and improving the performance of its remaining operations.

Prior to the disposals, the legacy Managed IT Services businesses were experiencing a material cash drain, which was partially being supported by the continuing e-commerce and procurement operations. This created working capital constraints that negatively impacted the trading performance of these businesses entering FY-2025.

Following the disposal, the Group was able to replenish working capital and refocus management attention on the continuing operations. With a strengthened balance sheet and a leaner operating structure, the Group has been working to enhance the performance of the business and broaden the range of services offered.

Revenue in the first half of FY-2025 was £3.4 million, compared with £4.3 million in H1-2024, reflecting the impact of these earlier working capital constraints and the transitional period immediately following the disposals.

Encouragingly, performance improved during the year. The annualised revenue run-rate of the continuing trading businesses was approximately £6.0 million towards the end of 2024, but increased to approximately £9.6 million as the Group exited FY-2025. This improvement was driven primarily by an expanded product range and the onboarding of additional distribution partners, supporting the recovery and growth of the e-commerce platform.

The £9.6 million exit run-rate signifies that after the divestment, the continuing business is now on a stable growth trajectory, with renewed focus and a strengthened offering. This momentum provides a solid foundation for future expansion, allowing us to scale revenues and profitability more sustainably in FY-26 and beyond.

	Continuing 2025 £'000	Continuing 2024 £'000
More Computers – e-commerce	7,198	7,406
Systems Assurance – B2B Procurement and Managed Services	793	911
Total Revenue	7,991	8,737

Revenue - Discontinued Operations

Revenues in the discontinued operations generated £1.6 million in 2025 and £18.8 million in 2024. Performance in 2025 relates solely to October 2024 when the two operations were sold.

Revenues	2025 £'000	2024 £'000
Revenues generated by CloudCoCo Limited (Direct Sales)	547	7,479
Revenues generated by CloudCoCo Connect Limited (Direct Sales)	1,100	11,308
Discontinued operations	1,647	18,787

Financial review (continued)

Cost of Sales and Gross Profit

The Group's current trading is dominated by its e-commerce operations, primarily through MoreCoCo. A significant proportion of revenues are generated through Amazon and other online marketplaces, and the associated platform selling fees are reflected within cost of sales.

The Group operates primarily as an online drop-ship partner, meaning that products are supplied directly to customers by distribution partners rather than being held in the Group's own warehouse. This model allows the Group to avoid the capital and operational overheads associated with maintaining warehouse infrastructure and stock, while still providing customers with next-day delivery through established distribution networks.

Under this model, the Group effectively acts as a sales and fulfilment channel, and gross profit reflects the margin earned for facilitating these transactions. While the initial gross margin on hardware sales is typically around 16%, this reduces to 6.3% after marketplace fees, selling commissions and distribution costs are taken into account.

During the year, gross margin showed a modest improvement, rising from 5.3% in H2-2024 to 6.3% in H2-2025, with a peak of 6.7% in H1-2025, delivering an average margin of 6.5% for FY-2025, compared with 5.7% in FY-2024.

Although margins remain relatively modest in absolute terms, the improvement reflects a gradual shift in revenue mix and stronger commercial discipline, with management focusing on transactions that generate more sustainable returns.

Sales generated through the Group's direct website (<https://morecoco.co.uk>) typically achieve higher margins than those completed through third-party marketplaces. However, building brand recognition and customer acquisition through direct channels requires sustained investment in marketing and search engine optimisation.

At present, the Group is taking a measured approach to this investment, focusing instead on steady growth through affiliate marketing, gaming partnerships and targeted promotional campaigns, including discount voucher programmes. The Group's cost base continues to be dominated by third-party product procurement, reflecting the nature of the e-commerce and IT hardware resale model.

For H1 FY-2025, gross profit remained stable at £0.23 million (H1 FY-2024: £0.23 million) despite lower revenues. This demonstrates improved commercial efficiency and pricing discipline. Gross margin for the period improved to 6% (H1 FY2024: 5%), reflecting:

- improved vendor pricing following renegotiations and new supplier onboarding;
- increased levels of automation within the order fulfilment process; and
- a continued shift toward higher-volume, low-touch e-commerce transactions.

	Continuing 2025	Continuing 2024	Discontinued 2025	Discontinued 2024
	£'000	£'000	£'000	£'000
Revenue	7,991	8,737	1,647	18,787
Cost of sales	(7,473)	(8,238)	(1,125)	(11,671)
Gross profit	518	499	522	7,116
Gross margin %	6.5%	5.7%	31.7%	37.9%

While e-commerce transactions typically deliver lower percentage margins than traditional direct sales, they benefit from significantly lower operational overheads and greater scalability, supporting the Group's strategy of prioritising automated, capital light revenue streams.

Administrative Expenses

Administrative expenses for continuing operations fell by 12% to £0.91 million (FY-2024: £1.04 million), reflecting management's continued focus on controlling operational overheads following the disposal of the legacy Managed IT Services businesses.

	H2 FY2025	H1 FY2025	H2 FY2024	H1 FY2024	Year to 30 Sept 2025	Year to 30 Sept 2024
Continuing operations	(425)	(489)	(563)	(476)	(914)	(1,039)
Discontinued operations	—	(485)	(4,451)	(4,461)	(485)	(8,912)
Administrative Expenses	(425)	(974)	(5,014)	(4,937)	(1,399)	(9,951)

The reduction in administrative expenses reflects the simplification of the Group's operating structure following the disposal, together with a continued focus on operational efficiency.

Financial review (continued)

Cost reductions during the period were achieved through:

- headcount rationalisation following the disposal of the legacy businesses;
- reduced professional and advisory costs; and
- lower operational overheads aligned with a simplified trading model.
- The use of automation and third-party applications to reduce manual labour.

Trading Group EBITDA

Trading Group EBITDA from continuing operations increased to £80k (FY-2024: £63k).

While EBITDA remains modest in absolute terms, the improvement reflects the benefits of continued cost discipline and operational focus within the streamlined business. Performance improved during the latter part of FY-2024, with EBITDA increasing from £21k in H1-24 to £42k in H2-24, reflecting operational improvements ahead of the disposal of the Infrastructure division.

In H1 FY-2025, EBITDA from continuing operations was £26k, demonstrating the ongoing profitability of the simplified business despite the smaller revenue base.

Operating within relatively low gross margins means that EBITDA generation is incremental, with trading surpluses typically reinvested into initiatives designed to improve future performance. These initiatives, which include supplier onboarding, platform improvements and process automation, often take several months to translate into revenue growth and margin expansion. Nevertheless, each project undertaken by the management team is intended to strengthen the long-term performance and scalability of the Group.

The improvement in continuing EBITDA reflects the combined impact of margin expansion, administrative cost reductions and increased operational automation. While Trading Group EBITDA remains modest, management views this performance as an important milestone in the Group's transition toward sustainable monthly cash generation.

	H2 FY2025	H1 FY2025	H2 FY2024	H1 FY2024	Year to 30 Sept 2025	Year to 30 Sept 2024
Continuing operations	54	26	42	21	80	63
Discontinued operations	—	134	289	1,205	134	1,494
Trading Group EBITDA	54	160	331	1,226	214	1,557

Discontinued operations generated £134k of EBITDA in FY-2025 prior to disposal, compared with £1.5m in FY-2024, highlighting the historical contribution of the Infrastructure division before its sale.

Plc Costs

Plc costs comprise the non-trading expenses associated with maintaining the Group's AIM quotation and corporate governance structure, including Board remuneration, regulatory compliance and related professional fees.

Following the disposal of the legacy Managed IT Services businesses, plc costs reduced significantly as the Group began aligning its central cost base with the scale of the continuing operations.

Plc Costs	H2-FY25	H1-FY25	H2- FY24	H1-FY24	FY25	FY24
Continuing operations	(155)	(199)	(251)	(221)	(354)	(472)
Discontinued operations	—	(97)	(204)	(164)	(97)	(368)
Plc Costs	(155)	(296)	(455)	(385)	(451)	(840)

As part of this process, the Directors voluntarily agreed to temporary salary reductions from April 2025, reflecting their commitment to reducing the Group's cost burden while management focuses on strengthening the trading performance of the continuing business.

As a result, plc costs attributable to continuing operations reduced to £354k in FY-2025, compared with £472k in FY-2024.

While these costs remain a meaningful component of the Group's overall expenditure, management continues to review opportunities to further optimise the corporate cost base while maintaining the governance standards expected of an AIM-listed company.

The salary reductions implemented during FY-2025 are expected to deliver additional annualised savings of approximately £0.1 million, further aligning plc-level costs with the scale and profitability of the continuing operations.

Financial review (continued)

Finance Costs and Exceptional Items

Finance costs from continuing operations reduced significantly to £6k in FY-2025 (FY-2024: £14k), reflecting the Group's improved capital position following the disposal of the Infrastructure division and the reduction in associated borrowing requirements.

In prior periods, finance costs were materially higher due to funding arrangements connected with the Infrastructure businesses, which are now reported as discontinued operations.

During FY-2024, the Group recorded exceptional costs of £481k, primarily relating to strategic review activities and transaction costs associated with the disposal of the Infrastructure division. No exceptional items were recorded in FY-2025, reflecting the completion of these restructuring activities.

Taxation

The Group recorded a tax credit of £20k in FY-2025, consistent with FY-2024.

The credit primarily reflects the utilisation of carried-forward tax losses together with adjustments relating to prior periods. A small tax credit was recognised in H1 FY-2025, consistent with the treatment in prior periods and reflecting timing differences within the Group's tax position.

The Group's effective tax rate continues to be influenced by the availability of brought-forward tax losses and the profitability profile of the continuing operations.

Statement of Financial Position and Cash

Following the disposal of the Infrastructure division, the Group generated in excess of £1 million of cash proceeds. Management took the decision to utilise these funds to re-capitalise the continuing trading businesses, restore supplier payment terms and provide the operational liquidity required to support future growth.

Part of the available cash resources was also used to fund the difference between Trading Group EBITDA and plc-level costs, reflecting the Group's transitional phase following the disposal.

Discontinued operations generated a net cash outflow of £214k in FY-2025, representing the final operating and transaction-related cash movements prior to completion of the disposal.

Despite these transitional cash movements, the Group maintained a strong liquidity position, with cash of £818k at 31 March 2025, compared with £606k at the same point in the prior year. The Group's balance sheet strengthened significantly following the disposal of the Infrastructure division. At 30 September 2025, the Group reported net assets of £495k, compared with negative £2.1 million, at 30 September 2024.

Prior to disposal, the Infrastructure division had been classified as assets held for sale of £15.0m, with associated liabilities of £11.6m. These balances were removed from the Group's balance sheet following completion of the transaction.

As a result, the Group enters the new financial year with a simplified balance sheet, improved liquidity and a stronger financial position, providing a solid platform from which to pursue future growth opportunities.

Outlook

The Board considers FY-2025 to have been a foundational year following the Group's strategic transformation and the disposal of the Infrastructure division. While revenues remain below the level required to fully absorb plc-level costs, the operational improvements delivered during the year, including margin enhancement, cost reductions and a strengthened balance sheet, provide a clearer pathway toward sustainable profitability as revenues continue to scale.

The Group's recently announced fund raise is expected to provide additional working capital to support the continued development of the trading business and will enable management to invest selectively in initiatives designed to accelerate revenue growth and improve operational efficiency.

In parallel, the Group has launched Project Brightstar, an internal programme focused on enhancing the Group's commercial B2B capability, expanding vendor relationships and improving the scalability of its e-commerce and procurement platforms.

Looking ahead, the Group remains focused on growing e-commerce volumes, strengthening vendor and distribution partnerships, and expanding consultancy and partnership-led revenue streams. Together with the initiatives being delivered through Project Brightstar, these actions are expected to support continued revenue growth and operational leverage, enabling the Group to progress toward consistent monthly cash generation and improved shareholder value.

Risks and risk management

Principal risks and uncertainties

The Group is affected by a number of risks and uncertainties, not all of which are wholly within its control as they relate to the wider macroeconomic and legislative environment within which the Group operates. In addition, we have seen caution evident in some of our target markets due to the economic disruption over the past two years and short-term inflationary concerns.

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. Responsibility for implementing sound and effective systems of internal control has been delegated by the Board to senior management. The purpose of the system of internal control is to manage and mitigate rather than entirely eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Directors have established an organisational structure with clear operating procedures, lines of responsibility and delegated authority. Each of the trading entities share an effective leadership team with responsibility for sales, service, people and customer delight. There are clear procedures for capital investment appraisal and approval, contract risk appraisal and financial reporting within a comprehensive financial planning and accounting framework.

The Group's risk register is reviewed at least on an annual basis for additions, changes and mitigation strategies. This review is overseen by the Chief Financial Officer, who ensures the appropriate level of action and reports by exception to the Board.

Given the size of the Group it is not considered necessary to establish a full-time internal audit function, although internal audits are carried out by external consultants as part of our compliance processes for ISO9001 and ISO27001.

The key financial risks of the Group are detailed in note 25 to the consolidated financial statements. The key non-financial risks that the Group faces are listed below.

Non-financial risks

The key operational risk the Group faces is the general economic outlook. The Group has chosen to invest in a sector that has shown resilience through the economic cycle; however, there is no guarantee that this can continue and, should there be a reduction in demand in this sector, then revenues, margin, profitability and cash flow could all be affected adversely.

The following list highlights the key risks and uncertainties that the Group faces which it can seek to mitigate by a choice of appropriate strategies; however, this list is not intended to be exhaustive.

Cost of living crisis

The cost of living crisis has had a profound impact on the affordability of goods and services in the UK, exacerbating financial pressures on households across the country. The current rising costs of essential goods and services in the UK, such as housing, energy, and food is having negative social and economic implications on consumers and businesses and is expected to continue to adversely impact economic growth and productivity during 2025. Not only does this place additional financial pressure on the staff and customers of the Group but also reduces the level of disposable income available to support key industries that make up the customer base of the Group. The Group is committed to helping its employees by offering flexible remote working arrangements that reduce the costs of commuting and childcare and also by providing competitive salaries, health insurance plans, retirement and other benefits.

UK economy

The UK economy presents several risks, including inflationary pressures that can reduce consumer spending, supply chain disruptions affecting stock availability and costs, and fluctuating interest rates that impact financing options. Economic uncertainty, driven by factors such as geopolitical tensions or regulatory changes, can also weaken consumer confidence and lead to reduced demand. Additionally, currency volatility may affect the cost of importing goods, particularly for businesses reliant on overseas suppliers. Staying agile and managing costs effectively are key to mitigating these risks.

Reputational risk

The nature of the Group's business is such that it provides a service which its customers depend upon and any significant or lengthy period of service disruption would materially affect its customers and adversely impact upon the Group's reputation in the market.

The Group constantly monitors performance and availability and responds quickly to any service outages. Wherever possible it ensures that there are no single points of failure in its service delivery infrastructure and where there are, these are clearly reflected in service levels made available to customers.

Cyber Security risk

Like all technology related businesses, the Group is exposed to the risk of cyber security threats that could cause financial, reputational, and operational impacts if it or its customers were to suffer a cyber security attack. We seek to mitigate this risk ensuring that we have robust perimeter defences in place and by consistently scanning network traffic for potential cyber security threats and vulnerabilities within the company's IT infrastructure, applications, and data.

We have a well-defined incident response plan in place that outlines the steps to be taken in the event of a suspected cyber security threat. This includes procedures for internal and external communication, containment, eradication, and recovery. Assessing and mitigating cyber security risks is an ongoing process. It requires a proactive approach, regular review, and adaptation to new threats and vulnerabilities amidst an increase in the number of cyber security incidents in the UK.

Risks and risk management (continued)

Non-financial risks (continued)

Commercial risk

The Group seeks to mitigate commercial and operational risks through operating policies, credit control procedures and strong relationships with customers and suppliers built on mutual trust.

The Group does have reliance on a number of suppliers for specific IT technologies. However, in such cases it seeks, where possible, to have alternative resellers open to it to purchase from and it also seeks to add value through its development capability which should reduce the risk of supplier loss.

Technology risk

The market in which the Group operates has the potential for significant technological change, which could undermine the Group's delivery capabilities.

The Group monitors technology developments through close links with suppliers and through a team with significant experience and expertise in this sector. This is augmented with the addition of product specialists, who are able to more readily identify new trends, product developments, etc. in their sphere of excellence, where deemed necessary.

Key resources

Commensurate with an organisation of the Group's size is the dependence placed upon certain key personnel, including executive and senior management who have significant experience within the Group and the IT sector and who would be difficult to replace.

The Group continues to seek to mitigate these risks through the continued strengthening of middle management in the key areas of finance, operations and technology and through the use of bonuses and employee share options to incentivise and reward key staff.

Contractual liabilities

In instances where the Group's services or products fail to meet agreed timescales or standards there is a risk that the Group will be exposed to claims for contractual liabilities as a result of failure.

