MOO

Annual Report & Financial Statements

For the year ended 31 December 2021

Moo Print Limited

Company Number: 05121723

MOO Print Limited

Report and financial statements
for the year ended 31 December 2021

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Directors

B Holmes
R Klein
R Moore
R Moross
D Shapland (Chairman)

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

Company number
05121723

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

Chairman's Summary

Following an exceptionally challenging 2020, I am proud of how MOO steadily recovered in 2021: a bounce-back that has continued to the extent that, at the time of writing, revenues have returned to close to their 2019, pre-pandemic levels.

There are systemic advantages to MOO's diverse, ecommerce-driven business model but to record revenue growth through 2021 and into 2022 is a considerable achievement. It is also a welcome return to the growth the business saw every year from being founded in 2006, until Covid intervened.

Under the leadership of Richard and his team, MOO has emerged from the pandemic as a stronger, more efficient, more resilient business and is more profitable on an adjusted EBITDA margin basis. It is now a business well-placed to embrace the exciting opportunities presented by post-pandemic recovery and the evolving nature of work.

North America generated 79% of our sales in 2021 and is the largest market for print and branded corporate merchandise in the world, a reflection of its hugely entrepreneurial culture and high rates of business formation, with around 400,000 new businesses started every month.

Our new Branded Merchandise products, such as notebooks and water bottles, have had an excellent reception and we expect them to be a significant growth driver for the business in the coming years. While branded corporate merchandise is traditionally low quality and disposable, MOO's premium and sustainability-minded products are already starting to disrupt this fragmented, multi-billion-dollar market with their appeal to brand-conscious customers.

Having had to make many difficult decisions to restructure and reset the business in 2020, we are now delighted to again be investing heavily in the future of MOO.

I would like to thank Richard, the senior leadership team, and all our MOO colleagues for their hard work in seeing the business through this difficult period and ensuring that MOO has come back stronger than ever. Indeed, I am confident that the resilience we showed during the pandemic, the changes we made to our culture, our team and our business, and the lessons we learnt have made us a better business on the basis of generating higher adjusted EBITDA margins.

I would also like to thank our suppliers, business partners, investors and banking partners, as well as our customers, who have supported the business every step of the way.

MOO is in great shape as we move through 2022 into 2023. In uncertain times, MOO benefits from a diverse business model, both geographically and in terms of our ability to serve customers of all sizes. The relative strength of the US economy means our primary market remains full of exciting growth opportunities and insulates us from any macro-economic slowdown across Europe. In addition we continue to benefit from our proprietary technology and vertically integrated model, a significant differentiator for the business.

The Board is looking forward with confidence and excitement as we further expand the business, drive growth, develop and sell our fantastic premium products, and ensure that MOO continues to act as a good corporate citizen for all our stakeholders.

Darren Shapland
Chairman
13 February 2023

2021 Headlines

$93.2m
Group Revenue

$10.1m
Adjusted EBITDA

79%
North America Revenue

64%
Gross Margin

458k
Active Customers

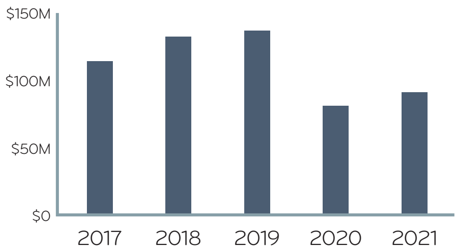
836k
Orders Shipped

362
Average Full Time Employees

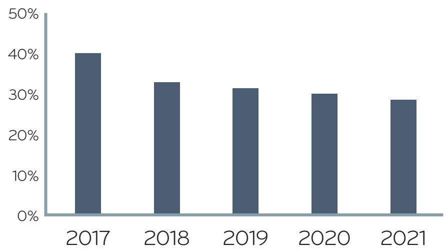
71
USA Net Promoter Score

Financial Progress

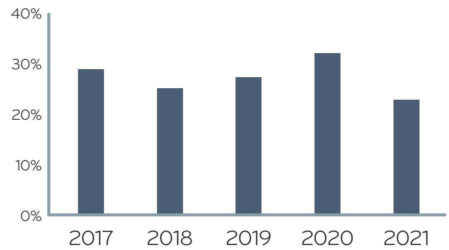
Group Revenue $
Past 5 Years



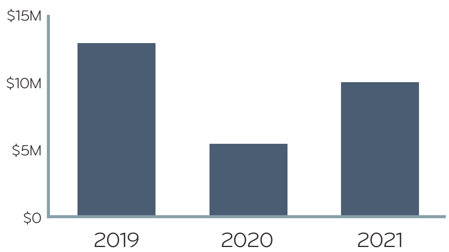
Marketing %
Past 5 Years



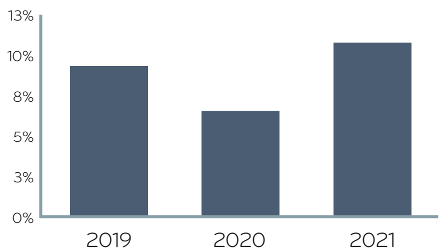
Overheads %
Past 5 Years



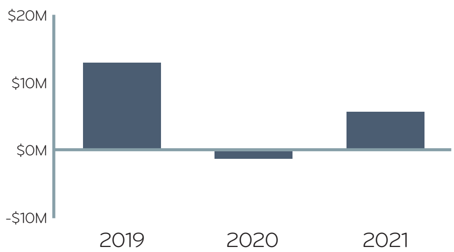
Adjusted EBITDA $
Past 3 Years



Adjusted EBITDA %
Past 3 Years



Net Cash Flows from Operations
Past 3 Years



Adjusted EBITDA is earnings before interest, taxation, depreciation, amortisation, share based payment charges, impairment, foreign exchange, and exceptional items.

Company Overview

Our Business

MOO is a branding company.

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

Our Customers

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

Our Key Differentiators

We Make Remarkable Products

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

We Deliver The Best Experience

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

We Are The Authority

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

Our Growth Strategy

Focus on the USA

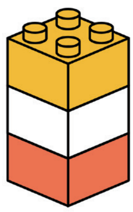
The USA is our largest and most lucrative market. We will focus the majority of our efforts on building our business in the USA.

Expand our Product Range

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

Grow our Bigger Business Offering

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

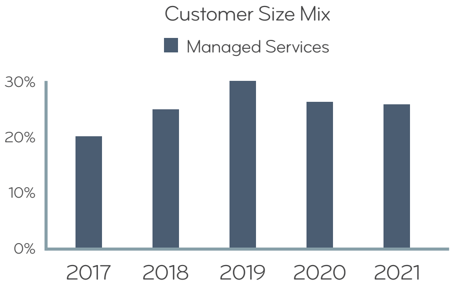


Develop our Platforms

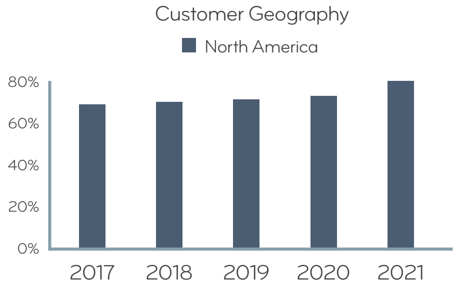
None of our strategies are possible without developing our technology and manufacturing platforms, which underpin everything we do.

Strategic Progress

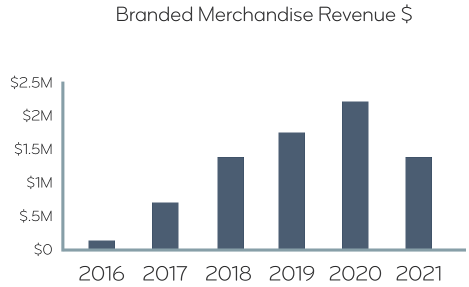
Below are some of the non-financial metrics that we believe tell the story of our progress against our strategy.



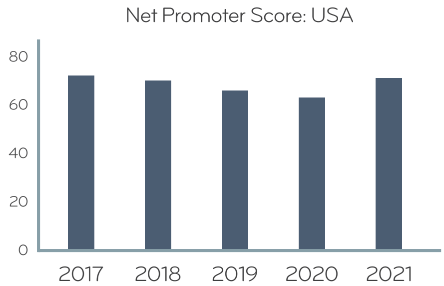
- Our Self Serve customers have been quicker to recover from the impact of the pandemic than Managed Services
- We have been able to mitigate this with a greater focus on Self Serve
- We still believe in the huge potential for our Managed Services business and will continue to invest in developing a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



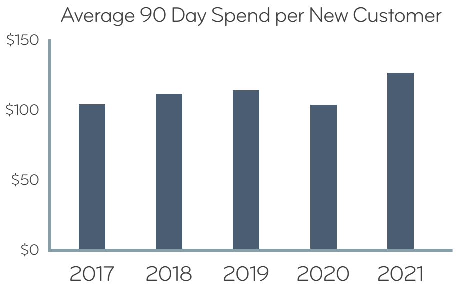
- Our ongoing investment in North America continues to produce strong results
- Over the past five years we have grown the region from 70% to 79% of total revenues
- Other markets remain a secondary focus for now



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



- We monitor NPS in the USA, our largest market, and our focus as a company
- Despite considerable disruption caused by the pandemic, NPS has recovered well in 2021
- MOO also enjoys a Trustpilot score of 4.6 out of 5



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

CEO's Report

2021 was a year of positive transformation for MOO, in the wake of the pandemic, with strong revenue recovery and record adjusted EBITDA margins underpinning a turnaround year for the business. Full year revenue was $93.2m, up 12.1% y/y, and adjusted EBITDA was $10.1m, up 81% y/y.

It was also a year of significant strategic progress as we consolidated the benefits of the restructuring in 2020, refocused on the internal and external opportunities emerging in the post-pandemic world, and made our first moves into the Branded Merchandise market, an exciting new area which will be a key driver of our future growth. The financial and operational restructuring of the business has created enduring benefits to MOO's profitability and has forged an organisational resilience that will continue to be carried forward, putting MOO in a strong position to weather whatever future conditions we might face.

2021 also saw major changes to both our culture and our strategy, as MOO evolved to seize new opportunities in a post-Covid work world, and to ensure we remain an agile and exciting company to work for.

