MOO

Moo Print Limited
Company Number: 05121723

Annual Report & Financial Statements

For the year ended 31 December 2023

MOO Print Limited

Report and Financial Statments
for the year ended 31 December 2023

Contents

Directors

B Holmes
R Klein
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

MOO Print Limited

Chairman's Summary

Following the strong recovery and benefit seen in 2022 from the post-Covid return to office, 2023 represented a more normal year for MOO.

Double digit adjusted EBITDA margins were maintained, demonstrating management's continued drive to deliver healthy business performance and cash generation. This is despite the investment costs the company is also incurring as it gears up for the launch of its branded merchandise offer through 2024. Strong cash generation from its core operating activities allowed MOO to continue its investment drive in 2023 and strong progress was made with the multi-year strategic initiatives which will deliver future revenue and EBITDA growth.

One example of this is the significant investment in MOO's new technology platform, both front and back-end, scheduled for release during 2024, which will allow MOO to launch, merchandise and customise a significant number of new products, unlocking the Company's branded merchandise growth strategy. Multiple new product launches are planned from the 4th quarter of 2024.

Another major investment initiative was the move to our new USA manufacturing facility in East Providence, Rhode Island, completed in the first half of 2023. The move to this state-of-the-art facility is already enhancing group gross margin, with continued efficiencies expected in 2024. This investment reinforces our focus on the North American market, which made up a record 82% of revenue in 2023 and is expected to further concentrate in 2024.

During 2023 we also refinanced our term debt and revolving credit facility with our UK banking partners, for whose continued support I am very grateful. This facility gives us working capital flexibility for a number of years, a vital support as we increase stockholdings of new branded merchandise products and continue to invest in the evolution of our tech platform.

The combination of all these factors means that MOO entered 2024 with a strong core print business, which is both highly profitable and cash generative, and most of the big building blocks in place for the accelerated growth of the business. This robust position has been unlocked by our sustained investment in our manufacturing, technology and branded merchandise capabilities.

Exciting times ahead indeed!

As ever MOO's progress and success is a function of its people and the teams they operate in. I would like to thank Richard, the senior leadership team and all MOO colleagues for their continued hard work through 2023 and I am looking forward to working with them in 2024 as some of these exciting investment plans begin to come to fruition.

Signed by:
Darren Shapland
7C6607B0DF2649E...

Darren Shapland
Chairman
31 July 2024

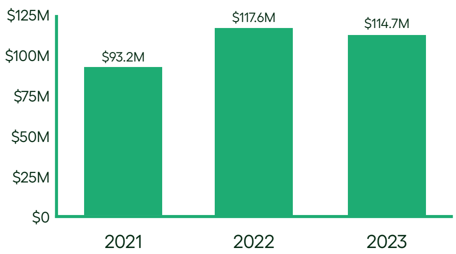
MOO Print Limited

2023 Headlines

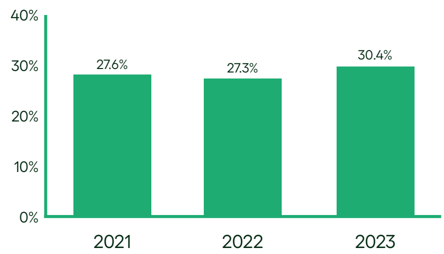
$114.7m Group Revenue	$11.5m Adjusted EBITDA
82% North America Revenue	66% Gross Margin
506k Active Customers	972k Orders Shipped
437 Average Full Time Employees	64 USA Net Promoter Score

Financial Progress

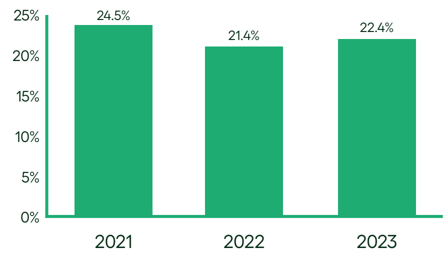
Group Revenue $



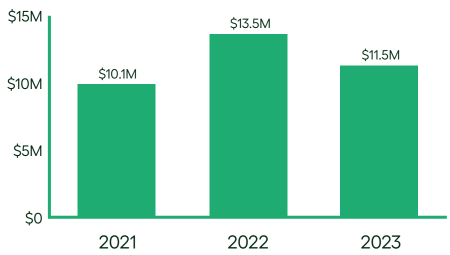
Marketing %



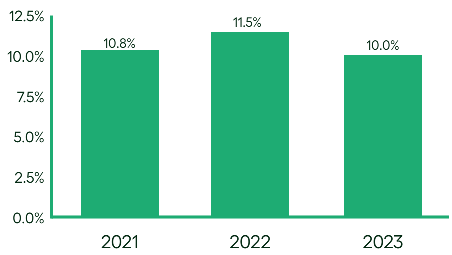
Overheads %



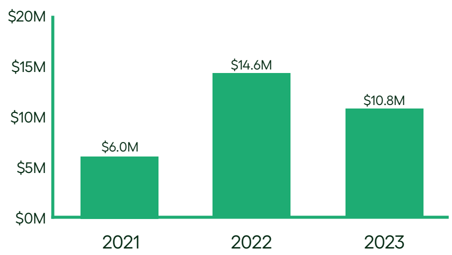
Adjusted EBITDA $



Adjusted EBITDA %



Net Cash Flows from
Operating Activities $



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, produce, 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.

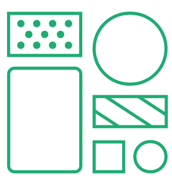
We are the Authority

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

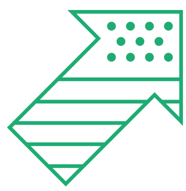
Focus on the USA

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.

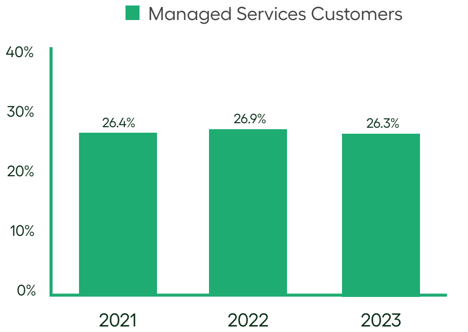
Develop our Platforms

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

Strategic Progress

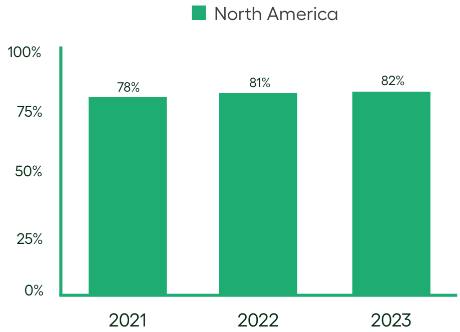
Below are some of the non-financial metrics that we believe tell the story of our progress against our strategy.

Customer Size Mix



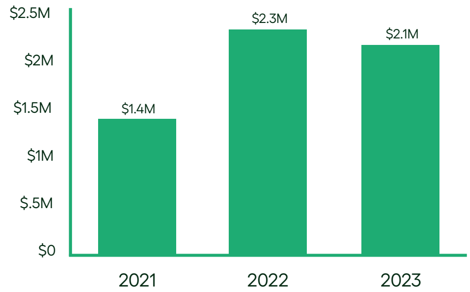
- → Our Self Serve customers have been quicker to recover from the impact of the pandemic than Managed Services customers.
- → We have been able to mitigate this with a greater focus on Self Serve customers.
- → We still believe in the huge potential for our Managed Services business and will continue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

Customer Geography



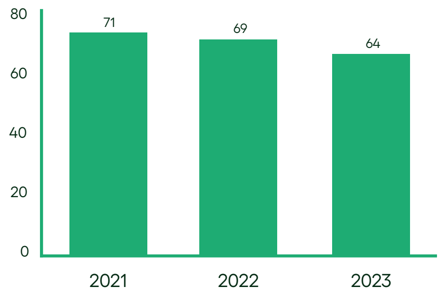
- → Our ongoing investment in North America continues to produce strong results.
- → Over the past five years we have grown the region from 72% to 82% of total revenues.
- → Other markets remain a secondary focus for now.