The Group seeks to mitigate these risks through the following methods:

- contractual reviews prior to execution by legal advisers where the contract is material and differs from the Group's standard terms and conditions;
- where products or services are being resold, the Group seeks to take no additional risk by simply seeking to back terms and conditions from its suppliers; and
- only accepting a level of contractual liability which is commensurate with insurance policies and the value of the contract.

Regulatory compliance

The Group provides services, some of which are in regulated markets, such as telecommunications. The Group must maintain compliance with applicable regulations. Regulated services may also be affected by price changes. In both cases, there is risk of an adverse impact on the Group's business, financial and operational position.

The Group carefully monitors proposed or adopted regulatory changes to assess the impact that such changes have on its business operations or its customers.

Malicious activity and data protection

The Group operates in the technology and software sector and as a result has information assets that could be compromised, disrupted or lost as a result of malicious activity.

The Group operates protective equipment to defend against malicious attacks and has staff policies in place to enforce good practice on data security.

Acquisitions

Integrating acquisitions and the associated change management can take a period of time. The Group may lose existing customers or the customers of an acquired entity as a result of an acquisition. The Group also may lose key personnel, either from the acquired entity or from itself, as a result of an acquisition.

The Group has an experienced management team, with a proven track record of integrating businesses and managing change. Appropriate due diligence is undertaken by the Company and its advisers prior to the completion of an acquisition and appropriate incentive schemes are put in place for certain key personnel.

Directors' Duties – Section 172 Statement

The Directors acknowledge their duty under section 172(1)(a) to (f) of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole. In doing so, the Directors have had regard to the interests of the Company's key stakeholders, the long-term consequences of decisions, and the need to act fairly and responsibly.

- The Directors consider, in good faith, that during the year ended 30 September 2025 they have acted in a manner most likely to promote the long-term success and sustainability of the Group, having regard to, amongst other matters:
- the likely long-term consequences of decisions;
- the interests of the Company's employees;
- the need to foster strong relationships with customers, suppliers and partners;
- the impact of the Company's operations on the community and the environment;
- the desirability of maintaining a reputation for high standards of business conduct; and
- the need to act fairly between shareholders.
- The Directors consider the Company's key stakeholders to include employees, customers, suppliers and strategic partners, shareholders, debt providers, and the wider community.

Having regard to the consequences of strategic and long-term decisions

During the year, the Board met regularly on scheduled monthly dates to consider the Group's strategy, performance, risks and opportunities. Board papers prepared by executive management included detailed reviews of financial performance, cash flow, operational metrics, market conditions, and strategic initiatives.

A significant focus of Board decision-making during the year related to the **post-disposal repositioning of the Group**, following the sale of the legacy Managed IT Services and data centre businesses in October 2024. The Board carefully considered the long-term impact of this transaction on all stakeholders, including employees, customers and shareholders, and concluded that the disposal materially strengthened the balance sheet, removed long-term debt, reduced operational risk and positioned the Group to focus on scalable, capital-light growth.

Key strategic matters considered during the year included:

- refocusing the Group on e-commerce and IT procurement;
- reducing plc-level costs and improving cash discipline;
- investment in automation and platform capability; and
- exploring new growth opportunities in consultancy, partnerships and value-added services.

The principal outcomes of these decisions are described in the Chairman's Statement and Business Review.

Having regard to maintaining high standards of business conduct

The Directors recognise the importance of robust corporate governance in safeguarding the Company's reputation and long-term success. The Board is committed to operating transparently, ethically and in compliance with all applicable laws and regulations. The Company continues to apply the principles of the Quoted Companies Alliance Corporate Governance Code, in a manner appropriate to its size and complexity. The Corporate Governance Report explains how the Board ensures effective oversight, risk management and accountability, particularly during a period of significant transition.

Having regard to the interests of employees

The Group recognises that its employees are central to its success. Following the disposal of the legacy businesses, the Group now operates with a smaller, highly experienced team focused on e-commerce operations, IT procurement and platform development. The Board seeks to foster a positive and inclusive working environment in which employees are engaged, supported and aligned with the Company's objectives. Flexible and hybrid working arrangements remain in place, supported by appropriate equipment and systems. Employees are kept informed of business developments through regular briefings and open communication with senior management. The Company continues to operate an employee share option scheme, aligning the interests of colleagues with those of shareholders and supporting long-term retention and engagement.

Having regard to relationships with customers and suppliers

Customers

Customer experience remains central to the Group's strategy. The Board receives regular updates on customer performance metrics, service levels and feedback. During the year, the Group invested in automation and systems enhancements to improve order processing, fulfilment speed and reliability, contributing to improved customer satisfaction. The expansion of product ranges and improved vendor integrations during FY2025 has strengthened the value proposition offered to both business and consumer customers.

Suppliers and partners

The Group relies on strong relationships with key vendors, distributors and strategic partners. The Board monitors supplier performance closely and seeks to ensure that partners operate to standards consistent with the Group's values. During the year, the Group expanded its vendor network and entered into new strategic partnerships, enhancing product availability, pricing competitiveness and service capability. These relationships are considered critical to the Group's long-term success.

Directors' Duties – Section 172 Statement (continued)

Having regard to the impact of operations on the community and the environment

The Board is mindful of the environmental and social impact of the Group's activities. Following the disposal of energy-intensive data centre operations, the Group's environmental footprint has reduced materially.

The Group seeks to minimise environmental impact through responsible procurement, reduced travel, recycling of packaging and IT equipment, and the use of technology to support remote collaboration. Where third-party logistics and suppliers are used, the Group seeks to work with partners who demonstrate a commitment to sustainable practices.

Having regard to the need to act fairly between members of the Company

The Board is committed to treating all shareholders fairly and equally. The Company maintains open communication with shareholders through regulatory announcements, interim and annual reports, and the investor section of its website.

Trading updates and strategic developments are communicated in a timely manner, ensuring that shareholders are able to make informed decisions. The Board also uses appropriate channels, including investor communications and social media, to promote transparency and engagement.

Strategic Report

This Strategic Report, including the Directors' Duties – Section 172 Statement, was approved by the Board of Directors on 31 March 2026 and signed on its behalf by:

Darron Giddens

Chief Financial Officer

Board of Directors

Simon Duckworth OBE DL

Non-Executive Chairman

Simon has held a number of non-executive positions in the public and private sectors. He was Chairman of Baring's Targeted Return Fund for over a decade and also chaired the Association of Police and Crime Commissioners. He also served as a Non-Executive Director of Fidelity's flagship European Investment Trust, Fidelity European Values plc, for a decade, and has sat on the boards of a number of AIM-quoted companies as a non-executive director, including Accumuli plc from 2010 until its sale to NCC plc in 2015.

A Cambridge graduate, Simon is a former Chairman of the City of London Police Authority, who chaired the Economic Crime Board of the City of London Police and was the Senior Non-Executive Board Member at the Serious Fraud Office until December 2019. Simon has served on a number of Home Office committees and helped to design the National Crime Agency. Simon is a senior member of the City of London Corporation, and an active Army reservist.

Simon is Chair of the Remuneration Committee and the Audit Committee.

Darron Giddens

Chief Financial Officer

Darron Giddens is a Chartered Management Accountant with over 30 years' experience across the technology, telecommunications, financial services, manufacturing and e-commerce sectors. He holds an MBA from Aston University and has extensive experience in corporate finance, financial systems, and corporate strategy at both operating company and plc level.

Prior to his appointment as Chief Financial Officer in June 2021, Darron served as Finance Director across the Group's trading businesses for a number of years. During this time, he played a central role in the acquisition, integration and disposal of multiple businesses and has overseen more than 20 transactions across over 30 legal entities, with particular expertise in M&A execution and post-transaction integration.

Darron brings financial leadership and strategic oversight to the Board, supporting business transformation, governance, and the development of scalable finance operations. He joined the Board as Chief Financial Officer on 9 June 2021.

Corporate governance report

CloudCoCo Group plc (the “Company”) is committed to maintaining high standards of corporate governance appropriate to the size, complexity and strategy of the Group, aligned with the key principles of the QCA Code.

The principles and policies of the QCA Code that support our medium- to long-term success

The Non-Executive Chairman is responsible for corporate governance and the overall leadership of the Board and ensuring its effectiveness. This policy is reviewed at least annually and was last reviewed on 9 January 2026.

CloudCoCo Group Plc operates a business model and growth strategy that promotes the generation of shareholder value through the growth of its e-commerce platform for IT hardware and components, supported by scalable operations, disciplined risk management and strong customer service. The Company promotes professionalism, openness, honesty and integrity between its customers, staff, shareholders and suppliers.

Principle 1 – Establish a purpose, strategy and business model which promote long-term value for shareholders.

Goals

As a public company, the Board is focused on delivering sustainable value for both shareholders and customers. The Company’s activities are guided by the following core goals:

- Deliver long-term shareholder value through disciplined growth and capital management
- Provide high levels of customer satisfaction through reliable service, product availability and fulfilment
- Differentiate the business through operational excellence, technology-enabled platforms and effective execution

Purpose

The purpose of the business is to generate long-term shareholder value by supplying IT hardware, components and related products through a scalable e-commerce platform. The Company aims to provide customers with access to a broad product range, competitive pricing and dependable fulfilment, ensuring customers receive appropriate technology solutions aligned to their needs.

Strategy

The Company delivers IT hardware and component products to business and consumer customers via an online platform supported by established supplier relationships, logistics partners and digital marketing capabilities. The Company’s strategy is to:

- Expand and optimise the product range to meet evolving customer demand
- Grow customer acquisition efficiently through SEO, digital advertising and partnerships
- Increase repeat purchasing by maintaining high service standards and fulfilment reliability
- Leverage data and platform capabilities to improve pricing, availability and customer experience
- Build strong supplier relationships to support margin, availability and scalability
- Grow revenues organically while maintaining disciplined cost and working capital control
- Develop and expand an innovative portfolio of solutions
- Stay close to the customer, small enough to care and large enough to cope

The Company’s customer engagement model is based on four stages: Acquire, Serve, Retain and Grow.

Principle 2 – Promote a corporate culture that is based on ethical values and behaviours.

The Board recognises that core values provide the fundamental framework influencing every level of the Group. While the Board provides overall guidance, the CFO and the Managing Director of the Trading Businesses take the lead in developing and promoting a corporate culture that ensures employees understand the values and behaviours required to perform as one team and deliver our business goals.

Cultivating Culture and Engagement

Our values are integrated into the daily operations of the Group through:

- **Clear Communication:** Values are reinforced throughout the year via the company intranet and regular company-wide meetings and briefings.
- **Active Engagement:** We encourage employee consultation through surveys and real-time feedback loops involving both colleagues and customers.
- **Recognition and Reward:** Core values are reinforced through recognition programs and promotions. Furthermore, the Group aligns employee interests with business goals by awarding incentive-based share options to qualifying staff.
- **Leadership by Example:** The Senior Management Team is empowered to demonstrate these values in their decision-making processes, serving as a benchmark for the wider organisation.

Corporate governance report (continued)

Corporate Social Responsibility and Safety

The Group is committed to maintaining a safe, ethical, and sustainable environment:

- **Health and Safety:** We aim to provide a safe working environment for all colleagues and visitors, complying with all relevant UK legislation. Health and safety matters are delegated to internal representatives who escalate issues via the corporate risk register, with high-rated risks reviewed periodically by the Board.
- **Environmental Responsibility:** We acknowledge the importance of environmental impact and implement energy-efficient practices and recycling initiatives across our offices.
- **Ethical Supply Chain:** As our e-commerce operations scale, the Board remains committed to ethical supply chain management. We strive to ensure our partners align with our core values of sustainability, fairness, and transparency to maintain the trust of our customers.

Principle 3 – Seek to understand and meet shareholder needs and expectations.

The Company is committed to open, transparent and constructive communication with all shareholders. The Non-Executive Chairman and Chief Financial Officer are primarily responsible for investor relations and shareholder engagement.

The Board values shareholder feedback and recognises the importance of understanding shareholder views on the Group's strategy, performance, governance and capital allocation. The principal channels of communication with shareholders include:

- The Annual Report and Accounts
- Interim results and regulatory announcements
- The Annual General Meeting
- Investor information published on the Company's website (www.cloudcoco.co.uk)

Shareholders are encouraged to engage with the Company and are given the opportunity to raise questions at the Annual General Meeting. Directors are available before and after the meeting to engage with shareholders where appropriate. The Board reviews share register analysis and feedback from shareholder interactions to ensure it maintains a balanced understanding of shareholder needs and expectations.

Principle 4 – Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success.

The Company recognises that its long-term success depends on effective engagement with a broad range of stakeholders, including customers, employees, suppliers, partners and shareholders.

Management prioritises strong relationships with customers and staff, and the Board receives regular updates on stakeholder matters. Customer service levels and feedback are monitored to ensure standards are maintained and improved.

Employees are regarded as a key internal stakeholder group. The Company is committed to fair and responsible employment practices, equal opportunities and a supportive working environment. Employee engagement is encouraged through regular communication, feedback mechanisms and access to training and development resources.

The Company also recognises its responsibilities to suppliers and partners and seeks to work with reputable organisations that share similar ethical and professional standards.

Principle 5 – Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.

The Board is responsible for identifying and managing the Company's principal risks. A comprehensive risk register is maintained and reviewed regularly, with a focus on risks inherent to the current business model, including:

- **Market & Strategy:** Market demand and competitive pressures.
- **Operations:** Supplier and logistics dependencies, and operational performance.
- **Security:** Cyber security and data protection.
- **Compliance:** Regulatory obligations and tax evasion prevention under the Criminal Finances Act 2017.

To mitigate these risks, the Company utilises established third-party payment and logistics providers and does not store customer payment data on internal systems. Operational and cyber risks are further managed through robust controls, ongoing monitoring, and management oversight.

The Company maintains **ISO9001** and **ISO27001** certifications within relevant parts of the Group. These provide a standardised framework for our Quality Management System, ensuring process consistency, continuous improvement, and regulatory compliance. The Board meets regularly to review the risk register, focusing on critical threats and the effectiveness of management's mitigation strategies.

For further details, please refer to the Principal Risks section of the Strategic Report and the Corporate Governance section above.

Corporate governance report (continued)

Principle 6 – Establish and maintain the Board as a well-functioning, balanced team led by the Chair.

The Board is responsible for setting the Company's strategic direction, overseeing performance, and ensuring an effective risk management framework. The Non-Executive Chair leads the Board, fostering a culture of open discussion and constructive challenge while acting in a conciliatory role to resolve differing viewpoints among members.

Board Composition and Commitment

The Board's size is currently under review to ensure an optimal balance of skills, with active recruitment underway to fill existing vacancies. Non-Executive Directors are expected to devote a minimum of one day per month to Company business, plus any additional time required to fulfil their fiduciary duties.

Meetings and Information Flow

The Board meets monthly (holding 12 meetings in the most recent financial year) to direct Group activities and monitor performance. These meetings are supported by:

Comprehensive Board Packs: Detailed reports covering all revenue streams and financial performance are circulated in advance. Key issues are highlighted to ensure informed discussion and effective decision-making.

Management Reporting: Timely information regarding operations, marketing, and customer service allows the Board to assess and manage risks in real-time.

Professional Advice: The Board engages external specialist advisers where necessary to support its strategic functions.

Delegation of authority

Day-to-day operational management is delegated to the Senior Management Team ("SMT"), which comprises the CFO and the Managing Director of the trading businesses (a non-Board position). The SMT meets weekly with department heads covering sales, operations, IT, and development, ensuring the Board is updated on all key developments and emerging issues.

Principle 7 – Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

The Board maintains a governance framework that balances efficient decision-making with robust oversight. While the Board holds ultimate responsibility for monitoring performance against Group goals, specific operational and oversight duties are clearly defined and delegated.

Roles and Responsibilities

- **Executive Management:** On behalf of the Board, the CFO and the Managing Director of the Trading Businesses hold joint responsibility for managing day-to-day operations.
- **The Board:** Provides strategic oversight and monitors progress against the Company's stated objectives. Individual contributions, skills, and specific responsibilities for each Board member are detailed on page 16.

Committee Structure

The Board has established two standing committees to oversee key areas of governance. The Terms of Reference for these committees are available on the Company's website.

- **Audit Committee:** Responsible for financial reporting, internal controls, and risk management systems.
- **Remuneration Committee:** Responsible for setting the remuneration policy for executive directors and senior management.
- **Nominations:** The Board does not currently have a standalone Nominations Committee; this function is performed by the Board as a whole. A formal committee will be established should the Board's scale or complexity require it.

Both the Audit and Remuneration Committees are chaired by Simon Duckworth.

Departure from the code:

The Group acknowledges that, following the Annual General Meeting in March 2020, the composition of the Board and its Committees has not included two independent directors. However, the Board is confident that the Chair of each Committee is sufficiently experienced and capable of ensuring that proper governance and independent oversight are maintained. The Board continues to keep its composition under regular review.

Corporate governance report (continued)

Principle 8 – Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Chairman is responsible for the regular evaluation of the Board's performance, its committees, and individual Directors. The Board maintains a collaborative and inclusive environment where members are encouraged to participate through constructive challenge, shared opinions, and active input.