During the year we began to implement Work 2.0, a transformation programme designed to reimagine MOO's culture in a post-pandemic world. Work 2.0 encompasses changes to three pillars of MOO's organisational DNA: Communities, Places, and Ways of Working, and was conceived to help the business keep pace with the changing world of work. Created around the principles of purpose, sustainability, and inclusivity, Work 2.0 will further strengthen our culture whilst lowering our operating costs in absolute and relative terms. We have made a strong start with this multi-year initiative and initial results have been most encouraging, giving us confidence in our ability to support future growth with investments in talent and supporting organisational systems now made.

We also updated our product vision, to embrace a more sustainable approach to product development against the backdrop of the climate crisis. We have called this vision 'Sustainable Impressions', and it represents MOO's ambition to help our customers create a brand impact that is both enduring and environmentally conscious by using our design-led, high quality and sustainable products. Along with our broader commitments to ESG, over the next few years we will expand and evolve our product ecosystem to create a highly differentiated premium range of products that have been created with the environment in mind.

An example of this new direction is the MOO Water Bottle which launched in late 2021. It is our first non-paper product and its high-quality design and manufacture ensures it is highly durable and good for many years of re-use, helping companies reduce single use plastic in and around the workplace. The MOO Water Bottle is the cornerstone of our expansion into the category of Branded Merchandise, an industry with an estimated global value of $50bn. It has won a prestigious Red Dot Design Award for its sustainable approach and has also been well-received by our customers. A pipeline of additional new products is in development, with several new launches planned over the coming years to build out our product ecosystem.

During 2022, we will start to move into a new North America manufacturing site in East Providence, Rhode Island. This circa 110,000 square foot facility has trebled the capacity of our existing site in Lincoln, RI and will, through automation and other efficiencies, provide margin expansion opportunities across our existing product range. It will also provide the capacity for MOO's expansion into Branded Merchandise, a key element of our future growth strategy.

Whilst 2021 was a year of recovery from the impact of COVID, the fundamental changes we have made to the business are beginning to have a profoundly positive impact on our financial performance, an impact that we will continue to see through 2022 and beyond. The pandemic provided the ultimate test for some core products like business cards, which have demonstrated strong resilience, whilst also creating new opportunities for our emerging Branded Merchandise offering.

CEO's Report

Looking ahead we have a clear growth strategy – we will grow our product range as we further expand into Branded Merchandise; we will focus on our larger, more valuable customers; and we will expand further in our core North American market which is both very large, highly fragmented, and yet to move fully online.

MOO is a fundamentally stronger and more profitable business than it was pre-COVID. Our unique premium design positioning, combined with our digital and operational scalability, puts us in an excellent position to grow significantly and profitably over the next few years and we are excited about the opportunities that lie ahead.

Richard Moross
Founder and Chief Executive
13 February 2023

VP Finance Report

2021 saw continued positive momentum across MOO's key financial metrics with adjusted EBITDA growing by more than 81% year-on-year to $10.1m, and net cash generated from operating activities increasing by over $6.3m to +$6.0m. During the year, the Group began to repay its term debt in line with its revised terms and covenants, renegotiated during 2020 with the support of its banking partner. The Group remains within its debt covenants throughout the period, during 2022 and into 2023, and the directors of the Company foresee this continuing through to maturity of the Group's debt term in early 2024. At the time of writing the Group is net debt free, excluding finance leases and the Future Fund convertible loan note.

Volatile trading conditions, due to lockdowns and travel bans, make like-for-like trading comparisons difficult. In Q1, growth was negative, as MOO lapped the record revenue months of early 2020 when trading was very strong, just prior to the first lockdown. In contrast, growth in the second half of 2021 demonstrated MOO's strong recovery as restrictions began to ease, with momentum continuing into 2022.

2021's performance also illustrates the positive impact of restructuring and cost reductions undertaken during the prior year, with the changes made to the business during the pandemic driving an expansion of the Group's operating leverage. In comparison to 2019, spend on Marketing has been reduced to 27.6% of revenue (vs 33.5% in 2019) and Overheads have been reduced to 24.5% of revenue (vs 27.4% in 2019), delivering a significant improvement to adjusted EBITDA margin which was 10.8% of revenue in 2021 (vs 9.4% in 2019). During 2021, the Group was also able to reassign the lease on its London headquarters resulting in all future commitments being fully extinguished.

In recognition of the significance of our North American market's growth aspirations, the Group has embarked upon reporting under International Financial Reporting Standards (IFRS) for the first time in this Annual Report and 2020's results are therefore restated. Our North American market made up 79% of 2021's revenues, 59% of MOO's employees are based in the USA, and the move to an appreciably larger manufacturing facility in Rhode Island in 2022 reinforces MOO's strategy to invest in the North American market and is on track to deliver margin improvements when it comes fully online in early 2023. Complexities surrounding the IFRS conversion resulted in the late filing of this Annual Report.

Also of note in 2021 is the $22.9m fair value movement on the Future Fund convertible loan note, with the notional interest charge being related in the most part to the meaningful increase in estimated value of the Group. It is envisaged taking account of the committed support of a significant number of participants, that when the loan note matures, the majority of the instrument will convert into equity.

Subsequent to the period, MOO extended its revolving credit facility with its UK banking partner, moving the maturity date out into January 2024.

MOO is in its strongest ever financial shape, with increasing generation of cash from operating activities and continued improvements to operating leverage putting it in a robust position to weather potential macro challenges in the years ahead.

Benjamin Smith
VP Finance
13 February 2023

Principal activities, trading review and future developments

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

Presentational currency

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

Principal risks and uncertainties

Foreign exchange risk

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

Liquidity risk

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

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

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

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

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

Brexit

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

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

Going Concern

Various sensitivity analyses have been performed to reflect a variety of possible cash flow scenarios where the Group and company achieves significantly reduced revenues for at least a twelve-month period following the date of this Annual Report. 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. Furthermore, the Group has an irrevocable commitment from a majority of its Future Fund loan note holders, that at the date of conversion, all of their holdings will be converted to Equity and the Group has extended its revolving credit facility to at least the end of January 2024.

The Directors have considered the risk that the Group could be impacted by customers and prospective customers deferring spend on the Group's products, however if sales and settlement of existing debts are not in line with cash flow forecasts, the Directors have identified cost savings associated with the reduction in revenues and have the ability to identify further cost savings if necessary. In addition, the Directors have endeavoured to consider the impact of any future covid-related restrictions, increased gas and electricity prices and the potential for a recession in its major markets, and how these could alter customer or supplier behaviour or acquisition of new customers.

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 working capital bank 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 significant reductions in its cost base.

Key performance indicators (KPIs)

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

	2021	2020
	$'000	$'000
Revenue	93,173	83,138
Gross Profit	59,264	54,560
Staff Costs	28,564	32,178
Adjusted EBITDA	10,094	5,566

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 this.

- 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 strategy of lowering the Group's reliance on business card revenues. The Group's non-business card revenue remained at 32% of total revenue, with the benefit of reducing any reliance on business cards in the current and subsequent periods. Though the development of non-business card products could have the impact of decreasing gross margin in the near term, the Group will realise the benefit of product diversification and new sources of growth.

- 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.

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

Research and development

The Group continues to invest heavily in research and development, as such capitalised development amounted to $2.1 million (2020 - $2.1 million). This has resulted in improvements to existing products and platform and the creation and launch of new products throughout the year.

Approval

This strategic report was approved on behalf of the Board on 13 February 2023.

Richard Moross
Director

The Directors present their report together with the audited financial statements for the year ended 31 December 2021.

Results and dividends

Adjusted EBITDA amounted to $10.1 million (2020 - $5.6 million) and operating profit amounted to $3.4 million (2020 – loss of $10.4 million), with an overall loss for the financial year of $20.1 million (2020 - loss of $15.0 million). This increased overall loss was primarily as a result of the impact of the revaluation of the Future Fund convertible loan note as discussed in the VP Finance's report.

The Directors have not recommended a dividend in the current year (2020 - nil).

Directors

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

B Holmes
R Klein
R Moore
R Moross
D Shapland

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK adopted International Financial Reporting Standards (IFRS) for accounting periods beginning 1 January 2020. This is the first time that financial statements for the Group have been prepared under IFRS and converted from previously prepared financial statements in compliance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The impact of the transition to IFRS can be seen in note 39 on pages 59 to 68. 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;
- 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

Details of post balance sheet events are set out in note 37 to the financial statements.

Future developments

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

Employment of disabled persons

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

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

Employee involvement

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

Engagement with employees

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

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

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

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

Suppliers

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

Customers

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

Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019. Despite not meeting the reporting thresholds under the SECR legislation, MOO has elected to report on its energy and carbon consumption. This is the first time the Group has made disclosures on energy and carbon. In subsequent years, the Group's full carbon footprint will be included.

SECR emissions

The Group's SECR carbon emissions for the calendar year 2021 amounted to 763 tCO2e, with 87% arising from electricity consumption. When the purchase of green energy is taken into account, total 'market-based' emissions reduce to 109 tCO2e.

The Group's USA operations are responsible for 75% of emissions (or 84% when including green energy).

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

SECR Energy & Carbon Emissions (kWh & tCO_2e)

SECR Report - 2021	Unit	UK	USA	Total
Energy consumption	kWh	917,369	1,842,859	2,760,228
Scope 1 - Direct Emissions	tCO_2e	15.5	83.9	99.4
Scope 2 - Energy Indirect Emissions - location based	tCO_2e	176.5	485.2	661.7
Scope 2 - Energy Indirect Emissions - market-based	tCO_2e	1.3	5.9	7.2
Scope 3 - Other Indirect Emissions	tCO_2e	0.3	1.7	2.0
Total SECR Emissions - location based	tCO_2e	192.3	570.8	763.1
Relative SECR Emissions - location-based	tCO_2e/\$m	9.9	7.7	17.6
Taking into account green energy purchased:				
Total SECR Emissions - market-based	tCO_2e	17.1	91.5	108.6
Relative SECR Emissions - market-based	tCO_2e/\$m	0.9	1.2	2.1

SECR Emissions Calculations - Methodology

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

It has followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2021.

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 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. The COVID-19 pandemic was a challenging time for everyone, and the Group's focus was primarily on People which took priority over the many Planet initiatives it wanted to pursue. However, during the period and continuing into 2022, the Group has carried out the following activities related to the Planet.