Branded Merchandise Revenue $



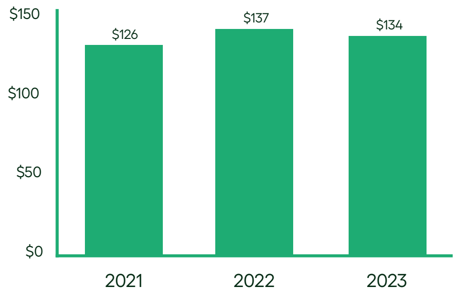
- → Notebooks were our first Branded Merchandise product in 2017.
- → We launched our second, Water Bottles, in late 2021 followed by perpetual planners in 2022.
- → Whilst there have been no new product launches in 2023, the focus has been on building the new platform which will allow us to expand our branded merchandise offering in 2024 and beyond.

Net Promoter Score: USA



- → We monitor NPS in the USA, our largest market and our regional focus.
- → Our NPS in 2023 was initially impacted by our move to our new production facility at the beginning of 2023, however it steadily recovered by the end of the year and we saw our NPS increase from 60 in Q1 to 65 in Q4.
- → MOO also enjoys a Trustpilot score of 4.7 out of 5.

Average 90 Day Spend per New Customer



- → 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 and, in the future, with the introduction of new products and product tiers.
- → 90 day spend reached a record high in 2022 and has remained fairly consistent in 2023.

CEO's Report

2023 was a year of strategic delivery for MOO as we consolidated after two years of rapid growth during the post-pandemic recovery and laid the foundations for the next phase of our development.

With the challenges of the pandemic behind us, we focussed on the ongoing delivery of our multi-year transformation programme across manufacturing, technology, and product. This initiative puts in place the strategic enablers that will underpin the introduction of a wide range of new products and services in the years ahead.

The first of these strategic pillars was delivered in Q1 2023, with the opening of our new manufacturing facility in East Providence, Rhode Island, which provides the capabilities for the continued growth of our core business and an expansion into new product categories.

We also made excellent progress with the roll-out of our new technology platform and development of the new products that it will enable, investing a further $5.9m and readying it for launch in 2024.

Despite strong progress in delivery, some post-pandemic headwinds persisted. During the year we identified a softness in activity within certain customer cohorts, which had begun to impact our growth. This was a result of reduced new customer acquisition during the pandemic, as we pivoted towards serving existing customers. This effect was masked by the wave of returning customers in 2022, as the world went back to work.

We began to address this in September 2023, increasing marketing spend to drive up new customer acquisition in North America, our largest and most valuable market. This strategy has proven successful, with new customers in North America returning to growth in late 2023.

Financial Performance

→ Revenue declined 2.4% to $114.7m. This represents a three year CAGR of 11% since the low of 2020: and absolute growth in revenues of $32m.
→ Our focus on North America continues to deliver results. North America revenue represented 82% of Group in 2023, up 10 percentage points over the past five years.
→ The move to our new production facility in East Providence helped us grow Gross Margin to 65.6%, a one-and-a-half percentage point increase year over year.
→ Overheads were 22.4% of revenue (2019: 27.4%), demonstrating our continued focus on cost control and the enduring benefit of the restructuring measures implemented during the pandemic.
→ We delivered adjusted EBITDA of $11.5m, down $2m year over year, but $4.9m up from 2020.

Strategic Delivery

Operations

→ In February 2023 we completed the move of our USA manufacturing home from Lincoln, RI to East Providence, RI, more than tripling our production capacity and creating the platform for an expansion of our product range and capabilities in 2024, as we begin to build our branded merchandise offer.
→ The move has enabled significant changes to our manufacturing lines and capabilities, helping us increase gross margins.
→ During the year we also began laying the groundwork for significantly faster manufacturing turnaround, with the benefits beginning to impact from 2024.

CEO's Report
(continued)

Technology

- In 2023 we invested a further $5.9m into our new technology platform, as part of the multi-year transformation of MOO's technology and product offering. This latest investment brings the total invested in upgrading and developing our technology platform over the last five years to $16m.
- Due to launch in late 2024, the new platform will allow us to rapidly add new products, improve the customer experience, and establish a modern ecommerce capability from which to trade the business in the next phase of our growth.

Products

- We continued with the design and development of new products for launch from our new platform in 2024, building out drinkware as a new category, curating both market sourced and MOO-designed products to more rapidly achieve category depth and range.
- To complement our existing stationery offering, we have also designed the 'Twist Pen' as the first of our writing instruments range. This will be MOO's second non-paper product and follows the successful launch of MOO's Red Dot Design Award winning water bottle in 2021.

Brand

- Building on the changes we made to our brand values and mission in 2023, in 2024 we developed a refreshed visual identity for MOO which launched in early 2024.
- This refreshed brand brings a new look and feel to MOO, across all owned and third party channels.

People & Culture

- In March 2023 we delivered the final phase of our UK Clubhouse office concept to our London HQ, designed around our Work 2.0 hybrid working vision.
- This was followed in September 2023 with the opening of our USA Clubhouse in East Providence, a 20,000 square foot space adjacent to our manufacturing facility.
- In a year which included a lot of change, we were pleased to maintain strong employee engagement, averaging 69% for the year.

Outlook

MOO has a clear growth strategy, focused on an expansion into branded merchandise and further growth in our core North American market, which is both large and highly fragmented.

With the foundations now in place, 2024 will be a year of important proof points for MOO, as we begin to launch the first of these new products on the new platform.

Supported by a refreshed brand identity and increased marketing spend targeting more new customer growth, the objective will be to build momentum in 2024, with an acceleration in 2025, fuelled by rapid new product expansion and supported by new technology.

CEO's Report
(continued)

Whilst there are still headwinds to navigate, including the drag of post-Brexit EU shipping costs and weaker pandemic customer cohorts, both the underlying fundamentals and the outlook are positive for MOO. The business is well-positioned to grow over the medium term and we remain excited about the opportunities ahead.

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Richard Moross
Founder and Chief Executive Officer
31 July 2024

CFO's Report

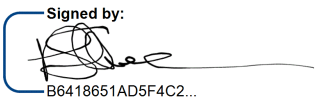
In 2023 we saw a normalisation of the trading environment after the post-pandemic benefits. This followed the positive impact seen in the previous year from businesses returning to their offices and a reinvigoration of business travel. Revenue was $114.7m in 2023, delivering adjusted EBITDA of $11.5m and net cash generated from operating activities of $10.8m. Despite the 2% reduction in revenue, gross margin increased by 1.5 percentage points, to deliver gross profit of $75.3m, just 0.1% below 2023.

The most significant driver of this increase in gross margin was the completion of our move into our new North American state-of-the-art manufacturing facility in February 2023. Located in East Providence, Rhode Island, this facility gives us capacity to grow significantly in future years, and is continuing to deliver further gross margin improvements through the early months of 2024. The multi-year investment in this facility demonstrates our continued focus on the North American market, with revenues from this region growing to 82% of total in 2023.

During 2023 we extended the maturity of our Future Fund convertible loan note (CLN) by a further 24 months to September 2025, with the continued support of the British Business Bank and other investors. As in prior years, 2023 recognises a fair value movement on our Future Fund convertible loan note, this year resulting in a charge of $2.2m, with the notional interest being related, in the most part, to an increase in the estimated value of the Group. 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.

Alongside the CLN maturity extension, and with the support of our UK banking partner, we also refinanced our term debt and revolving credit facilities in 2023 to an increased value of $20m, maturing at the end of 2027. These debt facilities will enable us to continue to invest in our technology replatforming and branded merchandise strategy, with the first benefits expected in late-2024. They also provide us with working capital flexibility and additional cash flow headroom should the need arise.

MOO continues to generate double-digit million dollar cash flows from its operating activities which puts the business in a very robust position to weather macro challenges in the periods ahead.



