



**SORTED GROUP HOLDINGS PLC**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**SORTED GROUP HOLDINGS PLC**

**COMPANY INFORMATION**

<b>Directors</b>	S Wilkinson N Burton C Carey (Appointed 29 January 2024, Resigned 24 May 2024) P Cvetkovic (Appointed 29 January 2024) M Warriah (Appointed 29 January 2024)
<b>Registered number</b>	06458458
<b>Registered office</b>	5th Floor Room 502d Chancery Place 50 Brown St Manchester M2 2JG
<b>Company Secretary</b>	M Warriah 5th Floor Room 502d Chancery Place 50 Brown St Manchester M2 2JG
<b>Independent auditor</b>	Rawlinson & Hunter Audit LLP Chartered Accountants & Statutory Auditor Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ
<b>Bankers</b>	HSBC UK 2-4 St Ann's Square Manchester M2 7HD
<b>Nominated Advisor</b>	Allenby Capital Limited 5 St. Helen's Place London EC3A 6AB
<b>Broker</b>	Turner Pope Investments 3 Queen Street London W1J 5PA

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**SORTED GROUP HOLDINGS PLC**

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**SORTED GROUP HOLDINGS PLC**

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**CHAIRMAN'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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Dear Shareholders,

I am pleased to present the Chairman's statement for Sorted Group Holdings PLC (the "Company") (formerly Location Sciences Group PLC) and its subsidiaries (the "Group" or "Sorted") 2024 report and accounts.

On 30 January 2024 we announced and published an AIM admission document which detailed, *inter alia*, the proposed acquisition of Sorted Holdings Limited ("SHL") and its subsidiary undertakings, Sorted Group Limited ("SGL") and Clicksit App Limited ("CAL"), a proposed subscription of 2,285,712 new ordinary shares at 87.50 pence per new ordinary share to raise approximately £2.0 million, a proposed 625 to 1 share consolidation, a proposed change of name and AIM ticker symbol to Sorted Group Holdings PLC and SORT respectively, director appointments, a notice of general meeting, and the restoration of trading of the Company's existing ordinary shares on AIM. Terms were agreed for the acquisition of the entire issued and to be issued share capital of SHL for an aggregate nominal consideration of approximately £66.73 to be paid in cash at completion (the "Proposed Acquisition").

This constituted a reverse acquisition of the Company by SHL for accounting purposes (the "Reverse Acquisition"). The impact of the Reverse Acquisition on the financial statements previously reported for the period ended 31 December 2023 is discussed within the Independent Director's Financial Review. Please refer also to notes 2.3 and 26 of the financial statements for further details.

The Proposed Acquisition was outlined as attractive for a number of reasons. These included:

- Significant opportunity to leverage SHL's technology and substantial capital investment (exceeding £70 million);
- Attractive software-as-a-service ("SaaS") business model in the ecommerce sector with scalable, predictable revenue performance;
- Diverse customer base of household retail brands and strong industry partnerships;
- Global ecommerce market forecast to grow significantly;
- Entry into a highly fragmented market; and
- Obtaining a UK-based business with over 60 employees.

On 16 February 2024, all resolutions were duly passed at a general meeting of the Company. The proposals set out in the AIM admission document completed on 19 February 2024 with the enlarged group successfully admitting to AIM on the same day ("Admission"). As part of this, Carmen Carey was appointed as Chief Executive Officer, Mahmoud Warriah as Chief Financial Officer and Petar Cvetkovic as Non-Executive Director. To reflect the Company's new name, the website changed to [www.sorted.com](http://www.sorted.com) on Admission.

The financial year ended 31 December 2024 ("FY24") presented a number of challenges with reported revenues of £5,636,903 (15-month period ended 31 December 2023: £6,673,922). While this represents a decline in comparison to the 15-month period ended 31 December 2023, this represents a modest increase to the unaudited pro-rated period of 12 months to 31 December 2023 of £5,339,138. In any event, the business performed well in stabilising the customer base and delivered a significant year-on-year reduction in costs, transforming the Group's underlying cost structure.

The successful fundraises in 2021 and 2024 provided the Company with liquidity, and, together with undrawn loan facilities (details of which are set out in note 27) position us to pursue our strategic acquisition objectives despite a complex market environment.

Looking forward, we remain cautiously optimistic. The acquisition of SHL has provided us with a valuable platform for potential growth opportunities. Armed with this knowledge, we are actively exploring avenues for sustainable expansion and enhancement of our overall offerings.

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## SORTED GROUP HOLDINGS PLC

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### CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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Notable highlights for FY24 include:

- On 30 April 2024, the Company announced that SGL had received approximately £2.0 million in research and development ("R&D") tax credits from His Majesty's Revenue & Customs ("HMRC") (together the "R&D Tax Credit"). The R&D Tax Credit relates to SGL's claim made to HMRC in respect of the financial year ended 30 September 2022. The R&D Tax Credit has been directly applied towards reducing the Group's pay as you earn ("PAYE") and value added tax ("VAT") liabilities.
- On 28 May 2024, it was announced that Carmen Carey stepped down as Chief Executive Officer ("CEO") and Executive Director of the Group with immediate effect and continued to support Sorted during a three month notice period, leaving 27 August 2024.
- On 30 September 2024 the Group announced that it had received approximately £1.1 million in cash as a result of a successful R&D Tax Credit Claim. The R&D Tax Credit Claim relates to SGL's claim made to HMRC in respect of the 15 month period ended 31 December 2023.
- On 4 October 2024, the Company announced the disposal to ZigZag Global Limited of the business and intellectual property (including the software, systems and content assets) used to operate and deliver the Group's "Returns" business used by small to medium fashion apparel retailers, charities and educational institutions (the "Disposal").
- The consideration received by Sorted for the Disposal was £775,000 in cash. The cash was used to settle in part CAL's liabilities of about £1.4m including accumulated losses and transaction costs. The gross assets the subject of the Disposal as at 31 December 2023 were approximately £247,000 and generated a profit before tax in the 15 months ended 31 December 2023 of approximately £64,000.
- On 21 November 2024, the Company announced the appointment of Rawlinson & Hunter Audit LLP as its new external auditor for the financial year ended 31 December 2024. Rawlinson & Hunter Audit LLP was the auditors for SHL and its group for the financial year ended 31 December 2023.
- On 6 December 2024, the Company announced the implementation of new share incentive awards ("New Awards") under the existing Sorted Group Holdings Plc Share Option Plan to retain and incentivise key management personnel. The New Awards were made to one Director of the Company and certain persons discharging managing responsibility ("PDMR").

During FY24, we also undertook significant restructuring efforts to align the business with its strategic goals and to ensure its long-term sustainability, which are outlined as follows:

- **Employee Headcount Reduction:** The headcount was reduced from 90 to 55, eliminating an expensive corporate layer that was no longer required for the business. This enabled the board of directors of Sorted (the "Board" or the "Directors") to promote the next level of high-end talent to form the new senior management team.
- **Cost Reduction:** We have reduced back-office costs related to legal, HR, and finance functions, enabling management to reallocate resources towards front-office functions, specifically software engineering and sales. This is anticipated to lead to a total people cost reduction of approximately £1.2 million on an annualised basis.
- **Property Costs:** We have reorganised our offices, closed the London office and resized the Manchester office to be more fit for purpose. This is expected to deliver an annualised six-figure saving.

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## SORTED GROUP HOLDINGS PLC

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### CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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- **Operational Efficiencies:** We are introducing efficiencies to run the Sorted platform more cost-effectively. Our second largest cost, outside of personnel, is our IT infrastructure, which we will focus on reducing in the second half of the financial year ending 31 December 2025 ("FY25").

FY24 has been transformative for our Group as we have embarked on a strategic initiative to foster a "start-up" mentality within our organisation. The key objectives have been to streamline our operations, reduce unnecessary corporate and executive costs, and return to our nimble roots in Manchester.

#### **Outlook and Future Strategy**

As we look forward to the remainder of FY25, we are optimistic about the future. Our strategic focus on agility, efficiency, and customer satisfaction will continue to guide us. We are confident that the steps we have taken will not only strengthen our market position but also lay a solid foundation for sustained growth and success. The addition of SHL has provided us with a valuable platform for potential growth opportunities. Armed with this knowledge, we are actively exploring avenues for sustainable expansion and enhancement of our offerings.

The successful fundraises that took place in 2021 and 2024 provided us with sufficient resources and, together with the £1m Bidco 3 Limited Loan Facility, enable us to pursue our strategic acquisition objective against the backdrop of the complex business landscape.

#### **Focus and Vision**

The Sorted 2.0 transformation plan remains a central strategic priority for the Group, with assessments and development plans continuing through FY25 and extending well into the next financial years up and to the financial year ending 31 December 2028. In parallel, Sorted is actively evaluating how emerging AI technologies can be harnessed to accelerate the evolution of its Delivery Experience Platform. If these technologies reach the necessary level of maturity, they have the potential to be truly transformative for the Group – enabling greater scalability and innovation across the product suite.

Meanwhile, Sorted continues to drive commercial growth in FY25 using its current technology platform, with momentum already visible in the market. The business remains confident in securing new sales, particularly for its Ship and Track products.

In conclusion, while FY24 presented its challenges, we are strategically positioned for the future. With a solid financial foundation, streamlined operations, and a focus on delivering a new strategic path going forward, we are confident in our ability to create long-term value for our shareholders. We thank our shareholders and stakeholders for our continued trust and support.

Yours sincerely,

Simon Wilkinson  
Executive Chairman, Sorted Group Holdings PLC  
Date: 26 June 2025

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**SORTED GROUP HOLDINGS PLC**


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**INDEPENDENT DIRECTOR'S FINANCIAL REVIEW  
FOR THE YEAR ENDED 31 DECEMBER 2024**


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Dear Shareholders,

As one of the two Independent Directors of Sorted Group Holdings PLC, I am pleased to present my report alongside the Chairman's Report for the FY24 report and accounts. As a member of the Board, my role is to provide an unbiased perspective and to act in the best interests of the Company and its shareholders.

Throughout FY24, I actively participated in the strategic review process and monitored the Company's performance, governance, and risk management. I have assessed the decisions made and actions taken by the Board, ensuring that they align with the company's values and objectives.

**Financial Performance**

The financial performance should be considered in light of the Reverse Acquisition, set out in detail in notes 2.3 and 26. In summary, the comparative amounts were restated such that the figures for the 15 months ended 31 December 2023, as well as the Consolidated Statement of Financial Position as on 31 December 2023, represent those of SHL, being the accounting parent, and its subsidiaries (before the Reverse Acquisition). In addition, the financial reporting for the 15 month period ended 31 December 2023 of SHL and its subsidiaries has been restated following the conversion from UK GAAP to International Financial Reporting Standards (refer note 28). The results for the year ended 31 December 2024, as well as the Consolidated Statement of Financial Position as on 31 December 2024 is for SHL and its subsidiaries but also includes the balances of Sorted Group Holdings Plc and subsidiaries as on 31 December 2024 and the results of the same from the Reverse Acquisition date of 16 February 2024. The Company Statement of Financial Position and Company only disclosures refer to Sorted Group Holdings Plc, being the parent entity as defined by the UK Companies Act.

The financial performance of Sorted Group Holdings PLC in FY24 reflected the challenges faced by the Company and the broader market environment. I have scrutinised the financial statements and worked closely with the team to understand the underlying causes and evaluate the appropriateness of the strategic initiatives undertaken. I have enclosed below a summary of the Group's financial performance and statement of financial position at the end of the year:

<b>All figures in £GBP (unless otherwise stated)</b>	<b>Year to 31 December 2024</b>	<b>Six months to 30 June 2024</b>	<b>12 months to 31 December 2023*</b>	<b>Comparison to prior period</b>
Revenue	5,636,903	3,188,490	5,339,138	6%
Administrative costs	4,990,127	3,654,220	9,801,502	(49%)
Loss before tax	4,858,609	3,434,205	9,614,482	(49%)
Loss per share	52.15p	51.2p	189.19p	(72%)
Net assets	1,415,326	1,614,157	(573,523)	Positive increase
Net current assets/(liabilities)	830,432	(370,891)	(5,368,065)	Positive increase
Cash at bank	2,655,840	2,340,065	408,479	550%
Group borrowings	4,463,947	4,425,366	7,159,395	(38%)

*\* The financial performance items have been pro-rated to 12 months to enhance comparability and is unaudited.*

The Board made further reductions in overheads during FY24 and the impact of these can be seen in the decreased administration costs in FY24 of £4,990,127 compared to the previously reported 15 month period ended 31 December 2023 of £12,251,877, representing a 59% period on period reduction (note that this is comparing 12 months in FY24 to the previously reported 15 month period). The loss before tax includes the costs of the acquisition of SHL in FY24.