- Produced a sustainability manifesto setting out its approach to environmental best practice, equity and business transparency. It contains aims in the Group's three main areas of impact and makes commitments to actions it is doing or is going to do between 2022 and 2025. A more detailed and comprehensive plan will be published in 2025.
- As part of its manifesto work, the Group has updated its values to include a new one: Make it Sustainable. It is believed that this will result in many small changes across the Group, from product design to communication.
- Significantly reduced the material weight (50-75% saving) for its business card packaging across all papers and order quantities.
- Moved the manufacturing of packaging from China to local suppliers in the USA.
- Used only FSC certified paper in products.
- Converted lighting in factories to LEDs.
- Replaced hand dryers with hand towels in US factories.
- Replaced printers using disposable cartridges to ones with reusable cartridges in offices.
- Offered the Cycle to work scheme to Group employees as a healthy and sustainable option for commuting to work.

Going concern

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

Matters covered in the strategic report

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

Auditor

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

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board

Richard Moross
Director

13 February 2023

Corporate Governance Statement

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

During 2021, the Company's Board met on a regular basis. These sessions were attended by the whole Board, and were generally independent of the Senior Leadership Team.

The Board's responsibilities in 2021 included, but were not limited to, the following matters:

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

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

Audit and Risk and Remuneration

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

Audit and risk

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

- reviews a wide range of accounting and financial reporting matters, and for 2021 the group's conversion to IFRS, as well as internal control and risk management issues;
- reviews the published financial results, Annual Report and other published information for statutory and regulatory compliance;
- approves the results announcements and the Annual Report.

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

Remuneration

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

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 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with 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 2021 which comprise the Consolidated statement of profit or loss and other comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, the Company statement of financial position, the Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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 Annual 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 Statement of 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:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- We have identified and assessed the potential risks related to irregularities, including fraud, by considering the following:
    - o Enquiries of management regarding: the compliance with laws and regulations; the detection and response to the risk of fraud and any knowledge of actual, suspected or alleged fraud; and the controls in place to mitigate risks related to fraud or non-compliance with laws and regulations; and
    - o Obtaining an understanding of the legal and regulatory framework in which the Group operates. The key laws considered are accounting standards, the Companies Act 2006 and tax legislation.
- We have responded to risks identified by performing procedures including the following:
    - o Enquiry of management and review of legal correspondence concerning actual and potential litigation and claims;
    - o Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of misstatement due to fraud;
    - o Reading the minutes of meetings of those charged with governance; and
    - o Review of financial statements disclosures and testing to supporting documentation.
- We have also considered the risk of fraud through management override of controls by:
    - o Testing on a sample basis the appropriateness of journal entries and other adjustments; and
    - o Assessing whether the judgements made in making accounting estimates are indicative of potential bias.

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:
Iain Henderson
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Iain Henderson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 13 February 2023

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

MOO Print Limited

Consolidated statement of profit or loss and other comprehensive income
For the years ended 31 December 2020 and 2021

	Note	2021 $'000	2020 $'000
Revenue	5	93,173	83,138
Cost of sales		(33,909)	(28,578)
Gross Profit		59,264	54,560
Share based payment		(78)	(92)
Other income	6	-	2,421
Administrative expenses		(49,092)	(51,323)
Adjusted EBITDA*		10,094	5,566
Depreciation and amortisation	12, 14	(5,993)	(8,758)
Net impairment charge of intangible assets	12	(128)	(1,172)
Exceptional items**	7	(591)	(5,987)
Operating profit/(loss)		3,382	(10,351)
Finance income		-	9
Finance expense	9	(23,163)	(5,162)
Loss before tax		(19,781)	(15,504)
Taxation	10	(286)	511
Loss for the financial year attributable to the owners of the parent		(20,067)	(14,993)
Earnings per share:			
Basic (cents)	11	(558.64)	(426.30)
Diluted (cents)		(558.64)	(426.30)
(Loss) for the year		(20,067)	(14,993)
Items that will or may be reclassified to profit or loss:			
Exchange gains/(losses) arising on translation of foreign operations		109	(816)
Total comprehensive loss attributable to the owners of the parent		(19,958)	(15,809)

*Adjusted EBITDA – earnings before interest, tax, depreciation, amortisation and impairments on right of use assets. The directors have assessed this performance measure as relevant for the users of the accounts.

**Exceptional items includes the impairment of right of use assets, redundancy costs, funding costs and one-off non-operating costs which were incurred due to the COVID-19 pandemic.

The accompanying accounting policies and notes on pages 26 to 68 form an integral part of these financial statements.

MOO Print Limited

Consolidated statement of financial position
As at 1 January 2020, 31 December 2020 and 2021

	Note	31 December 2021 $'000	31 December 2020 $'000	1 January 2020 $'000
Assets				
Non-current assets				
Intangible assets	12	5,266	6,516	9,170
Property, plant and equipment (including right-of-use assets)	14	5,899	8,115	15,287
Non-current receivables	17	1,526	483	1,307
Total non-current assets		12,691	15,114	25,764
Current assets				
Inventory	19	2,758	1,680	2,231
Trade and other receivables	21	6,712	6,797	11,733
Cash and cash equivalents		8,384	10,681	9,251
Total current assets		17,854	19,158	23,215
Total assets		30,545	34,272	48,979
Liabilities				
Current liabilities				
Trade and other payables	23	(14,802)	(17,991)	(23,194)
Lease liabilities	23	(1,716)	(3,284)	(4,082)
Loans and borrowings	23	(7,917)	(6,583)	(12,501)
Total current liabilities		(24,435)	(27,858)	(39,777)
Non-current liabilities				
Lease liabilities	25	(3,299)	(3,894)	(6,696)
Loans and borrowings	25	(35,862)	(15,721)	-
Total non-current liabilities		(39,161)	(19,615)	(6,696)
Total liabilities		(63,596)	(47,473)	(46,473)
Net (liabilities) / assets		(33,051)	(13,201)	2,506
Equity attributable to equity holders of the company				
Share capital	34	4	4	4
Share premium	35	16,216	16,186	16,176
Translation reserve	35	(3,884)	(3,993)	(3,177)
Other reserve	35	2,812	2,812	2,812
Accumulated deficit		(48,199)	(28,210)	(13,309)
Total equity		(33,051)	(13,201)	2,506

The financial statements on pages 20 to 25 were approved and authorised for issue by the Board of Directors on 13 February 2023 and were signed on its behalf by:

R Moross
Company registration number: 05121723

The accompanying accounting policies and notes on pages 26 to 68 form an integral part of these financial statements.

Consolidated statement of changes in equity
For the years ended 31 December 2020 and 2021

	Share Capital $'000	Share Premium $'000	Translation reserve $'000	Other reserves $'000	Accumulated deficit $'000	Total equity/ (deficit) $'000
Equity as at 1 January 2020	4	16,176	(3,177)	2,812	(13,309)	2,506
Loss for the year	-	-	-	-	(14,993)	(14,993)
Other comprehensive loss	-	-	(816)	-	-	(816)
Total comprehensive loss	-	-	(816)	-	(14,993)	(15,809)
Exercise of share options and restricted share agreements	-	10	-	-	-	10
Share based payments	-	-	-	-	92	92
Equity as at 31 December 2020	4	16,186	(3,993)	2,812	(28,210)	(13,201)
Loss for the year	-	-	-	-	(20,067)	(20,067)
Other comprehensive income	-	-	109	-	-	109
Total comprehensive income/(loss)	-	-	109	-	(20,067)	(19,958)
Exercise of share options and restricted share agreements	-	30	-	-	-	30
Share based payments	-	-	-	-	78	78
Equity as at 31 December 2021	4	16,216	(3,884)	2,812	(48,199)	(33,051)

The accompanying accounting policies and notes on pages 26 to 68 form an integral part of these financial statements.

MOO Print Limited

Consolidated statement of cashflows
For the years ended 31 December 2020 and 2021

	Note	2021 $'000	2020 $'000
Loss for the year		(20,067)	(14,993)
Adjustments for:			
Taxation on ordinary activities	10	286	(511)
Depreciation of property, plant and equipment	14	2,615	4,999
Loss on disposal of Property, plant and equipment	14	439	59
Amortisation of intangible fixed assets	12	3,378	3,759
Impairment of property, plant and equipment	14	1,355	2,588
Impairment of intangible fixed assets	12	127	1,172
Share based payments charge		78	92
Net Interest payable		23,631	1,944
Exchange movement		(533)	961
Changes in working capital			
(Increase)/ decrease in inventories		(1,091)	566
(Increase)/ decrease in trade and other receivables		(1,469)	6,686
(Decrease) in trade and other payables		(3,001)	(8,766)
Taxation			
Tax credit received		254	1,104
Net cash flows from/(used in) operating activities		6,002	(340)
Investing activities			
Payments to acquire Property, plant and equipment	14	(388)	(412)
Payments to acquire intangible assets	12	(2,309)	(2,109)
Net cash (used)/generated by investing activities		(2,697)	(2,521)
Financing activities			
Payment of lease obligations		(3,662)	(4,270)
Interest paid: finance leases		(121)	(8)
Exercise of share options and restricted share agreements		31	10
Issue costs of new funding		-	(4)
Interest paid: bank loans		(659)	(622)
New bank loans		-	13,250
Convertible loan note		-	8,096
Repayment of bank loans		(1,333)	(12,192)
Net cash (used)/generated by financing activities		(5,744)	4,260
Net (decrease)/increase in cash and cash equivalents		(2,439)	1,399
Exchange (losses)/gains on cash and cash equivalent		142	31
Cash and cash equivalents at beginning of year		10,681	9,251
Cash and cash equivalents at end of year		8,384	10,681

The accompanying accounting policies and notes on pages 26 to 68 form an integral part of these financial statements.

MOO Print Limited

Company statement of financial position
As at 1 January 2020, 31 December 2020 and 31 December 2021

	Note	31 December 2021 $'000	31 December 2020 $'000	1 January 2020 $'000
Assets				
Non-current assets				
Intangible assets	13	5,231	6,502	9,155
Property, plant and equipment (including right-of-use assets)	15	2,733	5,232	10,049
Investments	16	15	15	-
Non-current receivables	18	324	432	1,018
Total non-current assets		8,303	12,181	20,222
Current assets				
Inventory	20	982	581	829
Trade and other receivables	22	3,334	4,884	6,980
Cash and cash equivalents		6,943	5,072	1,449
Total current assets		11,259	10,537	9,258
Total assets		19,562	22,718	29,480
Liabilities				
Current liabilities				
Trade and other payables	24	(11,689)	(13,514)	(12,052)
Lease liabilities	24	(515)	(2,048)	(2,420)
Loans and borrowings	24	(7,917)	(6,583)	(12,501)
Total current liabilities		(20,121)	(22,145)	(26,973)
Non-current liabilities				
Lease liabilities	26	(1,363)	(2,305)	(3,871)
Loans and borrowings	26	(35,862)	(15,721)	-
Total non-current liabilities		(37,225)	(18,026)	(3,871)
Total liabilities		(57,346)	(40,171)	(30,844)
Net liabilities		(37,784)	(17,453)	(1,364)
Equity attributable to equity holders of the company				
Share capital	34	4	4	4
Share premium	35	16,216	16,186	16,176
Translation reserve	35	(3,884)	(3,993)	(3,177)
Other reserve	35	2,812	2,812	2,812
Accumulated deficit	35	(52,932)	(32,462)	(17,179)
Total equity		(37,784)	(17,453)	(1,364)

The company made a loss of $20,548,000 (2020: loss $15,375,000, 2019: loss of $2,265,000). 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 13 February 2023.