Patrick Stirling-Howe
Chief Financial Officer
31 July 2024

Strategic Report
for the year ended 31 December 2023

Principal activities, trading review and future developments

The principal activity of the Group is to deisgn, produce, customise 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. MOO's largest market is North America. Larger customers utilise the 'Managed Services' order management platform. The Group continues to invest in improvements to existing products, and in the development and launch of new products and platforms.

Presentational currency

The Group's consolidated financial statements presentational currency is 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, is British Pounds for the Parent Company and US Dollars for the US subsidiary (MOO, Inc.).

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, term 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 and platform 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 in both online and offline channels.

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 2023 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.

Sensitivity analyses have been performed to reflect a variety of 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 partially 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 and cash 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 on 14th September 2025, all of their holdings will be converted to Equity. While these financial statement show a net liability position for the Group and Company due to the classification of this convertible loan note as long-term debt, it does not impact on the Group's ability to meet its near-term financial commitments or maintain its overall financial health. Likewise, the Group's current working capital position is influenced by the classification of its term loan at year end, which has been further discussed in note 26, as well as the timing of creditor payments. Management has carefully assessed the Group's financial position and concluded that the Group maintains a strong cash flow generation capacity and that there are no indicators suggesting an inability to meet short-term obligations.

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:

	Group 2023	Group 2022
	$'000	$'000
Revenue	114,691	117,584
Gross Profit	75,251	75,354
Staff Costs	36,138	34,655
Adjusted EBITDA	11,519	13,498
Average Full Time Employees	437	442
Active Customers ('000)	506	521

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 North 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, the CEO's report and the CFO's report.

Research and development

The Group continues to invest heavily in research and development and as such capitalised development amounted to $5.9 million (2022: $2.5 million). This has resulted in improvements to existing products and the ongoing development of a new platform, set to be launched later in 2024.

Approval

This strategic report was approved on behalf of the Board on 31 July 2024.

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Richard Moross
Director

Director's Report

for the year ended 31 December 2023

The Directors present their report together with the audited financial statements for the year ended 31 December 2023.

Results and dividends

Adjusted EBITDA amounted to $11.5 million (2022: $13.5 million) and operating profit amounted to $3.4 million (2022: profit of $4.8 million), with an overall loss for the financial year of $1.1 million (2022: profit of $1.1 million).

The Directors have not recommended a dividend in the current year (2022: 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, and resigned 18th December 2023)
F Castellucci (appointed on 2nd June 2023 as an alternate to R Moore representing the same shareholding, and resigned 1st February 2024)
B Holmes
R Klein
R Moore (resigned 1st February 2024)
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:

There were no adjusting or non-adjusting events after the balance sheet date.

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.

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.

Director's Report

for the year ended 31 December 2023 (continued)

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. Despite not meeting the reporting thresholds under the SECR legislation, MOO has elected to report on its energy and carbon consumption as sustainability is 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 2023 amounted to 711 tCO2e (2022 - 945 tCO2e), with 78% arising from electricity consumption. When the purchase of green energy is taken into account, total 'market-based' emissions reduce to 174 tCO2e. With one factory closing this year, overall emissions have fallen by 25%.

The Group's USA operations are responsible for 84% 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.

Group SECR Energy & Carbon Emissions (kWh & tCO2e)

SECR Report - 2023	Unit	UK	USA	Total - 2023	Total - 2022
Energy consumption	kWh	561,555	1,959,244	2,520,799	3,395,116
Scope 1 - Direct Emissions	tCO2e	35.3	120.9	156.2	163.1
Scope 2 - Energy Indirect Emissions - location based	tCO2e	76.0	477.3	553.3	779.6
Scope 2 - Energy Indirect Emissions - market-based	tCO2e	3.7	12.2	15.9	95.2
Scope 3 - Other Indirect Emissions	tCO2e	0.3	1.3	1.6	2.4
Total SECR Emissions - location based	tCO2e	111.7	599.5	711.2	945.1
Relative SECR Emissions - location-based	tCO2e/m	5.5	6.4	11.9	15.9
Taking into account green energy purchased:					
Total SECR Emissions - market-based	tCO2e	39.4	134.4	173.8	260.7
Relative SECR Emissions - market-based	tCO2e/m	1.9	1.4	3.3	3.6

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 2023.

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 2024, the Group has carried out the following activities.

→ Continued to work in accordance with our sustainability manifesto which sets out our approach to environmental best practice, equity and business transparency in the Group's three main areas of impact.

→ During the first half of the period, the Group created a series of Objectives and Key Results (OKRs) to further the implementation of the commitments made in the manifesto. Objectives during the first half of the period included:

  - 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.
  - Planet - Measuring and reducing our carbon emissions.

→ In 2024 the Group has hired a new Head of Sustainability to drive further progress.

Going concern

In consideration of the Group'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

DocuSigned by:
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Richard Moross
Director

31 July 2024

Corporate Governance Report
for the year ended 31 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 and other stakeholders. Sound corporate governance is key to achieving this objective.

During 2023, the Company's Board met on a regular basis. These sessions were mostly attended by the whole Board, and were generally independent of the Senior Leadership Team.

The Board's responsibilities in 2023 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).
→ A twice-yearly ESG 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.

Audit and risk

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

→ reviews incident reporting;
→ reviews the Company's risk register and top five risks;
→ reviews a wide range of accounting and financial reporting matters, as well as internal control issues;
→ reviews the published financial results, Annual Report and other published information for statutory and regulatory compliance; and
→ approves the results announcements and the Annual Report.

The CFO 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 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 their own remuneration.

Environmental, social and corporate governance (ESG)

The Board has twice yearly ESG sessions. At these sessions, the Board discusses non-financial risks and opportunities inherent in the Company's day to day activities such as the following:

→ Environmental
- Emissions
- Resources use
- Land use
- Sustainability impact

→ Social
- Management of employee development
- Labour practices
- Safety and quality of product
- Supply chain labour, health and safety standards, sourcing

→ Governance
- Shareholders rights
- Executives compensation and alignment with performance
- Corporate behaviour
- Regulatory and legal compliance and horizon scanning

Independent Auditor's Report

to the members of MOO Print Limited

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 2023 and of the Group's loss for the period 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 Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2023 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 Cashflows, the Company Statement of Financial Position, the Company Statement of Changes in Equity and notes to the Consolidated Financial Statements, including material accounting information. The financial reporting framework that has been applied in their preparation is applicable law 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, 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 legal counsel; 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, Employment Tax, Health and Safety and 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 and Health and Safety legislation.

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;

→ Review of legal expenditure accounts to understand the nature of expenditure incurred;

→ Review of the Group's risk register;

→ Review management's Health and Safety Audits for 2023; and

→ Obtained written confirmations from legal counsels.

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; and
- Internal controls established to mitigate risks related to fraud.

Independent Auditor's Report

to the members of MOO Print Limited (continued)

- 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;
- Assessing the classification of exceptional items with respect to the disclosure policy in the financial statements; and
- Performing unpredictability procedures.