Board Effectiveness Process

Effectiveness is reviewed during regular monthly Board meetings across several key parameters, ensuring the Board remains focused on both operational oversight and long-term strategy. These parameters include:

- **Strategic Oversight:** Setting, guiding, and monitoring Group strategy with a focus on future growth versus past performance.
- **Operational Excellence:** Evaluating the standard of internal reporting, communication channels, and the effectiveness of meeting structures.
- **Governance & Compliance:** Ensuring adherence to legislation, regulation, and best-practice governance.
- **Engagement:** Assessing the quality of debate, level of preparation, and the appropriate use of external advisers.

Following these ongoing reviews, the Board intends to conduct further formal internal evaluations throughout 2026 to identify areas for development.

Succession Planning and Appointments

While the Remuneration Committee meets as required to consider specific appointments, the Board as a whole assumes responsibility for long-term succession planning. This structured approach ensures business continuity:

- **Notice Periods:** Directors have appropriate notice periods to allow sufficient time for identifying and appointing high-quality internal or external replacements.
- **Re-election:** In accordance with the Company's Articles of Association, each Director is required to offer themselves for re-election at least once every three years.
- **Due Diligence:** All new appointments are made following consultation with professional advisers. The Company's Nominated Adviser (NOMAD) conducts thorough due diligence on all potential candidates to ensure they meet the necessary regulatory and competency standards.

Principle 9 – Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

The Board is responsible for establishing an effective remuneration policy which is aligned with the Company's overall purpose, strategy and culture and is appropriate for its stage of development. The Remuneration Committee oversees the structure of executive remuneration and related policies across the Company.

Taking into account the size of the Company, the annual remuneration report is put to a non-binding advisory shareholder vote as part of the Company's AGM.

Principle 10 – Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Company maintains a regular dialogue with key stakeholders including shareholders to enable interested parties to make informed decisions about the Group and its performance.

Historical annual reports and notices of general meetings can be found in the Financial Reports section of the Group's website.

The Board discloses the results of Annual General Meetings and these can be found in the Regulatory News section of the website (www.cloudcoco.co.uk).

The Audit Committee meets at least twice a year, although the Company's Auditors or any member of the Audit Committee may request a meeting at any time, should they consider that one is necessary. The role of the Audit Committee is to make recommendations to the directors and shareholders, in relation to the appointment, re-appointment and removal of the Company's Auditors and to approve their remuneration and terms of engagement. Prior to the commencement of each annual or interim audit, the Audit Committee will discuss and agree the nature and scope of the audit with the Auditors and in discussion with them, will monitor the integrity of the financial statements of the Group and approve any formal announcements relating to the Company's financial performance.

Corporate governance report (continued)

The Audit Committee develops and implements policies on the engagement of the Auditors to supply non-audit services and will report to the Directors, identifying any matters where the Audit Committee considers that action or improvement is needed, making recommendations as to the steps to be taken.

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference and may seek information it requires from any employee of the Company. The Audit Committee may seek outside professional advice at the cost of the Company, in order to secure any relevant experience or expertise it considers necessary to fulfil its duties.

The terms of reference of the Remuneration Committee and its report can be found below.

Remuneration report

As the Group is AIM registered it is not required by company law to prepare a Remuneration Report. The information in this report has been provided on a voluntary basis and has not been audited except where indicated.

Remuneration Committee

The Remuneration Committee determines, on behalf of the Board, the Group's policy for executive remuneration and the individual remuneration packages for the Executive Directors. In setting the Group's remuneration policy, the Remuneration Committee considers a number of factors, including the following:

- salaries and benefits available to Executive Directors of comparable companies;
- the need to attract and retain Executives of an appropriate calibre; and
- the need to ensure continued commitment of Executives to the Group's success through appropriate incentive schemes.

The Committee meets at least once a year.

Remuneration of Executive Directors

The fees paid to the Executive Directors are determined by the Board. Mark Halpin and Darron Giddens have service contracts with the Company terminable on six-months' notice. Mark Halpin resigned as a director on 29 April 2024, with his service contracted terminated in accordance with the 6 months' notice period.

Remuneration of Non-Executive Directors

The fees paid to the Non-Executive Directors are determined by the Board. They are not entitled to receive any bonus or other benefits. Non-Executive Directors' letters of appointment are on a three-month rolling basis.

Directors' remuneration (Audited information)

Details of individual Directors' emoluments for the year (excluding employer's National Insurance contributions) are as follows:

	Fees and salaries		Other benefits		Totals	
	2025 £'000	2025 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-Executive						
S Duckworth	29	43	—	—	29	43
J Collighan (resigned 30 June 2024) ¹	—	29	—	—	—	29
A Mills (resigned 17 May 2024) ²	—	48	—	—	—	48
Executive						
M Halpin (resigned 29 April 2024)	—	96	—	13	—	109
D Giddens	78	100	5	5	83	105
Total	107	316	5	18	112	334

Other benefits include £nil (FY24: £2,900) in respect of pension contributions for M Halpin and £3,000 (FY24: £3,000) in respect of pension contributions for D Giddens. Additional benefits in 2024 for M Halpin relate to company car fees of £11,500. Additional benefits for D Giddens relate to private health insurance premiums.

1. Fees in relation to J Collighan were paid to MXC Capital Advisory Limited (see note 23).

2. A Mills fees includes £8,000 (FY23: £9,000) of payments relating to Group subsidiaries.

Directors' interests in shares (Audited Information)

The interests of Directors (including connected parties) during the year in the Ordinary Shares of the Company at 30 September 2025 together with their interests as of 30 September 2024 were as follows:

Name of Director	30 September 2025	30 September 2024
	Number	Number
S Duckworth and Lady C Duckworth	25,850,000	25,850,000
A Mills	32,724,088	32,724,088
M Halpin and C Halpin	140,713,578	140,713,578
D Giddens	2,946,150	2,946,150

MXC Advisory Limited, who provides the services of Jill Collighan, is a wholly owned subsidiary of MXC Guernsey Limited, which had a 10.6% holding in the shares of the Company at 30 September 2024. These shares were sold to Tialis Essential IT Investment Limited on 30 June 2025.

Remuneration report (continued)

Directors' interests in share options (Audited information)

Two directors who held office during the period held options over the Ordinary Shares of the Company as follows:

	2025	2024
Mark Halpin – Chief Executive Officer (resigned 29 April 2024)	22,200,000	22,200,000
Darron Giddens – Chief Financial Officer	7,000,000	7,000,000

On 19 August 2022 the Company granted options over 14,700,000 shares to Mark Halpin. As a member of the Concert Party formed when the Company acquired the share capital of CloudCoCo Limited on 19 October 2019, the new options granted to Mark Halpin carry further restrictions in that whilst the Concert Party, of which Mark is part, holds between 30 and 50 per cent of the share capital of the Company, these new options cannot be exercised without triggering the provisions of Rule 9 of the Takeover Code.

These restrictions do not apply to the 7,500,000 existing options granted to Mark Halpin on 20 November 2020, which form part of the Concert Party Options issued and approved by the Takeover Panel at a time when the Concert Party held more than 50 per cent of the Company's issued share capital. Whilst Mark Halpin resigned as a director on 29 April 2024, the share options he holds in the Company continue to be exercisable under the terms of the share option scheme.

All share options in place at 30 September 2025 have been granted under the terms of the Company's approved EMI share option scheme. Further details of share options can be found in note 7.

By order of the Board

Simon Duckworth
Chairman, Remuneration Committee

31 March 2026

Directors' report

The Directors present their Annual Report, together with the financial statements and Independent Auditor's report, for the year ended 30 September 2025 for CloudCoCo Group plc, company number 05259846.

Principal activities

The principal activity of the Group is the provision of IT and communications solutions predominantly to UK based businesses. Further information can be found in the Strategic Report on pages 2 to 15.

Results and dividends

The Group's profit on ordinary activities after taxation was £2.6 million (FY24: loss of £3.2 million). The audited financial statements of the Group are set out on pages 34 to 37. The Directors do not propose a dividend for the year ended 30 September 2025 (FY24: £nil).

Strategic review

The information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, including a fair review of the development and performance of the Group's business and its position at the year end, together with a description of the principal risks and uncertainties facing the Group and likely future developments, is included in the Strategic Report on pages 2 to 15.

This Strategic Report has been prepared in accordance with section 414C of the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and forms part of this Directors' Report by cross-reference.

Going concern

The Group had net assets at 30 September 2025 totalling £0.5 million (2024: negative £2.1 million). However, as detailed in Note 26 the Group sold CloudCoCo Limited and CloudCoCo Connect Limited on 31 October 2024 for initial consideration of £7.75 million, which replenished the Group's cash reserves and facilitated the full repayment of the MXC Loan Notes, leaving the Company free from long-term debt. This transaction has significantly strengthened the Group's financial position, reducing credit risk due to the more immediate cash cycle associated with the e-commerce business.

The Group remains committed to its key objectives of increasing sales, reducing costs, and returning to net cash generation at the Group level as described in the Strategic Report.

The Group continues to trade through its e-commerce platform (morecoco.co.uk) and outsourced procurement businesses, which the Directors believe provide opportunities for growth. The continuing e-commerce business and the re-focus on the Systems Assurance business is expected to generate a positive contribution towards Plc costs, which have been reduced following the restructuring. The Group remains committed to its key objectives of increasing sales, reducing costs, and returning to net cash generation.

The key operational risks the Group faces include the general UK economic outlook, rising borrowing costs, and high inflation, which could impact consumer spending and investment in IT infrastructure. However, the Directors remain confident in the e-commerce, IT hardware, and gaming components markets and have taken measures to reduce ongoing operational costs, ensuring that cash reserves can sustain the business going forward.

In assessing the Group's ability to continue as a going concern, the Directors have reviewed forecast sales growth, budgets, and cash projections for the period to 31 March 2027, including sensitivity analysis on key assumptions such as the potential impact of reduced sales or slower cash receipts. Based on these assumptions, the Directors have reasonable expectations that the Group and the Company have adequate resources to continue operations for at least one year from the date of approval of these financial statements and accordingly continue to adopt the going concern basis in preparing these financial statements.

Directors

The present membership of the Board is as follows:

Simon Duckworth, Non-Executive Chairman
Darron Giddens, Chief Financial Officer

Simon Duckworth will be offering himself for re-election at the forthcoming Annual General Meeting. The biographical details of the current Directors of the Company are given on page 16.

Details of Directors' interests in the Company's shares, service contracts and remuneration are set out in the Directors' Remuneration Report on pages 24 and 25.

Fees paid in 2024 in relation to Jill Collighan (a former Director of the company) were paid to MXC Advisory Limited a subsidiary of MXC Guernsey Limited which has a 10.6% holding in the shares of the Company (shareholding at 30 September 2024: 10.6%) and which held loan notes in the Company to the value of £6.1 million at 30 September 2024. The loan notes were repaid in full on 31 October 2024, further details in Note 26. No other Director had a material interest in any significant contract with the Company or any of its subsidiaries during the year.

Directors' report (continued)

Directors (continued)

The Company maintains liability insurance for its Directors and Officers. The Directors and Officers have also been granted a qualifying third-party indemnity provision under the Companies Act 2006. That indemnity provision has been in force throughout the year and remains in force at the date of this report.

Substantial shareholdings

As at 31 March 2026, the following substantial shareholding interests had been notified to the Company. These balances also reflect the holding at 30 September 2025.

	Number of ordinary shares	Percentage held
Mark Halpin (CEO) and Caroline Halpin	140,713,578	19.93%
Mark Ward	110,000,000	15.58%
Tialis Essential IT Investment Limited	75,066,275	10.63%
Hargreaves Lansdown Asset Management Limited	38,500,000	5.45%
Andy Mills (Non-Executive Director)	32,724,088	4.63%
Simon Duckworth (Non-Executive Chairman) and Lady Caroline Duckworth	25,850,000	3.66%

Share options and Long Term Incentive Plan

At 30 September 2025, the Company had 34,425,000 (2024: 52,613,250) share options in issue. These options have been granted to qualifying colleagues under the Company's HMRC-approved EMI share option scheme and an unapproved share option scheme, with the objective of encouraging shared ownership and supporting retention, recruitment and incentivisation across the Group. No additional share options were issued during the year ended 30 September 2025.

During the year, 18,188,250 share options lapsed (2024: 2,416,250), primarily following the disposal of the Group's discontinued operations and the associated reduction in employee numbers. As a result, the total number of share options outstanding at 30 September 2025 represented approximately 4.9% of the Company's issued share capital of 706,215,686 ordinary shares.

All share options have an exercise price of 1 pence per Ordinary Share and are exercisable at various dates up to 19 August 2032, subject to performance conditions. Options will only accrue value where the Company's share price exceeds 2 pence per Ordinary Share at the date of exercise, or earlier in the event of a qualifying transaction. Certain senior management option awards are subject to additional performance conditions, including requirements linked to recurring gross profits covering trading overheads. These arrangements are intended to align the interests of option holders with those of shareholders. Further details of the share option schemes are set out in Note 7 to the consolidated financial statements.

In 2017, the Group established a Long Term Incentive Plan ("LTIP") designed to reward shareholder value creation where the Company's share price exceeds 4.2 pence per share. While the LTIP remains in place, it had no value to participants and gave rise to no liability for the Group during the year ended 30 September 2025.

Share warrants

During FY22, the Company issued 4,000,000 share warrants to the vendors of Systems Assurance Limited, giving them the right to subscribe in cash for Ordinary Shares in the Group, at a Subscription Price of 1.5p per Ordinary Share, subject to certain pre-conditions during the ten-year period Exercise Period, commencing 3 March 2022. Further details are provided in Note 7 to the consolidated financial statements. No share warrants were issued during FY25

Corporate Governance

The Company recognises the importance of operating a robust corporate governance policy to give stakeholders confidence that that the company is managed in an effective, transparent, and accountable manner. The Corporate Governance statement on pages 17 to 21 is included in this report by cross reference.

Post balance sheet events

Subsequent to the year end the Company completed a share subscription raising £275,000. Further details are provided in note 27 to the financial statements.

Financial risk management and objectives

Details of the financial risk management policies and objectives are contained in Note 25 to the consolidated financial statements.

Equal Opportunities

The Group is an equal opportunities employer and promotes an environment free from discrimination, harassment and victimisation, where everyone receives equal opportunities and career development regardless of age, sex, gender, nationality, ethnic origin, religion, marital status, sexual orientation or disability. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit.

The Group gives full and fair consideration to applications for employment from disabled people and encourages and assists the recruitment, training, career development and promotion of disabled people. The Group endeavours to retain and, where appropriate, adjust the working environment of employees who become disabled during the course of their employment.

Directors' report (continued)

Awareness of relevant audit information

Each of the Directors who held office at the date of approval of this Directors' Report confirms that, so far as they are aware:

- there is no relevant audit information of which the auditor is unaware; and
- the Directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Annual General Meeting

The Annual General Meeting will be held on 28 April 2026 at 12:30 p.m.

Notice of the Annual General Meeting will be sent to shareholders on or before 6 April 2026.

Independent Auditor

During the year Barnes Roffe LLP resigned as auditors due to the transfer of its audit business and its successor Barnes Roffe Audit Limited was appointed by the directors under s489 Companies Act 2006. Barnes Roffe Audit Limited, will be proposed for reappointment as the Group's auditor in accordance with section 485 of the Companies Act 2006.

By order of the Board

Darron Giddens
Company Secretary

31 March 2026

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors have elected, under company law and are required by the AIM Rules of the London Stock Exchange, to prepare the Group financial statements in accordance with UK-adopted international accounting standards. The Directors have elected, under company law, to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted international accounting standards to present fairly the financial position and financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

In preparing each of the Group and Company financial statements, the Directors are required to:

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the CloudCoCo Group plc website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's report to the members of CloudCoCo Group plc

Opinion

We have audited the financial statements of CloudCoCo Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2025, which comprise the group Income Statement the group and company statement of financial position, the group Statement of cash flows, the group and company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- the financial statements 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard as applied to listed entities 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.

