Annual Report & Financial Statements

For the year ended 31 December 2022

Moo Print Limited
Company Number: 05121723

MOO Print Limited

Report and financial statements
for the year ended 31 December 2022

Contents

Page:	
1	Chairman's summary
5	CEO's report and operational highlights
8	Strategic report
11	Directors' report
15	Corporate governance report
17	Independent auditor's report
21	Consolidated statement of profit or loss and other comprehensive income
23	Consolidated statement of financial position
25	Consolidated statement of changes in equity
26	Consolidated statement of cashflows
27	Company statement of financial position
29	Company statement of changes in equity
30	Notes to the consolidated financial statements

Directors

S Ashman (alternate)
F Castellucci (alternate)
B Holmes
R Klein
R Moore
R Moross
D Shapland (Chairman)

Secretary and registered office
Katharine Burns, Labs Triangle, Stables Market, Chalk Farm Road, London, England, NW1 8AB

Company number
05121723

Auditor
BDO LLP, 55 Baker Street, London, W1U 7EU

Chairman’s Summary

2022 saw MOO deliver record adjusted EBITDA and adjusted EBITDA margin, as defined on page 21, in a year largely free of negative Covid impacts. This robust performance demonstrates the benefits of the difficult decisions we took in 2020 to restructure and reset the business, with strong operating cash generation allowing us to reinvest heavily in our growth plans. In addition we clearly benefited from the return to office of a number of businesses post the Covid shutdowns reflecting in a very strong first half of the year.

The development of our Branded Merchandise offering remains our focus, and this significant expansion of our product range is expected to underpin growth prospects for the business well into the future. This expansion will require significant further investment in our new technology platform, building on the work done in 2022 to allow us to better merchandise these new products.

Another vital investment during 2022 was in our new US manufacturing facility in East Providence. Completion of the fit out of this plant during the year has considerably increased our US manufacturing footprint and is set to deliver gross margin improvements in future periods in what is, by far, our largest market. The complex move from our previous facility was completed in the first half of 2023, and I would like to thank all those involved in achieving this major change which was no mean feat as the business continued to take orders throughout.

2022 also saw us take possession of our new London Office in Camden. This mixed-use space is just over half the size of our previous headquarters, reflecting the changes to post-pandemic working practices, and is structured to allow our teams to come together and collaborate in a hybrid way, benefitting from modern conferencing technology solutions.

We also continued to pay down our term debt during 2022 and into the first half of 2023, and have subsequently refinanced this debt facility with our UK banking partners. I thank them for their continuing support for which I am very grateful.

I would like to thank Richard, the senior leadership team, and all MOO colleagues for their hard work in delivering the financial results for 2022, and for the significant strategic progress made during the year with the key investment which will be the foundation for the future success of the business.

DocuSigned by:
Darren Shapland
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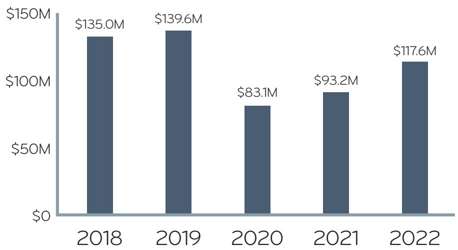
Darren Shapland
Chairman
14 December 2023

2022 Headlines

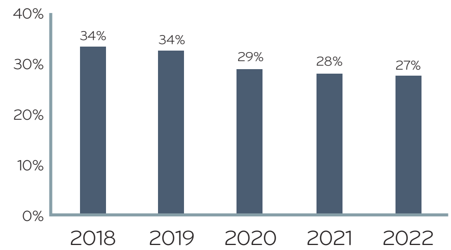
$117.6m Group Revenue	$13.5m Adjusted EBITDA
81% North America Revenue	64% Gross Margin
521k Active Customers	1,015k Orders Shipped
442 Average Full Time Employees	69 USA Net Promoter Score

Financial Progress

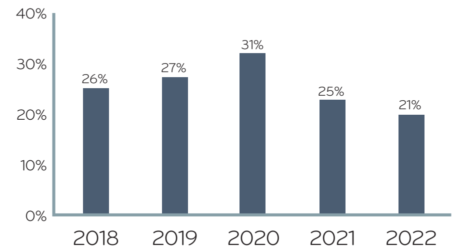
Group Revenue $
Past 5 Years



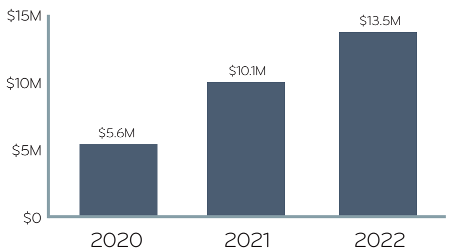
Marketing %
Past 5 Years



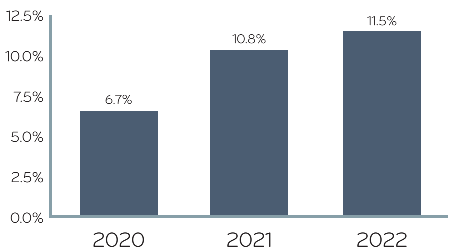
Overheads %
Past 5 Years



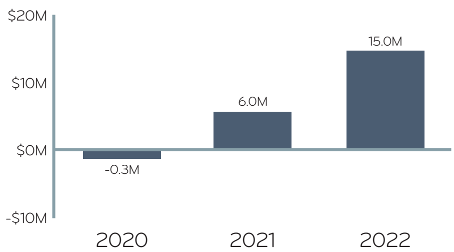
Adjusted EBITDA $
Past 3 Years



Adjusted EBITDA %
Past 3 Years



Net Cash Flows from Operating Activities $
Past 3 Years



Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairments, foreign exchange revaluation of intercompany balances, fair value movements of foreign exchange forwards and exceptional items.

Company Overview

Our Business

MOO is a branding company.

We design, customise and sell print and branded merchandise to help companies bring their brands to life in a sustainable way.

Our Customers

Whilst we serve businesses of all sizes, we focus on small and medium size companies in the USA who care about their brand.

Our Key Differentiators

We Make Remarkable Products

We offer a curated ecosystem of remarkable products, helping our customers stand out with premium, customisable and sustainable options for their work life worlds.

We Deliver The Best Experience

We consistently deliver the best quality, service, and experience, regardless of channel. Wherever, whenever, and whatever: we strive to be the best.

We Are The Authority

We are the authority on great design in the new world of work, helping our customers make confident design decisions and build strong, differentiated brands in this modern world.

Our Growth Strategy

Focus on the USA

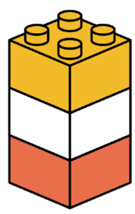
The USA is our largest and most lucrative market. We will focus the majority of our efforts on building our business in the USA.

Expand our Product Range

A broader product range will help us grow new customers as well as increasing our average order size and customer lifetime value amongst existing.

Grow our Bigger Business Offering

Medium sized companies spend more and come back more often. Improving our offering for them will help us develop more of these valuable relationships.

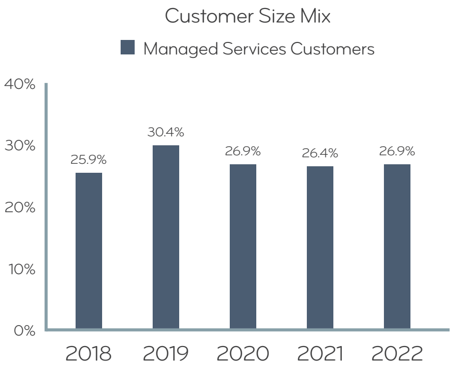


Develop our Platforms

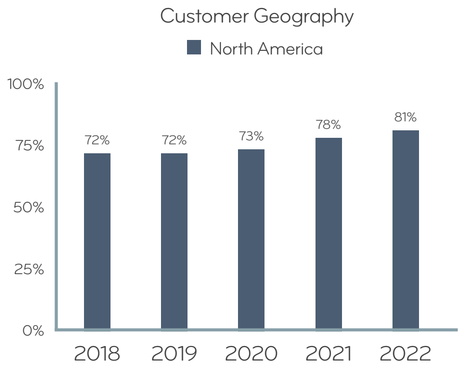
None of our strategies are possible without developing our technology and manufacturing platforms, which underpin everything we do.

Strategic Progress

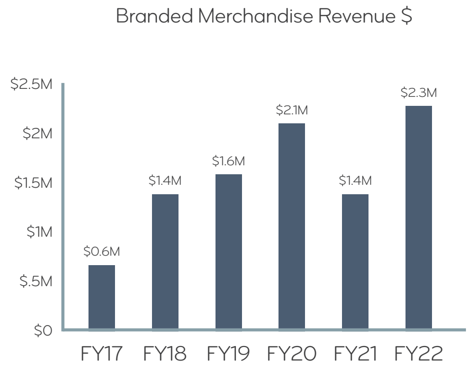
Below are some of the non-financial metrics that we believe tell the story of our progress against our strategy.



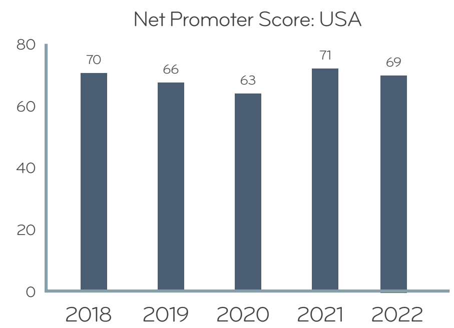
- Our Self Serve customers have been quicker to recover from the impact of the pandemic than Managed Services customers.
- We have been able to mitigate this with a greater focus on Self Serve customers.
- We still believe in the huge potential for our Managed Services business and will continue to invest in developing a market leading service for larger companies.



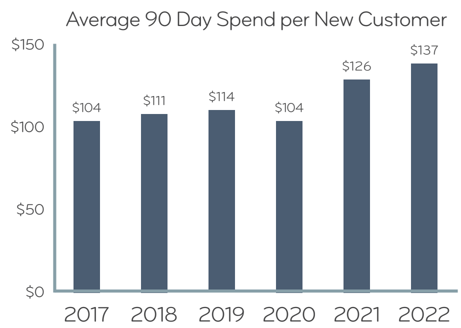
- Our ongoing investment in North America continues to produce strong results.
- Over the past five years we have grown the region from 72% to 81% of total revenues.
- Other markets remain a secondary focus for now.



- Notebooks were our first Branded Merchandise product in 2017.
- We launched our second, Water Bottles, in late 2021.
- The perpetual planner was launched in 2022.
- 2020 included a one-off $0.9m notebook order.
- Our intention is to grow this category considerably in the coming years.



- We monitor NPS in the USA, our largest market, and our focus as a company.
- Despite considerable disruption caused by the pandemic, NPS has recovered well post-pandemic.
- MOO also enjoys a Trustpilot score of 4.7 out of 5.



- Our customers' spend over their first 90 days helps us understand the value we are creating with new cohorts.
- We seek to increase this value by attracting higher spending customers, but also with the introduction of new products and product tiers.
- 90 day spend reached a record high in 2021 and again in 2022, after a dip due to the pandemic.

CEO's Report

2022 was a year of ongoing recovery for MOO, post-COVID. A surge in customer demand helped to drive record financial performance, whilst we also continued to make strategic progress across the business, as we invest further in our brand, our culture, and our customer experience.

The restructuring measures implemented during the pandemic have delivered ongoing benefits, driving efficiencies, strengthening our resilience, and enhancing our financial performance. As global business has returned to normal, increased activity and tight cost control has helped us expand adjusted EBITDA to a record high of $13.5m.

After 16 years of trading, 2022 also saw MOO cross the threshold of $1bn in lifetime revenue.

Our Performance

Our multi-year transformation continues, with record financial results.

Rebounding global trade, the return to the office, conferences, and the revival of in person meetings helped us deliver strong revenue growth and record adjusted EBITDA in 2022.

- Revenue grew 26% from 2021 to $118m, recovering to roughly 84% of pre-COVID levels.
- Despite inflationary headwinds, gross margin was maintained at 64%.
- We served 521k customers in year, shipping over 1m orders, up 21% from 2021.
- Efficiencies in overheads and marketing, along with maintained gross margins, helped us deliver adjusted EBITDA of $13.5m, up 34% y/y, and a new record for the business.

Our Brand

We made some fundamental changes to our brand in 2022, with a new mission and updated core values, all reflecting our growing commitment to ESG and sustainability.

- MOO has a new mission: we're here to help bring brands to life in a sustainable way. To do this we design remarkable products for our customers, for the planet, for everyone. These new statements, set out our intent and ambition as a company for the years to come. Not only does this new positioning speak to our ongoing commitment to design outstanding products, but also to our focus on the planet as a key stakeholder in our thinking.
- We couldn't bring sustainability to our Mission and exclude it from our values, so our MAKEIT values have also been evolved. Make it Simpler has become Make it Sustainable: a timely revision to support our wider sustainability goals as a business.