R Moross
Director

The accompanying accounting policies and notes on pages 26 to 68 form an integral part of these financial statements.

MOO Print Limited

Company statement of changes in equity
For the years ended 31 December 2020 and 2021

	Share Capital $'000	Share Premium $'000	Translation reserve $'000	Other reserves $'000	Accumulated deficit $'000	Total (deficit) $'000
Equity as at 1 January 2020	4	16,176	(3,177)	2,812	(17,179)	(1,364)
Loss for the year	-	-	-	-	(15,375)	(15,375)
Other comprehensive loss	-	-	(816)	-		(816)
Total comprehensive loss	-	-	(816)	-	(15,375)	(16,191)
Exercise of share options and restricted share agreements	-	10	-	-	-	10
Share based payments	-	-	-	-	92	92
Equity as at 31 December 2020	4	16,186	(3,993)	2,812	(32,462)	(17,453)
Loss for the year	-	-	-	-	(20,548)	(20,548)
Other comprehensive income	-	-	109	-	-	109
Total comprehensive loss	-	-	109	-	(20,548)	(20,439)
Exercise of share options and restricted share agreements	-	30	-	-	-	30
Share based payments	-	-	-	-	78	78
Equity as at 31 December 2021	4	16,216	(3,884)	2,812	(52,932)	(37,784)

The accompanying accounting policies and notes on pages 26 to 68 form an integral part of these financial statements.

1. Company Information

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

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

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

2. Accounting policies

Transition to adopted IFRS

These financial statements have been prepared in accordance with UK adopted International accounting standards ("IFRS") and applicable law. Consequently, IFRS 1 First-time Adoption of International Financial Reporting standards has been applied.

The Group has adopted IFRS in 2021, with a transition date of 1 January 2020. IFRS 1 grants certain exemptions from the full requirement of adopted IFRSs in the transition period. No exemptions have been taken in preparation of these financial statements.

An explanation of how the transition to IFRSs has affect the reported financial position, financial performance and cash flows of the company is provided in the Note 39.

Accounting convention

The financial information has been prepared using the historical cost convention on a going concern basis. The accounting policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation

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

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

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.

Accounting policies (continued)

Going concern

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

Various sensitivity analyses have been performed to reflect a variety of possible cash flow scenarios where the Group and company achieves significantly reduced revenues for at least a twelve-month period following the date of this Annual Report. 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.

The Directors have also considered the risk that the Group could be impacted by customers and prospective customers deferring spend on the Group's products, however if sales and settlement of existing debts are not in line with cash flow forecasts, the Directors have identified cost savings associated with the reduction in revenues and have the ability to identify further cost savings if necessary. In addition, the Directors have endeavoured to consider the impact of any future covid-related restrictions, increased gas and electricity prices and the potential for a recession in its major markets, and how these could alter customer or supplier behaviour or acquisition of new customers. Furthermore, the Group has an irrevocable commitment from a majority of its Future Fund loan note holders, that at the date of conversion, all of their holdings will be converted to Equity and the Group has extended its revolving credit facility to at least the end of January 2024.

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 working capital bank 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.

Revenue Recognition

The company's revenue recognition policy follows IFRS 15's five step model as follows:

1. Identify contracts with customer
2. Identify separate performance obligations in the contracts
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue when the performance obligation is satisfied

At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and to which it has present enforceable rights under the contract. Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative standalone selling prices and revenue is then recognised when (or as) those performance obligations are satisfied.

For each performance obligation, the Group must determine if revenue will be recognised over time or at a point in time. The Directors have examined the Group's revenue policy in detail and have concluded that:

Sales of products

Revenue for the sale of products is recognised at the point of reasonable completion of contractual obligation to the customer. This is upon the despatch of the ordered goods and when the deemed risks and rewards have been transferred to the customer reflecting the consideration to which the entity expects to be entitled in exchange for those products.

Accounting policies (continued)

Revenue Recognition (continued)

Subscription service income

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

Government Grants

The Group has taken advantage of the UK's Coronavirus Job Retention Scheme ("furlough") and US Government's Paycheck Protection Programme ("PPP") as well as earning from other forms of Government assistance and grants. In accounting for the income, the Group has applied IAS 20 Government Grant. Under the Group's accounting policy, grants are recognised when there is reasonable assurance that the company will comply with the conditions attaching to them, and that the grant will be received.

Grant income from PPP loans is recognised once the amounts are fully forgiven and the income for both furlough and PPP is included in other income in the financial statements.

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.

Accounting policies (continued)

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 fiscal period and 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.

Deferred taxes are calculated using the liability method 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 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

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 both the RDEC scheme and R&D tax relief scheme. Where credits are claimed under the RDEC scheme, the amount received is taxable income and is therefore recognised in profit before tax as other income. Where credits are claimed through R&D tax relief, the amount receivable is considered a direct credit to tax payable and is therefore recognised after profit before tax as part of the tax charge/(credit) for the period.

Intangible assets – Development costs

Where products and websites are expected to generate future revenues in excess of developing those products and websites, 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 less any residual value over its useful economic life of 4 years. The residual values of assets are reviewed annually and revised where necessary.

Accounting policies (continued)

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 as "other operating losses / gains".

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

As a lessee, the standard results in the Group recognising 'right-of-use' assets and lease liabilities for all contracts that are, or contain, a lease. For leases previously classified as operating leases, under previous accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term and discloses the total commitment in its accounts.

Accounting policies (continued)

Leases (continued)

The Group is applying the full retrospective approach in IFRS 16, and therefore recognises leases on the balance sheet from the date of their original inception. In addition, it has decided to measure right-of-use assets by reference to the measurement of the lease liability on that date.

Instead of recognising an operating expense for its operating lease payments, the Group instead recognises interest on its lease liabilities and amortisation on its right-of-use assets.

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to the ownership of the underlying asset to the Group.

The Group is a lessee of office premises, factory space and certain machinery (e.g. printers). Under IFRS 16, the Group now recognises a right-of-use asset and a lease liability in respect of qualifying leases. Non-qualifying leases include right of access agreements, leases of low value or leases of less than twelve months.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability 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 depreciated 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 following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise such an option to extend and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. As the loans borrowed from financial institutions are uncollateralised, a middle groups between the 5 and 10 year risk free bond rates for the relevant currencies and the unsecured borrowing rate has been taken, with an adjustment for the length of the relevant lease, to give an estimated incremental borrowing rate.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee 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 in 'property, plant and equipment'. Lease liabilities are shown on the face of the statement of financial position.

Accounting policies (continued)

Inventory

Inventories are stated at the lower of cost and net realisable value, being its estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs 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

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

They are recognised at fair value, less any impairment loss.

The Group's financial assets comprise trade receivables, other receivables (excluding prepayments) and cash and cash equivalents. Included in other receivables is an amount arising from the sublease of right of use assets.

Trade and other receivables - impairment

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

Cash and cash equivalents

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

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

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and they are measured initially at fair value. Transaction costs arising on the issue of a financial asset or financial liability are accounted for as follows:

- Transaction costs are added to or deducted from the fair value of the financial asset or financial liability if they are directly attributable to the acquisition of the financial asset or financial liability, respectively, and if the financial asset is measured at fair value through other comprehensive income or if the financial asset or financial liability, respectively, is measured at amortised cost.
- Transaction costs are recognised immediately in profit or loss if they are directly attributable to the issue of a financial asset or financial liability at fair value through profit or loss, or if they are not directly attributable to the issue of a financial asset or financial liability.

Accounting policies (continued)

Financial assets (continued)

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.

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.

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 or fair value, depending on their classification.

Financial liabilities

Classification and subsequent measurement of financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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.

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.

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.

Accounting policies (continued)

Foreign currency (continued)

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.

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.

Accounting policies (continued)

Changes in accounting policy and disclosure

Amended standard adopted by the Group

The following new accounting pronouncements were adopted by the Group to comply with amendments to IFRS.

IASB issued 'Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' which was effective from 1 January 2021 and was adopted by the UK in January 2021.

The key considerations are as follows:

The Phase 2 amendments provide practical relief from certain requirements in IFRS standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, then the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes. The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

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 2022:

- Annual Improvements to IFRSs – 2018-2020 cycle
- IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use)
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)
- IFRS 3 Business Combinations (Amendment – Reference to the Conceptual Framework)

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

- IFRS 17 Insurance Contracts
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- 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 Group's financial reporting will be presented in accordance with the new standards above, which are not expected to have a significantly material impact on the results, financial position or cash flows of the Company, from 1 January 2021.

3. Critical accounting judgements and estimation uncertainty

The preparation of financial statements requires management to make judgments, estimations, and assumptions that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenues and expenses during the year. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. There are not considered to be any significant estimates which would result in an adjustment to the carrying amount of assets and liabilities. 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:

Research and 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. 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.

IFRS 16 - Right of use asset recognition

Management have assessed each lease liability for recognition under IFRS 16. The judgements are based on the term and nature of individual leases. Those leases with a term greater than 12 months which convey a right to occupy are recognised as a right of use asset with corresponding lease liability. Leases of equal to or less than 12 months or with a nature of right of access rather than occupy are expensed in profit or loss.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are included in the lease term if management conclude the lease is reasonably certain to be extended or not terminated.

IFRS 16 – Discount rates

As part of the Group's adoption of IFRS 16, lease liabilities were measured at the present value of the remaining 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 2% and 5% depending on the length of the lease and the location in determining the present value calculation. These rates were assessed as being the market rates at which the Company was able to borrow funds.

Sources of estimation uncertainty:

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 carrying value of the investments are also assessed. 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.