Summary of our audit approach

Key audit matters	Group <ul style="list-style-type: none">• Carrying value of goodwill and other intangible assets• Revenue recognition and Management override of controls• Going Concern• Disposals of subsidiaries Parent Company <ul style="list-style-type: none">• Impairment of Intercompany receivables
Materiality	Group <ul style="list-style-type: none">• Overall materiality: £90,800 (2024: £198,400)• Performance materiality: £68,100 (2024: £148,800) Parent Company <ul style="list-style-type: none">• Overall materiality: £45,400 (2024: £79,500)• Performance materiality: £34,050 (2024: £59,600)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 96% of profit/loss before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's report to the members of CloudCoCo Group plc (continued)

Key Audit Matter	How the scope of our audit addressed the key audit matter
<p>Carrying value of goodwill and other intangible assets</p> <p>The carrying values of goodwill and other intangible assets as at 30 September 2025 were £253k and £467k respectively.</p> <p>The carrying value of goodwill in accordance with IAS36 is required to be tested for annual impairment along with whether there is any indication of impairment of the other intangibles. The measurement of the recoverable amount requires the preparation of detailed cash flow forecasts that are subject to a number of highly sensitive assumptions surrounding the future trade of the Group.</p>	<p>For the two Cash Generating Units we tested the underlying methodology utilised in the model and that the model cast based on the initial assumptions utilised to ensure they were consistent with requirements of IAS36.</p> <p>We challenged the assumptions with the following assumptions deemed as being the highest risk:</p> <ul style="list-style-type: none"> • WACC • Growth Rates • Length of Forecast • Future EBITDA <p>We evaluated critically the assumptions by reworking the calculations and challenged the management by:</p> <ul style="list-style-type: none"> • Comparing the model to the actual performance for the year ended 30 September 2025 • Comparing the assumptions of the prior year to the actual performance of the year ended 30 September 2025 • Comparing the assumptions used in the prior year to the current year to identify any changes and obtaining explanations from management • Performing sensitivity analysis on key assumptions • Recalculating the WACC and comparing the rates used. • Comparing the recoverable amount calculated by management to the market capitalisation of the group • Comparison of the outcome to reports prepared by external advisors <p>We also assessed whether the management's assertion that the testing of impairment was performed at the lowest level of assets that are capable of generating independent cash flows.</p>
<p>Impairment of Intercompany receivables</p> <p>At 30 September 2025 the parent company has receivable balances due from its subsidiary undertakings with a value of £24.5m pre intercompany provision. However the group reported an operating loss of £358k. This increases the risk that the balance may not be fully recoverable.</p>	<p>The underlying assumption is that the subsidiary companies will be able to repay amounts up to its own net assets and an impairment is recognised to reduce the carrying value to that of the Group Net Assets.</p> <p>We have reviewed these assertions and forecasts to ensure there is no further funds that can be repaid. We challenged the assumptions utilised and performed sensitivity analysis on the assumptions to assess the impact of changes in assumptions regarding the cash flows.</p>
<p>Disposal of CloudCoCo Connect Limited and CloudCoCo Limited</p> <p>At the end of October 2024, two subsidiaries CloudCoCo Limited and CloudCoCo Connect Limited were sold to a third party</p>	<p>We have reviewed the presentation and disclosures in the financial statements and deemed this to be appropriate. The calculations prepared by management have been reviewed and verified to the underlying completion accounts and completion monies received.</p> <p>Amounts shown as discontinued operations have been vouched to the individual company accounts and specific audit work undertaken around the amounts disclosed agreeing back to the accounting records.</p>

Independent Auditor's report to the members of CloudCoCo Group plc (continued)

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£90,800 (2024: £198,400)	£45,400 (2024: £79,500)
Basis for determining overall materiality	0.75% of Revenue	50% of group materiality
Rationale for benchmark applied	Revenue is considered to be the most appropriate measure used to assess the performance of the group during the period in which it is seeking to grow revenues and return to profitability.	As an audit opinion is only being given at a consolidated level we have determined that 50% of group materiality is an appropriate measure to assess the performance of components including the parent during the period.
Performance materiality	£68,100 (2024: £148,800)	£34,050 (2024: £59,600)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £4,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £2,300 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of the parent company, four trading companies and 5 other entities which were dormant or non-trading. All entities are based in the UK.

Our approach to the group audit was to identify the key risk areas

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit/Loss before tax
Full scope audit	1	-%	3%	87%
Specific audit procedures*	4	100%	97%	9%
Total	5	100%	100%	96%

* Specific audit procedures were performed in order to obtain sufficient and appropriate coverage over the group's revenue and loss before tax and borrowings.

Full scope audits were performed for the parent company, specific audit procedures for 4 subsidiary companies were undertaken including the two subsidiaries disposed of in the year

Independent Auditor's report to the members of CloudCoCo Group plc (continued)

Conclusions relating to going concern

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

- obtaining an understanding of management's going concern evaluation and reviewing cashflow forecasts to include an assessment of the knowledge of the Group's strategies, markets and risks by the preparer of the forecast;
- evaluating management's ability to accurately forecast performance through comparison of historic performance against forecast;
- performing sensitivity analysis and stress tests to understand the impact of reasonably possible outcomes, or changes to assumptions;
- testing the integrity and mechanical accuracy of the forecast model; and
- Considering the adequacy of the disclosures relating to going concern included within the financial statements against the requirements of the accounting standards and consistency of disclosures against forecasts and going concern assessment of the Directors.

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 or 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.

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 directors are 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 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 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 or 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's report to the members of CloudCoCo Group plc (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted IAS and Companies Act 2006 including IFRS, Companies Act 2006 and AIM Rule 19	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from external tax advisors.

Independent Auditor's report to the members of CloudCoCo Group plc (continued)

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue cut-off	For a sample of contract assets and liabilities, recalculating the revenue recognised (and the associated accrual/deferral), based upon the terms of the underlying contracts and invoices; and For samples of monthly and quarterly billed revenue transactions, in the identified cut-off periods, verifying that revenue has been recognised in the correct period and has been verified for material overstatement or understatement.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Use of our report

This report is made solely to the 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.

Jamie Hall (Senior Statutory Auditor)
for and on behalf of

Barnes Roffe Audit Limited
Chartered Accountants
Statutory Auditor
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

Date: 31 March 2026

Consolidated income statement

for the year ended 30 September 2025

	Note	Group 2025 £'000	Group 2024 £'000	Continuing 2025 £'000	Continuing 2024 £'000	Discontinued 2025 £'000	Discontinued 2024 £'000
Revenue	3	9,638	27,524	7,991	8,737	1,647	18,787
Cost of sales		(8,598)	(19,909)	(7,473)	(8,238)	(1,125)	(11,671)
Gross profit		1,040	7,615	518	499	522	7,116
Administrative expenses		(1,399)	(9,951)	(914)	(1,039)	(485)	(8,912)
Trading Group EBITDA ¹		214	1,557	80	63	134	1,494
Amortisation of intangible assets	10	(79)	(861)	(79)	(105)	—	(756)
Plc costs ²		(451)	(840)	(354)	(472)	(97)	(368)
Depreciation of IFRS16 data centre right of use assets	11	—	(1,392)	—	(14)	—	(1,378)
Depreciation of tangible assets and other right of use assets	11	(41)	(293)	(41)	(1)	—	(292)
Exceptional items	4	—	(481)	—	—	—	(481)
Share-based payments	7	(2)	(26)	(2)	(11)	—	(15)
Operating loss	5	(359)	(2,336)	(396)	(540)	37	(1,796)
Interest receivable	6	14	1	14	1	—	—
Interest payable	6	(141)	(1,033)	(6)	(14)	(135)	(1,019)
Loss before taxation		(486)	(3,368)	(388)	(553)	(98)	(2,815)
Taxation	8	20	215	20	20	—	195
Loss from operations		(466)	(3,153)	(368)	(533)	(98)	(2,620)
Profit from sale of discontinued operations (net of tax)	26	3,051	—	—	—	3,051	—
Profit/(loss) and total comprehensive profit/(loss) for the year attributable to owners of the parent		2,585	(3,153)	(368)	(533)	2,953	(2,620)
Profit/(loss) per share							
Basic and fully diluted	9	0.37p	(0.45)p	(0.05)p	(0.08)p	0.42p	(0.37)p

The accompanying accounting policies and notes on pages 38 to 58 are an integral part of these consolidated financial statements.

¹ profit or loss before net finance costs, tax, depreciation, amortisation, plc costs, exceptional items and share-based payments.

² Plc costs are non-trading costs relating to the Board of Directors of the Parent Company, the costs of being listed on the AIM Market of the London Stock Exchange and associated professional costs.

Consolidated statement of financial position

as at 30 September 2025

		September 2025 £'000	September 2024 £'000
Non-current assets			
Intangible assets	10	720	799
Property, plant and equipment	11	55	85
Right of Use assets	11	11	3
Total non-current assets		786	887
Current assets			
Inventories	12	101	76
Trade and other receivables	13	581	516
Contract assets	14	9	—
Cash and cash equivalents	15	635	1,042
Current assets excluding assets held for sale		1,326	1,634
Assets classified as held for sale	16	—	14,976
Total current assets		1,326	16,610
Total assets		2,112	17,497
Current liabilities			
Trade and other payables	17	(1,394)	(1,690)
Borrowings	18	(67)	(6,085)
Lease liability	19	(11)	(3)
Current liabilities excluding those associated with assets held for sale		(1,472)	(7,778)
Liabilities associated with assets held for sale	16	—	(11,575)
Total current liabilities		(1,472)	(19,353)
Non-current liabilities			
Borrowings	18	(29)	(100)
Deferred tax liability	21	(116)	(136)
Total non-current liabilities		(145)	(236)
Total liabilities		(1,617)	(19,589)
Net assets		495	(2,092)
Equity			
Share capital	22	7,062	7,062
Share premium account	22	17,630	17,630
Capital redemption reserve	22	6,489	6,489
Merger reserve	22	1,997	1,997
Other reserve	22	184	341
Retained earnings	22	(32,867)	(35,611)
Total equity (see note 27 for post balance sheet event)		495	(2,092)

These financial statements were approved and authorised for issue by the Board of Directors on 31 March 2026.

Signed on behalf of the Board of Directors by

Darron Giddens

Director

The accompanying accounting policies and notes on pages 38 to 58 form an integral part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 September 2025

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 October 2023	7,062	17,630	6,489	1,997	370	(32,513)	1,035
Loss and total comprehensive loss for the period	—	—	—	—	—	(3,153)	(3,153)
Transactions with owners in their capacity of owners							
Share-based payments	—	—	—	—	26	—	26
Share options lapsed	—	—	—	—	(55)	55	—
Total transactions with owners	—	—	—	—	(29)	55	26
Total movements	—	—	—	—	(29)	(3,098)	(3,127)
Equity at 30 September 2024	7,062	17,630	6,489	1,997	341	(35,611)	(2,092)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 October 2024	7,062	17,630	6,489	1,997	341	(35,611)	(2,092)
Loss and total comprehensive profit for the period	—	—	—	—	—	2,585	2,585
Transactions with owners in their capacity of owners							
Share-based payments	—	—	—	—	2	—	2
Share options lapsed	—	—	—	—	(159)	159	—
Total transactions with owners	—	—	—	—	(157)	159	2
Total movements	—	—	—	—	(157)	2,744	2,587
Equity at 30 September 2025	7,062	17,630	6,489	1,997	184	(32,867)	495

The accompanying accounting policies and notes on pages 38 to 58 form an integral part of these financial statements.

Consolidated statement of cash flows

for the year ended 30 September 2025

	2025 £'000	2024 £'000
Cash flows from operating activities		
Loss before taxation	(486)	(3,368)
Adjustments for:		
Depreciation – IFRS data centre right of use assets	—	1,392
Depreciation – other right of use assets	11	140
Depreciation – owned assets	30	153
Amortisation	79	861
Share-based payments	2	26
Net finance expense	127	1,032
Movements in provisions	—	(133)
(Increase) / decrease in trade and other receivables	(65)	522
(Increase) / decrease in inventories	(25)	(20)
(Decrease) / increase in trade payables, accruals and contract liabilities	(238)	929
Net cash (outflow) / inflow from operating activities	(565)	1,534
Net cash (outflow) / inflow from discontinued operations:	(615)	391
Cash flows from investing activities		
Sale of subsidiary undertakings (note 26)	7,067	—
Purchase of property, plant and equipment (note 11)	—	(57)
Payment of deferred consideration relating to acquisitions	(50)	(50)
Interest received	14	1
Net cash outflow from investing activities	7,031	(106)
Cash flows from financing activities		
Repayment of loan notes	(6,187)	—
Repayment of COVID-19 bounce-back loan	(23)	(16)
Payment of lease liabilities	(13)	(1,504)
Interest paid	(35)	(51)
Net cash outflow from financing activities	(6,258)	(1,571)
Net increase / (decrease) in cash	(407)	248
Cash at bank and in hand at beginning of period	1,042	794
Cash at bank and in hand at end of period	635	1,042
Comprising:		
Cash at bank and in hand – assets held for sale	—	855
Cash at bank and in hand – continuing operations	635	187
Cash at bank and in hand at end of period	635	1,042

Notes to the consolidated financial statements

1. General information

CloudCoCo Group plc is a public limited company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is given on the back cover of this report. The principal activity of the Group is the provision of IT Services to small and medium-sized enterprises in the UK. The financial statements are presented in pounds sterling (rounded to the nearest thousand (£'000)) because that is the currency of the primary economic environment in which each of the Group's subsidiaries operates.

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards. The measurement bases and principal accounting policies of the Group are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The Group had net assets of £0.5 million at 30 September 2025 (2024: net liabilities of £2.1 million). As detailed in Note 26, on 31 October 2024 the Group disposed of CloudCoCo Limited and CloudCoCo Connect Limited for total consideration of £7.37 million. The proceeds from this transaction replenished the Group's cash reserves and enabled the full repayment of the MXC Loan Notes, leaving the Group free from long-term debt and significantly strengthening its financial position.

Following the disposal, the Group continues to trade through its e-commerce platform (morecoco.co.uk) and outsourced procurement businesses, and has re-focused its Systems Assurance activities. These continuing operations are expected to generate a positive contribution towards Plc costs, which have been reduced following the Group's restructuring.

In assessing the Group's ability to continue as a going concern, the Directors have reviewed detailed budgets, forecast sales growth and cash flow projections covering the period to 31 March 2027. This assessment includes sensitivity analysis on key assumptions, including the impact of reduced sales volumes and slower cash receipts. The forecasts reflect the Group's reduced cost base, improved cash cycle and current liquidity position.

The key operational risks faced by the Group include the general UK economic outlook, inflationary pressures and their potential impact on consumer spending and investment in IT infrastructure. The Directors have taken mitigating actions to reduce ongoing operational costs and closely manage working capital and cash resources.

Based on this assessment, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

1.2 New standards and interpretations of existing standards that have been adopted by the Group for the first time

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments either clarified existing requirements or were not applicable to the Group's activities during the period. The Group did not enter into any material sale and leaseback transactions, does not operate material supplier finance arrangements, and had no borrowings subject to covenant-driven classification at the reporting date.

1.3 New standards and interpretations of existing standards that are not yet effective and have not been adopted early by the Group

At the date of approval of these financial statements, the following standards and amendments had been issued but were not yet effective and had not been adopted early by the Group:

- IFRS 18 Presentation and Disclosure in Financial Statements (effective for periods beginning on or after 1 January 2027)
- Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments (effective for periods beginning on or after 1 January 2026)

The Directors are currently assessing the impact of these standards on the Group's financial statements. The adoption of these standards is not expected to have a material impact on the Group's results or financial position, although IFRS 18 will affect the presentation and disclosure of information in the financial statements.

2. Principal accounting policies

a) Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries), prepared to 30 September each year. Control exists where the Company is exposed to, or has rights to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Control is generally obtained through voting rights.

The results and financial position of subsidiaries are included in the consolidated financial statements from the date on which control is obtained and are deconsolidated from the date on which control ceases.

Notes to the consolidated financial statements (continued)

Unrealised gains on transactions between the Group and its subsidiaries are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the consideration transferred at the acquisition date. Identifiable assets acquired and liabilities assumed, including contingent liabilities that meet the recognition criteria of IFRS 3, are recognised at their fair values at the acquisition date.

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred over the Group's interest in the fair value of the identifiable net assets acquired at the acquisition date. Goodwill is recognised as an asset and is subsequently measured at cost less accumulated impairment losses.

b) Goodwill

Goodwill representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses. Refer to principal accounting policy (k) for a description of impairment testing procedures.

c) Revenue and revenue recognition

Revenue arises from the sale of goods and the rendering of services as performance obligations are satisfied. Revenue is measured at the transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding value added tax, rebates, trade discounts and other sales-related taxes.

The Group enters into contracts for a range of products and services, including the delivery of hardware, software, support services, managed services and professional services. At contract inception, the Group assesses the goods or services promised to the customer and identifies the separately identifiable performance obligations within the contract. Performance obligations may comprise distinct goods or services or a series of distinct goods or services that are substantially the same and transferred to the customer over time.

Where a contract includes multiple performance obligations, the transaction price is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised.

A contract liability is recognised when consideration is received or receivable from a customer before the Group transfers the related goods or services. A contract asset is recognised when the Group has transferred goods or services to a customer but does not yet have an unconditional right to consideration.

Sale of goods (hardware and software)

Revenue from the sale of goods is recognised at the point in time when control of the goods transfers to the customer. Revenue from the sale of software with no significant service or support obligation is recognised on delivery, which is the point at which the customer is able to use and obtain substantially all of the benefits from the software.

Rendering of services

The Group generates revenue from managed services, support services and professional services ("Managed IT Services").

Revenue from managed and support services is recognised over time, as the customer simultaneously receives and consumes the benefits provided by the Group's performance. These services are typically provided under contracts of 12 months' duration and revenue is recognised on a straight-line basis over the contract term, which reflects the pattern of service delivery.