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: 31 July 2024

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

Consolidated Statement of Profit or Loss & Other Comprehensive Income

for the year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Revenue	7	114,691	117,584
Cost of sales		(39,440)	(42,230)
Gross Profit		75,251	75,354
Administrative expenses		(63,732)	(61,856)
Analysed as:			
Adjusted EBITDA		11,519	13,498
Depreciation and amortisation	13, 15, 17	(7,319)	(5,557)
Impairment charge of intangible assets	13	(211)	(38)
Exceptional items	8	(1,326)	(319)
Forward contract gains/(losses)	8	1,341	(1,497)
FX revaluation of intercompany balances	8	(620)	(1,282)
Operating profit		3,384	4,805
Finance income		19	3
Finance expense	10	(4,240)	(3,722)
(Loss)/Profit on ordinary activities before taxation		(837)	1,086
Taxation	11	(241)	8
(Loss)/Profit for the financial year attributable to the owners of the parent		(1,078)	1,094
(Loss)/Profit for the year		(1,078)	1,094
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Fair value movement on convertible loan note		(4,067)	(352)
Items that will or may be reclassified to profit or loss:			
Exchange gains arising on translation of foreign operations		(1,782)	4,010
Total comprehensive (expenditure)/income attributable to the owners of the parent		(6.927)	4,752
Earnings per share:			
Basic (cents)	12	(28.16)	28.97
Diluted (cents)		(28.16)	27.21

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 31 to 77 form an integral part of these financial statements

MOO Print Limited

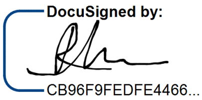
Consolidated Statement of Financial Position

as at 31 December 2023

	Note	Group 31 December 2023 $'000	Group 31 December 2022 $'000
Assets			
Non-current assets			
Intangible assets	13	9,585	5,121
Property, plant and equipment	15	7,826	6,160
Right-of-use assets	17	15,963	19,166
Non-current receivables	20	2,062	1,944
Deferred tax asset	11	-	771
Total non-current assets		35,436	33,162
Current assets			
Inventory	22	3,016	5,814
Trade and other receivables	24	4,533	5,842
Corporation tax receivable		508	986
Cash and cash equivalents		2,464	3,747
Total current assets		10,521	16,389
Total assets		45,957	49,551
Liabilities			
Current liabilities			
Trade and other payables	26	(16,611)	(20,066)
Forward contract	26	-	(1,312)
Lease liabilities	17, 26	(3,571)	(3,282)
Loans and borrowings	26, 30	(6,656)	(35,664)
Total current liabilities		(26,838)	(60,324)
Non-current liabilities			
Lease liabilities	17, 28	(13,331)	(16,235)
Loans and borrowings	28, 30	(39,603)	-
Provisions	28	(451)	(416)
Deferred tax liability	11	(524)	(756)
Total non-current liabilities		(53,909)	(17,407)
Total liabilities		(80,747)	(77,731)
Net liabilities		(34,790)	(28,180)
Equity attributable to equity holders of the Company			
Share capital	35	4	4
Share premium	36	16,399	16,217
Translation reserve	36	(1,656)	126
Fair value through OCI reserve	36	(4,419)	(352)
Other reserve	36	2,812	2,812
Accumulated deficit	36	(47,930)	(46,987)
Total equity		(34,790)	(28,180)

Consolidated Statement of Financial Position
as at 31 December 2023

The financial statements on pages 23 to 77 were approved and authorised for issue by the Board of Directors on 31 July 2024 and were signed on its behalf by:



Richard Moross
Director
Company registration number: 05121723

The accompanying accounting policies and notes on pages 31 to 77 form an integral part of these financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

Group

	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 2022	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 profit 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)
Loss for the year	-	-	-	-	-	(1,078)	(1,078)
Other comprehensive expenditure	-	-	(1,782)	(4,067)	-	-	(5,849)
Total comprehensive loss for the year	-	-	(1,782)	(4,067)	-	(1,078)	(6,927)
Issue of shares in relation to exercise of warrants	-	182	-	-	-	-	182
Share based payments	-	-	-	-	-	135	135
Equity as at 31 December 2023	4	16,399	(1,656)	(4,419)	2,812	(47,930)	(34,790)

The accompanying accounting policies and notes on pages 31 to 77 form an integral part of these financial statements

Consolidated Statement of Cashflows
for the year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
(Loss)/Profit for the financial year		(1,078)	1,094
Adjustments for:			
Taxation on ordinary activities	11	241	(8)
Depreciation of property, plant and equipment	15	1,564	1,013
Amortisation of right-of-use assets	17	4,167	2,337
Loss on disposal of right-of-use assets	17	-	152
Amortisation of intangible assets	13	1,588	2,207
Impairment of intangible assets	13	211	38
Revaluation adjustment for leases	17	(6)	-
Share based payment charge	8	135	118
Net interest payable		1,995	966
Convertible loan note fair value movement		2,226	2,756
Forward contract fair value movement		(1,341)	1,497
Foreign exchange movement		620	1,282
Changes in working capital			
Decrease/(Increase) in inventories		2,863	(3,175)
Decrease/(Increase) in trade and other receivables		1,404	(1,278)
(Decrease)/Increase in trade and other payables		(4,654)	5,079
Increase in provisions		35	239
Taxation received		570	95
R&D tax credit received		214	198
Net cash flows from operating activities		10,754	14,610
Investing activities			
Payments to acquire property, plant and equipment	15	(3,168)	(4,730)
Payments to acquire intangible assets	13	(5,906)	(2,636)
Net cash used by investing activities		(9,074)	(7,366)
Financing activities			
Principle paid on lease liabilities	17	(3,577)	(2,423)
Interest paid on lease liabilities	17	(1,168)	(464)
Exercise of share options and restricted share agreements	35	186	1
Interest received		19	3
Interest paid: bank loans	30	(838)	(472)
Repayment of bank loans	30	(7,920)	(8,048)
Proceeds from bank loans		10,567	-
Net cash used by financing activities		(2,731)	(11,403)
Net decrease in cash and cash equivalents		(1,051)	(4,159)
Exchange (losses) on cash and cash equivalent		(232)	(478)
Cash and cash equivalents at beginning of year		3,747	8,384
Cash and cash equivalents at end of year		2,464	3,747

The accompanying accounting policies and notes on pages 31 to 77 form an integral part of these financial statements

MOO Print Limited

Company Statement of Financial Position

as at 31 December 2023

	Note	Company 31 December 2023 $'000	Company 31 December 2022 $'000
Assets			
Non-current assets			
Intangible assets	14	9,577	5,106
Property, plant and equipment	16	1,365	1,122
Right-of-use assets	18	6,568	7,083
Non-current receivables	21	1,052	1,009
Deferred tax asset	11	-	771
Total non-current assets		18,562	15,091
Current assets			
Inventory	23	832	1,654
Trade and other receivables	25	2,286	3,641
Corporation tax receivable		528	326
Cash and cash equivalents		928	1,567
Total current assets		4,574	7,188
Total assets		23,136	22,279
Liabilities			
Current liabilities			
Trade and other payables	27	(9,671)	(11,655)
Forward contract	27	-	(1,312)
Lease liabilities	18, 27	(1,885)	(1,244)
Loans and borrowings	27, 31	(6,656)	(35,664)
Total current liabilities		(18,212)	(49,875)
Non-current liabilities			
Lease liabilities	18,29	(4,787)	(5,936)
Loans and borrowings	29, 31	(39,603)	-
Provisions	29	(451)	(416)
Total non-current liabilties		(44,841)	(6,352)
Total liabilities		(63,053)	(56,227)
Net liabilities		(39,917)	(33,948)
Equity attributable to equity holders of the Company			
Share capital	35	4	4
Share premium	36	16,399	16,217
Translation reserve	36	(1,656)	126
Fair value through OCI reserve	36	(4,419)	(352)
Other reserve	36	2,812	2,812
Accumulated deficit	36	(53,057)	(52,755)
Total equity		(39,917)	(33,948)

Company Statement of Financial Position

as at 31 December 2023

The Company made a loss of $437,000 (2022: Profit of $59,000). 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 31 July 2024.

DocuSigned by:

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Richard Moross
Director

The accompanying accounting policies and notes on pages 31 to 77 form an integral part of these financial statements

MOO Print Limited

Company Statement of Changes in Equity

for the year ended 31 December 2023

Company

	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 2022	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 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)
Loss for the year	-	-	-	-	-	(437)	(437)
Other comprehensive expenditure	-	-	(1,782)	(4,067)	-	-	(5,849)
Total comprehensive loss for the year	-	-	(1,782)	(4,067)	-	(437)	(6,286)
Issue of shares in relation to exercise of warrants	-	182	-	-	-	-	182
Share based payments	-	-	-	-	-	135	135
Equity as at 31 December 2023	4	16,399	(1,656)	(4,419)	2,812	(53,057)	(39,917)

The accompanying accounting policies and notes on pages 31 to 77 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" or the "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 design, produce, customise 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 Group are denominated in US Dollar (USD), 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 judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 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.