These initiatives are being built upon in 2023, with a refresh of MOO's visual identity and customer-facing proposition underway in the current financial year.

Our Culture

The pandemic helped us all reflect on the importance of balance in our lives. MOO has emerged with a culture that is more flexible and employee-centric, helping our people deliver their best work in a way that works best for them, whilst also creating value for MOO.

- 2022 was the year we fully adopted and began to live Work 2.0, our culture change programme, with new hybrid and remote work profiles, working from anywhere, and many new employee-centric policies: all of which have been designed to bring purpose, sustainability, inclusion, and greater empowerment to our people, while also reducing our operating costs.
- We moved into our stunning new HQ in Camden Market and began to deliver Phase 1 of our Clubhouse office concept, designed to maximise our in-person office experiences.

CEO’s Report

These changes, across People, Places and Ways of Working, along with the hard work and dedication of our managers and leaders, also helped MOO achieve an Employee Engagement Score of 75 in the year, a new record for the business.

Our Customer Experience

In 2022 we began to ramp up the development of our new technology platform and continued with our investment into our manufacturing infrastructure, with our new home in East Providence nearly complete.

These two major investments are designed to accommodate a wide range of new products and to expand our services for our customers. As we focus our resources on this next generation platform, we will limit development of the existing platform to essential upgrades only.

- We entered the final phase of our move to our new US manufacturing home in East Providence, Rhode Island, which will more than triple our footprint and production capacity. This 110,000 square foot facility embodies our ambitions for growth and transformation over the next decade, paving the way for margin expansion in our core products and the expansion into the branded merchandise market.
- We rolled out our fix to Brexit shipping issues, which should reduce our fulfilment costs and ensure a smoother delivery process for our EU customers going forward.
- We processed $2m of orders on the new platform, for some of our larger customers, demonstrating the capabilities of our newly created back end. We also launched Swan - a customer-facing, lightweight front end for ordering branded merchandise.
- We launched sustainable, flat packed packaging and with it, significantly reduced our packaging SKUs and costs, whilst vastly improving our sustainability credentials. We also launched a range of beautiful paper display boxes, further enhancing our sustainable packaging offering.
- On the physical products side, we launched Perpetual Planners, our answer to the problem of obsolete annual calendars and planners.
- To support our plans to ramp up physical product development, we built out our New Product Development team and started to develop our capabilities and a roadmap for 2023. We have big ambitions for the branded merchandise space and this team will spearhead our efforts.

Outlook

The strategic progress and operational momentum of the last two years have ensured MOO is now a fundamentally stronger and more profitable business than it was ahead of the pandemic.

We have a clear growth strategy, focused on expansion into Branded Merchandise, better leverage of our larger more valuable customers, and further growth in our core North American market, which is both large and highly fragmented.

After two years of rapid growth, we expect 2023 to be a year of consolidation, as we begin to bring new products to market, concentrate on delivering the next generation updates to our technology platform, and fully deploy our new manufacturing home in East Providence, all of which will underpin the next phase of our development.

Our unique premium positioning, combined with this forthcoming evolution of our offer which will deliver a wide range of new products and services to our customers, will ensure MOO is in a strong position to grow over the medium term and we remain excited about the opportunities ahead.

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Richard Moross
Founder and Chief Executive
14 December 2023

VP Finance Report

During 2022 we saw strong positive momentum across all of MOO's key financial metrics as we benefited from a return to pre-pandemic trends with adjusted EBITDA growing by more than 33% year-on-year to $13.5m, and net cash generated from operating activities increasing by $9.0m to +$15m. Both of these are records for the business and demonstrate the positive impact of the financial refocus implemented during the pandemic, from which we continue to benefit.

In addition, each quarter of 2022 demonstrated year-on-year growth of both revenue and adjusted EBITDA and saw continued delivery of increased operating leverage. In comparison to pre-pandemic 2019, spend on Sales and Marketing has been reduced to 27.3% of revenue (vs 33.5% in 2019), through whether such a reduction in marketing spend remains the right course of action in future periods remains to be determined. Reductions in overheads have also been achieved, being 21.4% of revenue in 2022 (vs 27.4% in 2019), helping to deliver a significant improvement to adjusted EBITDA margin of 11.5% in 2023 (vs 9.4% in 2019) and up from 10.8% in 2021.

North America delivered 81% of total revenue, up from 78% in the prior year, and the move to an appreciably larger manufacturing facility in East Providence, Rhode Island in 2023 reinforces our strategy to invest in the North American market.

As in prior periods, 2022 contains a fair value movement on our Future Fund convertible loan note, this year resulting in a charge of $2.8m, with the notional interest charge being related in the most part to an increase in estimated value of the Group. Subsequent to the period end, we extended the maturity of this convertible loan note by a further 24 months to September 2025, providing increased flexibility and cash headroom. Taking account of the committed support of a significant number of loan note holders, it is envisaged that the majority of the instrument will convert into equity at maturity.

Throughout 2022 and into 2023, we continued to repay our term debt in line with the 2020 revised terms and covenants. We remained well within our debt covenants throughout the period and into 2023. Subsequent to the period end, we refinanced our entire commercial debt facility with our highly supportive UK banking partner to an increased $20m facility, maturing at the end of 2027. This gives us the ability to continue to invest in our replatforming and branded merchandise strategy whilst also providing additional headroom should the need arise.

MOO is in a very strong financial shape, with increasing generation of cash from operating activities and continued improvements to operating leverage which put the business in a very robust position to weather macro challenges in the periods ahead.

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Benjamin Smith
VP Finance
14 December 2023

Principal activities, trading review and future developments

The principal activity of the Group is to produce and sell personalised printed products and branded merchandise. MOO's primary products are business cards, postcards, flyers, stickers, notebooks and water bottles, which are sold to small and medium sized businesses worldwide. MOO offers an award-winning website which allows customers to use proprietary design templates to create high quality products online. Its largest market is North America. Larger customers utilise the 'Managed Services' order management platform. The Group continues to invest in improvements to existing product and platforms, and in the development and launch of new products. During the period, the Group launched its new perpetual planner.

Presentational currency

The Group's consolidated financial statements presentational currency is in US Dollars, as a significant portion of revenues and costs for the Company are denominated in this currency. It should be noted that the functional currencies of each of the Group's subsidiaries, functional currencies referring to the currencies of the primary economic environments in which underlying businesses operate, remain unchanged.

Principal risks and uncertainties

Foreign exchange risk

The Group is exposed to foreign currency risk on its operations by virtue of entering into transactions in currencies other than the Parent and subsidiaries' functional currencies. In order to manage this risk the Group makes use of natural hedges where possible, purchasing goods and services where its revenues are earned. The Group also makes use of forward contracts to mitigate foreign currency risk.

Liquidity risk

The Group monitors cash flow as part of its day-to-day control procedures to ensure appropriate financing is available as necessary. The Group meets its day-to-day working capital requirements through a revolving credit facility, trade loans and ongoing operating cash flows.

In additional to financial risks; the Group is exposed to a number of risks arising from its operations.

The markets for the Group's products are competitive and the Group seeks to mitigate this risk by differentiating itself by offering its services exclusively online, by investing heavily in brand marketing to emphasise its premium quality, by ensuring that the product range is of both high quality and design as well as continuing to add new products and features and continues to invest heavily in future product development and evolution.

By virtue of the Group's operations in the online retail industry, it is exposed to changes in demand arising from changes in global economic conditions. The Group seeks to minimise this risk by competitively pricing its products and by spending significantly in promoting the 'MOO' brand and its products both online and offline.

The Group is exposed to the risk that poor quality products or service levels may have a detrimental effect on the reputation of the results of the Group. In order to manage this risk, the Group has vertically integrated operations from website through to product to customer support over which it has direct control and has robust quality control processes in place to ensure that all products meet the required standards of quality.

Brexit

The United Kingdom ('UK') formally left the European Union ('EU') on 31 January 2020. The UK entered a transition period, being an intermediary arrangement covering matters like trade and border arrangements, citizens' rights and jurisdiction on matters including dispute resolution, taking account of The EU (Withdrawal Agreement) Act 2020, which ratified the Withdrawal Agreement, as agreed between the UK and the EU.

As the Group operates in many countries, including a significant proportion of the Group's activity in North America, there are channels available which will not be impacted. However the Group does have transactions with customers and suppliers that are based in the EU. As such, the Directors and Senior Leadership Team are continuing to closely monitor the situation to be in a position to manage the risk of any volatility in global financial markets and impact on Group's economic performance due to Brexit. During 2022 various solutions have been explored to ensure a smoother experience for the Group's EU customers, and to mitigate any additional financial impact.

Going Concern

The Group and Parent Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report, together with the financial position of the Company, its cash flows and liquidity position.

Various sensitivity analyses have been performed to reflect a variety of possible cash flow scenarios where the Group and Company achieves significantly reduced revenues for at least a twelve-month period following the date of this Annual Report. In these scenarios costs have been reduced to demonstrate that the Group does not breach its debt covenants, and remains in a healthy cash position. Overall, the Directors have prepared cash flow forecasts covering a period of at least twelve months from the date of approval of the financial statements, which foresee that the Group will be able to operate within its existing facilities. In addition the Directors would be able to identify further cost savings if necessary to offset further reduced revenues. Furthermore, the Group has an irrevocable commitment from a majority of its Future Fund loan note holders that, at the date of maturity, all of their holdings will be converted to Equity and in addition the Group has refinanced its debt, as mentioned in note 38 (post balance sheet events).

While the Directors have no reason to believe that customer revenues and receipts will decline to the point that the Group no longer has sufficient resources to fund its operations, nor breach its bank debt covenants, should this occur the Group may need to seek additional funding beyond the facilities that are currently available to it through a placement of shares or source of funding, as well as making necessary reductions in its cost base.

For the reasons set out above, the financial statements are prepared on a going concern basis.

Key performance indicators (KPIs)

Management drives business performance and growth through the setting of clearly defined and measured KPIs. The KPIs that are used to monitor and manage the business are primarily:

	2022	2021
	$'000	$'000
Revenue	117,584	93,173
Gross Profit	75,354	59,264
Staff Costs	34,655	28,564
Adjusted EBITDA	13,498	10,094
Average Full Time employees	442	362
Active customers ('000)	1,015	458

Statement of Compliance with Section 172 of the Companies Act 2006

Legislation requires that Directors include a separate statement in the annual report that explains how they have had regard to wider stakeholder needs when performing their duty under Section 172(1) of the Companies Act 2006. This duty requires that a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long term;
b) the interests of the company's employees;
c) the need to foster the company's business relationships with suppliers, customers and others;
d) the impact of the company's operations on the community and the environment;
e) the desirability of the company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly as between members of the company.

Guidance recommends that in connection with its statement, the board describe in general terms how key stakeholders, as well as issues relevant to key decisions, are identified, and also the processes for engaging with key stakeholders and understanding those issues. It is the board's view that these requirements are predominantly addressed in the corporate governance disclosures we have made in the Directors' report, which are themselves more extensively discussed on the Company's website. Guidance also recommends that more detailed description is limited to matters that are of strategic importance in order to remain meaningful and informative for shareholders. The board believes that the following decisions taken during the year fall into this category, and engaged with internal and external stakeholders on them.

- The Group's Work 2.0 strategy, allowing for hybrid and remote working during the period and beyond, allowing it to reduce its cost of facilities, whilst embracing new technology across its employee base.

- The decision to emphasise the Group's focus on Northern America. The benefit of focussing on North American customers allows the Group to increase customer lifetime value, delivering greater Adjusted EBITDA in the short and longer term.

- The Group has moved to a significantly larger Northern American manufacturing facility in East Providence, Rhode Island increasing capacity and driving production efficiencies.

A balanced and comprehensive analysis to aid an understanding of the development, performance and standing position of the business during the year is included in the Chairman's summary and the CEO's report.

Research and development

The Group continues to invest heavily in research and development and as such capitalised development amounted to \$2.5million (2021 - \$2.1 million). This has resulted in improvements to existing products and platform and the creation and launch of new products throughout the year.

Approval

This strategic report was approved on behalf of the Board on 14 December 2023.

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Richard Moross
Director

The Directors present their report together with the audited financial statements for the year ended 31 December 2022.

Results and dividends

Adjusted EBITDA amounted to $13.5 million (2021 - $10.1 million) and operating profit amounted to $4.8 million (2021 – profit of $3.4 million), with an overall profit for the financial year of $1.1 million (2021 - loss of $20.1 million).