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**SORTED GROUP HOLDINGS PLC**

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**INDEPENDENT DIRECTOR'S FINANCIAL REVIEW  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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**Strategic Review and Actions Taken**

During FY22, the Board embarked on a comprehensive strategic review to pinpoint the most viable pathways for sustainable growth and the creation of shareholder value. This exercise led to the identification of SHL as a prime target and the most viable option to provide long-term sustainable growth and create shareholder value. The acquisition of SHL completed on 19 February 2024.

**Corporate Governance**

We are committed to upholding the highest standards of corporate governance. Throughout the year, we monitored the Company's compliance with applicable laws, regulations, and best practices. We reviewed the effectiveness of internal controls, risk management systems, and ethical practices. We are pleased to report that Sorted Group Holdings PLC has maintained a robust governance framework, with appropriate checks and balances in place to safeguard shareholder interests.

**Stakeholder Relations**

As an Independent Director, I place great importance on the Company's relationships with its key stakeholders. I have closely monitored the engagement efforts undertaken by the team to foster a positive team culture, ensure fair treatment, and provide opportunities for professional growth. Furthermore, I have assessed the Company's relationships with clients, suppliers, and other stakeholders, ensuring that open lines of communication are maintained and that their expectations are being met.

**Looking Ahead**

As an Independent Director, I remain committed to our fiduciary duties and to serving the best interests of Sorted Group Holdings PLC and its shareholders. I will continue to provide oversight, guidance, and independent perspectives to the Board as the company navigates the evolving landscape. I will monitor progress against strategic objectives, evaluate risk management practices, and advocate for responsible and sustainable business practices.

Whilst the Group plans to appoint a new CEO, in the intervening period, Simon Wilkinson, the Group's Chairman, has taken on the role of Executive Chairman. In addition to Simon Wilkinson's software and general management expertise, Sorted will also draw on the significant experience of its other existing board members to oversee the operations of the business, including the distribution and logistics expertise of Petar Cvetkovic, a Non-Executive Director.

In order to recognise Simon Wilkinson's increased involvement in the operations of the business, Sorted has entered a consultancy arrangement with him whereby the Group will pay Mr Wilkinson a daily consultancy rate of £1,750.00 (the "Consultancy Arrangement"). It is anticipated that Mr Wilkinson will work a maximum of three days per week pursuant to the Consultancy Arrangement.

In conclusion, I express our appreciation for the trust placed in us by the shareholders of Sorted Group Holdings PLC. I believe that the Company's strategic initiatives, including the disposal of the Returns business and the ongoing commitment to find a new strategic direction for the Group, will position it for long-term success. I remain vigilant in our oversight role and am dedicated to the Company's continued growth and value creation.

Respectfully submitted,

Dr Nigel Burton  
Independent Non-Executive Director, Sorted Group Holdings PLC  
Date: 26 June 2025



SORTED GROUP HOLDINGS PLC

STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present their strategic report for the year ended 31 December 2024 ("FY24"). The comparative reporting period is for the 15-month period ended 31 December 2023 ("FY23").

Fair review of the business

The fair review of the business is set out in the Executive Chairman's and Independent Director's reviews, which describe in detail the financial results and future plans for Sorted Group Holdings PLC. The Board monitors progress on the overall Group strategy and the individual strategic elements by reference to KPIs. The primary measures are revenue, costs, EBITDA before exceptional items and working capital levels.

Principal risks and uncertainties

The principal risks to the Group are as follows:

<b>Description</b>	Sorted Group Holdings PLC continues to be in a cash consumption phase.
<b>Impact</b>	Going concern has been carefully considered and details are provided in the Corporate Governance Report below and in note 2.2 of the Group's financial statements.
<b>Mitigation</b>	As at 31 December 2024, the Group had just over £2.65 million in net cash resources and an unused £3 million loan facility. As noted in note 27, subsequent to the year end this loan facility has been reduced to £1 million. In addition, the Group's main lender, Shard, agreed to the deferral of interest on amounts owed to them until 2027 payable on the Shard loan of Facility. The Directors consider that the Group has sufficient funds to meet its requirements for the foreseeable future.
<b>Description</b>	Competition risk.
<b>Impact</b>	New entrants into the market and taking market share.
<b>Mitigation</b>	The Group is continually investing in its platform to become market leader. Key to this is executing the Group's vision to be the only Delivery Experience Platform able to serve the entirety of the market from SMB through to large enterprise and across all three pillars of the retail post-purchase journey; Carrier Selection, Order Tracking and Returns Management.
<b>Description</b>	Online security risk.
<b>Impact</b>	As a SaaS platform the Group has risk relating to online security vulnerabilities.
<b>Mitigation</b>	The Group has rigorous processes and procedures in place, including collaborating with third-party security specialist firms to validate the robustness of its security measures, to mitigate this risk which is continually reviewed and enhanced to meet the emerging threats and business needs.
<b>Description</b>	Credit risk.
<b>Impact</b>	Possibility that a counterparty will default on its contractual obligations resulting in a loss to the Group.
<b>Mitigation</b>	The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults.
<b>Description</b>	Changes in regulation negatively impact the Group's market.
<b>Impact</b>	The Group may find the demand for its products is reduced and/ or the Group may be forced to change or stop selling one or more of its products.
<b>Mitigation</b>	The Board takes account of commentators and industrial bodies as to the direction of policy change.

The Board meets regularly to review specific and general risks that face the Group. The Board strives to position the Group in a way that any risks can be minimised and met, should the need arise.

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**SORTED GROUP HOLDINGS PLC**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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The Group is managing these risks by reducing the overheads of the Group and continuing to analyse new opportunities as they arise. The Board are committed to delivering shareholder value in the long-term.

**Strategic risks**

Following the strategic review, a significant milestone in the Company's strategy was achieved with the purchase of Sorted Holdings Limited on 19 February 2024, aligning with the strategic goals set out in the FY23 financial accounts.

However, a strategic risk lies in the effective execution of these initiatives. Ensuring successful implementation, alignment across the organisation, and timely delivery of desired outcomes require careful planning, resource allocation, and effective management of change. Any delays, misalignment, or inadequate execution could impede the Company's ability to achieve its strategic objectives and may result in lost opportunities, lower competitiveness, and suboptimal financial performance.

It is important for Sorted Group Holdings PLC to establish clear goals, allocate appropriate resources, and monitor the progress of these strategic initiatives. The Company should implement robust project management practices, establish effective communication channels, and regularly evaluate and adjust the execution plan as needed. Additionally, strong leadership and stakeholder engagement are crucial to drive alignment and foster a culture of accountability throughout the organisation.

By proactively addressing this strategic risk and implementing effective execution strategies, Sorted Group Holdings PLC can enhance its chances of successfully realising the desired outcomes of the strategic initiatives and drive long-term value for shareholders.

This report, in conjunction with the Chairman's statement and Independent Director's report, form the Strategic Report for the purposes of s414A of the Companies Act 2006.

**Section 172 statement**


The Directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006 through adherence to the Quoted Companies Alliance Corporate Governance Code, as disclosed on pages 10 to 13 and as published on our website: <https://sorted.com/investors/corporate-governance/>. The Chairman's Report details the Group's future plans to achieve its long-term strategy.

The Group is committed to maintaining an excellent reputation and strive for high standards, while maintaining an awareness of the environmental impact of the work that it does and strives to reduce its carbon footprint.

The Directors recognise the importance of the wider stakeholders in delivering their strategy and achieving sustainability within the business; in ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly between all members of the Company.

This report was approved by the Board of directors on the 26 June 2025 and signed on its behalf by:

Mahmoud Warriah, Chief Financial Officer  
Date: 26 June 2025

DocuSigned by:  
  
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## SORTED GROUP HOLDINGS PLC

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### CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024

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The Board recognises the importance of good corporate governance in order to protect and build upon the substantial investments made by our diverse shareholder base. We have chosen to apply the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), which was developed by the Quoted Companies Alliance ("QCA") in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". The Board anticipates that whilst the Company will continue to comply with the QCA Code, given the Group's size and plans for the future, it will also endeavour to have regard to the provisions of the UK Corporate Governance Code as best practice guidance to the extent appropriate for a company of its size and nature.

An explanation of how these principles have been applied during FY24 is set out in the Company's website. Details of the Directors' Remuneration, Audit Committee and internal control sections are set out in this report.

Certain information required under the QCA Code is included within the Strategic report and the Directors Remuneration Report.

<b>Name</b>	<b>Date Appointed</b>	<b>Date Resigned</b>	<b>Role</b>	<b>Committees</b>
Petar Cvetkovic	30/01/2024	-	Non-Executive Director	Remuneration, Nomination, Audit
Nigel Burton	25/05/2021	-	Non-Executive Director	Remuneration, Nomination, Audit

The Board is responsible to the shareholders for the proper management of the Group through setting the overall strategy of the business and to review the people, performance, policies and budgets of the Group. The Board typically meets quarterly and also meets for any other extraordinary matters as they may arise. Detailed information on matters to be discussed during the meetings are circulated in advance of the meeting to ensure non-executive directors can contribute in an educated manner.

#### **Independence**

The Independent Directors at the reporting date are Dr Nigel Burton and Petar Cvetkovic. Petar was appointed in this role on 30 January 2024. The Independent Directors are responsible for monitoring the Board and ensuring no individual or group takes control of the Board's decision making and that all key stakeholders are fully briefed on matters and their responsibilities

#### **Board Balance**

A minimum of 50% of the Board will always consist of non-executive directors. During FY24 all non-executive directors were independent of the management team and are not involved in any other business or relationship, either as an executive or non-executive, which may impair their independent nature and judgement.

As announced on 28 May 2024, the Group intends to appoint a new chief executive officer when it becomes appropriate for the business to do so. In the interim, Simon Wilkinson will continue to operate as the Group's executive chairman.

#### **Nomination Committee**

The Group's nomination committee is responsible for reviewing and making proposals to the Board on the appointment of Directors and meets as necessary. During FY24, the Group's nomination committee consisted of Petar Cvetkovic and Dr. Nigel Burton.

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**SORTED GROUP HOLDINGS PLC**

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**CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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**Performance Evaluation and Re-election**

The Board has continued to evaluate its effectiveness and performance during FY24, taking into account the Financial Reporting Council's Guidance on Board Effectiveness. Director appraisals will be performed to ensure that their performance is, and continues to be, effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role. The Directors will be evaluated internally based on their responsibilities to the Board. At the AGM 50% of continuing Directors stand for re-election on an annual basis.

The Directors carry out continued professional development throughout the year where appropriate and each Director keeps up to date with market changes through the use of market articles and industry contacts.

**Remuneration Committee**

The Group's Remuneration Committee is responsible for the specific remuneration and incentive packages for each of the Company's executive directors, senior executives and managers. During FY24, the Group's Remuneration Committee consisted of Nigel Burton and Petar Cvetkovic. Further details of the Committee's remit are contained in the Directors' Remuneration Report on pages 14 to 16.

**Relations with Shareholders**

The Group encourages two-way communication with both its institutional and private investors and responds promptly to all queries received. The Non-Executive Directors communicate regularly with the Group's institutional shareholders and ensure that their views are communicated fully to the Board. The Board recognises the Group's AGM as an important opportunity to meet with the Group's private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the AGM.

**Annual General Meeting**

The Annual General Meeting of the Group provides shareholders with the opportunity to be updated on the Group's progress and to ask questions of the Board.

**Financial Reporting and Internal Control**

The Company has established policies covering the key areas of internal financial control and the appropriate procedures, controls, authority levels and reporting requirements which must be applied throughout the Group.

The key procedures that have been established in respect of internal financial control are:

- An annual budget set by the Board
- Monthly management accounts with comparisons to budget
- Monthly forecast updates with comparisons to budget
- Monthly cashflow forecasts with comparisons to budget
- Weekly meetings of the Executive Directors and Senior Management to review priorities and issues
- Restriction of user access to systems, including but not limited to Financial, HR and Technology.

The above controls have been established to support the growth of the business and to protect against future risks.

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## SORTED GROUP HOLDINGS PLC

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### CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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#### Corporate Culture

It is the Board's view that the Group's corporate culture is consistent with its objectives, strategy and business model. The Board is aware that the culture set by the Board will greatly impact all aspects of the Group and the way that employees behave. The Board invites employees to provide feedback on their peers and management.

#### Consolidated Accounts

The before mentioned Financial Reporting and Internal Controls apply to all subsidiaries. The accounts of all subsidiaries are combined with those of the Company to form consolidated accounts each month. Following Admission, the Chief Financial Officer is responsible for producing the consolidated accounts, including the elimination of intercompany transactions and balances.