Revenue from professional services is recognised over time as the services are performed, measured using a time-based input method based on hours incurred.

Contract acquisition and fulfilment costs

Incremental costs of obtaining a contract, such as sales commissions that would not have been incurred if the contract had not been obtained, are capitalised as contract assets where the Group expects to recover those costs. These costs are amortised on a straight-line basis over the period in which the related goods or services are transferred to the customer.

Certain costs incurred to fulfil contracts, including internal technical resources utilised in setting up recurring managed services contracts, are capitalised as contract assets where they relate directly to a contract, generate or enhance resources that will be used to satisfy performance obligations in the future, and are expected to be recovered. These costs are amortised over the period of benefit, typically the contractual term.

Notes to the consolidated financial statements (continued)

d) Foreign currencies

Transactions in foreign currencies are translated into the Group's functional currency at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the statement of financial position date. Exchange differences arising on settlement or translation are recognised in the Consolidated Income Statement.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The depreciation policy is contained in principal accounting policy (i).

f) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, and including any initial direct costs incurred.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the underlying asset. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, depreciation is charged over the estimated useful life of the asset. Right-of-use assets are subject to impairment and are adjusted for any remeasurement of the related lease liabilities.

The Group has elected not to recognise right-of-use assets and corresponding lease liabilities for short-term leases with a lease term of 12 months or less and leases of low-value assets. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

g) Disposal of assets

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement in the period in which the disposal occurs.

h) Exceptional items and Plc costs

Non-recurring items which are material either because of their size or their nature, are highlighted separately on the face of the Consolidated Income Statement. The separate reporting of these items helps provide a better picture of the Group's underlying performance. Items which may be included within this category include, but are not limited to, acquisition costs, spend on the integration of significant acquisitions and other major restructuring or rationalisation programmes, significant goodwill or other asset impairments and other particularly significant or unusual items.

Exceptional items are excluded from the performance measures used by management to assess the underlying performance of the Group and are highlighted separately in the Consolidated Income Statement, as management believe that separate disclosure is necessary to provide an understanding of the Group's underlying trading performance. Note 4 contains more detail on exceptional items.

Plc costs are non-trading costs, relating to the Board of Directors of the Parent Company, the costs of being listed on the AIM Market of the London Stock Exchange and its associated professional advisors.

i) Depreciation

Depreciation is calculated on a straight-line basis so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

IT equipment	–	three to four years
Fixtures, fittings and leasehold improvements	–	three to four years
E-commerce platform	–	three to four years
Right of use asset	–	over the remaining term of the lease

Material residual value estimates are updated as required, but at least annually.

j) Intangible assets

Intangible assets mainly comprise the fair value of customer bases and other identifiable assets acquired which are not included on the balance sheets of the acquired companies. A fair value calculation is carried out based on evaluating the net recurring income stream from each type of intangible asset. Intangible assets are initially recognised at fair value, and are subsequently carried at this fair value, less accumulated amortisation and impairment. The following items were identified as part of the acquisitions of entities by the Group and were still owned at 30 September 2025:

- Billing and website systems amortised over three years;
- customer lists amortised over five to ten years; and
- brands amortised over ten years.

Judgement is used in the allocation of fair values to the tangible assets and the identification and valuation of intangible assets which affect the calculation of goodwill recognised in respect of an acquisition. Refer to principal accounting policy (j).

Notes to the consolidated financial statements (continued)

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash generating unit ("CGU") level. Goodwill is allocated to those CGUs that are expected to benefit from the synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Impairment reviews are carried out using multi-year cash flow projections from the approved budgets of the Group. These are discounted using a discount rate specific to each CGU. Forecast cash flows beyond 5 years assume steady growth at no more than the long-term average growth rate for the United Kingdom. The discount rate for each CGU reflects the time value of money and the nature and risks of the CGU.

An impairment loss is recognised where the carrying amount of an asset or CGU exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use, determined using discounted cash flow projections. Impairment losses are recognised in the Consolidated Income Statement and reduce the carrying amount of the relevant asset. With the exception of goodwill, assets are reassessed at each reporting date for indications that an impairment loss previously recognised may no longer exist.

l) Leases

A lease liability is recognised at the commencement date of a lease and is initially measured at the present value of the lease payments over the lease term, discounted using the interest rate implicit in the lease or, where this cannot be readily determined, the Group's incremental borrowing rate. Lease payments include fixed payments, variable payments that depend on an index or rate, amounts expected to be payable under residual value guarantees, and payments arising from options to purchase or terminate the lease where the Group is reasonably certain to exercise those options. Variable lease payments that do not depend on an index or rate are recognised in profit or loss as incurred.

Lease liabilities are subsequently measured at amortised cost using the effective interest method and are remeasured when there is a change in future lease payments, the lease term, or the assessment of purchase or termination options. Any remeasurement is recognised as an adjustment to the corresponding right-of-use asset, or in profit or loss where the right-of-use asset has been fully written down.

m) Inventories and work in progress

Inventories are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The cost is calculated using the FIFO basis. Work in progress relates to costs incurred on part-completed work.

n) Taxation

Current tax is the tax currently payable based on taxable results for the year. Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, Deferred tax is not recognised on temporary differences arising from the initial recognition of goodwill or from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets. Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Income Statement, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

o) Financial assets

Financial assets comprise of cash and cash equivalents and trade and other receivables. All financial assets are initially recognised at fair value, plus transaction costs and subsequently measured at amortised cost.

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price as defined in IFRS 15, as the contracts of the Group do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

The Group reviews the amount of credit loss associated with its trade receivables based on forward looking estimates, taking into account current and forecast credit conditions. Details of the expected credit loss provision for trade receivables is shown in note 13.

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Derecognition of financial assets occurs when the rights to receive cash flows from the instruments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken, at least, at each reporting date.

Interest and other cash flows resulting from holding financial assets are recognised in the Consolidated Income Statement when receivable.

Notes to the consolidated financial statements (continued)

p) Cash and cash equivalents

Cash at bank and in hand comprises cash on hand and demand deposits.

q) Financial liabilities

Financial liabilities comprise trade and other payables, lease liabilities and borrowings. Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

Finance charges, including interest, premiums payable on settlement or redemption, and directly attributable transaction costs, are recognised as finance costs in the Consolidated Income Statement using the effective interest method and are added to the carrying amount of the financial liability to the extent that they are not settled in the period in which they arise.

The modification of the terms of a financial liability is accounted for as an extinguishment of the original liability and the recognition of a new liability where the modification is substantial. A modification is considered substantial if the net present value of the cash flows under the modified terms, including any fees paid or received, differs by at least 10 per cent from the net present value of the remaining cash flows of the original liability, both discounted using the original effective interest rate

r) Issued share capital

Ordinary shares are classified as equity. Incremental costs attributable to the issue of shares or options are recorded in equity as a deduction from proceeds.

s) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale when they are actively marketed, management is committed to selling, and a sale is expected within 12 months. These assets are measured at the lower of their carrying amount and fair value less disposal costs and are not depreciated once classified. The results of disposed operations are included in the consolidated statement of comprehensive income up to the disposal date but are shown separately in order to identify the profit/(loss) associated with the discontinued operations.

t) Employee benefits

Share-based payment – equity-settled

All material share-based payment arrangements are recognised in the financial statements. All goods and services received in exchange for the grant of any share-based remuneration are measured at their fair values. Fair values of employee services are indirectly determined by reference to the fair value of the share options awarded, excluding those that have lapsed as a result of staff leaving the company. Their value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All share-based remuneration is ultimately recognised as an expense in the Consolidated Income Statement with a corresponding credit to “other reserve”. If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received, net of attributable transaction costs, are credited to share capital and share premium.

Share-based payment – modification, cancellation and issue of replacement awards.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

u) Pension

The Group makes payments to defined contribution retirement benefit plans that are charged as an expense as they fall due. Payments are made on the basis of a percentage of qualifying salary for certain employees to personal pension schemes.

v) Government Grants

The Group received funding from various Government sources in relation to COVID-19 in FY22. Government income is recognised in profit or loss (within other income) on a systematic basis over the periods in which the Group recognises costs for which the grants are intended to compensate. Where it is not yet considered highly probable that Government funding will not have to be repaid, this element is deferred on the balance sheet within other creditors.

Notes to the consolidated financial statements (continued)

w) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the reporting date. Actual results may differ from these estimates.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Business combinations and goodwill allocation

The allocation of fair values to tangible assets and the identification and valuation of intangible assets acquired in a business combination require judgement in the selection of appropriate valuation techniques and inputs. These judgements affect the amount of goodwill recognised and the allocation of goodwill to cash-generating units ("CGUs"), being the lowest level at which management monitors goodwill for internal management purposes. Further details are disclosed in note 10.

Assessment of lease arrangements

Judgement is required in determining whether arrangements for dark fibre connections contain a lease within the scope of IFRS 16. Management concluded that, except for any last-mile connections between a supplier's core network and the Group's customers, the Group does not control the use of specific identified fibre assets or a significant portion of a supplier's network, and therefore such arrangements do not give rise to the recognition of a right-of-use asset and corresponding lease liability.

Judgement is also applied in determining the lease term for data centre lease arrangements, including the assessment of extension and termination options. Management has further exercised judgement in assessing whether right-of-use assets are recoverable or whether any onerous contract provisions are required in respect of data centre lease arrangements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

Impairment of goodwill and intangible assets

Goodwill is tested annually for impairment and other intangible assets are tested for impairment when there is an indication that their carrying amount may not be recoverable. The impairment tests require the estimation of future cash flows attributable to the relevant CGUs or assets and the selection of appropriate pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset or CGU. Changes in these assumptions could result in a material impairment charge. Further details of the impairment testing methodology are set out in principal accounting policy (k) and note 10.

Valuation of customer relationships

Customer relationships recognised as intangible assets are valued using discounted cash flow techniques, which require estimates of future revenue streams, customer retention rates and appropriate discount rates over the expected useful economic life of the assets. Retention rates are based on historical customer behaviour, adjusted where necessary for current and forecast market conditions. Changes in these assumptions could result in a material adjustment to the carrying value of customer relationship intangible assets. Further details are provided in note 10.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, the Group estimates an incremental borrowing rate to discount future lease payments when measuring the lease liability at the commencement date of the lease. The incremental borrowing rate represents the rate that the Group would have to pay to borrow funds to obtain an asset of a similar value to the right-of-use asset, over a similar term and with similar security, in a similar economic environment. An incremental borrowing rate of 10% per annum was applied in measuring lease liabilities and the corresponding right-of-use assets. Changes to this rate could have a material impact on the carrying amounts of lease liabilities and right-of-use assets.

Notes to the consolidated financial statements (continued)

3. Segment reporting

The Chief Operating Decision Maker (“CODM”) has been identified as the executive director of the Company, who review the Group’s internal management reporting in order to assess performance and allocate resources.

The CODM assesses the Group’s performance principally using adjusted profit measures, including Trading Group EBITDA, which are consistent with those disclosed elsewhere in the Annual Report and Accounts. A reconciliation between Trading Group EBITDA and the statutory operating loss is presented in the Consolidated Income Statement.

The Board has determined that the Group operates as a **single operating and reporting segment**, being the provision of IT products and services to customers. This conclusion is based on the fact that the Group’s activities are managed on a consolidated basis, and that the operating costs and operating asset base used to generate revenues are shared across the business and are not separately reviewed by the CODM for the purposes of resource allocation or performance assessment.

For the purposes of internal management reporting, the CODM reviews revenues and related gross profit by the following **revenue categories**, which do not represent separate operating segments:

Managed IT Services	–	This category comprises the provision of recurring IT services which either have an ongoing billing and support element or utilise the technical expertise of our people.
Value added resale	–	This category comprises the resale of one-time solutions (hardware and software) from our leading technology partners, including revenues from the More Computers e-commerce platform.

All revenues are derived from customers within the UK and no customer accounts for more than 10% of external revenues in both financial years. Inter-category transactions are accounted for using an arm’s length commercial basis.

3.1 Analysis of continuing results

All revenues from continuing operations are derived from customers within the UK. In order to simplify our reporting of revenue, we condense our reporting segments into two categories – Managed IT Services and Value Added Resale. This analysis is consistent with that used internally by the CODM and, in the opinion of the Board, reflects the nature of the revenue. Trading EBITDA¹ is reported as a single segment.

3.1.1 Revenue

	Continuing 2025 £'000	Continuing 2024 £'000	Discontinued 2025 £'000	Discontinued 2024 £'000
Managed IT Services	246	420	1,306	16,236
Value added resale	7,745	8,317	341	2,551
Total Revenue	7,991	8,737	1,647	18,787

3.1.2 Revenue

	Continuing 2025 £'000	Continuing 2024 £'000	Discontinued 2025 £'000	Discontinued 2024 £'000
Recognised over time	246	420	1,277	15,283
Recognised at a point in time	7,745	8,317	370	3,504
Total Revenue	7,991	8,737	1,647	18,787

4. Exceptional Items

Items which are material and non-routine in nature are presented as exceptional items in the Consolidated Income Statement.

	Discontinued 2025 £'000	Discontinued 2024 £'000
Costs relating to re-finance of the loan notes	—	(40)
Run-off costs relating to discontinued data centre services	—	(353)
Costs relating to onerous contracts settled in the year	—	(18)
Integration and restructure costs	—	(70)
Exceptional items	—	(481)

Integration and restructure costs relate to notice period, redundancy, holiday pay and severance payments made to staff whose roles were duplicate or whose employment was terminated during the year as part of the internal reorganisation. Run-off costs relating to discontinued data centre services contain unrecoverable operating expenses incurred during the year for data centre racks that were empty on acquisition. Costs associated with exploring options relating to the search for re-finance of the loan notes have also been separately identified as have costs relating to onerous contracts settled during the year.

Notes to the consolidated financial statements (continued)

5. Operating loss

	Continuing 2025 £'000	Continuing 2024 £'000	Discontinued 2025 £'000	Discontinued 2024 £'000
Operating loss is stated after charging:				
Depreciation of owned assets	30	26	—	127
Depreciation of right of use assets	11	13	—	1,519
Short life lease expense: IFRS16 data centre short-life leases	—	—	—	446
Amortisation of intangibles	79	105	—	756
Auditor's remuneration:				
– Audit of parent company	40	35	—	—
– Audit of subsidiary companies	14	15	—	48

6. Finance income and finance costs

Finance cost includes all interest-related income and expenses. The following amounts have been included in the Consolidated Income Statement line for the reporting periods presented:

	Continuing 2025 £'000	Continuing 2024 £'000	Discontinued 2025 £'000	Discontinued 2024 £'000
Interest income resulting from short-term bank deposits	14	1	—	—
Finance income	14	1	—	—
Interest expense resulting from:				
Lease liabilities	1	1	3	46
Interest on borrowings	5	13	1	27
Loan note interest	—	—	131	846
Unwinding of the discount on provisions	—	—	—	100
Finance costs	6	14	135	1,019

The £5.0 million MXC Loan Notes, together with accumulated deferred interest of £1.18 million, were repaid in full on 31 October 2024 following the disposal of CloudCoCo Limited and CloudCoCo Connect Limited. As a result, no further interest accrued on the loan notes after this date. Further details are provided in Note 20.

7. Employee costs

7.1 Directors and employees

At 30 September 2025, the Group employed 13 staff (2024: 82). The average number of staff employed by the Group during the financial year amounted to 19 (2024: 85) of which 13 (2024: 13) are employed within continuing operations as follows:

	Continuing 2025	Continuing 2024	Discontinued 2025	Discontinued 2024
Management staff	3	3	—	12
Operational staff	10	10	—	61
Total	13	13	—	73

Employee numbers are stated including executive and non-executive Directors.

7.2 Employee remuneration including directors

	Continuing 2025 £'000	Continuing 2024 £'000	Discontinued 2025 £'000	Discontinued 2024 £'000
Wages and salaries	453	534	277	3,804
Pension contributions	10	12	7	97
Social security costs	52	58	31	426
Total	515	604	315	4,327

There were £3,000 of pension contributions payable at the reporting date (2024: £18,000)

Notes to the consolidated financial statements (continued)

7.3 Directors

Details of individual Directors' emoluments for the year are as follows:

	Fees and salaries		Employer's NI contributions		Other benefits		Totals (including employer's NI)	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-Executive								
S Duckworth	29	43	3	5	—	—	32	48
J Collighan (resigned 30 June 2024) ¹	—	29	—	—	—	—	—	29
A Mills (resigned 17 May 2024) ²	—	48	—	—	—	—	—	48
Executive								
M Halpin (resigned 29 April 2024)	—	96	—	12	—	13	—	121
D Giddens	78	100	10	13	4	5	92	118
Total	107	316	13	30	4	18	124	364

Other benefits include pension contributions of £3,000 (2024: £3,000) in respect of Darron Giddens. No pension contributions were made in respect of Mark Halpin during the year (2024: £2,900). Additional benefits provided to Mark Halpin in the prior year only comprised company car fees of £11,500 and private health insurance premiums of £1,149. Additional benefits provided to Darron Giddens during the year comprised private health insurance premiums.