The Directors have not recommended a dividend in the current year (2021- nil).

Directors

The Directors of the Company during the year and subsequent to year-end were:

S Ashman (appointed on 23rd May 2023 as an alternate to R Klein representing the same shareholding)
F Castellucci (appointed on 2nd June 2023 as an alternate to R Moore, and representing the same shareholding)
B Holmes
R Klein
R Moore
R Moross
D Shapland

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 financial statements for each financial year. Under that law, the Directors have elected to prepare the Group financial statements in accordance with UK adopted International Financial Reporting Standards (IFRS). 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 Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

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

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

Financial risk management objectives and policies

Details of the financial risk management objectives and policies are set out in the strategic report.

Post balance sheet events

Subsequent to the end of the period:

- 47,619 warrants over 'A' preferred ordinary shares in Moo Print Limited were exercised with an aggregate nominal value of $0.06 and total consideration received of $178,273;
- the Group's debt facility was refinanced, to an increased $20 million facility with a maturity date of December 2027;
- the Group's convertible loan note had its maturity extended by a further twenty-four months to September 2025 by all loan note holders, including the British Business Bank, and an irrevocable commitment from a majority of its Future Fund loan note holders has been extended such that at the new date of maturity, all of their holdings will be converted to equity.

Future developments

Information on future developments has been included in the strategic report as permitted by S414C (11) of the Companies Act 2006.

Employment of disabled persons

MOO is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability or perceptions of it.

MOO's human resource procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons.

Employee involvement

MOO puts on regular All Hands meetings which bring the entire organisation together to share business updates, and give employees the opportunity to ask any questions they may have. These sessions also provide a forum for management to outline the strategic and operational goals of the business including the financial and economic factors affecting the performance of the Group. MOO undertakes staff surveys to canvas views on significant matters, and maintains a human resources intranet site which provides information on matters of concern to employees.

Engagement with employees

MOO continues to focus on building channels that ensure the Group is effectively listening and responding to employees and their concerns. In doing so, MOO is able to identify opportunities to better meet employee needs, help them with their career progression and build the skills required to continue helping the business thrive. During the period, MOO continued to undertake regular Employee Engagement Surveys, to better understand and evaluate the engagement of its employee base and better deliver improved employee experiences.

MOO strives to create a diverse and inclusive working environment where every employee feels welcome and is able to do their best work. The Group believes in the benefits of diversity and the importance of bringing a wide range of skills, experience and perspectives into the business. The management team work to promote the Group's values and monitor attitudes and behaviours to ensure that they are consistent with MOO's culture.

The Group supports employee involvement in the local community and charities through MOO's Make A Difference corporate giving program.

Engagement with suppliers, customers and partners in a business relationship with the Group

Suppliers

Being dependent on suppliers to deliver goods and services, MOO strives to manage these relationships as closely as possible to ensure they meet the necessary standards. The Group is committed to ensuring the highest standards of quality across operations and require MOO's suppliers and partners to operate to the same level.

Customers

MOO is passionate about great design and the difference it can make to its customers. With award-winning customer service and a 100% satisfaction guarantee, MOO strives to ensure each customer is happy with their experience and their order.

Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019. Under SECR legislation, MOO meets the reporting thresholds and is therefore required to report on its energy and carbon consumption. Despite this, sustainability remains a key focus for the Group. The Group has reviewed the relevant activities, relating to buildings and car travel, and made the calculations, as shown below.

SECR emissions

The Group's SECR carbon emissions for the calendar year 2022 amounted to 945 tCO2e, with 82% arising from electricity consumption. When the purchase of green energy is taken into account, total 'market-based' emissions reduce to 261 tCO2e. Due to opening a new factory in the USA, in FY22 the Group's overall emissions increased by 24%.

The Group's USA operations are responsible for 82% of emissions (or 91% when including green energy).

The table below provides a detailed breakdown of the Group's Scope 1, 2 and 3 energy and carbon emissions.

SECR Energy & Carbon Emissions (kWh & tCO_2e)

SECR Report - 2022	Unit	UK	USA	Total	Total - 2021
Energy consumption	kWh	887,774	2,507,342	3,395,116	2,760,228
Scope 1 - Direct Emissions	tCO_2e	18.7	144.4	163.1	99.4
Scope 2 - Energy Indirect Emissions - location based	tCO_2e	151.5	628.1	779.6	661.7
Scope 2 - Energy Indirect Emissions - market-based	tCO_2e	4.4	90.8	95.2	7.2
Scope 3 - Other Indirect Emissions	tCO_2e	0.4	2.0	2.4	2.0
Total SECR Emissions - location based	tCO_2e	170.6	774.5	945.1	763.1
Relative SECR Emissions - location-based	tCO_2e/$m	7.8	8.1	15.9	17.6
Taking into account green energy purchased:					
Total SECR Emissions - market-based	tCO_2e	23.5	237.2	260.7	108.6
Relative SECR Emissions - market-based	tCO_2e/$m	1.1	2.5	3.6	2.1

SECR Emissions Calculations - Methodology

The Group has reported on all the emission sources required by SECR, under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

It has followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2022.

For SECR reporting, Scope 1 (Direct) emissions are those arising from natural gas heating and company vehicles. Scope 2 (Energy Indirect) emissions are from electricity. Scope 3 (Other Indirect) emissions come from grey fleet and hire vehicles. These are separated by the UK and USA.

Location-based emissions are calculated as the average emissions intensity of the electricity grid, while market-based emissions take into account green energy purchasing.

The Group's approach to sustainability

The Group considers that it impacts sustainability in three main areas - Product, People and Planet. During the period and continuing into 2023, the Group has carried out the following activities:

- Produced a sustainability manifesto setting out its approach to environmental best practice, equity and business transparency. It contains aims in the Group's three main areas of impact and makes commitments to actions it is doing or is going to do between 2022 and 2025. A more detailed and comprehensive plan will be published in 2025.
- Created a series of Objectives and Key Results (OKRs) to begin the implementation of the commitments made in the manifesto. Objectives during the period and going into 2023 include:
    - Planet - Measuring and reducing our carbon emissions.
    - Product - Defining the sustainable impact measure of new products and reducing it.
    - People - Increasing the Group's engagement survey score regarding employees' belief in the genuineness of the Group's commitment to sustainability.
- As part of its manifesto work, the Group has updated its values to include a new one: Make it Sustainable. It is believed that this will result in many small changes across the Group, from product design to communication.

Going concern

In consideration of the Company's current resources and review of financial forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the approval of the financial statements. For further information on going concern, see Note 2 of the financial statements.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the strategic report on pages 8-10. These matters relate to the principal risks to which the Company is exposed and future developments.

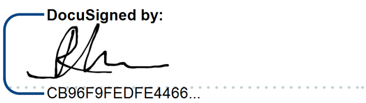
Auditor

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office and will be automatically reappointed under the Companies Act 2006.

On behalf of the board

Richard Moross
Director



14 December 2023

Corporate Governance Statement

The Board's objective is to build a sustainable business through consistent profitable growth and to make sure that it acts responsibly in meeting its accountabilities to shareholders. Sound corporate governance is key to achieving this objective.

During 2022 the Company's board met on a regular basis. These sessions were generally attended by the whole Board. The Company also has Director only sections independent of the Senior Leadership Team where necessary.

The Board's responsibilities in 2022 included, but were not limited to, the following matters:

- Shareholders' agreement – ways of working and consents.
- Strategy and management, approval of the annual budget, overseeing the Company's operations and understanding quarterly objectives and key results.
- Structure and capital.
- Key contracts.
- Audit, financial reporting and controls.
- Receiving reports on the wellbeing of the Company's employees through, for example, engagement and pulse survey results.
- The review of data such as key performance indicators, workforce data, stakeholder engagement feedback and consumer data.
- A twice-yearly audit and risk session (see below).
- A twice-yearly remuneration session (see below).
- Any other matter which because of its strategic risk, financial, key person, regulatory or reputational consequences should be addressed by the Board.

Before meetings, the Board was provided with clear and up-to-date executive summaries of the issues to be discussed. In the audit and risk sessions, the Board reviewed a wide range of financial and corporate reporting matters, as well as internal control and risk-management issues. It also reviewed published financial results and information for statutory and regulatory compliance.

Audit and Risk and Remuneration

The Company does not operate through committees but instead has specific, separate sessions of the full board related to Audit and Risk and Remuneration which all Directors and the Company Secretary attend.

Audit and risk

The board has twice yearly Audit and Risk sessions. In these sessions the Board:

- reviews a wide range of accounting and financial reporting matters, as well as internal control and risk management issues.
- reviews the published financial results, Annual Report and other published information for statutory and regulatory compliance.
- approves the results announcements and the Annual Report.

The VP of Finance and the external auditors (BDO LLP) attend by invitation as considered appropriate.

Remuneration

The board has twice yearly Remuneration sessions. The senior executives of the Group may be invited to attend these sessions of the Board to advise Board members, discuss the performance of senior staff and to make proposals as necessary. Professional advisers and other persons with relevant experience may also be invited to attend except for deliberations relating to that person's remuneration if applicable. No Director plays a part in any discussion about his own remuneration.

Environmental, social and corporate governance (ESG)

The Board has twice yearly ESG sessions. In these sessions the Board considers the non-financial risks and opportunities inherent in the Company's day to day activities regarding:

- Environment (such as emissions, resources use and the long term business advantage of positive sustainability).
- Social (such as management of employee development, labour practices, safety and quality of product, supply chain labour, health and safety standards and sourcing issues).
- Governance (such as shareholders rights, compensation and alignment with sustainability performance and corporate behaviour).

Opinion on the financial statements

In our opinion:

- 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 31 December 2022 and of the Group's profit 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 UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Moo Print Ltd ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2022 which comprise the Consolidated statement of profit or loss and other comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, the Company statement of financial position, the Company statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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 or 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 Directors are responsible for the other information. The other information comprises the information included in the CEO's report and operational highlights, Strategic report, Directors' report, Corporate governance report, other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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.

In the light of the knowledge and understanding of the Group and the Parent Company and its 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities in the Directors' report, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and the Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, tax law including PAYE and VAT.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to detecting and responding to the risks of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be Management override of controls and Fraud in Revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias such as capitalisation of intangible assets by testing a sample of internal payroll costs capitalised to check whether they meet the capitalisation criteria under IAS38; and
- Assessing the classification of exceptional items with respect to the disclosure policy in the financial statements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Emma Jarvis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 14 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MOO Print Limited

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Revenue	7	117,584	93,173
Cost of sales		(42,230)	(33,909)
Gross Profit		75,354	59,264
Administrative expenses		(61,856)	(49,170)
Analysed as:			
Adjusted EBITDA		*13,498*	*10,094*
Depreciation and amortisation	*13, 15, 17*	*(5,557)*	*(5,993)*
Impairment charge of intangible assets	*13*	*(38)*	*(127)*
Exceptional items	*8*	*(319)*	*(591)*
Forward contract (losses)/ gains	*8*	*(1,497)*	*2*
FX revaluation of intercompany balances	*8*	*(1,282)*	*56*
Operating profit		4,805	3,441
Finance income		3	-
Finance expense	10	(3,722)	(23,222)
Profit/(loss) on ordinary activities before taxation		1,086	(19,781)
Taxation	11	8	(286)
Profit/(loss) for the financial year attributable to the owners of the parent		1,094	(20,067)
Profit/(loss) for the year		1,094	(20,067)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Fair value movement on convertible loan note		(352)	-
Items that will or may be reclassified to profit or loss:			
Exchange gains arising on translation of foreign operations		4,010	109
Total comprehensive income/ (expenditure) attributable to the owners of the parent		4,752	(19,958)
Earnings per share:			
Basic (cents)	12	28.97	(558.64)
Diluted (cents)		27.21	(558.64)

The group defines Adjusted EBITDA as earnings before interest, tax, depreciation, amortisation, impairments, foreign exchange revaluation of intercompany balances, fair value movements of foreign exchange forwards and exceptional items.

The accompanying accounting policies and notes on pages 30 to 72 form an integral part of these financial statements.