#### Audit Committee

The Group's Audit Committee is responsible for ensuring the financial performance of the Group is properly monitored and reported on, the effectiveness of accounting systems and financial reporting procedures. During FY24, the Group's Audit Committee consisted of Petar Cvetkovic and Nigel Burton, who acted as Non-Executive Chairman of the committee.

The Committee considers all proposals for non-audit services and ensures that these do not impact on the objectivity and independence of the auditor. The Audit Committee reviews, with the external auditor, the safeguards and procedures developed by the auditor to counter threats or perceived threats to their objectivity and independence. Non-audit services performed by the external auditor are assessed for threats to objectivity and independence on a case-by-case basis.

#### Board and Committee Attendance

Name	Main Board	Audit Committee	Remuneration Committee	Nomination Committee
Simon Wilkinson	10/10	1/1*	1/1*	1/1*
Nigel Burton	10/10	1/1	1/1	1/1
Mahmoud Warriah	10/10	1/1*	1/1*	1/1*
Petar Cvetkovic	10/10	1/1	1/1	1/1

\* Simon Wilkinson and Mahmoud Warriah attended these meetings as observers only.

#### Going concern

The Directors have taken a view of the Group as a whole.

The Group ended FY24 with cash resources of £2,655,840 and debt of £4,463,947

The acquisition of SHL resulted in the exit from the Verify business to focus on the SHL business to deliver shareholder value in the long term.

However, despite the actions of the Board, the Group continued to operate with a trading loss during FY24. The new funds raised during 2021 were utilised to acquire the SHL business on 19 February 2024. The Board will continue to monitor cash resources and progress the ongoing business review.

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**SORTED GROUP HOLDINGS PLC**

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**CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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Based on the current status, after making enquiries and considering the existing cash resources of the business and the further cost reductions made during 2024, plus the Sorted Holdings Limited acquisition, the £2m fundraise and the loan facilities with Bidco 3 Limited, further details of which are set out in note 27, the Board has a reasonable expectation that the Group will be able to execute its plans in the medium term such that the Group will have adequate resources to continue in operational existence for the foreseeable future. This provides the Board with assurance on the Group's ability to continue as a going concern and therefore adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the Board

Simon Wilkinson  
Executive Chairman  
Date: 26 June 2025

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## SORTED GROUP HOLDINGS PLC

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### DIRECTORS' REMUNERATION FOR THE YEAR ENDED 31 DECEMBER 2024

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As a Company admitted to trading on AIM, Sorted Group Holdings PLC is not required to present a directors' remuneration report, however, a number of voluntary disclosures have been made. The Company has complied with the disclosure requirements set out in the AIM Rules.

#### Remuneration Committee

During FY24, the Remuneration Committee, comprising Dr Nigel Burton and Petar Cvetkovic, determines the Group's policy for executive remuneration and the individual remuneration packages for executive directors. In setting the Group's remuneration policy, the committee considers a number of factors including:

- salaries and benefits available to executive directors of comparable companies; and
- the need to both attract and retain executives of appropriate calibre.

#### Remuneration of executive directors

Consistent with this policy, benefit packages awarded to executive directors comprise a mix of basic salary and performance-related remuneration that is designed as an incentive. The remuneration packages can comprise the following elements:

- base salary: the Remuneration Committee sets the base salaries to reflect responsibilities and the skills, knowledge and experience of the individual;
- bonus scheme: the executive directors are eligible to receive a bonus dependent on both individual and Group performance as determined by the Remuneration Committee;
- equity: share options; and
- various other add on benefits such as private medical insurance.

The executive directors are engaged under separate contracts which require a notice period of three or six months given at any time by the individual.

#### Year to 31 December 2024

Director	Salary and Fees	Pension	Consultancy Fee	Total
	£	£	£	£
M Warriah	176,839	8,036	-	184,875
S Wilkinson	50,269	-	180,505	230,773
C Carmen	135,072	576	-	135,748
	<u>362,179</u>	<u>8,612</u>	<u>180,505</u>	<u>551,296</u>

#### Year ended 31 December 2023

The Company did not have any executive directors for the year ended 31 December 2023.

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**SORTED GROUP HOLDINGS PLC**


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**DIRECTORS' REMUNERATION  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**Remuneration of non-executive directors**

The fees and equity awarded to non-executive directors are determined by the Board. The non-executive directors do not receive any other forms of benefit such as private medical insurance.

**Year ended 31 December 2024**

Director	Salary and Fees	Total
	£	£
N Burton (Non-executive)	50,269	50,269
P Cvetkovic (Non-executive)	61,439	61,439
	<u>111,708</u>	<u>111,708</u>

**Year ended 31 December 2023**

Director	Salary and Fees	Total
	£	£
S Wilkinson (Non-executive)	83,437	83,437
N Burton (Non-executive)	76,406	76,406
	<u>159,843</u>	<u>159,843</u>

Included within 2023 directors' remuneration for S Wilkinson and N Burton is remuneration of £83,837 and £76,406 respectively that was settled by issue of ordinary shares.

Note that the information for the year ended 31 December 2023 is for the Company, i.e., Sorted Group Holdings Plc. The financial statements present Sorted Holdings Limited as comparatives (see notes 2.3 and 26).

**Director Warrants**

Non-transferable warrants to subscribe for, in aggregate, 192,000 Ordinary Shares were issued to the Executive Directors and the Non-Executive Directors, exercisable at 125p for five years from 25 May 2021, provided that the Ordinary Shares have traded at a Volume Weighted Average Price (VWAP) at or above 187.5p for 20 consecutive Business Days, or on a change of control of the Company.

Name	Number of Ordinary Shares subject to Director Warrants
Simon Wilkinson	48,000
Dr Nigel Burton	48,000



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**SORTED GROUP HOLDINGS PLC**

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**DIRECTORS' REMUNERATION  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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**Broker Warrants**

Transferable warrants to subscribe for, in aggregate, 66,000 Ordinary Shares were issued to the Executive Directors and the Non-Executive Directors, exercisable at 125p for five years from 25 May 2021.

<b>Name</b>	<b>Number of Ordinary Shares subject to Broker Warrants</b>
Dr Nigel Burton	40,000
Mark Slade**	16,000
David Rae*	10,000

\*Director between 12 February 2018 to 22 June 2022.

\*\*Director between 24 July 2017 to 22 June 2022

**Promoter Warrants**

Promoter warrants were issued to certain investors in the fundraising completed on 25 May 2021 in consideration of those persons assembling and co-ordinating the Concert Party's investment in the Company. As part of this issuance, non-transferable warrants to subscribe for, in aggregate, 800,000 Ordinary Shares were issued to Simon Wilkinson, exercisable at 125p for five years from 25 May 2021.

Nigel Burton  
NED, Remuneration Committee  
Date: 26 June 2025

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## SORTED GROUP HOLDINGS PLC

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

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The Directors are pleased to present the annual report and audited financial statements of Sorted Group Holdings PLC for the year ended 31 December 2024.

#### Dividends

The Directors do not recommend the payment of a dividend.

#### Board of Directors

##### **Simon Wilkinson, Executive Chairman**

Simon joined Sorted Group Holdings PLC as Non-Executive Chairman in May 2021 and executive chairman on 24 May 2024. Simon is a highly experienced software executive and entrepreneur, having been involved with a number of public and private companies over his career. He was most recently CEO then Chairman of Mobica, a world-leading, award-winning software services company offering bespoke development, QA and consultancy. He was previously Chief Executive Officer of Myriad Group AG, which was listed in Zurich, and founder and Chief Executive Officer of Magic4 Ltd, a mobile messaging software market leader, backed by 3i, Philips Ventures and Motorola Ventures.

##### **Nigel Burton, Non-Executive Director**

Nigel was appointed as a Non-Executive Director in May 2021. Nigel spent 14 years as an investment banker at leading city institutions including UBS Warburg and Deutsche Bank, including as the Managing Director responsible for the energy and utilities industries. Following this he spent 15 years as Chief Financial Officer or Chief Executive Officer of a number of private and public companies. He is currently a Non-Executive Director of BlackRock Throgmorton Investment Trust plc, eEnergy Group plc, and Metir plc.

##### **Mahmoud Warriah, Chief Financial Officer**

From startups to blue chips, Mahmoud has a strong track record of successfully delivering commercial, transitional and business transformational change. He is a qualified chartered accountant with extensive experience across multiple sectors and draws upon his computer science degree to resolve complex operational challenges. Mahmoud has been Sorted's acting interim Chief Financial Officer since 3 October 2022 and was appointed Chief Financial Officer on 29 January 2024.

##### **Petar Cvetkovic, Non-Executive Director**

Petar is the Founder and current Chairman of Welford Investments Limited, which specialises in equity holdings in growth companies, ownership of freehold commercial properties and advisory work. Over the course of his 37-year career, he has led some of the UK's best-known logistic firms, working in parcels, contract and shared-user distribution as well as supply chain and international logistics. Petar was formerly the Chief Executive Officer of DX (Group) Plc and Target Express.

#### Research and development

Following the Board's strategic review, Sorted Group Holdings PLC continues to invest into research and development relating to its platform.

#### Financial Risk Management

The Group's financial instruments comprise cash and cash equivalents, trade receivables and payables and borrowings. The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk.

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## SORTED GROUP HOLDINGS PLC

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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Interest rate and credit risk - the principal assets of the Group are its cash deposits. These are short-term liquid assets and as a result the exposure to interest rate income risk is not considered significant. The principal focus of the Directors has been to minimise any credit risk in relation to its cash deposits even at the expense of interest income received. Borrowings include financial instruments on fixed interest rate terms and a revolving credit facility at a variable rate. As a result, the exposure to interest rate expense risk is low and no active management of interest rate risk is undertaken by the Board.

Foreign currency risk - the main functional currency is sterling. Throughout 2024, the Company's transactions have primarily been denominated in sterling and the Group has had low exposure to foreign currency risk.

Liquidity risk - the Board's policy is to ensure that sufficient cash and cash equivalents are held on a short-term basis at all times in order to meet the Group's operational needs. The Group does actively raise funds through market placings and other loan facilities.

The Group has been operating at a trading loss due to its stage of development and seeks to ensure that its investments will deliver long term value to shareholders. Liquidity risk is actively managed through regular review of cash requirements of the business in conjunction with the strategic and operational plans for the Group.

#### Substantial shareholdings

As at 28 May 2025 the Directors had been notified of the following holdings representing 3% or more of the issued share capital of the Company:

	Number of ordinary shares	Percentage of issued share capital
Shard Credit Partners Venture Debt Fund I LP	2,752,140	36.02%
Turner Pope Investments (TPI) Ltd	615,800	8.06%
Richard Hughes	320,000	4.19%
Mahmud Kamani	320,000	4.19%
SDI (Retail Co 8) Ltd (Frasers Group)	285,714	3.74%

#### Directors

The Directors, who held office during the FY24, were as follows:

S Wilkinson  
 N Burton  
 M Warriah (appointed 29 January 2024)  
 P Cvetkovic (appointed 29 January 2024)  
 C Carey (appointed 29 January 2024, resigned 24 May 2024)

The Company maintains director and officers' liability insurance.

## SORTED GROUP HOLDINGS PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

#### Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for preparing the Annual 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 financial statements in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the UK Endorsement Board. 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 and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as endorsed by the UK Endorsement Board have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

#### Directors' interests in shares

During FY24, the Directors held the following interests in Sorted Group Holdings PLC:

	At 31 December 2024			At 31 December 2023		
	Ordinary Shares of 62.5p each	Options over Ordinary Shares of 62.5p each	Warrants over Ordinary Shares of 62.5p each	Ordinary Shares of 0.1p each	Options over Ordinary Shares of 0.1p each	Warrants over Ordinary Shares of 0.1p each
S Wilkinson	228,571	-	848,000	100,000,000	-	530,000,000
N Burton	204,571	-	88,000	85,000,000	-	55,000,000
M Warriah	114,285	115,000	-	-	-	-
P Cvetkovic	40,000	-	-	40,000	-	-

The market price of the Company's shares at the end of FY24 was 53.51p.

#### Disclosure of information to auditor

Each of the persons who are Directors at the time when this directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the auditor is aware of that information.

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**SORTED GROUP HOLDINGS PLC**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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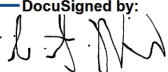
**Annual General Meeting**

Notice of the forthcoming Annual General Meeting of the Company together with resolutions relating to the Company's ordinary business will be given to the members separately.