Basis of measurement

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 through profit or loss and other comprehensive income. 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.

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.

Sensitivity analyses have been performed to reflect a variety of 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 partially 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 and cash 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 on 14th September 2025, all of their holdings will be converted to Equity. While these financial statement show a net liability position for the Group and Company due to the classification of this convertible loan note as long-term debt, it does not impact on the Group's ability to meet its near-term financial commitments or maintain its overall financial health. Likewise, the Group's current working capital position is influenced by the classification of its term loan at year end, which has been further discussed in note 26, as well as the timing of creditor payments. Management has carefully assessed the Group's financial position and concluded that the Group maintains a strong cash flow generation capacity and that there are no indicators suggesting an inability to meet short-term obligations.

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

The Group recognises revenue from the following sources:

→ Sales of print and branded merchandise products; and
→ Subscription service income.

Revenue is measured based on the consideration to which the Group expects to be entitled to receive in exchange for transferring goods or services to a customer. The Group recognises revenue when it transfers control of a product or service to a customer.

Sales of print and branded merchandise products

The Group sells print and branded merchandise products directly to customers through its own website (moo.com). 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

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 assets 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.

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 2023 (2022: 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 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. Where credits are claimed under the Research and Development Expenditure Credit (RDEC) scheme, the amount received is taxable income and is therefore recognised in profit before tax as other income.

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.

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 Group recognises 'right-of-use' assets and lease liabilities for all leases other than right of access agreements, leases of low value and 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, asdescribed 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

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 and other 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.

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 Group 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.

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.

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, 2023, of;

- 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).

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

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 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 Group, from 1 January 2023.

5. Critical accounting judgements and estimation uncertainty

The preparation of financial statements requires management to make judgements, 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 a 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. At year-end, all leases held by the Group are based on initial lease terms and do not take into account any extension option as the Group is not reasonably certain, at this point in time, that any extension option will be exercised.
- 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.
- 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.
- 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. In determining whether a cost is 'exceptional', the Group considers the nature, frequency and the circumstance under which the cost has arisen. During the year, warehouse setup and relocation costs, restructuring costs, dual warehouse running costs and a written off manufacturing project were classified as 'exceptional' costs by the Group. See note 8 for a breakdown of the Group's exceptional costs.

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.
- 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 Group 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 leahold 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 2 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.

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 2022 and 31 December 2023.

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.

Notes to the Consolidated Financial Statements
(continued)

Financial instruments by category

Financial assets	Group 2023 $'000	Group 2022 $'000
At amortised cost:		
Cash and cash equivalents	2,464	3,747
Trade receivables	1,333	1,229
Current and non-current other receivables	2,579	4,350
Carrying amount of financial assets	6,376	9,326

Financial liabilities	Group 2023 $'000	Group 2022 $'000
At amortised cost:		
Trade payables	7,412	10,826
Lease liabilities	16,902	19,517
Bank loans	6,656	4,000
At fair value through profit or loss or other comprehensive income:		
Forward contract	-	1,312
Convertible loan note	39,603	31,664
Carrying amount of financial liabilities	70,573	67,319

The key risks to the Group 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 as needed. During 2023, all forward contracts were terminated.

Credit risk

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

The Group 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 minimum S&P credit ratings of BBB with adequate capacity to meet financial commitments. 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 the Group's management of working capital. It is the risk that the Group 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.

Group

31 December 2023	Within 1 year	Within 2-5 years	Within 5+ years
	2023	2023	2023
	$'000	$'000	$'000
Trade payables and other payables	7,412	-	-
Bank loan	6,656	-	-
Convertible loan note	-	16,600	-
Lease liabilities	4,511	11,538	5,097
	18,579	28,138	5,097

31 December 2022	Within 1 year	Within 2-5 years	Within 5+ years
	2022	2022	2022
	$'000	$'000	$'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

Capital Management

The Group's capital is made up as follows:

	Group 2023 $'000	Group 2022 $'000
Share capital	4	4
Share premium	16,399	16,217
Foreign exchange reserve	(1,656)	126
Fair value through OCI reserve	(4,419)	(352)
Other reserve	2,812	2,812
Accumulated deficit	(47,930)	(46,987)
	(34,790)	(28,180)

The Group'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 the Group 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

	Group 2023 $'000	Group 2022 $'000
(a) Geographical markets		
An analysis of external revenue by geographic market is given below:		
North America (USA & Canada)	93,849	95,156
Rest of World	20,842	22,428
	114,691	117,584

	2023 $'000	2022 $'000
(b) Distribution channel		
An analysis of external revenue by distribution channel is given below:		
Sale of goods - self service	84,527	85,954
Sale of goods - managed services	28,411	29,987
Subscription service income	1,753	1,643
	114,691	117,584

	2023 $'000	2022 $'000
(c) Product type		
An analysis of external revenue by product type is given below:		
Print	110,808	113,607
Branded merchandise	2,130	2,334
Subscription service income	1,753	1,643
	114,691	117,584

Notes to the Consolidated Financial Statements
(continued)

8. Expenses by nature

	Note	Group 2023 $'000	Group 2022 $'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		284	286
Fees payable to the Company's auditor and its associates for other services:			
Other assurance services		6	55
Tax advisory services		81	63
Tax compliance services		33	26
Other non-audit services		16	12
Total amount payable to the Company's auditor and its associates		420	442
Amortisation of intangible assets	13	1,588	2,207
Depreciation of property, plant and equipment	15	1,564	1,013
Amortisation of right-of-use assets	17	4,167	2,337
Impairment of intangible assets	13	211	38
Revaluation adjustment for Leases		(6)	-
Loss on disposal of property, plant and equipment		4	-
Share based payments		135	118
Forward contract (gains)/losses		(1,341)	1,497
FX revaluation of intercompany balances		620	1,282
Exceptional items			
Warehouse and office relocation & setup costs		264	549
Lincoln facility dual running costs		191	35
Denver onerous contract		24	132
Denver rental income		-	(228)
Farringdon service charge refund		-	(64)
Cancelled supplier contracts		-	(105)
Restructure & Redundancy costs		675	-
Written off manufacturing project		172	-
Total exceptional items		1,326	319

In September 2022, the Group commenced a move to a new manufacturing facility in East Providence, Rhode Island, with the transition being completed in early 2023. The new head office lease in Camden also began in September 2022. Setup 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.

The Group went through a restructure in June 2023. The costs related to this restructure are not included in the Group's core trading acivties and have been categorised as exceptional costs.

Furthermore, in 2021, the Group paid a deposit for a manufacturing optimisation project that was ultimately cancelled. Subsequesntly, the project costs were written off to exceptional items in 2023.

In the prior year, 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

	Group 2023 $'000	Group 2022 $'000
Wages and salaries	31,715	30,734
Social security costs	2,999	2,795
Pension costs	1,424	1,126
	36,138	34,655

The average number of employees, including Directors, during the year was 437 (2022: 442).

The Group operates a defined contribution scheme for its directors and employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pensions cost charge represents the contributions payable by the Group of $1,423,923 (2022: $1,126,375). The amount outstanding to the fund at the balance sheet date was $140,654 (2022: $126,031). One director was a member of the defined contribution pension scheme in the current year (2022: One).

Notes to the Consolidated Financial Statements
(continued)

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:

	Group 2023 $'000	Group 2022 $'000
Salaries and other short-term benefits	3,013	3,532
Share-based payments	-	-
	3,013	3,532

Directors:	2023 $'000	2022 $'000
Aggregate emoluments	512	641

No Directors exercised share options during 2022 and 2023. There were no acquisation of shares by Directors via Restricted Share Purchases in 2023 (2022: nil).

The total amount paid to the highest paid Director in respect of emoluments was $407,143 (2022: $548,165).