Consolidated statement of financial position
As at 31 December 2022

	Note	31 December 2022 $'000	31 December 2021 $'000
Assets			
Non-current assets			
Intangible assets	13	5,121	5,266
Property, plant and equipment	15	6,160	2,286
Right-of-use assets	17	19,166	3,613
Non-current receivables	20	1,944	1,526
Deferred tax asset	11	771	641
Total non-current assets		33,162	13,332
Current assets			
Inventory	22	5,814	2,758
Trade and other receivables	24	5,842	5,357
Corporation tax receivable		986	994
Cash and cash equivalents		3,747	8,384
Total current assets		16,389	17,493
Total assets		49,551	30,825
Liabilities			
Current liabilities			
Trade and other payables	26	(20,066)	(14,625)
Forward contract	26	(1,312)	-
Lease liabilities	17, 26	(3,282)	(1,716)
Loans and borrowings	26, 30	(35,664)	(7,917)
Total current liabilities		(60,324)	(24,258)
Non-current liabilities			
Lease liabilities	17, 28	(16,235)	(3,299)
Loans and borrowings	28, 30	-	(35,862)
Provisions	28	(416)	(177)
Deferred tax liability	11	(756)	(280)
Total non-current liabilities		(17,407)	(39,618)
Total liabilities		(77,731)	(63,876)
Net liabilities		(28,180)	(33,051)
Equity attributable to equity holders of the Company			
Share capital	35	4	4
Share premium	36	16,217	16,216
Translation reserve	36	126	(3,884)
Fair value through OCI reserve	36	(352)	-
Other reserve	36	2,812	2,812
Accumulated deficit	36	(46,987)	(48,199)
Total equity		(28,180)	(33,051)

The financial statements on pages 21 to 72 were approved and authorised for issue by the Board of Directors on 14 December 2023 and were signed on its behalf by:

DocuSigned by:
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R Moross
Company registration number: 05121723

The accompanying accounting policies and notes on pages 30 to 72 form an integral part of these financial statements.

MOO Print Limited

Consolidated statement of changes in equity
For the year ended 31 December 2022

	Share Capital	Share Premium	Translation reserve	Fair value through OCI reserve	Other reserves	Accumulated deficit	Total deficit
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Equity as at 1 January 2021	4	16,186	(3,993)	-	2,812	(28,210)	(13,201)
Loss for the year	-	-	-	-	-	(20,067)	(20,067)
Other comprehensive income	-	-	109	-	-	-	109
Total comprehensive income/ (loss) for the year	-	-	109	-	-	(20,067)	(19,958)
Exercise of share options and restricted share agreements	-	30	-	-	-	-	30
Share based payments	-	-	-	-	-	78	78
Equity as at 31 December 2021	4	16,216	(3,884)	-	2,812	(48,199)	(33,051)
Profit for the year	-	-	-	-	-	1,094	1,094
Other comprehensive income	-	-	4,010	(352)	-	-	3,658
Total comprehensive income/(loss) for the year	-	-	4,010	(352)	-	1,094	4,752
Exercise of share options and restricted share agreements	-	1	-	-	-	-	1
Share based payments	-	-	-	-	-	118	118
Equity as at 31 December 2022	4	16,217	126	(352)	2,812	(46,987)	(28,180)

The accompanying accounting policies and notes on pages 30 to 72 form an integral part of these financial statements.

MOO Print Limited

Consolidated statement of cashflows
For the year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Profit/(loss) for the financial year		1,094	(20,067)
Adjustments for:			
Taxation on ordinary activities	11	(8)	286
Depreciation of property, plant and equipment	15	1,013	1,092
Amortisation of right-of-use assets	17	2,337	1,523
Loss on disposal of property, plant and equipment	15	-	210
Loss on disposal of right-of-use assets	17	152	229
Amortisation of intangible assets	13	2,207	3,378
Impairment of property, plant and equipment	8,17	-	1,355
Impairment of intangible assets	13	38	127
Share based payment charge	8	118	78
Net interest payable		966	710
Convertible loan note fair value movement		2,756	22,916
Forward contract fair value movement		1,497	-
Foreign exchange movement		1,282	(533)
Changes in working capital			
(Increase) in inventories		(3,175)	(1,091)
(Increase) in trade and other receivables		(1,278)	(1,469)
Increase/(decrease) in trade and other payables		5,079	(2,239)
Increase/(decrease) in provisions		239	(762)
Taxation received		95	-
R&D tax credit received		198	254
Net cash flows from operating activities		14,610	5,997
Investing activities			
Payments to acquire property, plant and equipment		(4,730)	(388)
Payments to acquire intangible assets	13	(2,636)	(2,309)
Net cash used by investing activities		(7,366)	(2,697)
Financing activities			
Payment of lease obligations		(2,423)	(3,662)
Interest paid on IFRS 16 leases	17	(464)	(116)
Exercise of share options and restricted share agreements	35	1	31
Interest received		3	-
Interest paid: bank loans	30	(472)	(659)
Repayment of bank loans	30	(8,048)	(1,333)
Net cash used by financing activities		(11,403)	(5,739)
Net decrease in cash and cash equivalents		(4,159)	(2,439)
Exchange (losses)/ gains on cash and cash equivalent		(478)	142
Cash and cash equivalents at beginning of year		8,384	10,681
Cash and cash equivalents at end of year		3,747	8,384

The accompanying accounting policies and notes on pages 30 to 72 form an integral part of these financial statements.

MOO Print Limited

Company statement of financial position
For the year ended 31 December 2022

	Note	31 December 2022 $'000	31 December 2021 $'000
Assets			
Non-current assets			
Intangible assets	14	5,106	5,231
Property, plant and equipment	16	1,122	1,291
Right-of-use assets	18	7,083	1,442
Investments	19	-	15
Non-current receivables	21	1,009	324
Deferred tax asset	11	771	641
Total non-current assets		15,091	8,944
Current assets			
Inventory	23	1,654	982
Trade and other receivables	25	3,641	2,368
Corporation tax receivable		326	325
Cash and cash equivalents		1,567	6,943
Total current assets		7,188	10,618
Total assets		22,279	19,562
Liabilities			
Current liabilities			
Trade and other payables	27	(11,655)	(11,512)
Forward contract	27	(1,312)	-
Lease liabilities	18, 27	(1,244)	(515)
Loans and borrowings	27, 31	(35,664)	(7,917)
Total current liabilities		(49,875)	(19,944)
Non-current liabilities			
Lease liabilities	18,29	(5,936)	(1,363)
Loans and borrowings	29, 31	-	(35,862)
Provisions	29	(416)	(177)
Total non-current liabilties		(6,352)	(37,402)
Total liabilities		(56,227)	(57,346)
Net liabilities		(33,948)	(37,784)
Equity attributable to equity holders of the Company			
Share capital	35	4	4
Share premium	36	16,217	16,216
Translation reserve	36	126	(3,884)
Fair value through OCI reserve	36	(352)	-
Other reserve	36	2,812	2,812
Accumulated deficit	36	(52,755)	(52,932)
Total equity		(33,948)	(37,784)

MOO Print Limited

Company statement of financial position
For the year ended 31 December 2022 (continued)

The Company made a profit of $59,000 (2021: loss $20,548,000). As permitted by section 408 of the Companies Act, no separate Income Statement is presented in respect of the Company.

The financial statements were approved by the Board of Directors and authorised for issue on 14 December 2023.

R Moross
Director

DocuSigned by:

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The accompanying accounting policies and notes on pages 30 to 72 form an integral part of these financial statements.

MOO Print Limited

Company statement of changes in equity
For the year ended 31 December 2022

	Share Capital	Share Premium	Translation reserve	Fair value through OCI reserve	Other reserves	Accumulated deficit	Total deficit
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Equity as at 1 January 2021	4	16,186	(3,993)	-	2,812	(32,462)	(17,453)
Loss for the year	-	-	-	-	-	(20,548)	(20,548)
Other comprehensive income	-	-	109	-	-	-	109
Total comprehensive profit/ (loss) for the year	-	-	109	-	-	(20,548)	(20,439)
Exercise of share options and restricted share agreements	-	30	-	-	-	-	30
Share based payments	-	-	-	-	-	78	78
Equity as at 31 December 2021	4	16,216	(3,884)	-	2,812	(52,932)	(37,784)
Profit for the year	-	-	-	-	-	59	59
Other comprehensive income	-	-	4,010	(352)	-	-	3,658
Total comprehensive profit/ (loss) for the year	-	-	4,010	(352)	-	59	3,717
Exercise of share options and restricted share agreements	-	1	-	-	-	-	1
Share based payments	-	-	-	-	-	118	118
Equity as at 31 December 2022	4	16,217	126	(352)	2,812	(52,755)	(33,948)
Equity as at 31 December 2022							

The accompanying accounting policies and notes on pages 30 to 72 form an integral part of these financial statements.

1. Company Information

The consolidated financial information represents the results of MOO Print Limited (the "Parent Company") and its subsidiaries, together comprising the "Group".

MOO Print Limited ("MOO") is a private limited company incorporated on 7 May 2004 in England and Wales, registration number 05121723. The Company's registered office is Labs Triangle, Stables Market, Chalk Farm Road, London, England, NW1 8AB.

The principal activity of the Group is to produce and sell personalised printed products and branded merchandise. MOO's primary business products are business cards, postcards, flyers, stickers, notebooks and water bottles, which are sold to small and medium sized businesses worldwide.

2. Basis of preparation

These financial statements have been prepared in accordance with UK adopted International financial reporting standards ("IFRS") and applicable law.

The principal accounting policies in the preparation of the consolidated financial statements are set in note 3.
The policies have been consistently applied to all the years presented, unless otherwise stated. Due to the fact that the majority of revenues and significant expenses for the Company are denominated in US Dollar, the board believes that USD financial reporting provides the most relevant presentation of the Group's financial position, funding and treasury functions, financial performance and cash flows. Therefore, the consolidated and Parent Company financial statements are presented in USD ($).

Amounts are rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 5.

Parent Company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 101:

- no cash flow statement has been presented for the Parent Company;
- no disclosure has been given for related party transactions between wholly owned group companies, including transactions with the Parent Company; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

Accounting convention

The financial information has been prepared on a going concern basis using the historical cost convention, except for the convertible loan note and forward contracts which are measured at fair value. The accounting policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of consolidation

The Group financial information consolidates those of the Company and the subsidiaries over which the Company has control. Control is established when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and could affect those returns through its power over the subsidiary. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date control ceases.

Basis of preparation (continued)

Going Concern

The Group and Parent Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report, together with the financial position of the Company, its cash flows and liquidity position.

Various sensitivity analyses have been performed to reflect a variety of possible cash flow scenarios where the Group and Company achieves significantly reduced revenues for at least a twelve-month period following the date of this Annual Report. In these scenarios costs have been reduced to demonstrate that the Group does not breach its debt covenants, and remains in a healthy cash position. Overall, the Directors have prepared cash flow forecasts covering a period of at least twelve months from the date of approval of the financial statements, which foresee that the Group will be able to operate within its existing facilities. In addition the Directors would be able to identify further cost savings if necessary to offset further reduced revenues. Furthermore, the Group has an irrevocable commitment from a majority of its Future Fund loan note holders that, at the date of maturity, all of their holdings will be converted to Equity and in addition the Group has refinanced its debt, as mentioned in note 38 (post balance sheet events).

While the Directors have no reason to believe that customer revenues and receipts will decline to the point that the Group no longer has sufficient resources to fund its operations, nor breach its bank debt covenants, should this occur the Group may need to seek additional funding beyond the facilities that are currently available to it through a placement of shares or source of funding, as well as making necessary reductions in its cost base.

For the reasons set out above, the financial statements are prepared on a going concern basis.

3. Significant accounting policies

Revenue Recognition

Sales of products

Revenue for the sale of print products and branded merchandise is at the transaction price to which MOO expects to be entitled after deducting VAT or sales tax and other applicable trade taxes and discounts. Revenue is recognised when control of the product is transferred to the customer. The Group deems that this is satisfied when the ordered goods are despatched to the customer and the point at which control has been transferred reflecting the consideration to which the entity expects to be entitled in exchange for those products.

Subscription service income

Subscription service income is included within revenue and is recognised over the life of the subscription on a straight-line basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of inventory or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The cost of pensions in respect of the Group's defined contribution scheme is charged to the income statement in the period in which the related employee services were provided.

Share based employee compensation

Significant accounting policies (continued)

The Group operates equity settled share based compensation plans for remuneration of its employees.

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares or options that will eventually vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change for share based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement. The expense is recognised in the entity issuing the share based compensation where the beneficiary is employed.

The Group has no cash-settled arrangements.

Exceptional items

Exceptional items have been defined by the Group as one-off items which derive from events or transactions which do not form part of the underlying trading of the business such as relocation costs, impairment costs and other one-off items. The Group presents exceptional items as a separate line within the statement of profit or loss and other comprehensive income which does not form part of Adjusted EBITDA.

Adjusted EBITDA

The Group defines Adjusted EBITDA as earnings before interest, tax, depreciation, amortisation, impairments, foreign exchange revaluation of intercompany balances, fair value movements of foreign exchange forwards and exceptional items. The directors have assessed this performance measure as relevant for the users of the accounts.