**Reappointment of auditors**

The auditors, Rawlinson Hunter Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 26 June 2025 and signed on its behalf by:

DocuSigned by:  
  
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Mahmoud Warriah  
Chief Financial Officer

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## SORTED GROUP HOLDINGS PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC

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#### OPINION

We have audited the financial statements of Sorted Group Holdings PLC (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Cash Flows, the Consolidated and Company Statements of Changes in Equity and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 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 Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

The Directors have prepared the Group's and the Company's financial statements on the going concern basis as they have concluded that there are no material uncertainties that could have cast significant doubt over the Group's and the Company's ability to continue as a going concern for at least one year from the date of the approval of the Group's and the Company's financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this auditor's report.

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining the Directors' going concern assessment and the forecasts they have prepared for each of the two years to 31 December 2026 which predict available cash, after draw down on loan facilities, of £381,000, and challenging the rationale for assumptions used in the preparation of these forecasts;
- considering the impact of the various geopolitical events and the wider economic issues arising from these on the Directors' assessment to continue to adopt the going concern basis of accounting;
- the availability of future funding, including the £3m undrawn Bidco 2024 Loan Facility which is available until 31 January 2026 and which, from 1 February 2026, is replaced by a new £1m facility with Bidco 3 Limited which is available until 31 January 2027;

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## SORTED GROUP HOLDINGS PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC (CONTINUED)

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#### CONCLUSIONS RELATING TO GOING CONCERN (CONTINUED)

- considering the inherent risks to the Group and the Company's business model and how these risks might affect the Group's and the Company's financial resources or ability to continue operations over the going concern period. We evaluated these risks and concluded that they were not significant enough to require us to perform additional procedures;
- verifying the agreement by the Group's main lender, Shard Credit Partners Venture Debt I Sarl ("Shard"), to defer interest due to them, until August 2027;
- verifying the agreement by Shard to allow the £564,826 held in Escrow, to be used by the Group to enable the Group to meet its liabilities as they fall due; and
- considering the reasonableness of the inclusion in the Directors' forecasts of the research and development ("R&D") tax credit claims from HMRC of £278,657 and £402,290 in respect of 2024 and 2025, expected to be received in 2025 and 2026, respectively.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the Group financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Risk 1: Accounting for the reverse acquisition

Reverse takeovers do not occur frequently and involve a number of technical accounting considerations. As a result, there is a risk that the reverse acquisition by Sorted Holdings Limited (the accounting parent and legal subsidiary) of Sorted Group Holdings PLC (the accounting subsidiary and legal parent) did not apply the legal and accounting requirements under Companies Act 2006 and International Financial Reporting Standards ("IFRS") respectively when preparing the consolidated financial statements.

#### How we address the Key Audit Matter

We reviewed and considered the accounting papers prepared by management reflecting the requirements of the Companies Act 2006 and IFRS, and their application to the nature and circumstances of the transaction.

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## SORTED GROUP HOLDINGS PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC (CONTINUED)

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#### KEY AUDIT MATTERS (CONTINUED)

Our own review of the requirements of the Companies Act 2006 and the accounting rules outlined in IFRS concurred that management's accounting papers and conclusions on the application of the rules was in accordance with our understanding of the requirements.

We reviewed the basis, parameters and consolidation calculations prepared by management and agreed the numbers recognised to the underlying records.

#### Key observations communicated to the Audit Committee

Management had appropriately applied the legal and accounting requirements of the reverse takeover in their calculations of the reverse acquisition consolidation.

#### Risk 2: Revenue recognition

There is a risk that the transition from recognising revenue under Financial Reporting Standard 102 ("FRS 102") as previously reported by subsidiaries to IFRS 15 Revenue from Contracts with Customers, for the main trading subsidiary Sorted Group Limited, would result in a material change in when revenue was recognised.

In addition, there are risks over revenue completeness and existence.

#### How we address the Key Audit Matter

We reviewed the accounting papers prepared by management which compared the recognition requirements of IFRS 15 with FRS 102 in respect of the various revenue streams which assessed that there was no impact.

A sample of revenue was tested in accordance with the recognition requirements of IFRS 15 which indicated that management had correctly applied the rules and there was no revenue recognition impact resulting from the transition.

Completeness and existence of revenue was tested by agreeing the revenue recognised to the expected amount for a sample of revenue contracts. No material unexplained differences were identified.

#### Key observations communicated to the Audit Committee

The transition from FRS 102 to IFRS 15 has not resulted in a revenue recognition impact for the Group and revenue is considered to be materially complete and correctly stated.

#### Risk 3: Accounting treatment of rental leases on transition from FRS 102 to IFRS

The risk arises that the leases held by the Sorted Group Limited subsidiary were not correctly recognised and disclosed in the financial statements on the transition from FRS 102 to IFRS 16 Leases.

#### How we address the Key Audit Matter

Management's calculations of the right of use assets and liabilities arising following the adoption of IFRS and the appropriateness of the term and discount rate used in the calculation were reviewed. Other parameters were agreed to the underlying lease agreements.

The prior period adjustments reflected in the financial statements to recognise the right of use assets and liabilities were agreed to the lease adjustment calculations.



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**SORTED GROUP HOLDINGS PLC**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC  
(CONTINUED)**

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**KEY AUDIT MATTERS (CONTINUED)****Key observations communicated to the Audit Committee**

Capitalisation of leases has been appropriately applied in the transition from FRS 102 to IFRS 16 including recognition of right of use assets and liabilities.

**Risk 4: Disposal of the intellectual property and returns business of Clicksit App Limited under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**

There was a risk that the discontinued trading activity of the Clicksit App Limited subsidiary, which ceased trading activity during the year, and the profit on disposal of that operation was not correctly reflected in the Income Statement and notes to the financial statements.

**How we address the Key Audit Matter**

We reviewed and agreed management's calculations of the profit on discontinued operations and the results of the business unit which was disposed of in the year.

Our review of the disclosure and recognition requirements under IFRS confirmed that management had correctly applied them in the financial statements.

**Key observations communicated to the Audit Committee**

The disposal of the business unit and its results to the date of disposal have been presented and reported in the financial statements in accordance with IFRS 5 requirements.

**Risk 4: Valuation of system development costs in intangible assets**

The risk exists that the system development costs in intangible assets relating to the Sorted Group Limited subsidiary are impaired.

**How we address the Key Audit Matter**

The impairment review prepared by management was reviewed for the appropriateness of the valuation basis and parameters used in the calculation supporting the value.

**Key observations communicated to the Audit Committee**

No impairment of the valuation of the system development costs in intangible assets needed to be reflected in the financial statements relating to the subsidiary undertaking.

**Risk 5: Redemption premium of 436% on the convertible loan in borrowings is payable**

There is a risk that the holders of the convertible loans could enforce the 436% redemption premium in the convertible loan agreement.

**How we address the Key Audit Matter**

We reviewed the circumstances in the convertible loan agreements under which the redemption premium of 436% becomes enforceable.

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**SORTED GROUP HOLDINGS PLC**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC  
(CONTINUED)**

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**KEY AUDIT MATTERS (CONTINUED)**

From correspondence between management and their legal advisors we concluded that at the year end the Group had the necessary consents and approvals in place such that these circumstances were not applicable and hence the redemption premium was not enforceable by the holders.

**Key observations communicated to the Audit Committee**

The Group has the necessary consents and approvals in place to ensure that the Redemption Premium is not payable.

**Risk 6: Going concern**

There exists a risk that the going concern basis is not appropriate in the preparation of these financial statements.

**How we address the Key Audit Matter**

Refer the "Conclusions Relating to Going Concern" section of this Report.

**Key observations communicated to the Audit Committee**

Due to operations of the Group being cash negative, the Group is reliant upon the £3m undrawn Bidco 2024 Loan Facility which is available until 31 January 2026 and which, from 1 February 2026, will be replaced by a new £1m facility with Bidco 3 Limited which is available until 31 January 2027, as well as the agreement by its main lender to defer interest payments due to them until August 2027, access to £564,826 held in an Escrow account and R&D tax credits anticipated to be received from HMRC in 2025 and 2026, of £278,657 and £402,290, respectively.

**OUR APPLICATION OF MATERIALITY**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

***Materiality***

Materiality is defined as the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group £190,000 based on 5% of net loss before tax. We believe that net loss before tax provides us with a basis for determining materiality which is the most relevant measure to the stakeholders of the Group.

We determined materiality for the Company £40,000 based on 3% of net assets. We believe that net assets provide the most appropriate measure to the stakeholders of the nature of the Company as an investment holding entity.

We calculated materiality during the planning stage of the audit based on the management accounts provided to us. The materiality was subsequently reviewed based on the final financial statements. Final materiality for the Group was £240,000.

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**SORTED GROUP HOLDINGS PLC**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC  
(CONTINUED)**

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**OUR APPLICATION OF MATERIALITY (CONTINUED)*****Performance materiality***

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgment was that performance materiality was 75% of our planning materiality, namely £142,500. This is at the top end of the range of 50% and 75% typically used. In arriving at the top range of 75%, we considered the nature of the transactions in the Income Statement and the balances in the Consolidated Statement of Financial Position and the relative value of transactions recorded in the other primary statements.

***Reporting threshold***

Our reporting threshold is defined as an amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £10,000, which is set at approximately 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

**AN OVERVIEW OF THE SCOPE OF OUR AUDIT**

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

We performed an audit of the complete financial information of 5 full scope components.

The Group comprises the Company, 4 consolidated subsidiaries and 2 immaterial dormant entities which are not consolidated. Monitoring and control over the operations of these subsidiaries is centralised in Manchester and London.

The full scope components accounted for 100% of the numbers reported in the Consolidated Income Statement and Consolidated Statement of Financial Position.

Whilst materiality for the Group financial statements as a whole was set out as detailed in this report, each component of the Group was audited to an equal or lower level of materiality.

Audits of the components were performed at a materiality level calculated by reference to a proportion of Group materiality appropriate to the relative scale of the business concerned.

**OTHER INFORMATION**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Consolidated Financial Statements, 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.

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**SORTED GROUP HOLDINGS PLC**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC  
(CONTINUED)**

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**OTHER INFORMATION (CONTINUED)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements; and
- the part of the Report of the Remuneration Committee required to be audited by us has been properly prepared in accordance with the Companies Act 2006.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Group and the 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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the directors' responsibilities statement, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

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## SORTED GROUP HOLDINGS PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC (CONTINUED)

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#### 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.

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.

Based on our understanding of the Group and the industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulations. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to inflate revenue of the Group and the Company, and management bias in accounting estimates and judgmental areas of the financial statements, such as intangible asset valuations and accruals. Audit procedures performed by us included:

- discussing with the Directors and management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing correspondence between the Group and legal advisors, and discussions with management responsible for compliance with laws and regulations;
- reviewing Board minutes as well as relevant meeting minutes;
- challenging assumptions made by management in arriving at accounting estimates and judgements;
- identifying and testing journal entries, in particular, any journal entries posted with unusual account combinations, such as a credit to revenue and a debit to the statement of financial position (other than to expected accounts), which may be indicative of the overstatement or manipulation of revenue; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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## SORTED GROUP HOLDINGS PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC (CONTINUED)

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#### OTHER MATTERS

The comparative Company financial statements were audited by Hazlewoods LLP and the comparative Group financial statements of Sorted Holdings Limited which undertook the reverse acquisition and provided the comparative Group results were audited by Rawlinson & Hunter Audit LLP, under Financial Reporting Standard 102.

#### USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



William Watson (Senior Statutory Auditor)

For and on behalf of

**RAWLINSON & HUNTER AUDIT LLP**

Statutory Auditor

Chartered Accountants

Eighth Floor

6 New Street Square

New Fetter Lane

London

EC4A 3AQ

Date: 26 June 2025

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**SORTED GROUP HOLDINGS PLC**


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**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024**


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		<b>Year ended 31 December 2024</b>	<b>15 month period ended 31 December 2023</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Revenue</b>	4	5,636,903	6,673,922
Cost of sales		(1,756,780)	(2,420,820)
<b>Gross profit</b>		3,880,123	4,253,102
Administrative expenses		(4,990,127)	(12,251,877)
Other operating income		-	46,191
<b>Operating loss before exceptional administrative expenses, amortisation and depreciation</b>		(1,110,004)	(7,952,584)
Amortisation and depreciation		(3,003,219)	(3,483,793)
Goodwill impairment	14	(199,910)	-
<b>Operating loss</b>		(4,313,133)	(11,436,377)
Finance expense	10	(765,017)	(587,526)
Finance income	9	219,541	5,800
<b>Loss before taxation</b>	5	(4,858,609)	(12,018,103)
Income tax	11	1,107,777	2,000,000
<b>Total comprehensive loss from continuing operations</b>		(3,750,832)	(10,018,103)
Profit on discontinued operation, net of tax	12	387,473	63,733
<b>Total comprehensive loss for the year / period</b>		(3,363,359)	(9,954,370)
<b>Earnings and loss per share</b>			
Loss per share from continuing operations – basic and diluted	13	(0.5215)	(2.3649)
Earnings per share from discontinued operations – basic and diluted	13	0.0539	0.0150
Total loss per share from operations – basic and diluted	13	(0.4676)	(2.3499)

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The notes on pages 39 to 72 form part of these financial statements.