1. Fees in relation to J Collighan were paid to MXC Capital Advisory Limited (see note 23).
2. A Mills fees includes £Nil (FY24: £8,000) of payments relating to Group subsidiaries.

7.4 Share-based payments

(i) Share option plans for employees

The Company operates an HMRC-approved EMI share option scheme for certain staff and senior management. An unapproved share option scheme is also in place for awards that do not meet the requirements of the approved scheme.

The unapproved scheme has no fixed term and remains in operation until further notice. Under both schemes, each option entitles the holder to subscribe for one Ordinary Share at a pre-agreed option price upon vesting. All share-based employee remuneration is equity-settled and the Group has no legal or constructive obligation to repurchase or settle the options in cash.

No share options were issued during the year (2024: Nil). All options in issue have an exercise price of 1 pence per Ordinary Share and are exercisable at any time up to 19 August 2032, subject to performance conditions. Options will only accrue value where the Company's share price exceeds 2 pence per Ordinary Share at the date of exercise (or upon a qualifying transaction), thereby aligning the interests of option holders with those of shareholders. Certain members of senior management are subject to additional performance conditions, including the requirement for recurring gross profits to cover trading overheads. The schemes also contain provisions permitting exercise on a change of control.

Of the 21,500,000 employee share options issued in the year ended 30 September 2022, 14,700,000 were granted to the Company's former Chief Executive Officer, Mark Halpin. Mr Halpin is a member of the Concert Party established on 19 October 2019 in connection with the acquisition of CloudCoCo Limited. While the Concert Party holds between 30% and 50% of the Company's issued share capital, these options cannot be exercised without triggering the provisions of Rule 9 of the Takeover Code. These restrictions do not apply to the 7,500,000 options granted to Mr Halpin on 20 November 2020, which were issued at a time when the Concert Party held more than 50% of the Company's issued share capital.

Mr Halpin resigned as a director of the Company on 29 April 2024. The share options held by him continue to be exercisable in accordance with the terms of the share option scheme.

During the year 18,188,250 share options lapsed (2024: 2,416,250) in accordance with the share issue documents. At 30 September 2025, the Company had granted the following outstanding share options:

	2025 Number	2025 Weighted average exercise price	2024 Number	2024 Weighted average exercise price
Outstanding at 1 October	52,613,250	1.0p	55,029,500	1.0p
Granted	—	1.0p	—	1.0p
Lapsed	(18,188,250)	1.0p	(2,416,250)	1.0p
Outstanding at 30 September	34,425,000	1.0p	52,613,250	1.0p

No options are vested and exercisable at the balance sheet date. No options expired during the periods covered by the tables above.

Notes to the consolidated financial statements (continued)

7.4 Share-based payments (continued)

The total number of share options outstanding at 30 September 2025 was 52,613,250 as follows:

Date granted	Balance 2025	Movement during the year	Balance 2024	Exercise price	Dates exercisable	Remaining contractual life (months)
20 November 2020	18,125,000	(18,188,250)	36,313,250	1.00p	20 November 2023–20 November 2030	74
19 August 2022	16,300,000	—	16,300,000	1.00p	19 August 2024–19 August 2032	83
Total	34,425,000	(18,188,250)	52,613,250	1.00p		

In determining the fair value of the share options granted on 20 November 2020 and 19 August 2022, the Company assessed the historical share price volatility associated with the Company's share price and the effective risk-free rate of interest inherent in the debt element of this instrument. No share options were granted, exercised or modified during the year ended 30 September 2025.

Non-employee share options and warrants

On 3 September 2021, the Company issued 4,000,000 share warrants at a subscription Price of 1.5p per Ordinary Share to the vendors of Systems Assurance Limited and More Computers Limited (the "Acquired Companies") in order to incentivise them to further assist with the integration of the business beyond the initial acquisition.

The share warrants can be exercised in the period commencing 3 March 2022 up to and including 3 March 2032. The exercise of the share warrants is conditional upon the Company's share price in the five consecutive days preceding relevant notice of exercise being not less than 2 pence per ordinary share and the prior six months' revenue from new or qualifying customers in the Acquired Companies being at least £3,200,000 calculated on the last day of the calendar month starting 50 days before the date of the relevant notice of exercise.

The total share-based payments charge included in the Consolidated Income Statement is:

	2025 £'000	2024 £'000
Share options	—	25
Share warrants	2	1
Total	2	26

8. Income tax

	2025 £'000	2024 £'000
Current tax		
UK corporation tax for the period at 25% (2024: 25%)	—	—
Deferred tax		
Deferred tax credit on intangible assets	20	215
Total tax credit for the year	20	215

The tax credit recognised in the Consolidated Income Statement can be reconciled as follows:

	2025 £'000	2024 £'000
Loss for the year before tax:	(486)	(3,368)
Tax rate	25%	25%
Expected tax credit	(121)	(842)
Adjusted for:		
Non-deductible expenses	37	(14)
Prior-year adjustments	5	—
Movement in deferred tax	(20)	534
Movement in unprovided deferred tax relating to losses	42	180
Short-term timing differences	37	(73)
Total tax credit for the year	(20)	(215)

The Group has unrecognised deferred tax assets in respect of tax losses carried forward totalling £2,286,000 (2024: £4,735,000). The reduction reflects the disposal of subsidiaries during the year, which held approximately £10m of tax losses that are no longer available to the Group. There are no restrictions in the use of tax losses. Deferred tax assets remain unrecognised until it becomes probable that the underlying deductible temporary differences will be able to be utilised against future taxable income. A substantively enacted tax rate of 25% was applied for the years ending 30 September 2024 and 30 September 2025.

Notes to the consolidated financial statements (continued)

9. Earnings/(Loss) per share	2025 £'000	2024 £'000
Profit/(Loss) attributable to ordinary shareholders	2,585	(3,153)
Weighted average number of Ordinary Shares in issue, basic and diluted	706,215,686	706,215,686
Basic and diluted earnings/(loss) per share	0.37p	(0.45)p

The weighted average number of Ordinary Shares used in calculating both the basic and diluted earnings/(loss) per share is the same. This is because the outstanding share options disclosed in Note 7 were anti-dilutive in both periods. In the year ended 30 September 2024, the Group reported a loss and the inclusion of potential ordinary shares would have reduced the loss per share. In the year ended 30 September 2025, the share options were anti-dilutive as their inclusion would not have reduced earnings per share.

10. Intangible assets

Intangible assets comprise non-physical assets acquired through business combinations and internally generated development costs that meet the recognition criteria of IAS 38. Examples include customer relationships, software and other identifiable intellectual property.

Development costs are capitalised only when the Group can demonstrate the technical feasibility of completing the asset, its intention and ability to use or sell the asset, the probability that the asset will generate future economic benefits, and the ability to reliably measure the expenditure attributable to the asset. Research costs are expensed as incurred.

Intangible assets are recognised only where it is probable that future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Amortisation of intangible assets is recognised within administrative expenses in the Consolidated Income Statement.

Intangible assets	Goodwill £'000	IT, billing and website systems £'000	Brand £'000	Customer lists £'000	Total £'000
Cost					
At 1 October 2023	11,281	361	2,383	11,445	25,470
Re-classified as assets held for sale	(11,028)	(182)	(1,913)	(11,304)	(24,427)
At 30 September 2024 and 30 September 2025	253	179	470	141	1,043
Accumulated amortisation					
At 1 October 2023	—	(220)	(1,277)	(6,813)	(8,310)
Charge for the year	—	(18)	(122)	(721)	(861)
Re-classified as assets held for sale	—	183	1,254	7,490	8,927
At 30 September 2024	—	(55)	(145)	(44)	(244)
Charge for the year	—	(18)	(46)	(15)	(79)
At 30 September 2025	—	(73)	(191)	(59)	(323)
Impairment					
At 1 October 2023	(4,447)	—	(225)	(1,193)	(5,865)
Re-classified as assets held for sale	4,447	—	225	1,193	5,865
At 30 September 2024 and 30 September 2025	—	—	—	—	—
Carrying amount					
At 30 September 2025	253	106	278	83	720
At 30 September 2024	253	124	325	97	799
Average remaining amortisation period	5.9 years for each category of intangible asset				

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are independent cash inflows (cash generating units). Goodwill is allocated to those assets that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash inflows. The directors concluded that at 30 September 2025, there were two CGUs being Systems Assurance Limited and More Computers Limited.

Each year, management prepares the resulting cash flow projections using a value in use approach to compare the recoverable amount of the CGU to the carrying value of goodwill and allocated assets and liabilities. Any material variance in this calculation results in an impairment charge to the Consolidated Income Statement.

The calculations used to compute cash flows for the CGU level are based on the Group's Board approved budget for the next twelve months, and business plan, growth rates as below, the weighted average cost of capital ("WACC") and other known variables. The calculations are sensitive to movements in both WACC and the revenue growth projections. The impairment calculations were performed using post-tax cash flows at post-tax WACC of 13.25% (FY24: 13.25%) for each CGU. The pre-tax discount rate (weighted average cost of capital) was calculated at 18% per annum (FY24:18%) and the revenue growth rate is 5% per annum (FY24: 5%) for each CGU for 5 years and a terminal growth rate of 2.3% (FY24: 2.3%).

Notes to the consolidated financial statements (continued)

10. Intangible assets (continued)

Sensitivities have been run on cash flow forecasts for each CGU. Revenue growth rates are considered to be the most sensitive assumption in determining future cash flows for each CGU. Management is satisfied that the key assumptions of revenue growth rates should be achievable and that reasonably possible changes to those key assumptions would not lead to the carrying amount exceeding the recoverable amount. Sensitivity analyses have been performed and the table below summarises the effects of changing certain other key assumptions and the resultant excess (or shortfall) of discounted cash flows against the aggregate of goodwill and intangible assets.

Sensitivity analysis £'000	Systems Assurance Limited	More Computers Limited
Excess of recoverable amount over carrying value:		
Base case – headroom	47	3,105
Pre-tax discount rate increased by 1% - resulting headroom	88	2,993
Revenue growth rate reduced in years 2 to 5 by 1% per annum – resulting headroom	—	3,036

Base case calculations highlight that the impairment review in respect of Systems Assurance Limited is most sensitive to the discount rate and growth rate.

11. Property, plant and equipment	Right of Use Assets £'000	IT equipment £'000	E-commerce platform £'000	Fixtures, fittings and leasehold improvements £'000	Total £'000
Cost of assets					
At 1 October 2023	3,288	400	107	71	3,866
Additions	172	10	45	2	229
Modifications	1,234	—	—	—	1,234
Disposals	(115)	(6)	—	(2)	(123)
Re-classified as assets held for sale	(4,560)	(378)	—	(59)	(4,997)
At 30 September 2024	19	26	152	12	209
Additions	—	—	—	—	—
Modifications	19	—	—	—	19
Disposals	—	—	—	—	—
At 30 September 2025	38	26	152	12	228
Depreciation					
At 1 October 2023	1,758	186	41	39	2,024
Charge for the year	1,532	110	26	17	1,685
Disposals	(115)	(6)	—	(2)	(123)
Re-classified as assets held for sale	(3,159)	(264)	—	(42)	(3,465)
At 30 September 2024	16	26	67	12	121
Charge for the year	11	—	30	—	41
Disposals	—	—	—	—	—
Re-classified as assets held for sale	—	—	—	—	—
At 30 September 2025	27	26	97	12	162
Net book value					
At 30 September 2025	11	—	55	—	66
At 30 September 2024	3	—	85	—	88

£1,532k of net book value relating to Property, Plant and Equipment held within discontinued operations at 30 September 2024 are classified as assets held for sale. The net book value of right of use assets at 30 September 2025 comprised:

	Land & buildings £'000	Data Centre Assets £'000	Motor Vehicles £'000	Total £'000
At 30 September 2025	11	—	—	11
At 30 September 2024	3	—	—	3

The depreciation charge in respect of right of use assets comprises £1,392k in respect of data centre assets (FY23: £879k) and £140k in respect of property and other assets (FY23: £87k).

Notes to the consolidated financial statements (continued)

	2025 £'000	2024 £'000
12. Inventories		
Consumables	35	43
Work in progress	66	33
Inventories	101	76

£20k of stock and work in progress within discontinued operations at 30 September 2024, were classified as assets held for sale.

13. Trade and other receivables

	2025 £'000	2024 £'000
Trade receivables	534	482
Prepayments	47	34
Trade and other receivables	581	516

£3,809,000 of trade and other receivables within discontinued operations at 30 September 2024, were classified as assets held for sale. Further details are shown in Note 16.

The Group assesses expected credit losses on trade receivables and contract assets in accordance with IFRS 9 using forward-looking information that reflects current and forecast economic conditions, rather than relying solely on historical default rates.

In adopting IFRS 9, the Group has applied the simplified approach to measuring expected credit losses, using a provision matrix based on days past due to measure lifetime expected credit losses. The provision matrix incorporates customers with different credit risk profiles and takes into account current and forecast trading conditions.

At 30 September 2025, trade receivables with a carrying value of £19,000 (2024: £27,000) were past due. These balances were not considered credit-impaired. The ageing of trade receivables that were not credit-impaired is as follows:

The age of trade receivables not impaired is as follows:

	2025 £'000	2024 £'000
Less than 30 days	481	429
30–59 days	34	26
60–89 days	16	27
90–119 days	3	—
120+ days	—	—
	534	482

Trade receivables at the reporting date comprise amounts receivable from the provision of the Group's products and services. The average credit period on these services was 20 days (2024: 17 days).

At 30 September 2025, no material impairment provision was recognised in respect of trade receivables relating to continuing operations, as expected credit losses were assessed to be immaterial. This assessment takes into account the Group's customer credit profiles, historical collection experience and the existence of trade credit insurance, which mitigates the Group's exposure to non-payment.

	2025 £'000	2024 £'000
Opening impairment provision	—	229
Subsequently recovered from customers	—	(137)
Unrecoverable balances from customers written-off	—	(7)
Provision in year	—	40
Re-classified as assets held for sale	—	(125)
Impairment provision	—	—

14. Contract assets

	2025 £'000	2024 £'000
Contract assets	9	—

Contract assets relate to the Group's right to consideration in respect of goods or services that the Group has transferred to a customer. Contract assets are linked to recurring Managed IT services revenues. £402k of contract assets at 30 September 2024 were classified as assets held for sale.

Notes to the consolidated financial statements (continued)

15. Cash and cash equivalents

Cash balances are held with a small number of counterparties. The Group manages its cash centrally through inter-company loans, ensuring funds are available where needed across its subsidiaries. This allows the group to efficiently pay liabilities, optimise working capital, and reduce reliance on external borrowing.

	2025 £'000	2024 £'000
Cash at bank and in hand	635	1,042

There were no other borrowing facilities in place at 30 September 2025 other than COVID-19 Bounce Back Loan (Note 20).

16. Assets and liabilities classified as held for sale

Following a strategic review carried out during 2024, the Board concluded that Company should seek to dispose of some trading assets in order to raise funds to repay the loan notes. This was seen as the most attractive option to improve financial stability and to enhance shareholder value. As a consequence, during August 2024, the Company reached agreement to sell its interests in CloudCoCo Limited and CloudCoCo Connect Limited, subject to due diligence and shareholder approval. On 31 October 2024 having received shareholder approval, both transactions were concluded initially raising £7.75 million of cash of which £6.2 million was immediately used to repay the loan notes, therefore avoiding further costs for extending the loan note term.

The following major classes of assets and liabilities relating to these disposals have been classified as held for sale in the consolidated statement of financial position on 30 September 2024.

	CloudCoCo Limited £'000	CloudCoCo Connect Limited £'000	Total £'000
Intangible assets	6,847	2,788	9,635
Property, plant and equipment	112	19	131
Right of Use assets	114	1,287	1,401
Trade and other receivables	1,970	1,839	3,809
Assets held for sale	9,043	5,933	14,976
Trade and other payables	3,756	3,226	6,982
Contract liabilities	929	820	1,749
Provision for onerous contracts	—	799	799
Lease liability	157	1,288	1,445
Deferred tax liability	201	399	600
Liabilities associated with assets held for sale	5,043	6,532	11,575

17. Trade and other payables

	2025 £'000	2024 £'000
Trade payables	1,297	1,466
Accruals	74	155
Other taxes and social security costs	23	69
Trade and other payables	1,394	1,690

18. Borrowings

18.1 Current

	2025 £'000	2024 £'000
Opening Balance	6,016	—
Loan notes (transferred from non-current liabilities)	—	5,242
Accrued interest on loan notes and fair value movement	171	774
Loan Notes and accrued interest repaid on 31 October 2024	(6,187)	-
Loan notes	—	6,016
COVID-19 Bounce-back loan repayable – short-term element	17	19
Deferred consideration for acquisition of CloudCoCo Connect Limited - short-term element	50	50
	67	6,085

Notes to the consolidated financial statements (continued)

18.2 Non-current

	2025 £'000	2024 £'000
COVID-19 Business Bounce-back loan repayable – long-term element	4	25
Deferred consideration for acquisition of CloudCoCo Connect Limited - long-term element	25	75
	29	100

On 10 May 2022, the Company borrowed £50,000 from HSBC Bank UK Plc under the UK Government's COVID-19 Business Bounce Back Loan Scheme. In accordance with the Business Interruption Payment scheme, interest on the loan for the first 12 months was covered by the UK Government. The loan is repayable in 59 equal monthly instalments, which commenced in June 2023.