Taxation

Current tax

Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out its operations. They are calculated according to the tax rates and tax laws applicable to the country to which they relate. All changes to current tax liabilities are recognised as a component of tax expense in the income statement unless the tax relates to an item taken directly to equity in which case the tax is also taken directly to equity. Tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Deferred tax

Tax losses available to be carried forward, as well as other income tax credits to the Group, are assessed for recognition as deferred tax asset where the directors believe it is probable that these assets will be recovered.

Deferred taxes are calculated on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is considered more likely than not. The deferred tax asset in relation to losses equates to two years of forecast taxable profits which is in line with the Group's financial planning cycle.

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 statement of financial position date.

Significant accounting policies (continued)

Uncertain tax position

The Group considers the existence of whether there is any uncertainty, or whether a tax authority will accept, on a probability basis, a tax treatment applied taking account of local tax laws in each of the jurisdiction it operates. Where applicable and accepted these tax position are accounted for on this basis. There were no changes to the Group's Transfer Pricing Agreement during the year. No material uncertain tax positions exist at 31 December 2022 (2021: nil).

Research and development tax credit

The Group may be entitled to claim tax allowances in relation to qualifying research and development (R&D) expenditure (e.g. R&D tax credits). The Group can recognise such tax credits at the point when it is probable that the benefit will flow to the Group and that the benefits can be reliably measured. The Group is eligible to claim tax credits under the R&D tax relief scheme. Where credits are claimed under the RDEC scheme, the amount received is taxable income and is therefore recognised in profit before tax as other income. Where credits are claimed through R&D tax relief, the amount receivable is considered a direct credit to tax payable and is therefore recognised after profit/(loss) before tax as part of the tax charge/(credit) for the period.

Intangible assets – Development costs

Where products and websites are expected to generate future economic benefits, expenditure on new products and the functionality of the website is capitalised and treated as an intangible fixed asset in line with IAS 38. Expenditure incurred on maintaining existing products and websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred. Development costs that are capitalised are only amortised when they are available for sale or brought into use. The amortisation is recognised through the income statement over three years which is the Directors' estimate of their useful economic life. Development costs held as intangible assets are stated at cost less any provision for impairment.

Intangible assets – software

Software is recorded at cost net of accumulated amortisation and any provision for impairment. Amortisation is provided using the straight-line method to write off the cost of the asset over its useful economic life of 3 years.

Property, plant and equipment

Property, plant and equipment is recorded at cost net of accumulated depreciation and any provision for impairment. Depreciation is provided using the straight-line method to write off the cost of the asset less any residual value over its useful economic life. The residual values of assets are reviewed annually and revised where necessary. Assets' useful economic lives are as follows:

Plant and machinery	- 3 - 10 years on cost
Computer equipment	- 3 years on cost
Furniture and fixtures	- 3 – 10 years on cost
Right of use lease assets	- The earlier of the end of the useful life of the asset or the end of the lease term

Subsequent costs of major additions or major components are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

The carrying cost of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance, and operational inspection costs are expensed as incurred.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal the difference between net disposal proceeds and the carrying amount is recognised in the income statement within administrative expenses.

Significant accounting policies (continued)

Impairment

For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. As a result some assets are tested individually for impairment and some are tested at cash-generating unit level.

Goodwill, other individual assets or cash-generating units that include goodwill and those in property, plant and equipment not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount of the asset or cash-generating unit. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. The cashflow evaluations are a result of the Directors' estimation of future sales and expenses based on their past experience and the current market activity within the business. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Leases

IFRS 16 Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor").

As a lessee, the standard results in the Group recognising 'right-of-use' assets and lease liabilities for all contracts that are, or contain, a lease. Non-qualifying leases include right of access agreements, leases of low value or leases of less than twelve months.

The Group is a lessee of office premises, factory space and certain machinery (e.g. printers).

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, as described below, adjusted for any lease payments made before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured taking account of the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. As the loans borrowed from financial institutions are uncollateralised, the Group considers both unsecured borrowing rates as well as 5 and 10 year risk-free bond rates when estimating incremental borrowing rates used to measure the Group's lease liabilities. The length of the relevant lease is considered in estimating incremental borrowing rates.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities on the face of the statement of financial position.

Inventory

Significant accounting policies (continued)

Inventory

Inventories are stated at the lower of cost and net realisable value, being their estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in the income statement.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost.

Trade and other receivables - impairment

The Group applies an expected credit loss model to calculate the impairment losses on its trade receivables. The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Trade receivables at the balance sheet date have been put into Groups based on days past the due date for payment and an expected loss percentage is assessed for each Group to generate the expected credit loss provision for each group. If deemed appropriate, a total expected credit loss provision is then calculated.

Cash and cash equivalents

All cash and cash equivalents are assessed to have low credit risk at each reporting dates as they are held with reputable banks and financial institutions.

Forward contracts

The Group holds forward foreign exchange contracts which are considered a financial derivative under IFRS 9. These are measured initially at fair value, with subsequent value changes recognised through the income statement.

Trade and other payables

Trade and other payables are recognised initially at their fair value, net of transaction costs and subsequently measured at amortised costs less settlement payments.

Financial assets

The Group's financial assets comprise trade receivables, other receivables (excluding prepayments) and cash and cash equivalents.

Recognition and initial measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and they are measured initially at fair value and subsequently at amortised cost.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

Significant accounting policies (continued)

Classification and subsequent measurement of financial assets

The Group classifies its financial assets in the following measurement categories:

- amortised cost; or
- fair value through other comprehensive income (FVTOCI); or
- fair value through profit or loss (FVTPL).

All recognised financial assets are subsequently measured in their entirety at either amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification of financial assets is determined by the contractual cash flows and where applicable the business model for managing the financial assets.

Financial liabilities

Recognition and initial measurement

Financial liabilities are initially measured at amortised cost using the effective interest method, unless they are required to be measured at fair value through profit or loss or fair value through other comprehensive income or the Company has opted to measure them at fair value through profit or loss or fair value through other comprehensive income.

Classification and subsequent measurement of financial liabilities

All financial liabilities are subsequently measured at amortised cost or at fair value through profit or loss.
The Group's financial liabilities include trade and other payables and borrowings which include lease liabilities and convertible loan notes.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in the income statement.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Convertible loan notes, which are convertible into a variable number of shares based on the most recent available share price are considered to be a hybrid financial instrument comprising a loan and conversion feature. The loan is classified as a financial liability and under IFRS 9 the Group has chosen to measure the whole instrument at fair value. Subsequently, at each balance sheet date, any change in fair value is taken through the income statement other than changes caused by the Group's own credit risk, which is taken through other comprehensive income.

Significant accounting policies (continued)

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Group categorises assets and liabilitiies measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement.

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within Level 1 for the asset or liability.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modiciations to observable related market data or the Group assumptions about pricing by market participants.

The valuation of the convertible loan note requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these instruments.

Foreign currency

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

b) Group companies ('Foreign operations')

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet.
- Income and expenses for each income statement are translated at the rate of exchange at the transaction date. Where this is not possible, the average rate for the period is used but only if there is no significant fluctuation in the rate.
- Share capital, premium and other reserves, as appropriate, were translated at the historic rates prevailing at the dates of underlying transaction.
- On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognised in the foreign currency translation reserve.

Significant accounting policies (continued)

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the present obligations arising from legal or constructive commitments resulting from past events, will probably lead to an outflow of economic resources from the Group which can be estimated reliably. The Group has recognised a provision for leasehold dilapidations for its UK based leases.

Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the statement of financial position date.

All provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimates.

4. Changes in accounting policy and disclosure

Amended standards adopted by the Group

The accounting policies applied are consistent with those of the previous financial year except for the adoption as from January 1, 2022, of amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37).

The transition to the accounting pronouncements as listed below has no material impact on the results of the Group.

The amendments to IAS 37 provide additional clarity on which costs an entity includes when assessing whether a contract is onerous. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Those costs include both incremental costs and an allocation of other costs, as long as these relate directly to fulfilling a contract.

New and revised standards not yet adopted

New accounting pronouncements that are not yet effective and have not been adopted early by the Group, to be adopted on or after 1 January 2023:

- IFRS 17 Insurance Contracts.
- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Disclosure of Accounting Policies).
- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates).
- IAS 12 Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction).

New accounting pronouncements that are not yet effective and have not been adopted early by the Group, to be adopted on or after 1 January 2024:

- IFRS 16 Leases (Amendment - Lease Liability in a Sale and Leaseback).
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current).
- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Non-Current Liabilities with Covenants).

The Group's financial reporting will be presented in accordance with the new standards above, which are not expected to have a significantly material impact on the results, financial position or cash flows of the Company, from 1 January 2022.

5. Critical accounting judgements and estimation uncertainty

The preparation of financial statements requires management to make judgments, estimations, and assumptions that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenues and expenses during the year. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimates are contained in the accounting policies and the notes to the financial statements. The key areas are summarised below:

Judgements in applying accounting policies:

- Development costs - capitalisation of development costs in accordance with IAS 38 requires analysis of the technical feasibility and commercial viability of the project in the future. This in turn requires a long-term judgement to be made about the development of the industry in which the development will be marketed. Where the Directors consider that sufficient evidence exists surrounding the technical feasibility and commercial viability of the project, which indicates that the costs incurred will be recovered they are capitalised within intangible fixed assets given that all the recognition criteria of IAS 38 is met.
- Right of use asset recognition - management have assessed each lease for recognition under IFRS 16. The judgements are based on the term and nature of individual leases. Those leases with a term greater than 12 months which convey a right to occupy are recognised as a right of use asset with corresponding lease liability. Leases of equal to or less than 12 months or with a nature of right of access rather than occupy are expensed in profit or loss. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are included in the lease term if management conclude the lease is reasonably certain to be extended or not terminated. All existing leases held at year end are based on lease terms that do not take into account extension options.
- Impairment of tangible and intangible assets - determine whether there are indicators of impairment of the Group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. With regards to the Group's property leases under IFRS 16 (Leases), the Group has not taken into account any lease extensions upon recognition or potential impairment of assets.
- Convertible loan note - determine whether convertible debt instruments represent equity or debt. These decisions depend on the assessment of whether this financing is debt or equity under the IFRS framework. The Group has concluded that the convertible loan note, being the host debt component and conversion feature, meets the definition of a debt instrument, as the Group has the contractual obligation to deliver cash or another financial asset to the note holders and upon conversion, will or may settle using the Group's own equity instruments however this will not be at a fixed amount of cash or for a fixed amount of equity instruments.

Key accounting estimates and assumptions:

- Development costs - the amount of the capitalisation is based on estimates to judge the percentage of the time relevant staff spend on projects as specific timesheets are not maintained. Where insufficient evidence exists, the costs are expensed to the income statement. They are amortised over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintance prorgrammes are taken into account.
- Tangible fixed assets - depreciated over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintance prorgrammes are taken into account.

Critical accounting judgements and estimation uncertainty (continued)

- Leases discount rates - lease liabilities are measured at the present value of lease payments discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions. The Directors applied an incremental borrowing rate of between 3% and 7% depending on the length of the lease and the location in determining the present value calculation. These rates were assessed as being the market rates at which the Company was able to borrow funds.
- Dilapidations provision valuation - the Group is required to restore the leased premises of its Dagenham warehouse and Camden head office to their original conditiion at the end of the lease terms. Estimates are required to recognise a provision which is representative of the present value of the estimated expenditure required to remove any leasehold improvements. For the Dagenham warehouse, an external assessment was conducted and for the Camden head office, an estimate based on the actual leaehold improvement expenditure has been used.
- Convertible loan note - recognised at fair value under IFRS 9, using level 3 inputs. There is estimation uncertainty inherent to this valuation and estimates are made based on the likelihood of the different pay-off structures, credit spread estimates, risk-free rates and varying Enterprise Value calculations are utilised for the Group as a whole. The Monte Carlo simulation method is utilised to value these different outcomes to arrive at a value that is deemed to be 'fair value' and will be revalued at each financial stament reporting date.
- Goodwill and other intangible assets - determining whether other intangible assets are impaired requires an estimation of the value in use of the cash generating unit to which the goodwill and intangibles have been allocated. The value in use calculations require an estimation of the future cash flows expected to arise from the cash generating units and a suitable discount rate to calculate a suitable present value.
- Deferred tax assets - recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Group believe it is probable that these assets will be recovered. Judgement is required to ascertain whether it is probable that there will be sufficient and suitable taxable profits in the relevant legal entity against which to utilise the assets in the future. The Group assesses the availability of future taxable profits using 5 year forecasts for the Group's operations which are reforecasted twice a year based on actual results and any new relevant information concerning the business and its environment.