## SORTED GROUP HOLDINGS PLC

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

		31 December 2024	31 December 2023	1 October 2022
	Note	£	£	£
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	14	4,952,128	7,454,644	7,392,649
Right-of-use assets	15	102,098	114,647	254,473
Property, plant and equipment	15	42,056	34,511	73,790
		5,096,282	7,603,802	7,720,912
<b>Current assets</b>				
Trade and other receivables	17	951,969	2,827,793	1,359,300
Cash and cash equivalents		2,655,840	408,479	7,059,643
		3,607,809	3,236,272	8,418,943
<b>Current liabilities</b>				
Trade and other payables	18	(2,723,264)	(4,131,186)	(3,430,015)
Lease liability	20	(54,113)	(118,756)	(259,067)
Borrowings	19	-	(4,354,395)	(500,000)
		(2,777,377)	(8,604,337)	(4,189,082)
Net current assets / (liabilities)		830,432	(5,368,065)	4,229,861
Total assets less current liabilities		5,926,714	2,235,737	11,950,773
<b>Non-Current liabilities</b>				
Lease liability	20	(47,441)	(4,260)	(4,926)
Borrowings	19	(4,463,947)	(2,805,000)	(2,805,000)
		(4,511,388)	(2,809,260)	(2,809,926)
<b>Net Assets / (Liabilities)</b>		1,415,326	(573,523)	9,140,847
<b>Equity</b>				
Called up share capital	22	18,467,735	16,340,507	16,340,507
Share premium reserve	22	20,939,009	20,088,118	20,088,118
Other reserves	22	40,655,530	38,281,441	38,041,441
Retained earnings	22	(78,646,948)	(75,283,589)	(65,329,219)
<b>Equity attributable to owners of the Company</b>		1,415,326	(573,523)	9,140,847

Approved by the Board on 26 June 2025 and signed on its behalf by:

M Warriah, Director

The notes on pages 39 to 72 form part of these financial statements.



## SORTED GROUP HOLDINGS PLC

COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024

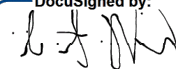
		2024	2023
	Note	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	16	67	3,034,374
<b>Current assets</b>			
Trade and other receivables	17	12,167	-
Cash and cash equivalents		1,500,154	-
		1,512,321	-
<b>Current liabilities</b>			
Trade and other payables	18	(114,850)	(452,094)
Net current assets / (liabilities)		1,397,471	(452,094)
Total assets less current liabilities		1,397,538	2,582,280
<b>Net Assets</b>		1,397,538	2,582,280
<b>Equity</b>			
Called up share capital	22	18,467,735	16,340,507
Share premium	22	20,939,009	20,088,118
Other reserves	22	12,182,753	12,740,875
Retained earnings	22	(50,191,959)	(46,587,220)
<b>Equity attributable to owners of the Company</b>		1,397,538	2,582,280

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax for the parent Company for the year was £3,604,739 (2023: £434,891).

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 26 June 2025.

.....  
M Warriah  
Director

The notes on pages 39 to 72 form part of these financial statements.

DocuSigned by:  
  
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## SORTED GROUP HOLDINGS PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
<b>At 1 January 2024 (previous GAAP)</b>	16,340,507	20,088,118	38,281,441	(75,275,221)	(565,155)
IFRS transition (note 28)	-	-	-	(8,368)	(8,368)
<b>At 1 January 2024 (IFRS)</b>	16,340,507	20,088,118	38,281,441	(75,283,589)	(573,523)
Loss for the year	-	-	-	(3,363,359)	(3,363,359)
<b>Total comprehensive loss for the year</b>	-	-	-	(3,363,359)	(3,363,359)
<b>Transactions with owners</b>					
Shard loan interest reserve	-	-	(100,772)	-	(100,772)
Subscription (2,285,712 shares at 62.5p nominal and 25p premium)	1,428,570	571,428	-	-	1,999,998
Fee shares issue (137,142 shares at 62.5p nominal and 25p premium)	85,714	34,286	-	-	120,000
Convertible shares and interest (342,856 shares at 62.5p nominal and 25p premium)	214,285	85,714	-	-	299,999
Loan interest to be converted to equity	-	-	558,122	-	558,122
Equity issued in lieu of accrued interest (637,855 shares at 62.5p nominal and 25p premium)	398,659	159,463	(558,122)	-	-
Reverse acquisition (Note 26)	-	-	2,474,861	-	2,474,861
<b>Total transactions with owners</b>	2,127,228	850,891	2,374,089	-	5,352,208
<b>At 31 December 2024</b>	18,467,735	20,939,009	40,655,530	(78,646,948)	1,415,326

The notes on pages 39 to 72 form part of these financial statements.

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**SORTED GROUP HOLDINGS PLC**


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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2023**


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	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
<b>At 1 October 2022</b>	16,340,507	20,088,118	38,041,441	(65,319,699)	9,150,367
IFRS transition (note 28)	-	-	-	(9,520)	(9,520)
<b>At 1 October 2022 (IFRS)</b>	16,340,507	20,088,118	38,041,441	(65,329,219)	9,140,847
Loss for the period	-	-	-	(9,954,370)	(9,954,370)
<b>Total comprehensive loss for the period</b>	-	-	-	(9,954,370)	(9,954,370)
<b>Transactions with owners</b>					
Shard loan interest reserve	-	-	240,000	-	240,000
<b>Total transactions with owners</b>	-	-	240,000	-	240,000
<b>At 31 December 2023</b>	16,340,507	20,088,118	38,281,441	(75,283,589)	(573,523)

The notes on pages 39 to 72 form part of these financial statements.

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**SORTED GROUP HOLDINGS PLC**


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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**


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	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
<b>At 1 January 2024</b>	16,340,507	20,088,118	12,740,875	(46,587,220)	2,582,280
Loss for the year	-	-	-	(3,604,739)	(3,604,739)
<b>Total comprehensive loss for the year</b>	-	-	-	(3,604,739)	(3,604,739)
<b>Transactions with owners</b>					
Subscription (2,285,712 shares at 62.5p nominal and 25p premium)	1,428,570	571,428	-	-	1,999,998
Fee shares issue (137,142 shares at 62.5p nominal and 25p premium)	85,714	34,286	-	-	120,000
Convertible shares and Interest (342,856 shares at 62.5p nominal and 25p premium)	214,285	85,714	-	-	299,999
Equity issued in lieu of accrued interest (637,855 shares at 62.5p nominal and 25p premium)	398,659	159,463	(558,122)	-	-
<b>Total transactions with owners</b>	2,127,228	850,891	(558,122)	-	2,419,997
<b>At 31 December 2024</b>	18,467,735	20,939,009	12,182,753	(50,191,959)	1,397,538

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**


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	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
<b>At 1 January 2023</b>	16,340,507	20,088,118	12,740,875	(46,152,329)	3,017,171
Loss for the year	-	-	-	(434,891)	(434,891)
<b>Total comprehensive loss for the year</b>	16,340,507	20,088,118	12,740,875	(434,891)	(434,891)
<b>At 31 December 2023</b>	16,340,507	20,088,118	12,740,875	(46,587,220)	2,582,280

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The notes on pages 39 to 72 form part of these financial statements.

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**SORTED GROUP HOLDINGS PLC**


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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**


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		Year ended 31 December 2024	15 month period ended 31 December 2023
		£	£
<b>Cash flows from operating activities</b>			
Loss for the financial year/period including discontinued operations		(3,363,359)	(9,954,370)
<b>Adjustments to cash flows from non-cash items:</b>			
Depreciation and amortisation	14/15	3,019,461	3,489,813
Goodwill impairment	14	199,910	-
Finance income	9	(219,541)	(6,071)
Finance expense	10	765,017	637,799
Gain on sale of discontinued operation	12	(398,594)	-
Profit on lease cancellation		(7,868)	-
Loss on disposal of assets		-	3,527
		(4,974)	(5,829,302)
Working capital adjustments:			
(Increase) / decrease in trade and other receivables		(1,178,241)	510,386
(Decrease) / increase in trade and other payables		(1,287,923)	417,424
Cash used in operations		(2,471,138)	(4,901,492)
R&D taxation accrual – increase in receivable		-	(2,000,000)
R&D credit received		3,054,064	21,129
<b>Net cash generated from / (used in) operating activities</b>		<b>582,926</b>	<b>(6,880,363)</b>
<b>Cash flows from investing activities</b>			
Expenditure on intangible assets		(870,306)	(3,187,692)
Purchase of tangible assets		(33,636)	(15,930)
Proceeds on disposal of subsidiaries (net of cash disposed)	12	661,002	-
Interest received		19,541	6,071
Net cash acquired in reverse acquisitions	26	2,691,816	-
<b>Net cash generated / (used) in investing activities</b>		<b>2,468,417</b>	<b>(3,197,551)</b>

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**SORTED GROUP HOLDINGS PLC**


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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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	Year ended 31 December 2024	15 month period ended 31 December 2023
	£	£
<b>Cash flows from financing activities</b>		
Shard interest reserve	-	240,000
Proceeds from issue of shares	1,999,998	-
Proceeds from issue of ordinary shares where cash already received and held as part of reverse acquisition	(1,999,998)	-
New loans	-	3,854,395
Reduction in borrowings via equity	(608,342)	-
Repayment of leases - capital	(83,911)	(313,311)
Interest paid	(111,729)	(354,334)
<b>Net cash (used in) / generated from financing activities</b>	<b>(803,982)</b>	<b>3,426,750</b>
Net increase/(decrease) in cash and cash equivalents	2,247,361	(6,651,164)
Cash and cash equivalents at 1 January	408,479	7,059,643
Cash and cash equivalents at 31 December	2,655,840	408,479

For full details on non-cash financing activities see note 25.

The notes on pages 39 to 72 form part of these financial statements.

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**SORTED GROUP HOLDINGS PLC**


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**COMPANY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**


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	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>	(3,604,739)	(434,891)
Loss for the financial year		
<b>Adjustments to cash flows from non-cash items:</b>		
Impairment of investment	3,034,374	-
	(570,365)	(434,891)
Working capital adjustments:		
(Increase) / decrease in trade and other receivables	(12,167)	58,797
Increase in trade and other payables	82,755	376,094
	70,588	434,891
<b>Net cash used in operating activities</b>	(499,777)	-
<b>Cash flows from investing activities</b>		
Investment in subsidiary	(67)	-
<b>Net cash used in investing activities</b>	(67)	-
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	1,999,998	-
<b>Net cash flows from financing activities</b>	1,999,998	-
Net increase in cash and cash equivalents	1,500,154	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December	1,500,154	-

The notes on pages 39 to 72 form part of these financial statements.

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## SORTED GROUP HOLDINGS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 1. General information

Sorted Group Holdings PLC ("the Company") is a public company limited by share capital, incorporated and domiciled in England and Wales, registered and principal trading address 5th Floor Room 502d, Chancery Place, 50 Brown St, Manchester, M2 2JG.

The Company's ordinary shares are traded on the Alternative Investment Market (AIM) of the London Stock Exchange.

##### *Principal activity*

The principal activity of the group headed by the Company (the "Group" or "Sorted") is the provision of a Software as a Service ("SaaS") delivery platform that powers dynamic checkouts, delivery management and delivery tracking around the world.

#### 2. Accounting policies

##### 2.1. Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations as adopted by the UK ("IFRSs"). Although the consolidated financial statements have always been prepared in accordance with IFRS, due to the reverse acquisition (see note 2.3), the comparative information is that of Sorted Holdings Limited ("SHL") and subsidiaries. This group previously applied Financial Reporting Standard 102 ("FRS 102") as their accounting framework and, consequently, they applied IFRS 1 *First-time adoption of International Financial Reporting Standards* on transitioning to IFRS. Refer to note 28 for the impact of this application.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 2.2. Going concern

The Directors have taken a view of the Group as a whole.

The Group ended FY24 with cash resources of £2,655,840 and borrowings of £4,463,947

However, despite the actions of the Board, the Group continued to operate with a trading loss during FY24. The new funds raised during 2021 were utilised to acquire the SHL business on 19 February 2024. The Board will continue to monitor cash resources and progress the ongoing business review.