10. Finance Expense

	Group 2023 $'000	Group 2022 $'000
Bank and other loans	838	472
Fair value movement on convertible loan note	2,226	2,756
Interest on lease liabilities	1,168	464
Unwinding of discount on dilapidations provisions	8	30
	4,240	3,722

Notes to the Consolidated Financial Statements
(continued)

11. Taxation

	Group 2023 $'000	Group 2022 $'000
Current tax		
UK corporation tax credit on loss for the year	(415)	(22)
Adjustments in respect of prior periods	24	(207)
Overseas tax	60	105
Adjustments in respect of prior years overseas tax	1	(161)
Total current tax	(330)	(285)
Deferred tax		
Origination and reversal of timing differences	778	(199)
Foreign taxation	(244)	-
Adjustments in respect of prior years	37	476
Total deferred tax	571	277
Tax on profit/(loss) on ordinary activities	241	(8)

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2023 $'000	2022 $'000
(Loss)/Profit on ordinary activities before tax	(837)	1,086
Expected tax (credit)/charge based on corporation tax rate (2023: 23.52%, 2022: 19%)	(197)	206
Effects of:		
Fixed asset differences	4	(84)
Expenses not deductible for tax purposes	41	231
Other permanent differences	(11)	(55)
Remeasurement of deferred tax for changes in tax rates	14	(48)
Deferred tax not recognised	527	155
Additional deduction for R&D expenditure	(707)	(257)
Surrender of tax losses for R&D tax credit refund	463	-
Adjustments to tax charge in respect of previous periods	24	(207)
Adjustments to tax charge in respect of previous periods - Deferred tax	37	-
Difference in overseas tax rate	46	51
Tax charge/(credit) for the period	241	(8)

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 $11.3m of income tax losses in the UK Parent Company, where a deferred tax asset has not been recognised owing to uncertainty of future use.

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
	2023	2023	2023	2023	2023	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Accelerated capital allowances	-	(824)	(824)	(792)	-	-
Losses	824	-	824	14	42	-
Adjustments in respect of prior years	-	-	-	(37)	-	-
Deferred tax asset/(liability)	824	(824)	-	(815)	42	-

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

Notes to the Consolidated Financial Statements
(continued)

Deferred tax liability (Subsidiary)

	Asset 2023 $'000	Liability 2023 $'000	Net 2023 $'000	(Charged)/ credited through profit or loss 2023 $'000	Credited to equity 2023 $'000
Accelerated capital allowances	-	(1,345)	(1,345)	(291)	-
Losses	1,387	-	1,387	(58)	-
Other temporary and deductible differences	296	-	296	34	-
Leases	-	(862)	(862)	559	-
Deferred tax asset/(liability)	1,683	(2,207)	(524)	244	-

	Asset 2022 $'000	Liability 2022 $'000	Net 2022 $'000	(Charged)/ credited through profit or loss 2022 $'000	Credited to equity 2022 $'000
Accelerated capital allowances	-	(1,053)	(1,053)	(398)	-
Losses	1,445	-	1,445	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)	-

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

12. Earnings per share

	Group 2023	Group 2022
(Loss)/Profit attributable to shareholders of the Company ($)	(1,077,753)	1,094,858
Weighted average number of ordinary shares (no.)	3,826,856	3,779,216
Dilutive effect of options (no.)	254,244	244,077
Weighted average number of shares for diluted earnings per share (no.)	4,081,100	4,023,293
Basic (loss)/profit per share (cents)	(28.16)	28.97
Diluted (loss)/profit per share (cents)	(28.16)	27.21

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	Domain name	Purchased goodwill	Software	Total
	$'000	$'000	$'000	$'000	$'000
COST					
At 1 January 2022	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
Additions	5,885	-	-	21	5,906
Disposals	(18)	-	-	-	(18)
Foreign exchange	1,087	6	1	30	1,124
At 31 December 2023	25,629	120	15	685	26,449
AMORTISATION/IMPAIRMENT					
At 1 January 2022	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
Amortisation charge for the year	1,467	-	-	121	1,588
Disposals	(18)	-	-	-	(18)
Impairments	211	-	-	-	211
Foreign exchange	738	6	1	22	767
At 31 December 2023	16,168	120	15	561	16,864
NET BOOK VALUE					
At 31 December 2022	4,905	-	-	216	5,121
At 31 December 2023	9,461	-	-	124	9,585

14. Intangible assets (Company)

	Capitalised development	Domain name	Purchased goodwill	Software	Total
	$'000	$'000	$'000	$'000	$'000
COST					
At 1 January 2022	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
Additions	5,885	-	-	13	5,898
Disposals	(18)	-	-	-	(18)
Foreign exchange	1,089	6	1	29	1,125
At 31 December 2023	25,631	120	15	614	26,380
AMORTISATION/IMPAIRMENT					
At 1 January 2022	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
Amortisation charge for the year	1,469	-	-	105	1,574
Disposals	(18)	-	-	-	(18)
Impairments	211	-	-	-	211
Foreign exchange	738	6	1	22	767
At 31 December 2023	16,170	120	15	498	16,803
NET BOOK VALUE					
At 31 December 2022	4,905	-	-	201	5,106
At 31 December 2023	9,461	-	-	116	9,577

Notes to the Consolidated Financial Statements
(continued)

15. Property, plant and equipment (Group)

	Plant and equipment	Computer equipment	Furniture and fixtures	Total
	$'000	$'000	$'000	$'000
COST				
At 1 January 2022	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
Additions	365	337	2,466	3,168
Disposals	(23)	(14)	(66)	(103)
Foreign exchange	76	43	110	229
At 31 December 2023	4,716	2,029	10,228	16,973
DEPRECIATION				
At 1 January 2022	1,614	908	2,563	5,085
Reclassification between right-of-use assets & plant and equipment	1,650	-	-	1,650
Charge for period	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
Charge for the year	295	341	928	1,564
Disposals	(23)	(11)	(65)	(99)
Foreign exchange	73	26	64	163
At 31 December 2023	4,119	1,417	3,611	9,147
NET BOOK VALUE				
At 31 December 2022	524	602	5,034	6,160
At 31 December 2023	597	612	6,617	7,826

Notes to the Consolidated Financial Statements
(continued)

16. Property, plant and equipment (Company)

	Plant and equipment $'000	Computer equipment $'000	Furniture and fixtures $'000	Total $'000
COST				
At 1 January 2022	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
Additions	-	202	517	719
Disposals	(23)	(14)	(66)	(103)
Foreign exchange	78	42	111	231
At 31 December 2023	1,606	951	2,528	5,085
DEPRECIATION				
At 1 January 2022	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
Amortisation charge for the year	39	161	339	539
Disposals	(23)	(11)	(65)	(99)
Foreign exchange	74	26	64	164
At 31 December 2023	1,565	662	1,493	3,720
NET BOOK VALUE				
At 31 December 2022	76	235	811	1,122
At 31 December 2023	41	289	1,035	1,365

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. During the year, the Group had several short-term license agreements for coworking office space in Boston, Denver and Providence which has been expensed directly to the profit and loss account.

The right-of-use 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.

At year end, the carrying amount of right-of-use plant & machinery was $5.61 million (2022: $7.49 million) and the carrying amount of right-of-use property was $10.35 million (2022: $11.68 million). During the year, the amortisation charge for right-of-use plant & machinery amounted to $2.0 million (2022: $1.44 million) and the amortisation charge for right-of-use property amounted to $2.17 million (2022: $0.90 million).

During the year, MOO Print Limited agreed to a rent increase with the landlords of the Dagenham warehouse facility which was backdated to 2nd December 2021. Following the backdated rent review, the Dagenham right-of-use asset and corresponding lease liability were remeasured at the date of the rent review (2nd November 2023) resulting in an increase to the right-of-use asset and lease liability of $783k and 777k, respectively. As a rent review was stipulated in the original lease contract, the original discount rate of 3.1% has been used for the revaluation.