6. Financial instruments – risk management

The board of directors of MOO Print Limited has overall responsibility for the determination of the MOO Print Limited Group's risk management objectives and policies. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group. All funding requirements and financial risks are managed based on policies and procedures adopted by the board.

The MOO Print Limited Group is exposed to the following financial risks:

- Credit risk.
- Liquidity risk.
- Foreign exchange risk.
- Interest rate risk.

MOO Print Limited is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by MOO Print Limited, from which financial instrument risk arises, are as follows:

- Trade and other receivables.
- Cash and cash equivalents.
- Trade and other payables.
- Convertible loan notes.
- Bank loans.
- Forward contracts.

Financial instruments – risk management (continued)

To the extent financial instruments are not carried at fair value in the consolidated statement of financial position, the carrying amount approximates to fair value at 31 December 2021 and 31 December 2022.

Trade and other receivables are measured at amortised cost. The carrying amounts and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of comprehensive income in the relevant period.

All liabilities are measured at amortised cost, with the exceptions of the forward contract, which is measured at fair value through profit and loss, and the convertible loan note, which is measured at fair value through profit and loss or fair value through other comprehensive income when changes in fair value relate to the Group's own credit risk.

Financial instruments by category

Financial assets	2022	2021
	$'000	$'000
At amortised cost:		
Cash and cash equivalents	3,747	8,384
Trade receivables	1,229	1,340
Current and non-current other receivables	4,350	2,541
Carrying amount of financial assets	9,326	12,265

Financial liabilities		
At amortised cost:		
Trade payables	10,826	5,522
Lease liabilities	19,517	5,015
Bank loans	4,000	11,917
At fair value through profit or loss or other comprehensive income:		
Forward contract	1,312	-
Convertible loan note	31,664	31,862
Carrying amount of financial liabilities	67,319	54,316

The key risks to MOO Print Limited and the policies and procedures put in place by management to manage them are summarised below:

Interest rate risk

The Group is partially exposed to interest rate risk from its term loan and rolling credit facilities which are based on a fixed margin plus a variable base, updated on a quarterly basis. Interest is payable on undrawn credit facility balances and also on the convertible loan note which is based on a fixed rate. The Group's interest rate exposure is continuously monitored.

Foreign exchange risk

The Group is exposed to foreign currency risk on its operations by virtue of entering into transactions in currencies other than the Parent and subsidiaries' functional currencies. In order to manage this risk the Group makes use of natural hedges where possible, purchasing goods and services where its revenues are earned. The Group also makes use of forward contracts to mitigate foreign currency risk.

Financial instruments – risk management (continued)

Credit risk

Credit risk is the risk of financial loss to MOO Print Limited if a customer or counterparty to a financial instrument fails to meet its contractual obligations. MOO Print Limited is mainly exposed to credit risk from credit sales.

MOO Print Limited attempts to mitigate credit risk by assessing the credit rating of new customers prior to entering into contracts and by contracts with customers with agreed credit terms.

The Directors do not consider that there is any concentration of risk within other receivables.

Credit risk on cash and cash equivalents is considered to be small as the counterparties are substantial banks with high credit ratings. The maximum exposure is the amount of the deposit. To date, the Group has not experienced any losses on its cash and cash equivalent deposits.

Liquidity risk

Liquidity risk arises from MOO Print Limited's management of working capital. It is the risk that MOO Print Limited will encounter difficulty in meeting its financial obligations as they fall due. The Group monitors cash flow as part of its day-to-day control procedures to ensure appropriate financing is available as necessary. The Group meets its day-to-day working capital requirements through a revolving credit facility, trade loans and ongoing operating cash flows.

31 December 2022	Within 1 year 2022 $'000	Within 2-5 years 2022 $'000	Within 5+ years 2022 $'000
Trade payables and other payables	10,826	-	-
Bank loan	4,000	-	-
Convertible loan note	15,495	-	-
Lease liabilities	4,268	12,288	6,788
	34,589	12,288	6,788

31 December 2021	Within 1 year 2021 $'000	Within 2-5 years 2021 $'000	Within 5+ years 2021 $'000
Trade payables and other payables	5,699	-	-
Bank loan	7,917	4,000	-
Convertible loan note	-	17,733	-
Lease liabilities	1,768	3,390	-
	15,384	25,123	-

Financial instruments – risk management (continued)

Capital Management

MOO Print Limited's capital is made up as follows:

	2022 $'000	2021 $'000
Share capital	4	4
Share premium	16,217	16,216
Fair value through OCI reserve	126	(3,884)
Revaluation reserve	(352)	-
Other reserve	2,812	2,812
Accumulated deficit	(46,987)	(48,199)
	(28,180)	(33,051)

MOO Print Limited's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of MOO Print Limited consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources, fund raising, and borrowings.

7. Revenue from contracts with customers

	2022 $'000	2021 $'000
(a) Geographical markets		
An analysis of external revenue by geographic market is given below:		
North America (USA & Canada)	95,156	73,117
Rest of World	22,428	20,056
	117,584	93,173

	2022 $'000	2021 $'000
(b) Distribution channel		
An analysis of external revenue by distribution channel is given below:		
Sale of goods - self service	85,954	68,611
Sale of goods - managed services	29,987	23,095
Subscription service income	1,643	1,467
	117,584	93,173

	2022 $'000	2021 $'000
(c) Product type		
An analysis of external revenue by product type is given below:		
Business card	83,649	62,892
Non-Business card	33,935	30,281
	117,584	93,173

8. Expenses by nature

	Note	2022 $'000	2021 $'000
Operating profit is stated after charging/(crediting):			
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and the Group's consolidated financial statements		286	224
Fees payable to the Company's auditor and its associates for other services:			
Audit-related assurance services		55	-
Tax advisory services		63	19
Tax compliance services		26	-
Other non-audit services		12	-
Total amount payable to the Company's auditor and its associates		442	243
Amortisation of intangible assets	13	2,207	3,378
Depreciation of property, plant and equipment	15	1,013	1,092
Amortisation of right of use assets	17	2,337	1,523
Impairment of intangible assets	13	38	127
Share based payments		118	78
Forward contract gains/(losses)		1,497	(2)
FX revaluation of intercompany balances		1,282	(56)
Exceptional items			
Warehouse and office relocation & setup costs		549	-
Lincoln facility dual running costs		35	-
Denver onerous contract		132	-
Denver rental income		(228)	-
Farringdon service charge refund		(64)	-
Cancelled supplier contracts		(105)	-
Right of use asset impairment		-	1,355
Derecognition of Farringdon dilapidations provision		-	(764)
Total exceptional items		319	591

In September 2022, a new warehouse and office lease began in East Providence, USA, and the facility became functional by December 2022. The new head office lease in Camden also began in September 2022. Set up and relocation costs associated with these two new leases do not form part of the underlying trading of the Group, along with any dual running costs of pre-existing facilities and have therefore have been allocated to exceptional items. In the prior period, impairments were recognised on property right of use assets due to the facilities no longer being in use as a result of covid disruptuons. Transactions associated with these leases that have continued into 2022 (Farringdon, Boston and Denver) have been recorded as exceptional items. A payable relating to a cancelled supplier contract was released during the period, which related to an invoice from 2020 that was previously recorded in exceptional items and the services were not fulfilled due to covid-19 disruptions.

9. Employee benefit expense

	2022 $'000	2021 $'000
Wages and salaries	30,734	25,308
Social security costs	2,795	2,409
Pension costs	1,126	847
	34,655	28,564

The average number of employees, including directors, during the year was 442 (2021 – 362).

The Group operates a defined contribution scheme for its directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pensions cost charge represents the contributions payable by the Company of $1,126,375 (2021 – $846,680). The amount outstanding to the fund at the balance sheet date was $126,031 (2021 – $95,194). One director was a member of the defined contribution pension scheme in the current year (2021 – One).

Key management for the Group are the Directors of the Company and the Senior Leadership Team.
The below compensations are included in staff costs.

Key management personnel compensation:	2022 $'000	2021 $'000
Salaries and other short-term benefits	3,532	2598
Share-based payments	-	51
	3,532	2,649

Directors:	2022 $'000	2021 $'000
Aggregate emoluments	641	653

No directors exercised share options during 2021 and 2022. There were no acquisation of shares by directors via Restricted Share Purchases in 2022 (2021 - 108,944 shares acquired by 2 directors).

The total amount paid to the highest paid director in respect of emoluments was $548,165 (2021 - $550,074).

10. Finance Expense

	2022 $'000	2021 $'000
Bank and other loans	472	659
Fair value movement on convertible loan note	2,756	22,916
Interest on lease liabilities	464	116
Foreign exchange on adoption of IFRS	-	(474)
Unwinding of discount on dilapidations provisions	30	5
	3,722	23,222

11. Taxation

	2022 $'000	2021 $'000
Current tax		
UK corporation tax credit on loss for the year	(22)	-
Adjustments in respect of prior periods	(207)	-
Overseas tax	105	60
Adjustments in respect of prior years overseas tax	(161)	2
Total current tax	(285)	62
Deferred tax		
Origination and reversal of timing differences	(199)	224
Adjustments in respect of prior years	476	-
Total deferred tax	277	224
Tax on profit/(loss) on ordinary activities	(8)	286

Taxation (continued)

The tax assessed for the year is lower (2021 - higher) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2022 $'000	2021 $'000
Profit/ (loss) on ordinary activities before tax	1,086	(19,781)
Expected tax credit/(charge) based on corporation tax rate (2022: 19%, 2021: 19%)	206	(3,758)
Effects of:		
Fixed asset differences	(84)	(12)
Expenses not deductible for tax purposes	231	40
Other permanent differences	(55)	67
Remeasurement of deferred tax for changes in tax rates	(48)	-
Deferred tax not recognised	155	4,334
Additional deduction for R&D expenditure	(257)	(397)
Adjustments to tax charge in respect of previous periods	(207)	-
Difference in overseas tax rate	51	12
Tax (charge)/credit for the period	(8)	286

Deferred tax assets are recognised in respect of income tax losses and other temporary differences because it is probable that these assets will be recovered. This is with the exception of $16.6m of income tax losses in the UK Parent Company, where a deferred tax asset has not been recognised owing to uncertainty of future use.

Taxation (continued)

Details of the deferred tax asset and liability, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as follows:

Deferred tax asset (PARENT COMPANY)

	Asset	Liability	Net	(Charged) through profit or loss	Effect of foreign exchange rate changes	Credited to equity
	2022 $'000	2022 $'000	2022 $'000	2022 $'000	2022 $'000	2022 $'000
Accelerated capital allowances	-	(32)	(32)	-	(32)	-
Losses	803	-	803	(69)	231	-
Deferred tax asset/(liability)	803	(32)	771	(69)	199	-

	Asset	Liability	Net	(Charged) through profit or loss	Effect of foreign exchange rate changes	Credited to equity
	2021 $'000	2021 $'000	2021 $'000	2021 $'000	2021 $'000	2021 $'000
Accelerated capital allowances	-	-	-	-	-	-
Losses	641	-	641	(8)	-	-
Deferred tax asset/(liability)	641	-	641	(8)	-	-

Taxation (continued)

Deferred tax liability (US SUBSIDIARY)

	Asset	Liability	Net	(Charged)/ credited through profit or loss	Credited to equity
	2022 $'000	2022 $'000	2022 $'000	2022 $'000	2022 $'000
Accelerated capital allowances	-	(1,053)	(1,053)	(398)	-
Losses	1445	-	1445	1,340	-
Other temporary and deductible differences	262	-	262	-	-
Leases	-	(1,410)	(1,410)	(1,419)	-
Deferred tax asset/(liability)	1,707	(2,463)	(756)	(477)	-

	Asset	Liability	Net	Credited/ (charged) through profit or loss	Credited to equity
	2021 $'000	2021 $'000	2021 $'000	2021 $'000	2021 $'000
Accelerated capital allowances	-	(657)	(657)	180	-
Losses	105	-	105	(104)	-
Other temporary and deductible differences	262	-	262	148	-
Leases	10	-	10	-	
Deferred tax asset/(liability)	377	(657)	(280)	224	-

As there is no enforceable right of offset between the UK and the US, the Parent Company deferred tax asset cannot be offset against the US subsidiary deferred tax liability. As such, the Parent Company deferred tax asset and US subsidiary deferred tax liability have been presented separately.

12. Earnings per share

	2022	2021
Profit/ (loss) attributable to shareholders of the Company ($)	1,094,858	(20,066,804)
Weighted average number of ordinary shares (no.)	3,779,216	3,592,085
Dilutive effect of options (no.)	244,077	-
Weighted average number of shares for diluted earnings per share (no.)	4,023,293	3,592,085
Basic profit/ (loss) per share (cents)	28.97	(558.64)
Diluted profit/ (loss) per share (cents)	27.21	(558.64)

Earnings per share is calculated based on the share capital of the Company and the earnings of the Group. Options granted to employees are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share when the Company is in a profit making position. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 34.