The acquisition of SHL resulted in the exit from the Verify business to focus on the SHL business to deliver shareholder value in the long term.

Based on the current status, after making enquiries and considering the existing cash resources of the business and the further cost reductions made during 2024, plus the Sorted Holdings Limited acquisition, the £2m fundraise and the loan facilities with Bidco 3 Limited, further details of which are set out in note 27, the Board has a reasonable expectation that the Group will be able to execute its plans in the medium term such that the Group will have adequate resources to continue in operational existence for the foreseeable future. This provides the Board with assurance on the Group's ability to continue as a going concern and therefore adopt the going concern basis of accounting in preparing the annual financial statements.



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**SORTED GROUP HOLDINGS PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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**2.3. Reverse acquisition**

The accounting resulting from the reverse acquisition (see note 26) causes the comparative amounts to be restated such that the figures for the 15 months ended 31 December 2023, as well as the Statement of Financial Position sheet as on 31 December 2023, represent those of Sorted Holdings Limited and its subsidiaries (before the reverse acquisition). The results for the year ended 31 December 2024, as well as the Statement of Financial Position as on 31 December 2024 is for SHL and its subsidiaries but also includes the balances of Sorted Group Holdings PLC and subsidiaries as on 31 December 2024 and the results of the same from the reverse acquisition date of 16 February 2024. The comparative results and balances, although largely extracted from audited results of Sorted Holdings Limited, have not been audited. Whilst reverse acquisition accounting is a departure from the standard consolidation practice under Companies Act 2006 (the "Act") of the legal parent consolidating the legal subsidiary, its adoption is necessary for the financial statements to present a true and fair view as required by the Act.

**2.4. Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2024 in accordance with IFRS 10.

A subsidiary is an entity controlled by the Company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**2.5. Changes in accounting policy**

For the purpose of the preparation of these consolidated financial statements, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 January 2024. None of the standards that have been applied have had a material effect on the financial statements.

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**SORTED GROUP HOLDINGS PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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**2.6. New standards, interpretations, and amendments not yet effective**

No new standards, amendments or interpretations to existing standards that have been published and that are mandatory for the Group's accounting periods beginning on or after 1 January 2025, or later periods, have been adopted early.

None of the standards, interpretations and amendments which are effective for periods beginning after 1 January 2025, and which have not been adopted early, are expected to have a material effect on the financial statements, with the exception of IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 is likely to impact the presentation of the statement of comprehensive income, although the impact has yet to be assessed in detail. The UK Endorsement Board has not yet endorsed IFRS 18 for use in the UK.

**2.7. Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker for the use in strategic decision making and monitoring of performance. The Group considers the chief operating decision maker to be the Executive Board.

**2.8. Revenue**

Revenue represents the invoice value of services and software licences provided to external customers in the period, stated exclusive of value added tax.

Consideration received from customers in respect of services is only recorded as revenue to the extent that the Group has performed its contractual obligations in respect of that consideration. Management assess the performance of the Group's contractual obligations against project milestones and work performed to date.

Revenue from software licences sold in conjunction with services is invoiced separately from those services and recognised over the period of the licence.

Revenue from software licences for the use of the technology platform is recognised over the period of the license.

Revenue from software development is recognised to the extent that the Group has obtained the right to consideration through its performance.

The IFRS 15 practical expedient has been applied whereby the promised amount of consideration has not been amended for the effects of a significant financing component as at the contract inception there are no contracts where the period between transfers of promised goods or services and customer payment is expected to exceed one year.

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**SORTED GROUP HOLDINGS PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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**2.9. Foreign currency transactions and balances**

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"). The consolidated financial statements are presented in Pounds Sterling ("£"), which is the Group's presentational currency.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

The results and financial position of all Group entities that have a functional currency different from the presentational currency of the Group are translated into sterling 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 average exchange rate for the month where these approximate the exchange rate at the date of the transaction; and
- All resulting exchange differences are recognised within other comprehensive income and taken to the foreign exchange reserve.

**2.10. Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their estimated useful economic life of 4 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.11. Finance costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**SORTED GROUP HOLDINGS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**2.12. Intangible assets and amortisation**

*Internally developed software*

Intangible assets are predominantly internally generated software development costs for Sorted's technologies. Development costs are capitalised when certain criteria are met. The product must be technically feasible, sale is intended, a market exists, expenditure can be measured reliably, and sufficient resources are available to complete the project. The extent of capitalisation is limited to the amount, which taken together with further related costs, will be recovered from the future economic benefits related to the asset. When the Board is sufficiently confident that all of the criteria for capitalisation are met, development costs are amortised over the expected useful life, currently 4 years, from the date the asset is available for use. Development costs that have been capitalised, but where amortisation has not yet commenced are reviewed annually for impairment. If no intangible asset can be recognised based on the above, then development costs are recognised within administrative expenses in the Consolidated Income Statement.

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

System development costs	4 years
Domain name	10 years
Computer software costs	3 years

**2.13. Fixed assets**

Fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Leasehold improvements	25% or shorter dependent upon the lease term
Right-of-use asset	Lease term (see note 2.16)
Computer equipment	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

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## SORTED GROUP HOLDINGS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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#### 2.14. Impairment of non-financial assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 2.15. Investments

Investments are carried at cost, less any impairment in value.

The Company grants options over its equity investments to the employees of its subsidiaries where material. The carrying value of the investment in this subsidiary is increased by an amount equal to the value of the share-based payment charge attributable to the option holder in the subsidiary.

Dividends on equity securities are recognised in income when receivable.

#### 2.16. Leases

On commencement of a contract (or part of a contract) which gives the Group the right to use an asset for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease or a 'low-value' lease.

##### *Initial and subsequent measurement of right-of-use assets*

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

Leased property - on a straight-line basis over the life of the lease

The right-of-use asset is adjusted for any re-measurement of the lease liability and lease modifications, as set out below.

##### *Initial measurement of the lease liability*

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

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## SORTED GROUP HOLDINGS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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#### 2.16. Leases (continued)

The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependant on an index or a rate and any residual value guarantees. Variable lease payments are initially measured using the index or rate when the leased asset is available for use.

Termination penalties are included in the lease payments if the lease term has been adjusted because the Group reasonably expects to exercise an option to terminate the lease.

The exercise price of an option to purchase the leased asset is included in the lease liability when the Group is reasonably certain to exercise that option.

##### *Subsequent measurement of the lease liability*

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss, unless interest is directly attributable to qualifying assets, in which case it is capitalised in accordance with the Group's policy on borrowing costs.

Variable lease payments are not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

##### *Re-measurement of the lease liability*

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the Group's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to nil, when any further adjustment is recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or the lessee's assessment of its option to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee's incremental borrowing rate at the date of reassessment.

Changes to the amounts expected to be payable under a residual value guarantee and changes to lease payments due to a change in an index or rate are recognised when the change takes effect, and are discounted at the original discount rate unless the change is due to a change in floating interest rates, when the discount rate is revised to reflect the changes in interest rate.

##### *Lease modifications*

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate used is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee Group's incremental borrowing rate at the date of the modification.

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**SORTED GROUP HOLDINGS PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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**2.16. Leases (continued)**

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

**2.17. Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.18. Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.19. Pensions**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**2.20. Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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## SORTED GROUP HOLDINGS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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#### 2.20. Taxation (continued)

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

#### 2.21. Financial instruments

##### *Financial assets*

Financial assets are recognised when the Group becomes party to the contractual provisions of the instrument.

The Company does not have financial assets other than cash and cash equivalents and trade and other receivables.

##### Trade and other receivables

Trade receivables are initially measured at their transaction price. Other receivables are initially measured at fair value plus transaction costs. Receivables are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method.

##### *Impairment of financial assets*

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

##### Trade receivables

For trade receivables, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

##### *Financial liabilities and equity*

Financial liabilities are recognised when the Group and Company becomes party to the contractual provisions of the instrument.



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## SORTED GROUP HOLDINGS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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#### 2.21. Financial instruments (continued)

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group or Company after deducting all of its liabilities.

##### Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

Trade and other payables are initially measured at fair value, net of direct transaction costs and subsequently measured at amortised cost.

##### Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of borrowings using the effective interest rate method.

##### Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at fair value on initial recognition net of transaction costs.

##### *Derecognition of financial assets (including write-offs) and financial liabilities*

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party.

When there is no reasonable expectation of recovering a financial asset it is derecognised ('written off').

The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

##### *Derivative financial instruments*

The Company has certain warrant instruments, which is a derivative. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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## SORTED GROUP HOLDINGS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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#### 2.22. Equity

Equity comprises:

- Share capital - the nominal value of ordinary shares is classified as equity.
- Share premium - represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Other reserves - This comprises the Shard Loan interest, which will be settled via the issuance of new ordinary shares, a reserve relating to equity-settled share-based payment arrangements, a merger accounting reserve, and a reverse acquisition reserve.
- Retained earnings - includes all current and prior period retained profits/(losses).

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's and the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical accounting judgements and estimates

Impairment – methodology for determining fair value less costs to sell

In the current period, the recoverable amount for the Shipping CGU was measured using fair value less costs to sell using a methodology of a multiple of annual recurring revenue. The multiple of 1.5 was used and selection of this methodology and multiple is a significant judgement.

A multiple of annual recurring revenue is deemed appropriate for the Shipping CGU due to the nature of the CGU's services resulting in largely recurring revenue.

Deferred tax

A deferred tax asset was not recognised for UK tax losses as the Directors do not expect that the tax losses will be utilised in the foreseeable future.

System development costs capitalised within intangible fixed assets

The Group capitalises intangible fixed assets to the extent that they create an enduring asset that delivers economic benefits at least as great as the amount capitalised. System development costs are amortised on a straight line basis over 4 years and regular reviews are carried out to consider if the asset is subject to impairment.

In some instances, when determining the amount to be capitalised, the Directors exercise judgement in determining the amount of time certain employees have spent on a capital project. The Directors complete a detailed assessment, understanding each individuals' project / operational priorities and commitments, reviewed as part of regular and ongoing project meetings, before deciding whether a project is deemed to be capital in nature. Any time which is deemed not to have been spent on a capital project is written off to the Income Statement as incurred.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)**

Key sources of estimation uncertainty

Impairment – determining the recoverable amount

As set out in the critical judgements section above, the Shipping CGU's recoverable amount was based on a multiple of recurring revenue method. The multiple recurring revenue method is dependent on an estimation of recurring revenue, as well as an appropriate multiple. The Group used budgeted forecasts to estimate the recurring revenue.

**4. Segmental analysis**

Operating segments are based on internal reports about components of the Group, which are regularly reviewed and used by the Board for strategic decision making, to allocate resources across segments and to assess performance by segment.

The Group only has one operation segment, being 'Shipping and tracking'. As such, the financial statements represent the segment.

It should be noted that a segmental analysis of the Balance Sheet is not part of routine management reporting and consequently no segmental analysis of assets is shown here.

An analysis of the Group's revenue by geographical segment is as follows:

	<b>Year ended 31 December 2024</b>	<b>15 months ended 31 December 2023</b>
	<b>£</b>	<b>£</b>
UK Revenue	5,606,981	6,651,422
ROW Revenue	29,922	22,500
	<u>5,636,903</u>	<u>6,673,922</u>

All non-current assets of the Group are held in the UK.

During the year there was revenue from individual customers that represented more than 10% of revenue as follows:

	<b>Year ended 31 December 2024</b>	<b>15 months ended 31 December 2023</b>
	<b>£</b>	<b>£</b>
Customer 1	1,239,998	1,011,750
Customer 2	753,400	726,180
	<u>1,993,398</u>	<u>1,737,930</u>

There are no significant financing components, nor variable consideration elements in customers' contracts.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**5. Loss before taxation**

The operating loss is stated after charging:

	<b>Year ended 31 December 2024</b>	<b>15 months ended 31 December 2023</b>
	<b>£</b>	<b>£</b>
Depreciation expense	108,957	364,514
Amortisation expense	2,894,262	3,119,279
	<hr/>	<hr/>

**6. Auditor's remuneration**

	<b>Year ended 31 December 2024</b>	<b>15 months ended 31 December 2023</b>
	<b>£</b>	<b>£</b>
Audit of the Company's and subsidiaries' financial statements	157,000	112,600
All other non-audit services comprising permitted tax services	6,250	23,915
	<hr/>	<hr/>
	163,250	136,515

**7. Staff costs**

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

	<b>Year ended 31 December 2024</b>	<b>15 months ended 31 December 2023</b>
	<b>No.</b>	<b>No.</b>
Operating and administrative staff	55	90
Non-executive directors	2	2
	<hr/>	<hr/>
	57	92

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**7. Staff costs (continued)**

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

	<b>Year ended 31 December 2024</b>	<b>15 months ended 31 December 2023</b>
	<b>No.</b>	<b>No.</b>
Operating and administrative staff	-	-
Non-executive directors	2	2
	<u>2</u>	<u>2</u>

Staff costs including directors' remuneration were as follows:

	<b>Year ended 31 December 2024</b>	<b>15 months ended 31 December 2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,131,696	8,274,937
Social security costs	471,211	1,033,947
Pension costs, defined contribution scheme	162,166	364,448
	<u>4,765,073</u>	<u>9,673,332</u>

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension costs charge represents contributions payable by the Group to the fund and amounted to £162,166 (2023: £364,448). Contributions totalling £20,058 (2023: £38,731) were payable to the fund at the Statement of Financial Position date and are included in creditors.