As part of the acquisition of More Computers Limited on 6 September 2021, the Company assumed a COVID-19 Business Bounce Back Loan of £50,000 between More Computers Limited and NatWest Bank Plc. In accordance with the Business Interruption Payment scheme, interest on this loan for the first 12 months was covered by the UK Government. The loan is repayable in 59 equal monthly instalments, which commenced in March 2023.

18.3 Net debt

During the year ended 30 September 2025, the Group moved from a net debt position to a net cash position. This was primarily driven by the repayment in full of the MXC Loan Notes, including accumulated deferred interest, amounting to £6.19 million, following the disposal of CloudCoCo Limited and CloudCoCo Connect Limited on 31 October 2024.

As a result of this repayment, together with the continued amortisation of lease liabilities, deferred consideration and COVID-19 Bounce Back Loans, the Group reported a net cash position of £0.53 million at 30 September 2025 (2024: net debt of £5.15 million).

	2025 £'000	Cash movements £'000	Other movements £'000	2024 £'000
Loan notes (see note 22)	—	(6,187)	171	6,016
COVID-19 Bounce-back loans	21	(23)	—	44
Deferred consideration	73	(50)	(2)	125
Lease liabilities	11	(13)	21	3
Cash and cash equivalents	(635)	407	—	(1,042)
Total	(530)	(5,866)	190	5,146

19. Lease Liabilities

As part of the acquisition of the Connect business, the Group operated data centre facilities across 32 locations, the majority of which were leased from third-party suppliers under renewable contractual arrangements with terms of up to five years. Many of these leases include renewal, resizing or termination options.

At 30 September 2024, the Group's data centre leases were classified as liabilities associated with assets held for sale following the decision to dispose of the Infrastructure division. As a result, lease liabilities relating to these arrangements were excluded from continuing operations from that date.

Lease payments of £0.11 million made in October 2024, prior to completion of the disposal, have been recognised within discontinued operations in the Consolidated Income Statement. These payments relate to lease liabilities classified as held for sale at 30 September 2024 and are therefore not included in the reconciliation of lease liabilities for continuing operations shown above.

	2025 £'000	2024 £'000
Opening balance	3	1,614
Additions	—	172
Modifications	21	1,234
Disposals	—	(115)
Related interest expense	—	47
Repayment of lease liabilities	(13)	(1,504)
Re-classified as liabilities associated with assets held for sale	—	(1,445)
Closing balance	11	3
Current	11	3
Non-current	—	—
	11	3

Total cash outflows for year ended 30 September 2025 for leases amounted to £13,000, none of which related to short-term leases. In the year ended 30 September 2024, total cash outflows for leases were £2,294,000, of which £466,000 related to short-term and low-value leases.

Notes to the consolidated financial statements (continued)

20. Financial instrument

At 30 September 2025, the Group had no loan notes outstanding (2024: £6.0 million). The loan notes were previously held by MXC Guernsey Limited and were repayable in October 2024. Following the disposal of CloudCoCo Limited and CloudCoCo Connect Limited, the loan notes, together with accrued deferred interest, were repaid in full on 31 October 2024. Accordingly, no amounts in respect of the loan notes were outstanding at the reporting date.

21. Deferred tax liabilities

	Deferred tax on acquired intangibles £'000
Deferred tax liability at 1 October 2023	951
Credited to income statement – on intangibles	(215)
Re-classified as “Assets held-for-sale”	(600)
Deferred tax liability at 30 September 2024	136
Credited to income statement – on intangibles	(20)
Deferred tax liability at 30 September 2025	116

22. Share capital and reserves

Share capital and reserves comprises the following:

- “Share capital” represents the nominal value of equity shares in issue.
- “Share premium” represents the excess of proceeds received over the nominal value of equity shares issued, net of share issue costs.
- “Capital redemption reserve” represents the nominal value of shares cancelled in accordance with the Companies Act.
- “Merger reserve” represents amounts arising on the issue of equity shares in connection with business combinations, in excess of their nominal value.
- “Other reserve” represents equity-settled share-based payment charges recognised in accordance with IFRS 2 until the related share options are exercised or lapse.
- “Revaluation reserve” represents increases in the carrying value of intangible assets recognised on revaluation, net of any subsequent impairment or amortisation, where applicable.
- “Retained earnings” represent accumulated profits and losses of the Group.

At 30 September 2025 the Company had 706,215,686 ordinary shares of 1p each in issue.

Subsequent to the year end, at a General Meeting held on 27 March 2026, shareholders approved a capital reorganisation and subscription for new shares. The capital reorganisation subdivided each existing ordinary share of 1p into one new ordinary share of 0.01p and one deferred share of 0.99p. The Company also issued 229,166,666 new ordinary shares at 0.12 pence per share, raising £275,000 gross (£260,000 net of expenses). Further details are provided in Note 27.

22.1 Share capital

Shares issued and fully paid

	2025 £'000	2024 £'000
Beginning of year	7,062	7,062
Shares issued and fully paid	7,062	7,062

Share capital allotted, called up and fully paid

	2025 No. Ordinary Shares	2024 No. Ordinary Shares
Ordinary shares of £0.01p	706,215,686	706,215,686

22.2 Share premium

	2025 £'000	2024 £'000
Beginning of year	17,630	17,630
End of year	17,630	17,630

Notes to the consolidated financial statements (continued)

22.3 Capital redemption reserve

The capital redemption reserve arose on the cancellation of shares in accordance with the Companies Act 2006. The reserve represents the nominal value of shares cancelled and is treated as a realised reserve in accordance with applicable legislation.

22.4 Merger reserve

The merger reserve represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue, in connection with acquisitions.

22.5 Other reserve

	2025 £'000	2024 £'000
Beginning of year	341	370
Share based payment/lapsed options	(157)	(29)
End of year	184	341

22.6 Retained earnings

Retained earnings increased during the year primarily due to the profit for the year of £2.5 million, reflecting the gain on the disposal of discontinued operations, partially offset by the transfer of £159,000 arising from the lapse of share options.

	2025 £'000	2024 £'000
Beginning of year	(35,611)	(32,513)
Arising on profit/(loss) and total comprehensive income/(loss) for the period	2,585	(3,153)
Share options lapsed	159	55
End of year	(32,867)	(35,611)

23. Related party transactions

Details of Directors' interests in the Company's shares, service contracts and remuneration are disclosed in the Directors' Remuneration Report and in note 7. The Directors are considered to be the Group's key management personnel for the purposes of IAS 24.

There were no related party transactions during the year ended 30 September 2025 (2024: as set out below), and no amounts were outstanding with related parties at 30 September 2025 (2024: as set out below).

Comparative information

During the year ended 30 September 2024, related party transactions arose primarily in respect of services provided by entities connected with certain former Directors and shareholders, including MXC Capital (UK) Limited and its wholly owned subsidiary MXC Guernsey Limited. These transactions comprised consultancy services, non-executive director fees and corporate finance advisory services, all of which were conducted on an arm's length basis.

At 30 September 2024, MXC Guernsey Limited held loan notes of the Company with a carrying value of £6.0 million. The loan notes were repaid in full on 31 October 2024. No other Director had a material interest in any significant contract with the Company or any of its subsidiaries during the comparative year.

24. Contingent liabilities

There are no contingent liabilities at 30 September 2025 (2024: £nil).

25. Risk management

The Group finances its activities through equity, loan notes and bank funds. No speculative treasury transactions are undertaken and during the last two years no derivative contracts were entered into. Financial assets and liabilities include those assets and liabilities of a financial nature, namely cash, trade and other receivables, trade and other payables, accruals, lease liabilities and borrowings. The Group is exposed to a variety of financial risks arising from its operating activities, which are monitored by the Directors and are reported in the principal risks and uncertainties contained within the Strategic Report on pages 12 and 13.

25.1 Cash and liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

25.2 Interest rate risk

The interest rate on the Group's cash at bank is determined by reference to the bank rate. The Group has available credit card facilities with HSBC of up to £10,000 (2024: £30,000). The interest rate charged on finance leases and commercial loans is a fixed rate agreed at the time of signing the agreement. The interest rate charged by MXCG is at a fixed rate. No interest rate sensitivity analysis has been disclosed as the majority of the Group's borrowings are fixed.

Notes to the consolidated financial statements (continued)

25.3 Capital risk management

The Group's objective in managing capital is to maintain sufficient liquidity to support ongoing operations and meet its going concern requirements, while seeking to optimise long-term returns to shareholders. The Board monitors the Group's capital structure by reference to forecast cash flows, projected EBITDA performance and a range of downside and upside scenarios.

The Group manages its capital structure through the management of cash, debt and equity balances. The Group's capital comprises cash and cash equivalents, borrowings and equity attributable to equity holders of the parent, including issued share capital, reserves and retained earnings, as disclosed in the Consolidated Statement of Changes in Equity.

The Group seeks to increase the proportion of recurring revenues across a diversified customer base in order to reduce exposure to short-term economic fluctuations and enhance long-term value. Where appropriate, the Group may incur upfront costs to secure long-term, contracted customer relationships.

The declaration and payment of dividends is at the discretion of the Directors and will depend on the Group's results, financial position, cash requirements, future prospects and other relevant factors. Given the Group's current stage of development, the Directors do not expect to pay dividends in the foreseeable future and intend to reinvest surplus funds in the development of the Group's business. The Board will keep the dividend policy under regular review. In order to maintain or adjust its capital structure, the Group may, as appropriate, adjust shareholder distributions, issue new shares, raise or repay borrowings, or dispose of assets.

25.4 Credit risk

The Group's exposure to credit risk arises principally from trade receivables. The Group's policy is to monitor trade and other receivables and to avoid significant concentrations of credit risk. Customer credit risk is managed through regular review of aged receivables reports, which are assessed at least monthly.

The Group operates defined credit control procedures, including the issuing of reminder communications when invoices become overdue. Where necessary, further recovery actions may be taken in accordance with the Group's credit control policy. An analysis of the ageing of trade receivables is disclosed in Note 13 to the financial statements.

25.5 Risk management analysis

The information below provides an analysis of the financial assets and liabilities within the scope of IFRS 9 Financial Instruments required by IFRS 7 Financial Instruments: Disclosure. An analysis of the principal sums, relevant to an analysis of risk management, is as follows:

	Financial assets £'000	Non-financial assets £'000	Balance Sheet total £'000
2025			
Trade and other receivables	534	47	581
Other current assets	—	110	110
Cash at bank and in hand	635	—	635
	1,169	157	1,326
2024			
Trade and other receivables	482	34	516
Other current assets	—	76	76
Cash at bank and in hand	1,042	—	1,042
	1,524	110	1,634

Book value approximates to fair value.

Notes to the consolidated financial statements (continued)

25.5 Risk management analysis (continued)

2025	Financial liabilities at amortised cost in the balance sheet £'000	Other liabilities not within scope of IFRS 9 £'000	Balance sheet total £'000
Trade and other payables - short-term element	1,394	—	1,394
Borrowings – short-term element	67	—	67
Borrowings – long-term element	29	—	29
Lease liability – short-term element	—	11	11
	1,490	11	1,501

Book value approximates to fair value.

2024	Financial liabilities at amortised cost in the balance sheet £'000	Other liabilities not within scope of IFRS 9 £'000	Balance sheet total £'000
Trade and other payables - short-term element	1,621	—	1,621
Borrowings – short-term element	6,085	—	6,085
Borrowings – long-term element	99	—	99
Lease liability – short-term element	—	3	3
	7,805	3	7,808

Book value approximates to fair value. Average Trade Creditor days at 30 September 2025 was 55 days (FY24: 98 days).

The remaining contractual maturity of the Group's financial instrument liabilities, being the undiscounted cash flows, including interest, based on the earliest dates on which the liabilities are required to be paid, are as follows:

2025	0 to 60 days £'000	61 days to 6 months £'000	6 to 12 months £'000	12 months to 2 years £'000	2 to 5 years £'000	Over 5 years £'000	Total £'000
Trade payables	1,255	41	—	—	—	—	1,296
Borrowings	11	23	33	31	—	—	98
Lease liabilities	2	8	2	—	—	—	12
	1,268	72	35	31	—	—	1,406

2024	0 to 60 days £'000	61 days to 6 months £'000	6 to 12 months £'000	12 months to 2 years £'000	2 to 5 years £'000	Over 5 years £'000	Total £'000
Trade payables	1,267	199	—	—	—	—	1,466
Borrowings	6,197	23	35	102	29	—	6,386
Lease liabilities	2	1	—	—	—	—	3
	7,466	223	35	102	29	—	7,855

Notes to the consolidated financial statements (continued)

26. Sale of CloudCoCo Limited and CloudCoCo Connect Limited

Disposal of subsidiaries

On 31 October 2024, the Company disposed of its entire interests in CloudCoCo Limited and CloudCoCo Connect Limited for total cash proceeds of £7.4 million. Of this amount, £6.2 million was applied immediately to the repayment of the MXCG loan notes, thereby avoiding further costs associated with extending the loan note term.

The initial consideration attributable to CloudCoCo Limited was £7.5 million, which was subsequently reduced by £0.385 million following agreement of the completion accounts during the period to 30 June 2025, reflecting working capital adjustments made to the original balance sheet.

The carrying value of the net assets disposed of at the date of disposal was £3.17 million, resulting in a gain on disposal before costs of £4.195 million. After deducting transaction-related costs of £0.18 million, the gain on disposal recognised was £4.016 million. The gain on disposal includes the remaining amortisation of intangible assets and the related deferred tax credit arising on amortisation.

Dissolution of subsidiaries

Prior to the disposal, the Group had transferred the assets and liabilities of three wholly owned subsidiaries into CloudCoCo Limited as part of an internal reorganisation. As a result, the dormant subsidiaries Nimoveri Holdings Limited and CloudCoCo Managed IT Limited were formally dissolved on 15 October 2024 and 29 July 2025 respectively.

As part of the dissolution process loans of £0.965 million, were written off. These items reduced the overall gain recognised by the Group as noted below.

Net gain recognised

After taking account of the dissolution of subsidiaries and the related write-off of inter-company balances, the net gain recognised in the consolidated income statement was £3.051 million, which has been presented as an exceptional gain within discontinued operations. Details of the disposals and the resulting gain recognised are set out below.

	CloudCoCo Limited	CloudCoCo Connect Limited	Total
	£'000	£'000	£'000
Total cash proceeds	7,115	250	7,365
Non-current assets			
Intangible assets (net)	6,847	2,788	9,635
Other net liabilities	(2,187)	(3,678)	(5,865)
Deferred tax credit on amortisation	(201)	(399)	(600)
Net assets disposed	4,459	(1,289)	3,170
Initial Gain on disposal	2,656	1,539	4,195
Less disposal costs	(89)	(90)	(179)
Gain on disposal before dissolution	2,567	1,449	4,016
Dissolution of subsidiaries			(965)
Net gain recognised			3,051

	CloudCoCo Limited	CloudCoCo Connect Limited	Total
	£'000	£'000	£'000
Cash movements			
Total cash proceeds	7,115	250	7,365
Cash Movements			
Cash included in other net liabilities above	18	101	118
Disposal costs	89	90	179
Total cash outflow	107	191	297
Net Cash Outflow	7,008	59	7,067

Notes to the consolidated financial statements (continued)

27. Post-Balance Sheet Event

Subsequent to the reporting date of 30 September 2025, the Company held a General Meeting on 27 March 2026 at which shareholders approved a capital reorganisation, a subscription for new ordinary shares and the adoption of a new employee share option scheme.

Following approval of the resolutions, the Company implemented a capital reorganisation whereby each existing ordinary share of 1 penny was subdivided and reclassified into one new ordinary share of 0.01 pence and one deferred share of 0.99 pence. The deferred shares carry no voting rights, dividend rights or rights to attend general meetings and are intended to be cancelled in due course.

The Company also completed a subscription for 229,166,666 new ordinary shares at a price of 0.12 pence per share, raising gross proceeds of £275,000 (approximately £260,000 net of expenses). The new ordinary shares rank pari passu with the existing ordinary shares and are expected to be admitted to trading on AIM on or around 2 April 2026.

The proceeds of the subscription are intended to fund the Group's growth initiative, Project Brightstar, which is designed to support the expansion of the Group's B2B technology procurement and services activities.

As these events occurred after the reporting date, they are treated as non-adjusting events after the end of the reporting period in accordance with Section 32 of FRS 102, and accordingly no adjustment has been made to the financial statements for the year ended 30 September 2025.