13. Intangible assets (GROUP)

	Capitalised development costs	Domain name	Purchased goodwill	Software	Total
	$'000	$'000	$'000	$'000	$'000
COST					
At 1 January 2021	16,770	130	17	325	17,242
Additions	2,120	-	-	189	2,309
Disposals	(260)	-	-	-	(260)
Foreign exchange	(233)	(3)	(1)	(6)	(243)
At 31 December 2021	18,397	127	16	508	19,048
Additions	2,459	-	-	177	2,636
Disposals	(233)	-	-	-	(233)
Foreign exchange	(1,948)	(13)	(2)	(51)	(2,014)
At 31 December 2022	18,675	114	14	634	19,437
AMORTISATION/ IMPAIRMENT					
At 1 January 2021	10,308	130	17	271	10,726
Amortisation charge for the year	3,305	-	-	73	3,378
Disposals	(260)	-	-	-	(260)
Impairments	127	-	-	-	127
Foreign exchange	(181)	(3)	(1)	(4)	(189)
At 31 December 2021	13,299	127	16	340	13,782
Amortisation charge for the year	2,095	-	-	112	2,207
Disposals	(233)	-	-	-	(233)
Impairments	38	-	-	-	38
Foreign exchange	(1,429)	(13)	(2)	(34)	(1,478)
At 31 December 2022	13,770	114	14	418	14,316
NET BOOK VALUE					
At 31 December 2021	5,098	-	-	168	5,266
At 31 December 2022	4,905	-	-	216	5,121

14. Intangible assets (COMPANY)

	Capitalised develop-ment costs	Domain name	Purchased goodwill	Software	Total
	$'000	$'000	$'000	$'000	$'000
COST					
At 1 January 2021	16,770	130	17	303	17,220
Additions	2,120	-	-	149	2,269
Disposals	(260)	-	-	-	(260)
Foreign exchange	(233)	(3)	(1)	(7)	(244)
At 31 December 2021	18,397	127	16	445	18,985
Additions	2,459	-	-	177	2,636
Disposals	(233)	-	-	-	(233)
Foreign exchange	(1,948)	(13)	(2)	(50)	(2,013)
At 31 December 2022	18,675	114	14	572	19,375
AMORTISATION/ IMPAIRMENT					
At 1 January 2021	10,308	130	17	263	10,718
Amortisation charge for the year	3,305	-	-	53	3,358
Disposals	(260)	-	-	-	(260)
Impairments	127	-	-	-	127
Foreign exchange	(181)	(3)	(1)	(4)	(189)
At 31 December 2021	13,299	127	16	312	13,754
Amortisation charge for the year	2,095	-	-	93	2,188
Disposals	(233)	-	-	-	(233)
Impairments	38	-	-	-	38
Foreign exchange	(1,429)	(13)	(2)	(34)	(1,478)
At 31 December 2022	13,770	114	14	371	14,269
NET BOOK VALUE					
At 31 December 2021	5,098	-	-	133	5,231
At 31 December 2022	4,905	-	-	201	5,106

15. Property, plant and equipment (GROUP)

	Plant and equipment	Computer equipment	Furniture and Fixtures	Total
	$'000	$'000	$'000	$'000
COST				
At 1 January 2021	2,552	1,600	6,747	10,899
Additions	86	214	88	388
Disposals	-	(623)	(3,234)	(3,857)
Foreign exchange	(38)	(16)	(5)	(59)
At 31 December 2021	2,600	1,175	3,596	7,371
Reclassification between right of use assets & plant and equipment	1,650	-	-	1,650
Additions	505	570	4,345	5,420
Disposals	(326)	(17)	(10)	(353)
Foreign exchange	(131)	(65)	(213)	(409)
At 31 December 2022	4,298	1,663	7,718	13,679
DEPRECIATION				
At 1 January 2021	1,303	1,277	5,103	7,683
Charge for period	345	234	513	1,092
Disposals	-	(591)	(3,057)	(3,648)
Foreign exchange	(34)	(12)	4	(42)
At 31 December 2021	1,614	908	2,563	5,085
Reclassification between right of use assets & plant and equipment	1,650	-	-	1,650
Charge for the year	565	217	231	1,013
Disposals	(326)	(17)	(10)	(353)
Foreign exchange	271	(47)	(100)	124
At 31 December 2022	3,774	1,061	2,684	7,519
NET BOOK VALUE				
At 31 December 2021	986	267	1,033	2,286
At 31 December 2022	524	602	5,034	6,160

16. Property, plant and equipment (Company)

	Plant and equipment	Computer equipment	Furniture and Fixtures	Total
	$'000	$'000	$'000	$'000
COST				
At 1 January 2021	1,166	1,102	5,206	7,474
Additions	28	87	84	199
Disposals	-	(614)	(3,235)	(3,849)
Foreign exchange	(38)	(15)	(3)	(56)
At 31 December 2021	1,156	560	2,052	3,768
Reclassification between right of use assets & plant and equipment	725	-	-	725
Additions	86	240	137	463
Disposals	(287)	(14)	(10)	(311)
Foreign exchange	(129)	(65)	(213)	(407)
At 31 December 2022	1,551	721	1,966	4,238
DEPRECIATION				
At 1 January 2021	1,001	893	3,632	5,526
Amortisation charge for the year	24	141	468	633
Disposals	-	(584)	(3,055)	(3,639)
Foreign exchange	(35)	(12)	4	(43)
At 31 December 2021	990	438	1,049	2,477
Reclassification between right of use assets & plant and equipment	725	-	-	725
Amortisation charge for the year	253	108	216	577
Disposals	(287)	(14)	(10)	(311)
Foreign exchange	(206)	(46)	(100)	(352)
At 31 December 2022	1,475	486	1,155	3,116
NET BOOK VALUE				
At 31 December 2021	166	122	1,003	1,291
At 31 December 2022	76	235	811	1,122

17. Leases (GROUP)

The Group has leases for offices, warehouses and plant & machinery. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

The leases have a term ranging from 3 to 10 years depending on the contract date. Lease payments are fixed for a specific period in the lease contract. Any modifications to the lease contracts within the term period are reflected in the asset and corresponding liability values.

RIGHT OF USE ASSETS	2022 $'000	2021 $'000
Opening balance	3,613	4,899
Additions	18,560	1,821
Amortisation	(2,337)	(1,523)
Disposals	(373)	(229)
Impairments	-	(1,355)
Foreign exchange	(297)	-
Closing balance	19,166	3,613

LEASE LIABILITIES	2022 $'000	2021 $'000
Opening balance	5,015	7,178
Additions	17,465	1,792
Interest expense	464	116
Gross lease payments	(2,887)	(3,783)
Disposals	(221)	(229)
Foreign exchange movements	(319)	(59)
Closing balance	19,517	5,015

18. Leases (COMPANY)

RIGHT OF USE ASSETS	2022 $'000	2021 $'000
Opening balance	1,442	3,284
Additions	6,741	14
Amortisation	(720)	(501)
Impairments	-	(1,355)
Disposals	(80)	-
Foreign exchange	(300)	-
Closing balance	7,083	1,442

LEASE LIABILITIES	2022 $'000	2021 $'000
Opening balance	1,878	4,353
Additions	6,505	-
Interest expense	152	80
Gross lease payments	(895)	(2,496)
Disposals	(141)	-
Foreign exchange movements	(319)	(59)
Closing balance	7,180	1,878

19. Investments in subsidiaries

The principal subsidiaries of MOO Print Limited, all of which have been included in the consolidated financial statements, are as follows:

Name	Country of incorporation	Principal place of business	Proportion of ownership interest at 31 Dec 2022	Nature of business
Moo, Inc.	USA	25 Fairmount Ave, East Providence RI 02914	100%	Sale of personalised products
Moo Germany GmbH	Germany	Freidrichstr, 123 10117, Berlin, Germany	N/A	Liquidated on 21 April 2022

Disposal of MOO Germany GmbH

	Total $'000
COMPANY	
COST AND NET BOOK VALUE	
At 1 January 2021	15
Additions	-
Disposals	-
At 31 December 2021	15
Additions	-
Disposals	(15)
At 31 December 2022	-

20. Non-current receivables (GROUP)

	2022 $'000	2021 $'000
Rent and leased machinery deposits	1,944	1,526
	1,944	1,526

21. Non-current receivables (COMPANY)

	2022 $'000	2021 $'000
Rent and leased machinery deposits	1,009	324
	1,009	324

22. Inventory (GROUP)

	2022 $'000	2021 $'000
Raw materials and consumables	4,346	2,030
Finished goods and goods for resale	1,468	728
	5,814	2,758

There was no significant difference between the replacement cost of the inventories and the carrying value. There was no write down of inventories during the periods.

23. Inventory (COMPANY)

	2022 $'000	2021 $'000
Raw materials and consumables	1,130	982
Finished goods and goods for resale	524	-
	1,654	982

There was no significant difference between the replacement cost of the inventories and the carrying value. There was no write down of inventories during the periods.

24. Trade and other receivables (GROUP)

	2022 $'000	2021 $'000
Trade receivables - gross	1,261	1,451
Less provision for impairment	(32)	(111)
Trade receivables - net	1,229	1,340
Other receivables	1,420	1,015
Prepayments	3,193	3,002
	5,842	5,357

The Group has adopted the IFRS 9 simplified approach of measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets.

25. Trade and other receivables (COMPANY))

	2022 $'000	2021 $'000
Trade receivables - gross	158	208
Less provision for impairment	(4)	(43)
Trade receivables - net	154	165
Other receivables	1,130	649
Prepayments	2,357	1,554
	3,641	2,368

The Group has adopted the IFRS 9 simplified approach of measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets.

26. Current liabilities (GROUP)

	2022 $'000	2021 $'000
Forward contract	1,312	-
Bank loan	4,000	7,917
Convertible loan note	31,664	-
Lease liabilities	3,282	1,716
Trade and other payables		
Trade payables	10,826	5,522
Accruals	5,125	4,379
Deferred income	1,898	1,582
Taxation payable	2,217	3,142
Total trade and other payables	20,066	14,625
Total current liabilities	60,324	24,258

27. Current liabilities (COMPANY)

	2022 $'000	2021 $'000
Forward contract	1,312	-
Bank loan	4,000	7,917
Convertible loan note	31,664	-
Lease liabilities	1,244	515
Trade and other payables		
Trade payables	5,966	3,160
Accruals	2,078	1,766
Deferred income	203	252
Taxation payable	579	460
Amount due to subsidiary	2,829	5,874
Total trade and other payables	11,655	11,512
Total current liabilities	49,875	19,944

Amounts due to the subsidiary relate to trade balances, which are repayable on demand, non-interest bearing and unsecured.

28. Non-current liabilities (GROUP)

	2022 $'000	2021 $'000
Bank loan	-	4,000
Convertible loan note	-	31,862
Total loans and borrowings	-	35,862
Lease liabilities	16,235	3,299
Provisions - dilapidations	416	177
Deferred tax liability	756	280
Total non-current liabilities	17,407	39,618

At year-end, the Group had the below leasehold dilapidation provisions;

	2022 $'000	2021 $'000
Camden Office	311	-
Dagenham warehouse	105	177
	416	177

For the Group and Company:

Bank loan:

In January 2020, the Group refinanced with a term loan of $8m and a revolving credit facility of $5.3m, both with an interest rate of 5.84%. The term loan had a 3.5 year term and is due in July 2023. As at 31 Dec 2022, the balance left on the term loan was $4m, having paid down $4m since March 2021 and it is being recognised in amounts falling due within one year. The revolving credit facility of $5.3m was undrawn as at 31 December 2022. Subsequent to the end of the period, the Group's debt facility was refinanced as outlined in note 38 (post balance sheet events).

Convertible loan note:

The convertible loan note proceeds of £5.9m were received on 15 September 2020, from the "Future Fund" UK government scheme, which was set up to support UK-based companies, providing funds ranging from £125,000 to £5 million, subject to at least equal match funding from private investors. The scheme, alongside other government support schemes, was designed to support companies seeking equity funding which was made more difficult due to the Coronavirus outbreak.