£797,811 (2023: £1,186,000) of these staff costs were capitalised as part of the system development costs (refer Note 14).

**8. Key management compensation and directors' remuneration**

	<b>Year ended 31 December 2024</b>	<b>15 months ended 31 December 2023</b>
	<b>£</b>	<b>£</b>
Salaries and other short-term employee benefits	613,102	632,203
Pension costs	8,612	14,063
	<u>621,714</u>	<u>646,266</u>

The Directors are of the opinion that the key management of the Group comprises the executive and the non-executive directors of the Group. These persons have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Directors' remuneration is disclosed in the Directors' Remuneration Report on pages 14 to 16.

# SORTED GROUP HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. Finance income

	Year ended 31 December 2024	15 months ended 31 December 2023
	£	£
Bank interest received	19,541	5,800
Fair value gain on warrants	200,000	-
	<u>219,541</u>	<u>5,800</u>

During the current year, the warrants (previously issued as part of the Shard Loan (see note 19) were waived for no consideration as part of the reverse acquisition (see note 26). This resulted in a gain on derecognition of the warrants.

### 10. Finance expense

	Year ended 31 December 2024	15 months ended 31 December 2023
	£	£
Interest relating to lease liability	22,654	42,803
Loan interest payable	742,363	544,723
	<u>765,017</u>	<u>587,526</u>

### 11. Taxation

	Year ended 31 December 2024	15 months ended 31 December 2023
	£	£
Current tax	-	-
Adjustment in respect of prior period current tax	1,107,777	2,000,000
<b>Total current tax</b>	<u>1,107,777</u>	<u>2,000,000</u>
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>1,107,777</u>	<u>2,000,000</u>

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**11. Taxation (continued)****Factors affecting the tax credit for the year/period**

The tax on loss before tax for the year/period is higher than the standard rate of corporation tax in the UK (2023 - higher than the standard rate of corporation tax in the UK) of 25% (2023 - 19%).

The differences are reconciled below:

	<b>Year ended 31 December 2024</b>	<b>15 months ended 31 December 2023</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	4,858,609	12,018,103
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 – 19%)	1,214,652	2,283,440
<b>Effects of:</b>		
Effect of expenses not deductible	(507,221)	(563,862)
Difference between capital allowances and depreciation	3,889	(5,529)
Unrecognised deferred tax assets	(711,320)	(1,714,049)
Adjustment to corporation tax charge in respect of prior period in relation to R&D tax credits	1,107,777	2,000,000
<b>Total tax credit for the year / period</b>	<b>1,107,777</b>	<b>2,000,000</b>

Subject to the UK tax authority's agreement, the Group has UK tax losses of approximately £67.8 million (2023: £53 million) available to carry forward and offset against future taxable profits. The utilisation of these losses is subject to agreement by HMRC and is dependent on whether the trade is deemed sufficiently similar under relevant tax legislation. The Group has a potential deferred tax asset of £17 million (2023: £10.9 million) which will not be recognised until it is regarded as more likely than not that there will be sufficient taxable profits from which the tax losses can be deducted. In addition, no deferred tax asset is recognised in respect of future tax deductions on exercise of share options.

**12. Discontinued operations**

During the financial period, Sorted Group Holdings PLC completed the disposal of its Returns business. The disposal included the business operations and associated intellectual property, comprising software, systems, and content assets specifically utilised for the Group's "Returns" services, catering primarily to small and medium-sized fashion apparel retailers, charities, and educational institutions. The total consideration agreed upon for the disposal was £775,000, payable in cash.

The strategic rationale behind this disposal was to enable Sorted Group Holdings PLC to sharpen its strategic focus on its core Ship and Track business, which primarily serves larger enterprise clients. This business segment offers higher margins and superior customer retention. In contrast, Clicksit's returns business targeted smaller and medium-sized enterprises, and the Board concluded that Clicksit's operations would achieve greater commercial synergies and fit more effectively within a similar business.

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**SORTED GROUP HOLDINGS PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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**12. Discontinued operations (continued)**

The financial performance presented below are for the period ended 30 September 2024 (2024 column) and the 15 months ended 31 December 2023 (2023 column).

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Revenue	605,823	1,232,966
Cost of sales	(616,944)	(1,168,878)
Profit before income tax	(11,121)	64,088
Income tax	-	(355)
Profit after income tax of discontinued operation	(11,121)	63,733
Gain on sale of discontinued operation	398,594	-
<b>Profit from discontinued operation</b>	<b>387,473</b>	<b>63,733</b>

The post-tax gain on disposal of discontinued operations was determined as follows:

	<b>Year ended 31 December 2024</b>
	<b>£</b>
Cash consideration received	775,000
<b>Total consideration received</b>	<b>775,000</b>
Cash disposed of	-
Costs of selling	(113,998)
<b>Net cash inflow on disposal of discontinued operations</b>	<b>661,002</b>
<i>Net assets disposed (other than cash):</i>	
Intellectual property	(262,408)
	(262,408)
Pre-tax gain on disposal of discontinued operation	398,594
Related tax expense	-
<b>Gain on disposal of discontinued operation</b>	<b>398,594</b>



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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**13. Earnings or Loss per share**

The calculation of earnings or loss per share is based on the reported profit or loss from operations and the number of shares in issue, being the weighted average number of ordinary equity shares in issue during the period. IAS 33 requires that, when the number of ordinary shares change without a change in resources, the number of ordinary shares outstanding for purposes of calculating earnings per share is adjusted for the proportionate change as if the event occurred at the beginning of the earliest period presented. The share consolidation in February 2024 is such a change in the number of outstanding ordinary shares without changing the resources available to the Group. Consequently, the number of ordinary shares used to calculate earnings or loss per share for the 15 months ended 31 December 2023 is based on the number of ordinary shares outstanding as if the share consolidation occurred on 1 October 2022.

	<b>Year ended 31 December 2024</b>	<b>15 months ended 31 December 2023</b>
	<b>£</b>	<b>£</b>
Loss for the financial year/period from continuing activities	(3,750,832)	(10,018,103)
Profit for the financial year/period from discontinued activities	387,473	63,733
Total loss for the financial year/period	<u>(3,363,359)</u>	<u>(9,954,370)</u>

**Weighted average number of shares**

Ordinary shares pre-consolidation	n/a	2,647,587,398
Ordinary shares opening number (2024) / post-consolidation (2023)	4,236,140	4,236,140
Share issuance weighted for 317 days outstanding in 2024	2,955,973	n/a
Total weighted average number of shares	<u>7,192,113</u>	<u>4,236,140</u>

**Earnings per share**

Loss per share from continuing activities – basic and diluted	(0.5215)	(2.3649)
Earnings per share from discontinued activities – basic and diluted	0.0539	0.0150
Loss per share from activities – basic and diluted	<u>(0.4676)</u>	<u>(2.3499)</u>

**Share consolidation**

As set out in note 22, a share consolidation took place on 16 February 2024 at a ratio of 625:1. To ensure comparability and compliance with the requirements in IAS 33, the earnings and loss per share for the period ended 31 December 2023 were calculated as if the share consolidation occurred at 1 October 2022.

**Dilutive instruments**

Instruments that could potentially dilute basic loss per share in the future but are antidilutive at the balance sheet date and are not included in the calculation of diluted loss per share.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**14. Intangible assets**

<b>Group</b>	<b>System development costs</b>	<b>Domain name</b>	<b>Computer software costs</b>	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 October 2022	27,256,273	160,000	105,846	9,063,933	36,586,052
Additions	3,174,930	-	12,761	-	3,187,691
At 31 December 2023	30,431,203	160,000	118,607	9,063,933	39,773,743
Additions	870,306	-	-	-	870,306
Disposals	(296,699)	-	-	-	(296,699)
At 31 December 2024	31,004,810	160,000	118,607	9,063,933	40,347,350
<b>Amortisation</b>					
At 1 October 2022	20,185,482	81,688	62,210	8,864,023	29,193,403
Charges for the period	3,077,244	19,645	28,807	-	3,125,696
At 31 December 2023	23,262,726	101,333	91,017	8,864,023	32,319,099
Charges for the year	2,874,414	16,000	20,090	-	2,910,504
Impairment	-	-	-	199,910	199,910
Disposals	(34,291)	-	-	-	(34,291)
At 31 December 2024	26,102,849	117,333	111,107	9,063,933	35,395,222
<b>Net book value</b>					
<b>At 31 December 2024</b>	<b>4,901,961</b>	<b>42,667</b>	<b>7,500</b>	<b>-</b>	<b>4,952,128</b>
<b>At 31 December 2023</b>	<b>7,168,477</b>	<b>58,667</b>	<b>27,590</b>	<b>199,910</b>	<b>7,454,644</b>

Internal development represents the cost incurred in developing the Group's proprietary platform. These internal costs have been capitalised in accordance with the Group's accounting policies where all the conditions for capitalisation have been met.

Impairment of research and development is considered within the conditions of capitalisation. Amortisation charges are included in administrative expenses, disclosed separately on the Consolidated Income Statement.

During the current year, management considered the recoverability of the intangible assets. Other than the impairment on goodwill (due to the sale of the Clicksit assets (see note 12)), no other impairment was required.

Due to the discontinued operations classification, amortisation of £16,242 (2023: £6,417) is included in the line 'Profit on discontinued operation, net of tax' in the Income Statement, rather than in the 'Amortisation and depreciation' line.

The Company has no intangible assets.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**15. Fixed assets**

<b>Group</b>	<b>Fixtures, fittings and leasehold property</b>	<b>Computer equipment</b>	<b>Right-of-use Asset</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 October 2022	567,010	344,335	1,211,541	2,122,886
Additions	-	15,930	173,007	188,937
Disposals	-	(3,924)	(1,220,478)	(1,224,402)
At 31 December 2023	567,010	356,341	164,070	1,087,421
Disposals	-	-	(153,007)	(153,007)
Additions	-	33,636	102,138	135,774
At 31 December 2024	567,010	389,977	113,201	1,070,188
<b>Depreciation</b>				
At 1 October 2022	567,010	270,545	957,069	1,794,624
Charges for the period	-	51,682	312,832	364,514
Disposals	-	(397)	(1,220,478)	(1,220,875)
At 31 December 2023	567,010	321,830	49,423	938,263
Disposals	-	-	(121,186)	(121,186)
Charges for the year	-	26,091	82,866	108,957
At 31 December 2024	567,010	347,921	11,103	926,034
<b>Net book value</b>				
<b>At 31 December 2024</b>	-	<b>42,056</b>	<b>102,098</b>	<b>144,154</b>
<b>At 31 December 2023</b>	-	<b>34,511</b>	<b>114,647</b>	<b>149,158</b>

The Company has no fixed assets.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**16. Investments****Company**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Investment in subsidiaries	67	2,045,589
Capital contribution arising from IFRS 2 Share-based payments charge	-	988,785
	<u>67</u>	<u>3,034,374</u>
		<b>Subsidiaries</b>
		<b>£</b>
<b>Cost or valuation</b>		
At 1 January 2023		3,034,374
Revaluation		-
At 31 December 2023		<u>3,034,374</u>
Additions		67
At 31 December 2024		<u>3,034,441</u>
<b>Impairment loss</b>		
At 1 January 2023, 31 December 2023, and 1 January 2024		-
Impairment loss		<u>3,034,374</u>
At 31 December 2024		<u>3,034,374</u>
<b>Carrying amount</b>		
<b>At 31 December 2024</b>		<u><b>67</b></u>
<b>At 31 December 2023</b>		<u><b>3,034,374</b></u>

The impairment loss relates to the legacy investment in Location Sciences AI Limited. Given that the Verify services have effectively ceased, management does not deem any recovery of such an investment. As such, it has been fully impaired during the year ended 31 December 2024.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**16. Investments (continued)**

Details of the Group subsidiaries held as direct or indirect investments of the Company as at 31 December 2024 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2024	2023
Sorted Holdings Limited*	Holding Company	Same registered office address as group	100%	0%
Location Sciences AI Limited	Dormant	Same registered office address as group	100%	100%

\* Sorted Holdings Limited, in turn, holds 100% interest in Sorted EBT Limited (dormant), Clicksit App Limited (see note 12), Sorted Group Limited (shipping services), and Sorted LLC (dormant).