4. 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
- Normal loans

To the extent financial instruments are not carried at fair value in the consolidated statement of financial position, book value approximates to fair value at 1 January 2020, 31 December 2020, and 31 December 2021.

Trade and other receivables are measured at amortised cost. Book values 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 exception of the convertible loan note which is measured at fair value through profit and loss.

Financial instruments by category

Financial assets

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Cash and cash equivalents	8,384	10,681	9,251
Trade receivables	1,340	1,252	4,315
Current and non-current other receivables	6,898	6,028	8,725
Receivables at amortised cost	8,238	7,280	13,040
Financial assets at amortised cost	16,662	17,961	22,291

Financial assets includes cash and cash equivalents, trade receivables and other receivables.

Financial instruments – risk management (continued)

Financial liabilities

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Current			
Trade payables	5,522	6,340	7,482
Other payables	177	939	882
Accruals	4,379	3,842	8,429
Trade and other payables	10,078	11,121	16,793
Bank loans	7,917	6,583	12,501
Lease liability	1,716	3,284	4,082
Non-current			
Bank loan	4,000	6,667	-
Lease liability	3,299	3,894	6,696
Loans and borrowings	16,932	20,428	23,279
Financial liabilities at amortised cost	27,010	31,549	40,072

Financial liabilities at amortised cost includes trade payables, other payables, accruals, bank loans and lease liabilities. The convertible loan note is measured at fair value through profit and loss with a non-current liability balance of $31,862k at 31 December 2021 (2020: $9,054k and 1 January 2020: $nil))

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

Interest rate risk

MOO Print Limited manages interest rate risk by fixing interest rates on bank loans and convertible loan notes. The Group does not enter into forms of borrowing with variable interest rates.

Foreign exchange risk

In respect of monetary assets and liabilities held in currencies other than sterling (US dollar, Singapore dollar, euro) the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances. The Group's foreign exchange exposure is continuously monitored.

Credit risk

Credit risk is the risk of financial loss to MOO Print Limited if a customer or counterparty to a financial instrument fails to meet its contractual obligations. MOO Print Limited is mainly exposed to credit risk from credit sales. MOO Print Limited's trade receivables for the three reported periods are disclosed in the financial assets table above.

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

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

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

Financial instruments – risk management (continued)

Liquidity risk

Liquidity risk arises from MOO Print Limited's management of working capital. It is the risk that MOO Print Limited will encounter difficulty in meeting its financial obligations as they fall due.

1 January 2020	Within 1 year $'000	2-5 years $'000	5+ years $'000
Trade and other payables	8,364	-	-
Bank loan	12,501	-	-
Lease liability	4,296	6,823	598
	25,161	6,823	598

31 December 2020	Within 1 year $'000	2-5 years $'000	5+ years $'000
Trade and other payables	7,279	-	-
Bank loan	6,583	6,667	-
Convertible loan note	-	17,601	-
Lease liability	3,897	3,384	266
	17,759	27,652	266

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

Capital management

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

	2021 $'000	2020 $'000	1 January 2020 $'000
Share capital	4	4	4
Share premium	16,216	16,186	16,176
Foreign exchange reserve	(3,884)	(3,993)	(3,177)
Other reserve	2,812	2,812	2,812
Accumulated deficit	(48,199)	(28,210)	(13,309)
	(33,051)	(13,201)	2,506

Financial instruments – risk management (continued)

MOO Print Limited's objectives when maintaining capital are:

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

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

5. Revenue from contracts with customers

(a) Geographic markets

An analysis of external revenue by geographic market is given below:

	2021 $'000	2020 $'000
Revenue arises from:		
North America (USA & Canada)	73,117	60,441
Rest of the World	20,056	22,697
	93,173	83,138

(b) Distribution channel

An analysis of external revenue by distribution channel is given below:

	2021 $'000	2020 $'000
Revenue arises from:		
Self service	68,611	61,688
Managed services	24,562	21,450
	93,173	83,138

(c) Product type

An analysis of external revenue by product type is given below:

	2021 $'000	2020 $'000
Revenue arises from:		
Business Card	62,892	56,534
Non-business card	30,281	26,604
	93,173	83,138

All revenue received in the current and comparative years has been recognised at a point in time in accordance with the Group's revenue recognition policy as detailed in note 2, with the exception of subscription income which is recognised over the life of the subscription.

6. Other operating income

(a) Geographic markets

An analysis of external revenue by geographic market is given below:

	2021 $'000	2020 $'000
R&D Tax credits	-	266
Coronavirus Job Retention scheme	-	2,155
	-	2,421

7. Expenses by nature

	Note	2021 $'000	2020 $'000
Audit fees		224	133
Non-audit fees – tax service		19	15
Amortisation of intangible assets	12	3,378	3,759
Depreciation of Property, plant and equipment		1,092	1,690
Depreciation of right of use assets	14	1,523	3,309
Impairment of intangible assets	12	127	1,172
Share based payment		78	92
Exceptional items:			
Right of use asset impairment	14	1,355	2,588
Redundancy costs		-	1,484
Non-operating costs		(764)	1,192
Funding costs		-	723

Right of use assets were assessed for impairment on a CGU level and certain CGUs were considered to require impairing.

Redundancy costs relate to the cost of a restructure exercise undertaken during the period to reduce the Group's employee base, to better align with its reduced revenue due to the pandemic.

Non-operating costs relate to cancelled contracts, office relocation and other pandemic-related expenditure.

Funding costs are those costs associated with the Group entering into a convertible loan note.

8. Employee benefit expenses

The aggregate remuneration of persons (including Directors) employed by the Group during the years was:

	2021 $'000	2020 $'000
Wages and salaries	25,308	28,269
Social security costs	2,409	2,812
Pension costs	847	1,097
Total	28,564	32,178

The average number of employees, including directors, during the year was 362 (2020 – 524, 2019 – 585).

The Group operates a defined contribution scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pensions cost charge represents the contributions payable by the Company of $846,680 (2020 – $1,097,605, 2019 – $1,395,001. The amount outstanding to the fund at the balance sheet date was $95,194 (2020 – $80,282, 2019 – $159,608). One director was a member of the defined contribution pension scheme in the current year (2020 – One, 2019 – One).

Key management for the Group are the Directors of the company and the Senior Leadership Team. Directors' remuneration is included in staff costs:

	2021 $'000	2020 $'000
Aggregate remuneration	653	328

No directors exercised share options during 2019, 2020, and 2021. Two directors acquired a total of 108,944 shares via Restricted Share Purchase Agreements in 2021 (2020 - nil, 2019-nil).

The total amount paid to the highest paid director in respect of emoluments was $550,074 (2020 - $229,011, 2019 - $449,268).

9. Finance expenses

	2021 $'000	2020 $'000
Finance expenses		
Bank and other loans	659	753
Fair value movement on convertible loan note	22,916	943
Interest on lease liabilities	121	251
Foreign exchange variance ((income) / cost)	(533)	3,215
Total finance expense	23,163	5,162

10. Taxation

	2021 $'000	2020 $'000
Current tax		
UK corporation tax credit on loss for the year	-	-
Adjustments in respect of prior years overseas tax	2	139
Overseas tax	60	335
Total current tax	62	474

	2021 $'000	2020 $'000
Deferred tax		
Origination and reversal of timing differences	224	(954)
Adjustments in respect of prior periods	-	-
Changes due to IFRS conversion	-	(31)
Total deferred tax	224	(985)
Tax on loss on ordinary activities	286	(511)

The tax assess for the year is higher (2020 – higher) than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	2021 $'000	2020 $'000
Loss before taxation	(18,828)	(15,615)
IFRS conversion: Changes to Comprehensive Income	(53)	111
Loss before tax as reported	(19,781)	(15,504)
Expected tax credit based on corporation tax rate (2021: 19%, 2020: 19%, 2019: 19%)	(3,758)	(2,946)
Effects of:		
Fixed asset differences	(12)	7
Expenses not deductible for tax purposes (including Goodwill amortisation)	40	(70)
Other permanent differences	67	36
Deferred tax not recognised	4,334	2,476
Additional deduction for R&D expenditure	(397)	-
Adjustments to tax due to IFRS adoption	-	(21)
Difference in overseas tax rate	12	7
Tax charge/(credit) for the year	286	(511)

10. Taxation (continued)

The Group has tax losses of 2021: $20,507k; 2020: $18,852k that are available indefinitely for offset against future taxable profits in those companies in which the losses arose. 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. At 31 December 2021, the Group recognised a deferred tax asset of $495k; 2020: $471k. In addition the Group has fixed Asset timing differences available to use of $869k; 2020: $2,222k. These amounts will be used after the utilisation of tax losses.

11. Earnings per share

	2021	2020
Loss attributable to shareholders of the Company ($'000)	(20,066,804)	(14,993,372)
Weighted average number of ordinary shares	3,592,085	3,517,082
Dilutive effect of options	-	-
Weighted average number of shares for diluted earnings per share	3,592,085	3,517,082
Basic loss per share (cents)	(558.64)	(426.30)
Diluted loss per share (cents)	(558.64)	(426.30)

Earnings per share is calculated based on the share capital of the Company and the earnings of the Group. Where a loss has been recorded the effect of options is not dilutive and therefore the basic and diluted figure is the same.