The Future Fund convertible loan notes are unsecured, had an initial 36-month maturity date, now extended by a further 24 months as mentioned in note 39, and interest accrues at an annual rate of 8% per annum if converted into equity, or with a 100% repayment premium if repaid. The loan notes are convertible at the discretion of the lender at a conversion discount of 20-30%. The 8% interest is not payable on a monthly basis, but accrues until the loan note converts, at which time the 8% interest will be converted into equity. Conversion will be triggered by a financing event should more than £4.95 million of funds be raised, or an arms' length sale of the Company. Restrictions were placed on the use of these funds, and the funds were not permitted to be used to repay any shareholder loans or to make any bonus or other discretionary payment to any employee, consultant or director.

Non-current liabilities (GROUP) (continued)

In the event that it is determined by the Future Fund (in its absolute discretion) that it would be prejudicial to the reputation of the Future Fund and/or the UK Government to continue holding its Loan and/or any shares in the capital of the Company, the Future Fund shall have the option to require the Company to repay its Loan or purchase all of the shares in the capital of the Company held by the Future Fund, in each case for an aggregate price of £1.00 at any time.

The convertible loan note has been recognised at fair value under IFRS 9 which is equal to the transaction price, which includes the $8.1m principal received and movements in the fair value of the convertible loan note of $27.0m between 15 September 2020 and 31 December 2022. The fair value of the instrument as at 31 December 2022 was considered to be $31.7m which is a movement of $3.1m (2021 – $22.9m, 2020 – $1.0m) fair value adjustment to increase this liability from the initial transaction price. In FY22, this is offset by a decrease of -$3.4m as a result of revaluing the convertible loan note from GBP to the Group's presentation currency (USD) at the balance sheet date. At each balance sheet date, any change in fair value is taken through the income statement other than changes caused by the group's own credit risk, which is taken through other comprehensive income.

Movements in the value of the convertible loan note between the issue date and 31 December 2022 are shown below;

	$'000
Principal received on 15 September 2020	8,096
Fair value movement through profit or loss and other comprehensive income	26,967
Foreign exchange	(3,399)
Convertible loan note value at 31 December 2022	31,664

29. Non-current liabilities (COMPANY)

	2022 $'000	2021 $'000
Bank loan	-	4,000
Convertible loan note	-	31,862
Total loans and borrowings	-	35,862
Lease liabilities	5,936	1,363
Provisions - dilapidations	416	177
Total non-current liabilities	6,352	37,402

At year-end, the Company had the below leasehold dilapidation provisions;

	2022 $'000	2021 $'000
Camden Office	311	-
Dagenham warehouse	105	177
	416	177

30. Loans and borrowings (GROUP)

	2022 $'000	2021 $'000
Current		
Bank loan	4,000	7,917
Convertible loan note	31,664	-
Lease liabilities	3,282	1,716
Total current loans	38,946	9,633
Non-current		
Convertible loan note	-	31,862
Bank loan	-	4,000
Lease liabilities	16,235	3,299
Total non-current loans	16,235	39,161
Total loans and borrowings	55,181	48,794

Loans and borrowings (GROUP) (continued)

Movements in loan balances are shown below:

	Bank Loan $'000	Convertable loan note $'000	Total $'000
Balance as at 1 January 2021	13,250	9,054	22,304
Interest charged	659	-	659
Interest paid	(659)	-	(659)
Principal repaid	(1,333)	-	(1,333)
Changes in fair value	-	22,916	22,916
Foreign exchange	-	(108)	(108)
Balance as at 31 December 2021	11,917	31,862	43,779
Interest charged	472	-	472
Interest paid	(472)	-	(472)
Principal repaid	(8,048)	-	(8,048)
Changes in fair value	-	3,108	3,108
Foreign exchange	131	(3,306)	(3,175)
Balance as at 31 December 2022	4,000	31,664	35,664

For the Group and Company: Details of the bank loan and the convertible loan note are shown in note 26, 27, 28 and 29.

31. Loans and borrowings (COMPANY)

	2022 $'000	2021 $'000
Current		
Bank loan	4,000	7,917
Convertible loan note	31,664	-
Lease liabilities	1,244	515
Total current loans	36,908	8,432
Non-current		
Convertible loan note	-	31,862
Bank loan	-	4,000
Lease liabilities	5,936	1,363
Total non-current loans	5,936	37,225
Total loans and borrowings	42,844	45,657

Loans and borrowings (COMPANY) (continued)

Movements in loan balances are shown below:

	Bank Loan	Convertable loan note	Total
	$'000	$'000	$'000
Balance as at 1 January 2021	13,250	9,054	22,304
Interest charged	659	-	659
Interest paid	(659)	-	(659)
Principal repaid	(1,333)	-	(1,333)
Changes in fair value	-	22,916	22,916
Foreign exchange	-	(108)	(108)
Balance as at 31 December 2021	11,917	31,862	43,779
Interest charged	472	-	472
Interest paid	(472)	-	(472)
Principal repaid	(8,048)	-	(8,048)
Changes in fair value	-	3,108	3,108
Foreign exchange	131	(3,306)	(3,175)
Balance as at 31 December 2022	4,000	31,664	35,664

32. Financial instruments and related dislcosures (GROUP)

The fair value of financial instruments that are not traded is determined by using valuations techniques that maximise the use of observable market data where is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Where the inputs for determining the fair value of financial instruments are not based on observable market data, the instrument is included in Level 3. The convertible loan note liability is included as a Level 3 financial instrument in the Group and is held at a fair value of $31.7m at 31 December 2022 (2021: $31.9m). The valuation of the convertible loan note is disclosed in notes 6 and 27.

Cash and cash equivalents, trade receivables and trade payables are carried at amortised cost, which approximates fair value because of their short-term nature. Forward contracts are carried at fair value using market values (level 2).

Financial instruments by category:

	Fair value through profit or loss or other comprehensive income		Amortised cost	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	-	-	3,747	8,384
Trade and other receivables	-	-	5,579	3,881
Total financial assets	-	-	9,326	12,265

Financial instruments and related dislcosures (GROUP) (continued)

	Fair value through profit or loss or other comprehensive income		Amortised cost	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial liabilities				
Trade and other payables	-	-	18,168	13,043
Forward contract	1,312	-	-	-
Lease liabilities	-	-	19,517	5,015
Bank loans	-	-	4,000	11,917
Convertible loan note	31,664	31,862	-	-
Total financial liabilities	32,976	31,862	41,685	29,975

Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below

	Level 1		Level 2		Level 3	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial liabilities						
Forward contract	-	-	1,312	-	-	-
Convertible loan note	-	-	-	-	31,664	31,862
	-	-	1,312	-	31,664	31,862

33. Financial instruments and related dislcosures (COMPANY)

The fair value of financial instruments that are not traded is determined by using valuations techniques that maximise the use of observable market data where is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Where the inputs for determining the fair value of financial instruments are not based on observable market data, the instrument is included in Level 3. The convertible loan note liability is included as a Level 3 financial instrument in the Group and is held at a fair value of $31.7m at 31 December 2022 (2021: $31.9m). The valuation of the convertible loan note is disclosed in notes 6 and 27.

Cash and cash equivalents, trade receivables and trade payables are carried at amortised cost, which approximates fair value because of their short-term nature. Forward contracts are carried at fair value using market values (level 2).

Financial instruments by category:

	Fair value through profit or loss or other comprehensive income		Amortised cost	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial assets				
Cash and cash equivalents	-	-	1,567	6,943
Trade and other receivables	-	-	2,619	1,138
Total financial assets	-	-	4,186	8,081

	Fair value through profit or loss or other comprehensive income		Amortised cost	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial liabilities				
Trade and other payables	-	-	8,623	9,901
Forward contract	1,312	-	-	-
Lease liabilities	-	-	7,180	1,878
Bank loans	-	-	4,000	11,917
Convertible loan note	31,664	31,862	-	-
Total financial liabilities	32,976	31,862	19,803	23,696

Financial instruments and related dislcosures (COMPANY) (continued)

Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below

		Level 1		Level 2		Level 3
	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities						
Forward contract	-	-	1,312	-	-	-
Convertible loan note	-	-	-	-	31,664	31,862
	-	-	1,312	-	31,664	31,862

34. Share based payments

Options over shares in the Company have been granted in relation to employee engagement and retention. As at 31 December 2022, 252,521 options over ordinary shares (2021 – 220,980) had been granted. The options have a weighted average exercise price of $2.363 (2021 – $2.412). The options were valued using the Black-Scholes option pricing model.

The weighted average exercise price of options outstanding at the year end was $2.363 (2021 - $2.412) and their average contractual life was 10 years (2021 – 10 years),

A reconciliation of option movements over the previous two reporting periods

		2022		2021
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	220,970	$2.41	184,596	$2.791
Granted	35,900	$3.167	58,887	$1.161
Exercised	(100)	$6.112	(18,325)	$1.644
Lapsed	(4,249)	$1.182	(4,188)	$4.891
Cancelled	-	-	-	-
Outstanding at 31 December	252,521	$2.363	220,970	$2.412

The share options have been granted under two schemes, the CSOP and the 2017 US Stock plans. As these schemes have substantially the same times, they have been aggregated as permissible under IFRS2.

35. Share capital

MOO Print Limited's issued and fully paid share capital is summarised in the table below:

	2022 Number	2021 Number
Allotted, called up, and fully paid		
Ordinary shares of £0.001 each	2,549,907	2,549,807
A' preferred ordinary shares of £0.000001 each	873,020	873,020
B' preferred ordinary shares of £0.000001 each	101,184	101,184
'B-1' preferred ordinary shares of £0.001 each	106,332	106,332
'B-2' preferred ordinary shares of £0.000001 each	148,794	148,794
	3,779,237	3,779,137

	2022 $'000	2021 $'000
Ordinary shares		
At 1 January	4	4
Issued for cash	-	-
At 31 December	4	4

All classes of shares rank pari passu in respect of voting rights.

The 'A', 'B', 'B-1' and 'B-2' preferred ordinary shares rank pari passu in all respect as to dividend with the Ordinary Shares. No dividend shall be declared or paid on the Ordinary Shares without a like dividend being declared or paid, as the case may be, on the preferred ordinary shares.

Movement in share capital

During the year, options over 100 (2021 – 18,325) ordinary shares were exercised with an aggregate nominal value of $0.11 (2021 – $24.73) and total consideration received of $552 (2021 – $30,129). The weighted average share price at the date of exercise was $2.59 (2021 – $0.324). During the year 0 shares (2021 – 242,100) under restricted share agreements were issued with an aggregate nominal value of $0 (2021 – $326.76) and total consideration received of $0 (2021 – $162,499).

Share warrants

Warrants over shares in the Company have been issued in relation to various loan facilities. As at 31 December 2022, 62,381 warrants over preference shares (2021 – 62,381) had been issued. The warrants have a weighted average strike price of $13.68 (2021 – $15.25). The warrants were valued using the Black-Scholes option-pricing model. During the year $118,000 (2021 - $78,000) was charged to the income statement.

Dividends

No dividends were paid in any of the reporting periods.

36. Share premium and reserves

Share Premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs for the issue of shares.

Foreign exchange translation reserve

This reserve records the exchange differences arising from the retranslation of the Parent Company whose functional currency is GBP.

Revaluation reserve

This reserve records movements in the fair value of financial instruments held by the Parent Company.

Other reserve

The proceeds received on issue of an advanced share subscription in 2019 are allocated within equity and shown separately to other equity components. The future allocation between share capital and share premium is dependent on factors present at a time the shares are converted into ordinary share capital.

Accumulated deficit

This reserve represents cumulative losses, net of dividends paid and other adjustments.

37. Related party transactions

Transactions with key management personnel

The compensation of key management personnel including directors is disclosed in note 8.

Other related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation in the consolidated financial statements.

During the period, Moo Inc. entered into a licence agreement with Accomplice Management LLC, a shareholder, under which the Group leases office space from Accomplice.

	Services provided from 31 December 2022 $'000	Services provided to 31 December 2021 $'000
Related party transactions		
Boston lease - Accomplice Management LLC - Rent paid	(233)	-

	Payables Outstanding 31 December 2022 $'000	Payables Outstanding 31 December 2021 $'000	Receivables Outstanding 31 December 2022 $'000	Receivables Outstanding 31 December 2021 $'000
Related party balances	-	-	-	-

38. Post balance sheet events

Subsequent to the end of the period:

- 47,619 warrants over 'A' preferred ordinary shares in Moo Print Limited were exercised with an aggregate nominal value of $0.06 and total consideration received of $178,273;
- the Group's debt facility was refinanced, to an increased $20 milliion facility with a maturity date of December 2027;
- the Group's convertible loan note had its maturity extended by a further twenty-four months to September 2025 by all loan note holders, including the British Business Bank, and an irrevocable commitment from a majority of its Future Fund loan note holders has been extended such that at the new date of maturity, all of their holdings will be converted to equity.

39. Ultimate controlling party

The directors do not consider there to be an ultimate controlling party