Right-of-use Assets	Group 2023 $'000	Group 2022 $'000
Opening balance	19,166	3,613
Additions	43	18,560
Revaluation adjustment	783	-
Amortisation	(4,167)	(2,337)
Disposals	(208)	(373)
Foreign exchange	346	(297)
Closing balance	15,963	19,166

Lease Liabilities	2023 $'000	2022 $'000
Opening balance	19,517	5,015
Additions	43	17,465
Revaluation adjustment	777	-
Interest expense	1,168	464
Gross lease payments	(4,745)	(2,887)
Disposals	(208)	(221)
Foreign exchange movements	350	(319)
Closing balance	16,902	19,517

Notes to the Consolidated Financial Statements
(continued)

18. Leases (Company)

At year end, the carrying amount of right-of-use plant & machinery was $1.49 million (2022: $1.83 million) and the carrying amount of right-of-use property was $5.08 million (2022: $5.25 million). During the year, the amortisation charge for right-of-use plant & machinery amounted to $0.43 million (2022: $0.38 million) and the amortisation charge for right-of-use property amounted to $1.22 million (2022: $0.34 million).

During the year, MOO Print Limited agreed to a rent increase with the landlords of the Dagenham warehouse facility which was backdated to 2nd December 2021. Following the backdated rent review, the Dagenham right-of-use asset and corresponding lease liability were remeasured at the date of the rent review (2nd November 2023) resulting in an increase to the right-of-use asset and lease liability of $783k and 777k, respectively. As a rent review was stipulated in the original lease contract, the original discount rate of 3.1% has been used for the revaluation.

Right-of-use Assets	Company 2023 $'000	Company 2022 $'000
Opening balance	7,083	1442
Additions	-	6741
Revaluation adjustment	783	-
Amortisation	(1,645)	(720)
Disposals	-	(80)
Foreign exchange	347	(300)
Closing balance	6,568	7,083

Lease Liabilities	2023 $'000	2022 $'000
Opening balance	7,180	1,878
Additions	-	6,505
Revaluation adjustment	778	-
Interest expense	374	152
Gross lease payments	(2,011)	(895)
Disposals	-	(141)
Foreign exchange movements	351	(319)
Closing balance	6,672	7,180

19. Investments in subsidiaries

The principal subsidiaries of the Parent Company, 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 2023	Nature of business
MOO, Inc.	USA	25 Fairmont Ave, East Providence RI 02914	100%	Sale of personalised products
MOO Germany GmbH	Germany	Freidrichstr, 123 10117, Berlin, Germany	N/A	Liquidated on April 2022

Disposal of MOO Germany GmbH

	Total
	$'000
Company	
COST AND NET BOOK VALUE	
At 1 January 2022	15
Additions	-
Disposals	(15)
At 31 December 2022	-
Additions	-
Disposals	-
At 31 December 2023	-

20. Non-current receivables (Group)

	Group 2023 $'000	Group 2022 $'000
Rent and leased machinery deposits	2,062	1,944
	2,062	1,944

21. Non-current receivables (Company)

	Company 2023 $'000	Company 2022 $'000
Rent and leased machinery deposits	1,052	1,009
	1,052	1,009

22. Inventory (Group)

	Group 2023 $'000	Group 2022 $'000
Raw materials and consumables	1,926	4,346
Finished goods and goods for resale	1,090	1,468
	3,016	5,814

There was no significant difference between the replacement cost of the inventories and the carrying value. During the period, write down of inventories were minimal.

Notes to the Consolidated Financial Statements
(continued)

23. Inventory (Company)

	Company 2023 $'000	Company 2022 $'000
Raw materials and consumables	534	1,130
Finished goods and goods for resale	298	524
	832	1,654

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. During the period, write down of inventories were minimal.

24. Trade and other receivables (Group)

	Group 2023 $'000	Group 2022 $'000
Trade receivables - gross	1,352	1,261
Less provision for impairment	(19)	(32)
Trade receivables - net	1,333	1,229
Other receivables	9	1,420
Prepayments	3,191	3,193
	4,533	5,842

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)

	Company 2023 $'000	Company 2022 $'000
Trade receivables - gross	200	158
Less provision for impairment	(4)	(4)
Trade receivables - net	196	154
Other receivables	-	1,130
Prepayments	2,090	2,357
	2.286	3,641

Notes to the Consolidated Financial Statements
(continued)

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)

	Group 2023 $'000	Group 2022 $'000
Forward contract	-	1,312
Term loan	4,656	-
Revolving credit facility	2,000	4,000
Convertible loan note	-	31,664
Lease liabilities	3,571	3,282
Trade and other payables		
Trade payables	7,412	10,826
Accruals	5,011	5,125
Deferred income	1,958	1,898
Other taxation and social security	2,230	2,217
Total trade and other payables	16,611	20,066
Total current liabilities	26,838	60,324

For the Group and Company:

Bank loan:

In July 2023, the Group refinanced with a secured term loan of $5m and a revolving credit facility (RCF) of $15m, both denominated in US dollars. The term loan had a 4.5-year term and is due in December 2027. As at 31 December 2023, the balance left on the term loan was $5m, and it is being recognised in amounts falling due within one year due to non-compliance with a covenant on the final day of the financial year.

The Company and the bank agreed that this non-compliance resulted from a misunderstanding in the interpretation of how a single covenant operated. Specifically, the Company needed to draw down $3m of an available $13m balance on the RCF on 31 December 2023, with the $3m being repaid the next day, but the Company did not request the drawing. The non-compliance was purely technical and did not raise any concerns regarding the Company's liquidity or financial stability. The issue was promptly resolved, with the bank issuing a formal waiver. The Company's liquidity position remained unaffected, with substantial headroom available on its facilities.

In accordance with IFRS 9, debt borrowing costs of $0.3m have been capitalised against the term loan, resulting in a $4.7m carrying amount for the term loan at year-end. In addition, $2m of the revolving credit facility was drawn at the end of the period. The facilities contain financial covenants that are believed to be appropriate in the current economic climate and are tested on a quarterly basis, against which the Company monitors compliance.

27. Current liabilities (Company)

	Company 2023 $'000	Company 2022 $'000
Forward contract	-	1,312
Term loan	4,656	-
Revolving credit facility	2,000	4,000
Convertible loan note	-	31,664
Lease liabilities	1,885	1,244
Trade and other payables		
Trade payables	4,871	5,966
Accruals	2,965	2,078
Deferred income	203	203
Other taxation and social security	154	579
Amount due to subsidiary	1,478	2,829
Total trade and other payables	9,671	11,655
Total current liabilities	18,212	49,875

During the year, all forward contracts were terminated.

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

28. Non-current liabilities (Group)

	Group 2023 $'000	Group 2022 $'000
Bank loan	-	-
Convertible loan note	39,603	-
Total loans and borrowings	39,603	-
Lease liabilities	13,331	16,235
Provisions - dilapidations	451	416
Deferred tax liability	524	756
Total non-current liabilities	53,909	17,407

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

	2023	2022
	$'000	$'000
Camden Office	114	105
Dagenham warehouse	337	311
	451	416

For the Group and Company:

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, 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 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.

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 includes the $8.1m principal received and movements in the fair value of the convertible loan note of $33.3m between 15 September 2020 and 31 December 2023. In 2023, this is offset by a decrease of $1.8m as a result of revaluing the convertible loan note from GBP to the Group's presentation currency (USD) at the balance sheet date. The fair value of the instrument as at 31 December 2023 was considered to be $39.6m. 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. Furthermore, on 19 September 2023, the convertible loan note holders agreed to extend the maturity by a further 24 months resulting in the financial instrument being recognised as non-current at the end of the year.

Dilapidations provision:

The dilapidations provision has been recognised in line with IFRS 16 and interest on dilapidations is subsequently measured per IAS 37. During the year, $16k of interest was recognised to the profit and loss account respresenting the unwinding of dilapidations provision and foreign exchange movement of $19k was recognised to the translation reserve resulting in a dilapidations provision of $451k at year-end (2022: $416k).