12. Intangible assets (GROUP)

	Capitalised develop-ment costs	Domain name	Purchased goodwill	Software	Total
	$'000	$'000	$'000	$'000	$'000
COST					
At 1 January 2020	18,133	125	16	410	18,684
Additions	2,103	-	-	6	2,109
Disposals	-	-	-	(100)	(100)
Impairments	(4,031)	-	-	-	(4,031)
Foreign Exchange	565	5	1	9	580
At 31 December 2020	16,770	130	17	325	17,242
Additions	2,120	-	-	189	2,309
Disposals	-	-	-	-	(100)
Impairments	(260)	-	-	-	(260)
Foreign Exchange	(233)	(3)	(1)	(6)	(243)
At 31 December 2021	18,397	127	16	508	19,048
AMORTISATION / IMPAIRMENT					
At 1 January 2020	9,055	125	16	318	9,514
Amortisation charge for the year	3,714	-	-	45	3,759
Disposals	-	-	-	(100)	(100)
Impairments	(2,859)	-	-	-	(2,859)
Foreign Exchange	398	5	1	8	412
At 31 December 2020	10,308	130	17	271	10,726
Amortisation charge for the year	3,305	-	-	73	3,378
Impairments	(133)		-	-	(133)
Foreign Exchange	(181)	(3)	(1)	(4)	(189)
At 31 December 2021	13,299	127	16	340	13,782
NET BOOK VALUE					
At 31 December 2019	9,078	-	-	92	9,170
At 31 December 2020	6,462	-	-	54	6,516
At 31 December 2021	5,098	-	-	168	5,266

13. Intangible assets (COMPANY)

	Capitalised development costs	Domain name	Purchased goodwill	Software	Total
	$'000	$'000	$'000	$'000	$'000
COST					
At 1 January 2020	18,133	125	16	394	18,668
Additions	2,103	-	-	-	2,103
Disposals	-	-	-	(100)	(100)
Impairments	(4,031)	-	-	-	(4,031)
Foreign Exchange	565	5	1	9	580
At 31 December 2020	16,770	130	17	303	17,220
Additions	2,120	-	-	149	2,269
Impairments	(260)	-	-	-	(260)
Foreign Exchange	(233)	(3)	(1)	(7)	(244)
At 31 December 2021	18,397	127	16	445	18,985
AMORTISATION / IMPAIRMENT					
At 1 January 2020	9,055	125	16	317	9,513
Amortisation charge for the year	3,714	-	-	38	3,752
Disposals	-	-	-	(100)	(100)
Impairments	(2,859)	-	-	-	(2,859)
Foreign Exchange	398	5	1	8	412
At 31 December 2020	10,308	130	17	263	10,718
Amortisation charge for the year	3,305	-	-	53	3,358
Impairments	(133)		-	-	(133)
Foreign Exchange	(181)	(3)	(1)	(4)	(189)
At 31 December 2021	13,299	127	16	312	13,754
NET BOOK VALUE					
At 31 December 2019	9,078	-	-	77	9,155
At 31 December 2020	6,462	-	-	40	6,502
At 31 December 2021	5,098	-	-	133	5,231

14. Property, plant and equipment (GROUP)

	Plant and equipment	Computer equipment	Furniture and Fixtures	Right of use lease asset	Total
	$'000	$'000	$'000	$'000	$'000
COST					
At 1 January 2020	2,472	1,949	6,545	-	10,966
Impact of IFRS 16 translation	-	-	-	25,111	25,111
Revised 1 January 2020	2,472	1,949	6,545	25,111	36,077
Additions	212	119	81	-	412
Disposals	(244)	(513)	(71)	-	(828)
Impairments	-	-	-	(9,107)	(9,107)
Foreign Exchange	112	45	192	-	349
At 31 December 2020	2,552	1,600	6,747	16,004	26,903
Additions	86	214	88	1,821	2,209
Disposals	-	(623)	(3,234)	(529)	(4,386)
Impairments	-	-	-	(4,868)	(4,868)
Foreign Exchange	(38)	(16)	(5)	-	(59)
At 31 December 2021	2,600	1,175	3,596	12,428	19,799
DEPRECIATION					
At 1 January 2020	851	1,340	4,284	-	6,475
Impact of IFRS 16 translation	-	-	-	14,315	14,315
Revised 1 January 2020	851	1,340	4,284	14,315	20,790
Charge for period	596	395	699	3,309	4,999
Disposals	(239)	(502)	(28)	-	(769)
Impairments	-	-	-	(6,519)	(6,519)
Exchange adjustment	95	44	148	-	287
At 31 December 2020	1,303	1,277	5,103	11,105	18,788
Charge for period	345	234	513	1,523	2,615
Disposals	-	(591)	(3,057)	(300)	(3,948)
Impairments	-	-	-	(3,513)	(3,513)
Exchange adjustment	(34)	(12)	4	-	(42)
At 31 December 2021	1,614	908	2,563	8,815	13,900
NET BOOK VALUE					
At 1 January 2020	1,621	609	2,261	10,796	15,287
At 31 December 2020	1,249	323	1,644	4,899	8,115
At 31 December 2021	986	267	1,033	3,613	5,899

15. Property, plant and equipment (COMPANY)

	Plant and equipment	Computer equipment	Furniture and Fixtures	Right of use lease asset	Total
	$'000	$'000	$'000	$'000	$'000
COST					
At 1 January 2020	1,234	1,475	4,979	-	7,688
Impact of IFRS 16 translation	-	-	-	16,735	16,735
Revised 1 January 2020	1,234	1,475	4,979	16,735	24,423
Additions	-	81	36	-	117
Impairment	-	-	-	(7,302)	(7,302)
Disposals	(180)	(499)	-	-	(679)
Foreign Exchange	112	45	191	-	348
At 31 December 2020	1,166	1,102	5,206	9,433	16,907
Additions	28	87	84	14	213
Impairment	-	-	-	(4,869)	(4,869)
Disposals	-	(614)	(3,235)	-	(3,849)
Foreign Exchange	(38)	(15)	(3)	-	(56)
At 31 December 2021	1,156	560	2,052	4,578	8,346
DEPRECIATION					
At 1 January 2020	1,036	1,085	2,917	-	5,038
Impact of IFRS 16 translation	-	-	-	9,336	9,336
Revised 1 January 2020	1,036	1,085	2,917	9,336	14,374
Charge for period	48	257	568	2,084	2,957
Impairment	-	-	-	(5,271)	(5,271)
Disposals	(178)	(492)	-	-	(670)
Exchange adjustment	95	43	147	-	285
At 31 December 2020	1,001	893	3,632	6,149	11,675
Charge for period	24	141	468	501	1,134
Impairment	-	-	-	(3,514)	(3,514)
Disposals	-	(584)	(3,055)	-	(3,639)
Exchange adjustment	(35)	(12)	4	-	(43)
At 31 December 2021	990	438	1,049	3,136	5,613
NET BOOK VALUE					
At 1 January 2020	198	390	2,062	7,399	10,049
At 31 December 2020	165	209	1,574	3,284	5,232
At 31 December 2021	166	122	1,003	1,442	2,733

16. Investments in subsidiaries (COMPANY)

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

Name	Country of incorporation	Principal place of business	Proportion of ownership interest at 31 Dec 2021	Nature of business
Moo Inc	USA	14 Blackstone Valley Place, Lincoln, RI 02865	100%	Sale of personalised printed products
Moo Germany GmbH	Germany	Freidrichstr, 123 10117, Berlin, Germany	100%	Dormant

COMPANY	Total $'000
COST AND NET BOOK VALUE	
At 1 January 2020	-
Additions	15
Disposals	-
At 31 December 2020	15
Additions	-
Disposals	-
At 31 December 2021	15

The company has liquidated the holding in Moo Germany GmbH on date 21 April 2022.

17. Non-current receivables (GROUP)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Rent and leased machinery deposits	1,526	483	1,307
Total non-current receivables	1,526	483	1,307

18. Non-current receivables (COMPANY)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Rent and leased machinery deposits	324	432	1,018
Total non-current receivables	324	432	1,018

19. Inventory (GROUP)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Raw materials and consumables	2,030	1,254	1,686
Finished goods and goods for resale	728	426	545
Total Inventory	2,758	1,680	2,231

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.

20. Inventory (COMPANY)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Raw materials and consumables	982	581	828
Finished goods and goods for resale	-	-	1
Total Inventory	982	581	829

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.

21. Trade and other receivables (GROUP)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Trade receivables – gross	1,451	1,629	4,608
Less provision for impairment	(111)	(376)	(293)
Trade receivables - net	1,340	1,253	4,315
Other receivables	882	1,467	1,663
Other receivables - Derivative financial instrument	-	64	118
Taxation and social security claim	133	242	1,097
Prepayments	3,996	3,179	4,540
Deferred tax asset	361	592	-
Total trade and other receivables	6,712	6,797	11,733

22. Trade and other receivables (COMPANY)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Trade receivables – gross	208	700	1,218
Less provision for impairment	(43)	(255)	(202)
Trade receivables - net	165	445	1,016
Other receivables	54	858	1,494
Other receivables - Derivative financial instrument	-	64	118
Taxation and social security claim	595	581	1,101
Prepayments	1,879	2,286	3,019
Deferred tax asset	641	649	-
Due from subsidiary	-	1	232
Total trade and other receivables	3,334	4,884	6,980

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.

Amounts owed by the subsidiary are short-term trade balances that are interest-free, unsecured and payable on demand.

23. Current liabilities (GROUP)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Bank loan	7,917	6,583	12,501
Lease liabilities	1,716	3,284	4,082
Trade and other payables			
Trade payables	5,522	6,340	7,482
Taxation and social security	3,142	4,932	3,265
Accruals	4,379	3,842	8,429
Deferred income	1,582	1,938	2,764
Other provisions	177	939	882
Deferred tax liability	-	-	372
Total trade and other payables	14,802	17,991	23,194
Total current liabilities	24,435	27,858	39,777

24. Current liabilities (COMPANY)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Bank loan	7,917	6,583	12,501
Lease liabilities	515	2,048	2,420
Trade and other payables			
Trade payables	3,160	4,186	4,859
Taxation and social security	460	3,217	1,065
Accruals	1,766	2,330	4,952
Deferred income	252	310	294
Other provisions	177	939	882
Amounts due to subsidiary (note 36)	5,874	2,532	-
Total trade and other payables	11,689	13,514	12,052
Total current liabilities	20,121	22,145	26,973

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

25. Non-current liabilities (GROUP)

	2021	2020	1 Jan 2020
	$'000	$'000	$'000
Bank loan	4,000	6,667	-
Convertible loan note	31,862	9,054	-
Total loans and borrowings	35,862	15,721	-
Lease liabilities	3,299	3,894	6,696
Total non-current liabilities	39,161	19,615	6,696

For the Group and Company:

Bank loan:

In January 2020, $12.5m of short-term bank debt was repaid. This was substituted in the same month by a new term loan of $8m and a revolving credit facility of $5.3m, both with an interest rate of 5.84%. The term loan has a 3.5 year term, with $2.7m being recognised in amounts falling due within one year in addition to the revolving credit facility which was fully drawn at the end of the period. $4m of the term loan is due within more than one but not more than two years.

Convertible loan note:

The convertible loan note proceeds were received on 15 September 2020, from the "Future Fund" 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, have a 36-month maturity date and interest accrues at an annual rate of 8% per annum. The loan notes are convertible at the discretion of the lender at a conversion discount of 25%. The interest is not payable on a monthly basis, but accrues until the loan note converts, at which time the interest may be repaid or converted into equity at the discretion of the company. 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 is equal to the transaction price, which includes the $8.1m principal received together with $23.8m of interest accrued from 15 September 2020 to 31 December 2021. The fair value of instrument as at 31 December 2021 was considered to be $31.9m which is a movement of $22.9m (2020 – $0.9m) fair value adjustment to increase this liability from the initial transaction price. The increase is taken to interest payable and similar charges.