28. Ultimate controlling party

There is no ultimate controlling party.

Statement of financial position (parent company)

as at 30 September 2025

	Note	30 September 2025 £'000	30 September 2024 £'000
Fixed assets			
Fixed asset investments	6	29	91
Total fixed assets		29	91
Current assets			
Debtors	7	581	8,052
Cash at bank and in hand		195	117
Total current assets		776	8,169
Creditors: amounts falling due within one year	8	(170)	(6,533)
Net current assets		606	1,636
Total assets less current liabilities		635	1,727
Creditors: amounts falling due in more than one year	9	(23)	(83)
Net assets		612	1,644
Capital and reserves			
Called up share capital	11	7,062	7,062
Share premium account	11	17,630	17,630
Capital redemption reserve		6,489	6,489
Merger reserve		1,997	1,997
Other reserve		184	341
Retained earnings		(32,750)	(31,875)
Shareholders' funds		612	1,644

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in the financial statements. The parent company's loss for the year and included in the Retained earnings movement was £1,034,000 (2024: £368,000).

Approved by the Board and authorised for issue on 31 March 2026.

Darron Giddens

Director

The accompanying accounting policies and notes form part of these financial statements.

Company number: 05259846

Statement of changes in equity (parent company)

for the year ended 30 September 2025

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 October 2023	7,062	17,630	6,489	1,997	370	(31,562)	1,986
Loss and total comprehensive loss for the period	—	—	—	—	—	(368)	(368)
Transactions with owners in their capacity as owners							
Share-based payments	—	—	—	—	26	—	26
Share options lapsed	—	—	—	—	(55)	55	—
Total transactions with owners	—	—	—	—	(29)	55	26
Total movements	—	—	—	—	(29)	(313)	(342)
Equity at 30 September 2024	7,062	17,630	6,489	1,997	341	(31,875)	1,644
	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 October 2024	7,062	17,630	6,489	1,997	341	(31,875)	1,644
Loss and total comprehensive loss for the period	—	—	—	—	—	(1,034)	(1,034)
Transactions with owners in their capacity as owners							
Share-based payments	—	—	—	—	2	—	2
Share options lapsed	—	—	—	—	(159)	159	—
Total transactions with owners	—	—	—	—	(157)	159	2
Total movements	—	—	—	—	(157)	(875)	(1,032)
Equity at 30 September 2025	7,062	17,630	6,489	1,997	184	(32,750)	612

The accompanying accounting policies and notes on pages 38 to 58 form an integral part of these financial statements.

Notes to the parent company financial statements

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention basis.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 101 (FRS 101) – The Reduced Disclosure Framework (March 2018), and with the Companies Act 2006.

Going concern

The Group had net assets at 30 September 2025 totalling £0.5 million (2024: negative £2.1 million). However, as detailed in Note 26 the Group sold CloudCoCo Limited and CloudCoCo Connect Limited on 31 October 2024 for initial consideration of £7.75 million, which replenished the Group's cash reserves and facilitated the full repayment of the MXC Loan Notes, leaving the Company free from long-term debt. This transaction has significantly strengthened the Group's financial position, reducing credit risk due to the more immediate cash cycle associated with the e-commerce business.

The Group remains committed to its key objectives of increasing sales, reducing costs, and returning to net cash generation at the Group level as described in the Strategic Report.

The Group continues to trade through its e-commerce platform (morecoco.co.uk) and outsourced procurement businesses, which the Directors believe provide opportunities for growth. The continuing e-commerce business and the re-focus on the Systems Assurance business is expected to generate a positive contribution towards Plc costs, which have been reduced following the restructuring. The Group remains committed to its key objectives of increasing sales, reducing costs, and returning to net cash generation.

The key operational risks the Group faces include the general UK economic outlook, rising borrowing costs, and high inflation, which could impact consumer spending and investment in IT infrastructure. However, the Directors remain confident in the e-commerce, IT hardware, and gaming components markets and have taken measures to reduce ongoing operational costs, ensuring that cash reserves can sustain the business going forward.

In assessing the Group's ability to continue as a going concern, the Directors have reviewed forecast sales growth, budgets, and cash projections for the period to 31 March 2027, including sensitivity analysis on key assumptions such as the potential impact of reduced sales or slower cash receipts. Based on these assumptions, the Directors have reasonable expectations that the Group and the Company have adequate resources to continue operations for at least one year from the date of approval of these financial statements and accordingly continue to adopt the going concern basis in preparing these financial statements.

1.2 Compliance with accounting standards

The parent company has taken advantage of the reduced disclosure framework and has the following exemptions available to it:

- the exemption from preparing a statement of cash flows;
- the exemption from providing a reconciliation on the number of shares outstanding; and
- the exemption from disclosing key management personnel compensation.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Pensions

The Company operates a workplace pension scheme for the benefit of its employees in accordance with its statutory obligations. Employees are eligible to participate in the scheme and contributions are made by both the employee and the Company in line with applicable pension regulations.

1.5 Share-based remuneration

The Company issues equity-settled share-based payments to certain employees. The fair value of the shares granted is borne by the Company and is not recharged to the Company's subsidiaries. Share-based payments are calculated at the grant date, based on an estimate of the shares that will ultimately vest, using the Black Scholes model and in accordance with FRS 101.

1.6 Critical accounting judgements and key sources of estimation uncertainty

Key sources of estimation uncertainty

Where there is indication of impairment, the debtors balance is impaired by a charge to the Company's Income Statement. The debtors' balance of £0.5 million (2024: £8.0 million) is recorded in the Company's Balance Sheet and relates to the amounts owed by subsidiary undertakings after impairment. At the end of each period, the minimum level of impairment provided is calculated such that the net assets of the Company are equal to the net assets of the Group excluding deferred tax liabilities relating to intangible assets. In addition, a full line-by-line review of the debtors is carried out for any further impairment. Whilst every attempt is made to ensure that the impairment provision is as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

Notes to the parent company financial statements (continued)

1.7 Financial assets

Financial assets comprise amounts due from subsidiary undertakings and are initially recognised at fair value, plus transaction costs and subsequently measured at amortised cost. At the end of each reporting period, the Company assesses whether there is objective evidence of impairment. If there is objective evidence of impairment, the Company recognises an impairment loss in profit or loss immediately.

1.8 Financial liabilities

Financial liabilities are obligations to pay cash or other financial instruments and are recognised when the Company becomes a party to the contractual provisions of the instrument. Loan notes are raised for support of long-term funding of the Group's operations. The financial liability arising on the loan notes is carried at amortised cost. In the financial statements at 30 September 2025, loan notes were treated as a compound instrument as if the options granted to the lender represented an option to convert loan notes into equity.

Finance charges, including premiums payable on settlement or redemption, and direct issue costs are charged to the Company Income Statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Modification of the terms of a liability is accounted for as an extinguishment of the original liability and recognition of a new liability when the modification is substantial. A modification is deemed to be substantial if the net present value of the cash flows under the modified terms, including any fees paid or received, is at least 10 per cent different from the net present value of the remaining cash flows of the liability prior to the modification, both discounted at the original effective interest rate of the liability prior to the modification.

2. Auditor remuneration

Fees payable to the Company's Auditor for the audit of the parent company's annual accounts were £40,000 (2024: £35,000).

3. Employee costs

The average number of staff employed by the Company during the year was 2 (2024: 4). These were all Directors. The costs for the year were £120,000 (2024: £346,000). Further detail is provided in note 7 to the consolidated financial statements.

4. Pension payments

The Company made pension payments of £3,000 during the year (2024: £5,900). Further detail is provided in note 7 to the consolidated financial statements.

5. Share-based payments

The Company has share option plans for employees and there were movements in non-employee share options and warrants during the year. Further detail is provided in note 7 to the consolidated financial statements.

6. Fixed asset investments

	£'000
At 1 October 2023	235
Disposals	(144)
At 30 September 2024	91
Disposals	(62)
At 30 September 2025	29

Disposals relate to the cost of share options awards to employees of the subsidiaries.

At 30 September 2025 the Company had one subsidiary undertaking.

Company	Country of registration or incorporation	Class of shares held	%
Subsidiary undertakings			
CloudCoCo Holdings Limited	Scotland	Ordinary	100

The aggregate amount of capital and reserves and the results of the subsidiary undertakings for the last relevant financial year was:

Company	Principal activity	Net liabilities £'000	Loss for the year £'000
CloudCoCo Holdings Limited	Intermediate holding company	(16,593)	(5,508)

Notes to the parent company financial statements (continued)

6. Fixed asset investments (continued)

At 30 September 2025, the Company had the following direct and indirect subsidiaries:

Active companies

Subsidiary company	Holding	Country of incorporation	Shares	Nature of business
CloudCoCo Holdings Limited	100%	Scotland	Ordinary	Holding company
Indirectly held				
Systems Assurance Limited	100%	England and Wales	Ordinary	IT Managed Services
More Computers Limited	100%	England and Wales	Ordinary	IT Hardware e-commerce

Dormant companies

Indirectly held subsidiary company	Holding	Country of incorporation	Shares	Nature of business
Pinnacle CDT Limited	100%	England and Wales	Ordinary	Dormant
Ancar-B Technologies Limited	100%	England and Wales	Ordinary	Dormant

On 31 October 2024, the Company sold its interests in CloudCoCo Limited and CloudCoCo Connect Limited. See Note 26 to consolidated accounts for further details. As a result, the dormant subsidiaries Nimoveri Holdings Limited and CloudCoCo Managed IT Limited were formally dissolved on 15 October 2024 and 29 July 2025 respectively.

For the year ending 30 September 2025 the following subsidiaries of the Company were entitled to exemption from audit under s479C of the Companies Act 2006. The Company having issued a parent guarantee to each of the subsidiaries below:

Subsidiary Name	Registered Office	Companies House Registration Number
CloudCoCo Holdings Limited	12/13 St Andrew Square, Edinburgh, EH2 2AF	SC102302
Systems Assurance Limited	Carwood Park, Selby Road, Swillington Common, Leeds,	02691103
More Computers Limited	Carwood Park, Selby Road, Swillington Common, Leeds,	04666684

For the year ending 30 September 2025 the following subsidiaries of the Company were entitled to exemption from audit under s479A of the Companies Act 2006. The Company having issued a parent guarantee to each of the subsidiaries below:

Subsidiary Name	Registered Office	Companies House Registration Number
Pinnacle CDT Limited	The Walbrook Building ,25 Walbrook, London, EC4N 8AF	04613699
Ancar-B Technologies Ltd	The Walbrook Building ,25 Walbrook, London, EC4N 8AF	03347248

In November 2025, the formerly dormant subsidiary Pinnacle CDT Limited, resumed trading offering consultancy services to new customers.

7. Debtors

	2025 £'000	2024 £'000
Amounts owed by subsidiary undertakings	545	8,021
Prepayments	36	31
	581	8,052

The charge in the period relating to impairment of amounts owed by subsidiary undertakings was £0.5 million, (FY24: credit of £1.4 million). The amounts owed by subsidiaries are unsecured, interest free and are repayable on demand.

Notes to the parent company financial statements (continued)

8. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	45	270
COVID-19 Bounce back loan repayable – short-term element	7	9
Accruals	52	142
Deferred consideration for the acquisition of CloudCoCo Connect – short term element	50	50
Pension	3	—
Other taxes and social security costs	13	46
Loan notes	—	6,016
	170	6,533

Further detail on the COVID-19 Bounce back loan is provided in note 18 of the consolidated financial statements. On 31 October 2024, the Company repaid the Loan Notes in full. Further details are provided in note 26 of the consolidated financial statements.

9. Creditors: amounts falling due in more than one year

	2025 £'000	2024 £'000
COVID-19 Bounce back loan repayable – long-term element	—	8
Deferred consideration for the acquisition of CloudCoCo Connect Limited – long term element	23	75
	23	83

Further detail on the COVID-19 Bounce back loan is provided in note 18 of the consolidated financial statements.

10. Financial instrument

At 30 September 2025, the Group had no loan notes outstanding (2024: £6.0 million). The loan notes were previously held by MXC Guernsey Limited and were repayable in October 2024. Following the disposal of CloudCoCo Limited and CloudCoCo Connect Limited, the loan notes, together with accrued deferred interest, were repaid in full on 31 October 2024. Accordingly, no amounts in respect of the loan notes were outstanding at the reporting date.

11 Share capital and reserves

Share capital and reserves comprises the following:

- “Share capital” represents the nominal value of equity shares;
- “Share premium” represents the excess over nominal value of the fair value of consideration received for equity shares; net of expenses of the share issue;
- “Capital redemption reserve” represents the nominal value of cancelled Deferred Shares;
- “Merger reserve” represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue, in connection with acquisitions;
- “Other reserve” represents equity-settled share-based employee remuneration until such share options are exercised.
- Retained earnings reserve” represents retained profits and accumulated losses.

At 30 September 2025 the Company had 706,215,686 ordinary shares of 1p each in issue.

Subsequent to the year end, at a General Meeting held on 27 March 2026, shareholders approved a capital reorganisation and subscription for new shares. The capital reorganisation subdivided each existing ordinary share of 1p into one new ordinary share of 0.01p and one deferred share of 0.99p. The Company also issued 229,166,666 new ordinary shares at 0.12 pence per share, raising £275,000 gross (£260,000 net of expenses). Further details are provided in Note 27 of the consolidated accounts.

11.1 Share capital

Shares issued and fully paid

	2025 £'000	2024 £'000
Beginning and end of year	7,062	7,062
Shares issued and fully paid	7,062	7,062

Share capital allotted, called up and fully paid

	2025 No. Ordinary Shares	2024 No. Ordinary Shares
Beginning and end of year	706,215,986	706,215,986
End of year	706,215,986	706,215,986

Notes to the parent company financial statements (continued)

11 Share capital and reserves (continued)

11.2 Share premium

	2025 £'000	2024 £'000
Beginning of year	17,630	17,630
End of year	17,630	17,630

11.3 Capital redemption reserve

At the Company's Annual General Meeting on 27 March 2015, the Company was authorised to enter into a contract for the off-market purchase of all of the Deferred Shares of £0.009 each in its capital for cancellation. A single new Ordinary Share of £0.01 was issued by the Company on that date to finance the off-market purchase. In accordance with Section 733 of the Companies Act 2006, this cancellation of shares created a capital redemption reserve. Article 3 of the Companies (Reduction of Share Capital) Order 2008 (SI 2008/1915) allows such reduction to be treated as a realised profit and it therefore may be used to distribute to shareholders or used to buy back shares.

11.4 Merger reserve

The merger reserve represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue, in connection with acquisitions.

11.5 Other reserve

The Other reserve relates to share-based employee remuneration to be settled in equity. Further detail is provided in note 7 of the consolidated financial statements.

12. Related party transactions

There were related party transactions during the year. Further detail is provided in note 23 of the consolidated financial statements.

13. Contingent liabilities

There are no contingent liabilities at 30 September 2025 (2024: nil).

14. Post-Balance Sheet Event

Subsequent to the reporting date of 30 September 2025, the Company held a General Meeting on 27 March 2026 at which shareholders approved a capital reorganisation, a subscription for new ordinary shares and the adoption of a new employee share option scheme.

Following approval of the resolutions, the Company implemented a capital reorganisation whereby each existing ordinary share of 1 penny was subdivided and reclassified into one new ordinary share of 0.01 pence and one deferred share of 0.99 pence. The deferred shares carry no voting rights, dividend rights or rights to attend general meetings and are intended to be cancelled in due course.

The Company also completed a subscription for 229,166,666 new ordinary shares at a price of 0.12 pence per share, raising gross proceeds of £275,000 (approximately £260,000 net of expenses). The new ordinary shares rank pari passu with the existing ordinary shares and are expected to be admitted to trading on AIM on or around 2 April 2026.

The proceeds of the subscription are intended to fund the Group's growth initiative, Project Brightstar, which is designed to support the expansion of the Group's B2B technology procurement and services activities.

As these events occurred after the reporting date, they are treated as non-adjusting events after the end of the reporting period in accordance with Section 32 of FRS 102, and accordingly no adjustment has been made to the financial statements for the year ended 30 September 2025.

Directors, Secretary and advisers

Directors

Simon Duckworth OBE DL
Non-Executive Chairman

Darron Giddens
Chief Financial Officer

Company Secretary

Darron Giddens

Company number

05259846

Registered office

5 Fleet Place
London
EC4M 7RD

Nominated adviser and broker

Allenby Capital Limited
5 St Helens Place
London
EC3A 6AB

Auditors

Barnes Roffe Audit Limited
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
DA2 6QA

Solicitors

DAC Beachcroft LLP
25 Walbrook
London
EC4N 8AF



CLOUDCOCO
THE FUTURE STARTS NOW

CONTACT INFORMATION

5 FLEET PLACE, LONDON, EC4M 7RD

TEL: 0330 236 9070

EMAIL: HELLO@CLOUDCOCO.CO.UK

 www.cloudcoco.co.uk