Dilapidations provision:

The dilapidations provision has been recognised in line with IFRS 16 and interest on dilapidations is subsequently measured per IAS 37. During the year, $16k of interest was recognised to the profit and loss account respresenting the unwinding of dilapidations provision and foreign exchange movement of $19k was recognised to the translation reserve resulting in a dilapidations provision of $451k at year-end (2022: $416k).

Movements in the value of the convertible loan note between the issue date and 31 December 2023 are shown below;

	$'000
Principal received on 15 September 2020	8,096
Fair value movement through profit or loss	28,851
Fair value movement through other comprehensive income	4,415
Foreign exchange	(1,759)
Convertible loan note value at 31 December 2023	39,603

29. Non-current liabilities (Company)

	Company 2023 $'000	Company 2022 $'000
Bank loan	-	-
Convertible loan note	39,603	-
Total loans and borrowings	39,603	-
Lease liabilities	4,786	5,936
Provisions - dilapidations	451	416
Total non-current liabilities	44,840	6,352

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

	Company 2023 $'000	Company 2022 $'000
Camden Office	114	105
Dagenham warehouse	337	311
	451	416

30. Loans and borrowings (Group)

	Group 2023 $'000	Group 2022 $'000
Current		
Term loan	4,656	-
Revolving credit facility	2,000	4,000
Convertible loan note	-	31,664
Lease liabilities	3,571	3,282
Total current loans	10,227	38,946
Non-current		
Convertible loan note	39,603	-
Lease liabilities	13,331	16,235
Total non-current loans	52,934	16,235
Total loans and borrowings	63,161	55,181

Notes to the Consolidated Financial Statements
(continued)

Movements in loan balances are shown below:	Bank Loan	Convertible loan note	Group Total
	$'000	$'000	$'000
Balance as at 1 January 2022	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
Interest charged	838	-	838
Interest paid	(838)	-	(838)
Issue of bank loans	10,567	-	10,567
Principal repaid	(7,920)	-	(7,920)
Changes in fair value	-	6,291	6,291
Foreign exchange	9	1,648	1,657
Balance as at 31 December 2023	6,656	39,603	46,259

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

Notes to the Consolidated Financial Statements
(continued)

31. Loans and borrowings (Company)

	Company 2023 $'000	Company 2022 $'000
Current		
Term loan	4,656	-
Revolving credit facility	2,000	4,000
Convertible loan note	-	31,664
Lease liabilities	1,885	1,244
Total current loans	8,541	36,908
Non-current		
Convertible loan note	39,603	-
Lease liabilities	4,787	5,936
Total non-current loans	44,390	5,936
Total loans and borrowings	52,931	42,844

Movements in loan balances are shown below:	Bank Loan	Convertible loan note	Company Total
	$'000	$'000	$'000
Balance as at 1 January 2022	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
Interest charged	838	-	838
Interest paid	(838)	-	(838)
Issue of bank loans	10,567	-	10,567
Principal repaid	(7,920)	-	(7,920)
Changes in fair value	-	6,291	6,291
Foreign exchange	9	1,648	1,657
Balance as at 31 December 2023	6,656	39,603	46,259

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 $39.6m at 31 December 2023 (2022: $31.7m). 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).

Group financial instruments by category:

	Fair value through profit or loss or other comprehensive income		Amortised cost	
	2023	2022	2023	2022
	$'000	$'000	$'000	
Financial assets				
Cash and cash equivalents	-	-	2,464	3,747
Trade and other receivables	-	-	3,912	5,579
Total financial assets	-	-	6,376	9,326

	Fair value through profit or loss or other comprehensive income		Amortised cost	
	2023	2022	2023	2022
	$'000	$'000	$'000	
Financial liabilities				
Trade and other payables	-	-	14,653	18,168
Forward contract	-	1,312	-	-
Lease liabilities	-	-	16,902	19,517
Bank loans	-	-	6,656	4,000
Convertible loan note	39,603	31,664	-	-
Total financial liabilities	39,603	32,976	38,211	41,685

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	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities						
Forward contract	-	-	-	1,312	-	-
Convertible loan note	-	-	-	-	39,603	31,664
	-	-	-	-	39,603	31,664

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 $39.6m at 31 December 2023 (2022: $31.7m). 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).

Company financial instruments by category:

	Fair value through profit or loss or other comprehensive income		Amortised cost	
	2023	2022	2023	2022
	$'000	$'000	$'000	
Financial assets				
Cash and cash equivalents	-	-	928	1,567
Trade and other receivables	-	-	1,775	2,619
Total financial assets	-	-	2,703	4,186

	Fair value through profit or loss or other comprehensive income		Amortised cost	
	2023	2022	2023	2022
	$'000	$'000	$'000	
Financial liabilities				
Trade and other payables	-	-	7,991	8,623
Forward contract	-	1,312	-	-
Lease liabilities	-	-	6,672	7,180
Bank loans	-	-	6,656	4,000
Convertible loan note	39,603	31,664	-	-
Total financial liabilities	39,603	32,976	21,319	19,803

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	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities						
Forward contract	-	-	-	1,312	-	-
Convertible loan note	-	-	-	-	39,603	31,664
	-	-	-	1,312	39,603	31,664

34. Share based payments

Options over shares in the Company have been granted in relation to employee engagement and retention. As at 31 December 2023, 254,307 options over ordinary shares (2022: 252,521) had been granted. The options have a weighted average exercise price of $2.566 (2022: $2.363). The options were valued using the Black-Scholes option pricing model.

The weighted average exercise price of options outstanding at the year-end was $2.566 (2022: $2.363) and their average contractual life was 10 years (2022: 10 years).

A reconciliation of option movements over the previous two reporting periods

	2023	2023	2022	2022
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	252,521	$2.431	220,970	$2.410
Granted	12,103	$6.110	35,900	$3.167
Exercised	-	$0.000	(100)	$6.112
Lapsed	(10,317)	$3.049	(4,249)	$1.182
Cancelled	-	$0.000	-	-
Outstanding at 31 December	254,307	$2.566	252,521	$2.363

The share options have been granted under two schemes, the CSOP and the 2017 USA Stock plans. As these schemes have substantially the same terms, 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:

	2023	2022
	Number	Number
Allotted, called up, and fully paid		
Ordinary shares of £0.001 each	2,549,907	2,549,907
‘A’ preferred ordinary shares of £0.000001 each	920,639	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
	3,826,856	3,779,237

	2023	2022
	$'000	$'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 nil (2022: 100) ordinary shares were exercised with an aggregate nominal value of $nil (2022: $0.11) and total consideration received of $nil (2022: $552). The weighted average share price at the date of exercise was $nil (2022: $2.59).

Share warrants

Warrants over shares in the Company have been issued in relation to various loan facilities. During the year, warrants over 47,619 (2022: nil) 'A' preferred ordinary shares were exercised with an aggregate nominal value of $0.06 (2022: $nil). As at 31 December 2023, 14,762 warrants over preference shares (2022: 62,381) had been issued. The warrants have a weighted average strike price of $47.86 (2022: $13.68). The warrants were valued using the Black-Scholes option-pricing model. During the year $135,000 (2022: $118,000) was charged to the income statement. In addition, total consideration of $186,496 (2022: nil) was received for the excercise and purchase of 47,619 (2022: nil) Kreos warrants.

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.

Fair value through OCI 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 to/(from) 31 December 2023	Services provided to/(from 31 December 2022
	$'000	$'000
Related party transactions		
Boston lease - Accomplice Management LLC - Rent paid	(116)	(233)

	Payables Outstanding 31 December 2023	Payables Outstanding 31 December 2022	Receivables Outstanding 31 December 2023	Receivables Outstanding 31 December 2022
	$'000	$'000	$'000	$'000
Related party balances	-	-	-	-

38. Post balance sheet events

Subsequent to the end of the period:

There were no adjusting or non-adjusting events after the balance sheet date.

39. Ultimate controlling party

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