26. Non-current liabilities (COMPANY)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Bank loan	4,000	6,667	-
Convertible loan note	31,862	9,054	-
Total loans and borrowings	35,862	15,721	-
Lease liabilities	1,363	2,305	3,871
Total non-current liabilities	37,225	18,026	3,871

27. Lease liabilities (GROUP)

The group has leases for office and factory property. 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. The group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

The property leases have a lease term ranging from 15 months 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.

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Future gross minimum lease payments are due as follows:			
Less than one year	1,768	3,897	4,296
One to five years	3,390	3,384	6,823
More than five years	-	266	598
Gross payments due	5,158	7,547	11,717
Less future finance charges	(143)	(369)	(939)
Net lease payments due	5,015	7,178	10,778

These are disclosed in the financial statements (excluding future finance charges) as follows:

	Note	2021 $'000	2020 $'000	1 Jan 2020 $'000
Current lease liability	23	1,716	3,284	4,082
Non-current lease liability	25	3,299	3,894	6,696
		5,015	7,178	10,778

28. Lease liabilities (COMPANY)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Future gross minimum lease payments are due as follows:			
Less than one year	558	2,628	2,571
One to five years	1,456	1,794	3,964
More than five years	-	266	598
Gross payments due	2,014	4,688	7,133
Less future finance charges	(136)	(335)	(842)
Net lease payments due	1,878	4,353	6,291

These are disclosed in the financial statements (excluding future finance charges) as follows:

	Note	2021 $'000	2020 $'000	1 Jan 2020 $'000
Current lease liability	24	515	2,048	2,420
Non-current lease liability	26	1,363	2,305	3,871
		1,878	4,353	6,291

29. Loans and borrowings (GROUP)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Current			
Bank loan	7,917	6,583	12,501
Lease liability	1,716	3,284	4,082
Total current loans	9,633	9,867	16,583
Non-current			
Convertible loan note	31,862	9,054	-
Bank loan	4,000	6,667	-
Lease liability	3,299	3,894	6,696
Total non-current loans	39,161	19,615	6,696
Total loans and borrowings	48,794	29,482	23,279

For the Group and Company: Details of the bank loan and the convertible loan note are shown in note 24, 25, 26 and 27.

30. Loans and borrowings (COMPANY)

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Current			
Bank loan	7,917	6,583	12,501
Lease liability	515	2,048	2,420
Total current loans	8,432	8,631	14,921
Non-current			
Convertible loan note	31,862	9,054	-
Bank loan	4,000	6,667	-
Lease liability	1,363	2,305	3,871
Total non-current loans	37,225	18,026	3,871
Total loans and borrowings	45,657	26,657	18,792

31. Financial instruments and related disclosures (Group)

The fair value of financial instruments that are not traded is determined by using valuations techniques that maximise that 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. There are no Level 2 financial instruments within the Group (2020: $nil and 1 January 202: $nil). Where the inputs for determining the fair value of financial instruments are not based on observable market data, the instrument is included in Level 3. The convertible loan note liability is included as a Level 3 financial instrument in the Group and is held at a fair value of $31,862k at 31 December 2021 (2020: $9,054k and 1 January 2020: $nil). The valuation of the convertible loan note is disclosed in notes 2 and 25.

Cash and cash equivalents, trade receivables and trade payables are carried at cost, which approximates fair value because of their short-term nature.

Total other financial assets were as follows:

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Rent deposits	1,526	483	1,307
Receivables from sublease of Right of Use Assets	-	15	183
Derivative financial instruments	-	64	118
Other current receivables	882	1,452	1,480
	2,408	2,014	3,088

32. Financial instruments and related disclosures (Company)

The fair value of financial instruments that are not traded is determined by using valuations techniques that maximise that 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. There are no Level 2 financial instruments within the Company (2020: $nil and 1 January 202: $nil). 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 Company and is held at a fair value of $31,862k at 31 December 2021 (2020: $9,054k and 1 January 2020: $nil). The valuation of the convertible loan note is disclosed in notes 2 and 25.

Cash and cash equivalents, trade receivables and trade payables are carried at cost, which approximates fair value because of their short-term nature.

Total other financial assets were as follows:

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Rent Deposits	324	432	1,018
Derivative financial instruments	-	64	118
Other current receivables	54	858	1,494
	378	1,354	2,630

33. Share based payments

Options over shares in the company have been granted in relation to employee engagement and retention. As at 31 December 2021, 220,980 options over ordinary shares (2020 – 184,596, 2019 – 224,341) had been granted. The options have a weighted average exercise price of $2.412 (2020 – $2.654, 2019 – $2.859). The options were valued using the Black-Scholes option pricing model.

The weighted average exercise price of options outstanding at the year end was $2.412 (2020 - $2.654, 2019 - $2.859) and their average contractual life was 10 years (2020 – 10 years, 2019 – 10 years).

A reconciliation of option movements over the previous three reporting periods

	2021 Number	2021 Weighted average exercise price	2020 Number	2020 Weighted average exercise price
Outstanding at 1 January	184,596	$2.791	224,341	$2.859
Granted	58,887	$1.161	-	-
Exercised	(18,325)	$1.644	(6,503)	$1.517
Lapsed	(4,188)	$4.891	(33,242)	$3.780
Cancelled	-	-	-	-
Outstanding at 31 December	220,970	$2.412	184,596	$2.654

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

34. Share capital

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

	2021 Number	2020 Number	1 Jan 2020 Number
Allotted, called up, and fully paid			
Ordinary shares of £0.001 each	2,549,807	2,289,382	2,282,879
'A' preferred ordinary shares of £0.000001 each	873,020	873,020	873,020
'B' preferred ordinary shares of £0.000001 each	101,184	101,184	249,978
'B-1' preferred ordinary shares of £0.001 each	106,332	106,332	106,332
'B-2' preferred ordinary shares of £0.000001 each	148,794	148,794	-
	3,779,137	3,518,712	3,512,209

	2021 $'000	2020 $'000	1 Jan 2020 $'000
Ordinary shares			
At 1 January	4	4	4
Issued for cash	-	-	-
At 31 December	4	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 18,325 (2020 – 6,503, 2019 – 10,717) ordinary shares were exercised with an aggregate nominal value of $24.73 (2020 – $8.34, 2019 - $14.10) and total consideration received of $30,129 (2020 – $9,862, 2019 - $25,251). The weighted average share price at the date of exercise was $0.324 (2020 – $1.517, 2019 - $2.356). During the year 242,100 shares (2020 – nil, 2019 – 50,613) under restricted share agreements were issued with an aggregate nominal value of $326.76 (2020 – $nil, 2019 – $66.60) and total consideration received of $162,499 (2020 – $nil, 2019 – $153,583).

During the year ended 31 December 2020, 148,794 'B' preferred ordinary shares were redesignated as 'B-2' preferred ordinary shares.

Share warrants

Warrants over shares in the company have been issued in relation to various loan facilities. As at 31 December 2021, 62,381 warrants over preference shares (2020 – 62,381, 2019 – 62,381) had been issued. The warrants have a weighted average strike price of $15.25 (2020 – $14.50, 2019 – $14.87). The warrants were valued using the Black-Scholes option-pricing model. During the year $75,824 (2020 - $91,961, 2019 - $25,866) was charged to the accounts.

Dividends

No dividends were paid in any of the reporting periods.

35. 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 subsidiaries with a functional currency other than US Dollars.

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 profits of losses, net of dividends paid and other adjustments.

36. 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 and will not be shown in the consolidated financial statements.

	Services provided to/(from)	Services provided to/(from)
	31 December 2021 $'000	31 December 2020 $'000
Related party transactions		
Subsidiaries of ultimate parent company	(3,438)	(2,604)

	Payables outstanding	Payables outstanding	Receivables outstanding	Receivables outstanding
	31 December 2021 $'000	31 December 2020 $'000	31 December 2021 $'000	31 December 2020 $'000
Related party balances				
Subsidiaries of ultimate parent company (note 23)	5,874	2,530	-	-

37. Post balance sheet events

Subsequent to the end of the period the Group:

- Extended the term of its revolving credit facility into January 2024;
- Liquidated its wholly-owned, dormant subsidiary MOO Germany GmbH;
- Entered into a ten year lease on a 108,000 square foot manufacturing facility in East Providence, Rhode Island, significantly increasing the size of its manufacturing footprint and further demonstrating its focus on North American growth;
- Entered into a five year lease on its London Clubhouse, in line with the Group's Work 2.0 strategy as outlined in the CEO's report on page 5-6
- The Group has an irrevocable commitment from a majority of its Future Fund loan note holders, that at the date of conversion, all of their holdings will be converted to Equity

38. Ultimate controlling party

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

39. Impact of the transition to IFRS

These are the first financial statements prepared in accordance UK adopted International Accounting Standard, collectively "IFRS". The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2021, the comparative information presented in these financial statements for the year ended 31 December 2020 and in the preparation of an opening IFRS balance sheet as at 1 January 2020 being the date of transition.

A Group is required to determine its IFRS accounting policies and apply these retrospectively to determine its opening balance sheet under IFRS. IFRS 1, First-time Adoption of International Financial Reporting Standards (as amended in 2008), allows companies adopting IFRS for the first time to take certain exemptions and exceptions from the full requirements of IFRS on the date of transition (i.e., 1 January 2020) The Group has taken advantage of the transitional arrangement which permits the judgements applied to the 1 January 2020 opening balance sheet to be revisited for the benefit of hindsight.

In preparing its opening IFRS statements of financial position, the Group has adjusted the amounts previously reported in its financial statements prepared in accordance with UK GAAP. The comparative information in the financial statements has been consistently applied in accordance with IFRS. This note explains the principal adjustments made by the Group in restating its UK GAAP financial statements, including the statement of financial position as at 1 January 2020 and the financial statements for the year ended 31 December 2020.

An explanation of how the transition from UK GAAP, (being Financial Reporting Standard No 102) to IFRS has affected the Company's financial position and financial performance is set out in the following tables and notes.

39. Impact of the transition to IFRS (continued)

IFRS adjustments include the following:
i) IFRS 16: Leases

A summary of the impact of IFRS transition to Equity is as follows:

GROUP	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Equity reported under FRS102		(33,215)	(14,318)	1,500
IFRS adjustments:				
Right of use lease asset				
Depreciation		(557)	(2,555)	(2,724)
Interest charges		(109)	(212)	(325)
Foreign Exchange differences		426	(450)	(410)
Effects of subleasing		(15)	(169)	13
Rent free period adjustment		(35)	(35)	(34)
Lease impairment		(591)	(2,589)	-
Onerous lease adjustment		(1,526)	2,438	-
Dilapidation adjustments		(823)	383	17
Payments restated from expense to liability payment		2,277	3,300	3,353
Right of use lease asset - Net impact	i	(953)	111	(110)
Deferred tax adjustment		-	-	-
Adjustments to accumulated deficit		(953)	111	(110)
Accumulated deficit adjustments B/Fwd		1,117	1,006	1,116
Total adjustments C/Fwd		164	1,117	1,006
Equity Reported under IFRS		(33,051)	(13,201)	2,506

Accumulated deficit adjustments on 1 January 2020 represent adjustments relating to the adoption of IFRS 16 right of use assets.

39. Impact of the transition to IFRS (continued)

COMPANY	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Equity reported under FRS102		(37,913)	(18,574)	(2,541)
IFRS adjustments:				
Right of use lease asset				
Depreciation		(273)	(1,824)	(1,815)
Interest charges		(80)	(148)	(217)
Foreign Exchange differences		425	(452)	(408)
Rent free period adjustment		(35)	(35)	(34)
Lease impairment		(591)	(2,031)	-
Onerous lease adjustment		(1,526)	1,784	-
Dilapidation adjustments		(823)	383	17
Payments restated from expense to liability payment		1,911	2,267	2,255
Right of use lease asset - Net impact	i	(992)	(56)	(202)
Deferred tax adjustment		-	-	-
Adjustments to accumulated deficit		(992)	(56)	(202)
Accumulated deficit adjustments B/Fwd		1,121	1,177	1,379
Total adjustments C/Fwd		129	1,121	1,177
Equity Reported under IFRS		(37,784)	(17,453)	(1,364)

Accumulated deficit adjustments on 1 January 2020 represent adjustments relating to the adoption of IFRS 16 right of use assets

Summary of impact to Statement of Financial Position - Extracts:

Intangible assets

GROUP	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Net Book Value of Intangible Assets reported under FRS102		5,098	6,462	9,078
IFRS adjustments:				
Net adjustment brought forward		54	92	-
Transfer of software to intangible assets from property, plant and equipment		114	(38)	92
Net book Value of Intangible assets reported under IFRS		5,266	6,516	9,170

39. Impact of the transition to IFRS (continued)

Intangible assets

COMPANY	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Net Book Value of Intangible Assets reported under FRS102		5,097	6,462	9,078
IFRS adjustments:				
Net adjustment brought forward		40	77	-
Transfer of software to intangible assets from property, plant and equipment		94	(37)	77
Net book Value of Intangible assets reported under IFRS		5,231	6,502	9,155

Property, plant and equipment

GROUP	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Net Book Value of Property, Plant and Equipment reported under FRS102		4,941	5,120	7,129
IFRS adjustments:				
Net adjustment brought forward		2,995	8,158	-
Right of use assets introduced		-	-	11,203
Depreciation of RoU assets introduced under IFRS		(568)	(2,613)	(2,782)
Subleased		-	-	(171)
Impairment of RoU assets introduced		(1,355)	(2,588)	-
Transfer of software to intangible assets from property, plant and equipment		(114)	38	(92)
Net Book Value of Property, Plant and Equipment reported under IFRS		5,899	8,115	15,287

Property, plant and equipment

COMPANY	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Net Book Value of Property, Plant and Equipment reported under FRS102		1,665	2,431	3,372
IFRS adjustments:				
Net adjustment brought forward		2,801	6,677	-
Right of use assets introduced		-	-	8,627
Depreciation of RoU assets introduced under IFRS		(284)	(1,882)	(1,873)
Impairment of RoU assets introduced		(1,355)	(2,031)	
Transfer of software to intangible assets from property, plant and equipment		(94)	37	(77)
Net Book Value of Property, Plant and Equipment reported under IFRS		2,733	5,232	10,049

39. Impact of the transition to IFRS (continued)

Right of use asset

GROUP	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Right of use asset reported under FRS102		-	-	-
IFRS adjustments:				
Net asset value B/Fwd		4,899	10,796	11,203
Net book value of FRS102 finance leases reallocated to RoU assets		1,592	-	3,217
Subleased		-	-	(171)
Impairment		(1,355)	(2,588)	-
Depreciation (including FRS102 finance lease depreciation)		(1,523)	(3,309)	(3,453)
Right of use asset – Net impact		(1,286)	(5,897)	(407)
Right of use asset reported under IFRS	14	3,613	4,899	10,796

Right of use asset

COMPANY	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Right of use asset reported under FRS102		-	-	-
IFRS adjustments:				
Net asset value B/Fwd		3,284	7,399	8,627
Net book value of FRS102 finance leases reallocated to RoU assets		14	-	849
Impairment		(1,355)	(2,031)	-
Depreciation (including FRS102 finance lease depreciation)		(501)	(2,084)	(2,077)
Right of use asset – Net impact		(1,842)	(4,115)	(1,228)
Right of use asset reported under IFRS	15	1,442	3,284	7,399

39. Impact of the transition to IFRS (continued)

Trade & other receivables

GROUP	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Non-current and current trade and other receivables reported under FRS102		8,239	7,266	12,856
IFRS adjustments:				
Net Adjustment brought forward		14	184	-
Sublease of right of use assets		(15)	(170)	184
Deferred tax adjustment		-	-	-
Trade and other receivables reported under IFRS		8,238	7,280	13,040

Trade & other receivables

COMPANY	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Non-current and current trade and other receivables reported under FRS102		3,658	5,316	7,998
IFRS adjustments:				
Net Adjustment brought forward		-	-	-
Sublease of right of use assets		-	-	-
Deferred tax adjustment		-	-	-
Trade and other receivables reported under IFRS		3,658	5,316	7,998

39. Impact of the transition to IFRS (continued)

Current liabilities

GROUP	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Current liabilities reported under FRS102		(24,717)	(28,182)	(36,485)
IFRS adjustments:				
Net adjustment brought forward		324	(3,292)	(3,173)
Deferred tax liability		-	-	-
Dilapidation provision		(812)	441	75
Lease liability on right of use assets		1,775	771	(160)
Rent free period adjustment		(34)	(35)	(34)
Onerous lease adjustment		(971)	2,439	-
Current liabilities reported under IFRS	23	(24,435)	(27,858)	(39,777)

Current liabilities

COMPANY	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Current liabilities reported under FRS102		(20,251)	(22,354)	(24,653)
IFRS adjustments:				
Net adjustment brought forward		209	(2,320)	(2,216)
Deferred tax liability		-	-	-
Dilapidation provision		(812)	441	75
Lease liability on right of use assets		1,529	339	(145)
Rent free period adjustment		(34)	(35)	(34)
Onerous lease adjustment		(762)	1,784	-
Current liabilities reported under IFRS	24	(20,121)	(22,145)	(26,973)

39. Impact of the transition to IFRS (continued)

Summary of impact to the Comprehensive Income Statement

GROUP	Note	31 December 2021	31 December 2020
		$'000	$'000
Total comprehensive loss reported under FRS102		(19,005)	(15,920)
IFRS adjustments:			
Right of use lease asset			
Depreciation		(557)	(2,555)
Retained Reserve: Interest charge		(109)	(212)
Retained Reserve: payments restated from expense to liability payment		2,277	3,300
Sublease adjustment		(15)	(169)
Dilapidations		(823)	383
Rent free adjustment		(35)	(35)
Lease impairment		(591)	(2,589)
Onerous lease adjustment		(1,526)	2,438
Foreign exchange revaluation		426	(450)
Right of use lease asset - Net impact	i	(953)	111
Deferred tax adjustment		-	-
Total adjustments		(953)	111
Comprehensive loss reported under IFRS		(19,958)	(15,809)

i. Under FRS102, leases for offices are expensed to the Income Statement. Under IFRS the treatment requires a "right-of-use" asset to be created and a corresponding "lease obligation" liability recognised for the discounted future value of minimum lease payments. The future cost of dilapidations is included within the asset with a corresponding "dilapidations provision" liability recognised for the discounted future value of the dilapidations that are expected to be paid.

39. Impact of the transition to IFRS (continued)

Non-Current liabilities

GROUP	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Current liabilities reported under FRS102		(37,919)	(17,345)	(2,560)
IFRS adjustments:				
Net adjustment brought forward		(2,270)	(4,136)	(6,916)
Lease liability of right of use assets		1,028	1,866	2,780
Non-current liabilities reported under IFRS		(39,161)	(19,615)	(6,696)

Non-Current liabilities

COMPANY	Note	31 December 2021	31 December 2020	1 January 2020
		$'000	$'000	$'000
Current liabilities reported under FRS102		(36,021)	(16,097)	(614)
IFRS adjustments:				
Net adjustment brought forward		(1,929)	(3,257)	(5,032)
Lease liability of right of use assets		725	1,328	1,775
Non-current liabilities reported under IFRS		37,225	18,026	(3,871)

39. Impact of the transition to IFRS (continued)

Summary of impact to the Cash flow statement

GROUP	31 December 2021	31 December 2020
	$'000	$'000
Net cash flow generated from/ (used in) operating activities under FRS102	3,507	(3,643)
IFRS adjustments:		
Decrease / (increase) in loss for the financial year	(954)	111
Increase in depreciation and amortisation	568	2,613
Impairment of tangible fixed assets	1,355	2,588
Increase in interest payable	114	239
Exchange movement	(508)	648
Increase / (decrease) in trade and other receivables	110	3
Increase / (decrease) in trade and other payables	1,810	(2,899)
Net cash flow generated from/ (used in) operations	6,002	(340)
Net cash flow generated from (used in) investing activities under FRS102	(2,697)	(2,521)
IFRS adjustments		
Net cash flow generated from (used in) investing activities	(2,697)	(2,521)
Net cash flow generated from (used in) financing activities under FRS102	(1,179)	7,561
IFRS adjustments		
Capital elements of leases repaid	(4,310)	(3,301)
Repayment of bank loans	(134)	-
Interest paid: Finance leases	(121)	-
Net cash flow from/ (used in) financing activities	(5,744)	4,260