**17. Trade and other receivables**

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade receivables	896,071	733,085	-	-
Prepayments	49,765	94,708	86	-
Other receivables	6,133	2,000,000	12,081	-
	951,969	2,827,793	12,167	-

Trade and other receivables are all current and the net carrying amount of trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables have been assessed for impairment based upon the expected credit losses model. In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Trade receivables are regularly reviewed for bad and doubtful debts. The Group's policy is to include a provision for impairment based on estimated credit losses. This includes an assessment where relevant of forward-looking information on macroeconomic factors that may affect the ability of customers to settle receivables. Trade receivables are written off where there is no reasonable expectation of recovery, for example where the customer has entered insolvency proceedings or where a customer has failed to make contractual payments for an extended period. No material estimated credit losses were recognised for any periods presented.

The Group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in the financial risk management and impairment note.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**18. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade payables	497,485	1,102,306	2,260	-
Accrued expenses	956,951	1,040,947	55,590	395,094
Deferred income	516,547	261,710	-	-
Social security, other taxes, and other payables	752,281	1,726,223	57,000	57,000
	<u>2,723,264</u>	<u>4,131,186</u>	<u>114,850</u>	<u>452,094</u>

The Directors consider that the carrying amount of trade and other payables approximated their fair value. Trade payables are paid between 30 and 60 days of receipt of the invoice.

The Group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk management and impairment note.

**19. Borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
NVM Loan	650,137	610,137	-	-
Convertible Loans	1,058,897	1,227,767	-	-
SGH Loan	-	2,516,491	-	-
Shard Loan	2,754,913	2,605,000	-	-
Warrants	-	200,000	-	-
	<u>4,463,947</u>	<u>7,159,395</u>	<u>-</u>	<u>-</u>

At 31 December 2023, the NVM Loan, Convertible Loan, and Sorted Group Holdings PLC ("SGH") Loan were classified as current liabilities, with the Shard Loan and Warrants classified as non-current liabilities. At 31 December 2024, all the borrowings were classified as non-current liabilities (see note 21).

**Convertible loan**

The convertible bridge loan of £1,058,897 relates to loan agreements between SHL and former shareholders of SHL. This agreement was entered into on 28 June 2023 for the purpose of providing SHL with working capital. The loan has a potential redemption premium of 436% and is secured by a first fixed and floating charge over SHL's business and assets. At the Lenders' option, the loan can be converted into shares representing nearly 0.6% of the fully diluted share capital of SHL. The Directors do not believe that there would be a strong commercial rationale for exercising the conversion rights and gaining a minor and illiquid interest in an operating subsidiary of the Company. However, if the CLN holders do choose to exercise their conversion rights, the number of shares in Sorted to which they would be entitled to depends on the determination of the conversion price pursuant to the relevant convertible loan agreements. The conversion price is linked to the last equity raise carried out by Sorted unless the parties agree an alternative price, the Directors are of the opinion that it is unlikely that an alternative price would be agreed. In this case, if all Remaining CLNs were exercised at the expected conversion price, they would convert into 918 new shares in Sorted in aggregate, roughly equivalent to 0.6 per cent. of the entire issued share capital of Sorted. Refer to the discussions relating to the SHL acquisition for further detail.

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**SORTED GROUP HOLDINGS PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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**19. Borrowings (continued)****Shard Loan**

The Group entered into an arrangement with Shard Credit Partners Venture Debt I Sarl ("Shard") to obtain funding in August 2022. The Shard Loan is secured (with a fixed charge) over the fixed property (see note 15) and intellectual property (see note 14) as well secured (with a variable charge) over all the property and undertaking of the Company.

The loan has a fixed interest rate of 10.75%, reduced by 0.25% each if the Company has 1) at least one woman on the board of directors; and 2) at least one female shareholder who is a member of the senior management team.

Change of Terms (See Note 27 Events after the reporting date)

The following changes were agreed regarding the terms of the Shard loan:

1. Interest Rate Adjustment:

The interest rate applicable to the Shard loan will increase from 10.75% to 18% if Sorted opts for the PIK option to differ quarterly interest payment.

2. Interest Payment Deferral:

Quarterly interest payments scheduled from 30 June 2025 through to the loan's repayment date of 22 August 2027 will be deferred. Interest accrued during this period will be payable in full alongside the principal amount upon loan maturity.

**NVM Loan**

The facility was provided by NVM Private Equity LLP and carries interest at 8% and is unsecured.

**SGH Loan**

The loan was provided to the Group in anticipation of the reverse acquisition (see note 26). The loan facility carried interest at 1.5% per month.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**20. Lease liability**

<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Current	54,113	118,756
Non-current	47,441	4,260
Total lease liabilities	<u>101,554</u>	<u>123,016</u>

The maturity of the gross contractual undiscounted cash flows due on the Group's lease liabilities is set out below based on the period between 31 December 2024 and the contractual maturity date.

	<b>Within 1 year</b>	<b>Between 1 to 5 years</b>	<b>Over 5 years</b>	<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Current	56,172	-	-	56,172
Non-current	-	51,691	-	51,691
Total lease liabilities	<u>56,172</u>	<u>51,691</u>	<u>-</u>	<u>107,863</u>

	<b>Within 1 year</b>	<b>Between 1 to 5 years</b>	<b>Over 5 years</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Current	144,693	-	-	144,693
Non-current	-	4,800	-	4,800
Total lease liabilities	<u>144,693</u>	<u>4,800</u>	<u>-</u>	<u>149,493</u>

The leases relate to certain office equipment and office space.



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**SORTED GROUP HOLDINGS PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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**21. Financial risk management and impairment of financial assets****Treasury risk management**

The Group manages a variety of market risks, including the effect of changes in foreign exchange rates, liquidity and counterparty risks.

**Credit risk**

The Group's principal financial assets are bank balances, cash, trade and other receivables.

The credit risk on liquid funds is limited because the counterparties are UK banks or "Blue Chip" companies with high credit ratings assigned by international credit rating agencies.

The credit risk associated with trade receivables is minimal as invoices are based on contractual agreements with long-standing customers. Credit losses historically incurred by the Group have consequently been considered by the Directors to be exceptional in their occurrence. The Group maintains a provision against receivables, however, this is not necessarily linked to credit risk and the ageing of receivables is not the most relevant indicator to determine the potential impairment of a receivable. The nature of the Group's operations is such that misunderstandings or minor disagreements may arise during the course of contracts, which may sometimes require an adjustment to be made to achieve settlement and the Group's provisions are made on a case by case basis, based on Directors' knowledge of the circumstances surrounding overdue balances as they arise.

As a result, investment returns and credit risk to the Group in this regard are not material to the financial statements.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date. No collateral is held in respect of these amounts which are expected to be received in full. In order to manage credit risk, credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

The Company has significant credit risks associated with the inter-company debt due from its subsidiary, which is fully provided for as at the year end. As with the Group's policy for making provisions against trade receivables, provisions against inter-company debt is considered based on the Directors' knowledge of the subsidiary's trading activity and financial position.

**Currency risk**

The Group's operations are primarily located in the United Kingdom. The Group's transactions during 2024 were predominantly denominated in sterling, with consequently little exposure to foreign currency risks. Due to the limited currency risks to the Group, forward exchange contracts are not considered necessary and are not used. At the year end, the Group operated both sterling and dollar bank accounts. Going forward the Directors will continue to monitor the currency risk.

The translation risk on the Group's foreign exchange payables and receivables is considered to be immaterial due to their short-term nature.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**21. Financial risk management and impairment of financial assets (continued)**
**Liquidity risk**

The Group has sufficient capital resources to meet its external current liabilities as they fall due in 2025 and 2026.

Operational cash flow represents on going trading revenue and costs, administrative costs and research and development activities. The Group manages its liquidity requirements by the use of both short-term and long-term cash flow forecasts. The Group's policy is to ensure facilities are available as required or to issue equity share capital to ensure cash resources available are in accordance with long-term cash flow forecasts. The Group currently has no overdrawn committed facilities as at 31 December 2024.

The Group actively manages its working capital to ensure it has sufficient funds for operations and planned research and development activities.

The Group's main financial liabilities include trade payables, borrowings and operational costs. All amounts for trade and other payables are due for payment in accordance with agreed settlement terms with suppliers or statutory deadlines. All such payment terms are within six months.

*Maturity analysis - Group*

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

<b>At 31 December 2024</b>	<b>Within 1 year</b>	<b>Between 1 to 5 years</b>	<b>Contractual cash flows</b>	<b>Carrying value</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade payables	497,485	-	497,485	497,485
Other payables	58,158	-	58,158	58,158
Accrued expense	956,951	-	956,951	956,951
Lease liabilities	54,113	47,441	101,554	101,554
Borrowings*	-	4,463,947	4,463,947	4,463,947
<b>Total liabilities</b>	<b>1,566,707</b>	<b>4,511,388</b>	<b>6,078,095</b>	<b>6,078,095</b>

\*The Shard Loan is repayable on 22 August 2027. All the other borrowings are only repayable once the Shard Loan is repaid.

<b>At 31 December 2023</b>	<b>Within 1 year</b>	<b>Between 1 to 5 years</b>	<b>Contractual cash flows</b>	<b>Carrying value</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade payables	1,102,306	-	1,102,306	1,102,306
Other payables	40,168	-	40,168	40,168
Accrued expense	1,040,947	-	1,040,947	1,040,947
Lease liabilities	118,756	4,260	123,016	123,016
Borrowings	4,354,395	2,805,000	7,159,395	7,159,395
<b>Total liabilities</b>	<b>6,656,572</b>	<b>2,809,260</b>	<b>9,465,832</b>	<b>9,465,832</b>

As liquidity is managed on a Group basis, a maturity analysis for the Company is not considered to be relevant.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**21. Financial risk management and impairment of financial assets (continued)**
**Capital management**

The Group's activities are of a type and at a stage of development where the most suitable capital structure is that of one primarily financed by equity. The Directors will reassess the future capital structure when projects under development are sufficiently advanced.

The Group's financial strategy is to utilise its resources and current trading revenue streams to commercialise its products and grow revenues. The Group keeps investors informed of its progress with its projects through regular announcements and raises additional equity finance at appropriate times.

The Group manages capital on the basis of the carrying amount of equity, and debt with regard to maintaining sufficient liquidity to enable the Group to continue to trade and invest in commercialisation. As at the year end the equity to overall financing ratio, excluding IFRS 16 adjustments, is 0.20 (2023: -0.05).

**Categories of financial instruments**

All of the Group's financial assets are classified as loans and receivables; see note 17. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

All of the Group's financial liabilities are classified as liabilities at amortised cost: see note 18. The Directors consider that the carrying amount of trade and other payables approximates their fair value. All financial liabilities are due within one year.

The accounting policies applied are set out in note 2.

**22. Share capital**

Allotted, called up and fully paid shares

	<b>31 December 2024</b>		<b>31 December 2023</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of 62.5p each (2023 is 0.01p each)	7,639,705	4,774,815	2,647,587,398	2,647,587
Deferred shares of 0.99p each	1,040,712,398	10,303,054	1,040,712,398	10,303,054
Deferred shares of 0.9p each	376,651,734	3,389,866	376,651,734	3,389,866
	<b>1,425,003,837</b>	<b>18,467,735</b>	<b>4,064,951,530</b>	<b>16,340,507</b>

**Share consolidation and issue**

Following an announcement on 28 June 2023 where the Company entered into an exclusive non-binding heads of terms for a potential acquisition of the entire issued share capital of Sorted Holdings Limited (the "Proposed Acquisition"), an AIM admission document was published on 30 January 2024. This document detailed the proposed acquisition of SHL, a proposed subscription of 2,285,712 new ordinary shares (after the consolidation) at 87.50 pence per new ordinary share to raise approximately £2.0 million, a proposed 625 to 1 share consolidation, a proposed change of name and AIM ticker symbol to Sorted Group Holdings PLC and SORT respectively, director appointments, a notice of general meeting, and the restoration of trading of the Company's existing ordinary shares on AIM. Terms were agreed for the acquisition of the entire issued and to be issued share capital of SHL for an aggregate nominal consideration of approximately £66.73 to be paid in cash at completion which was subsequently paid in full.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**22. Share capital (continued)**
**Share consolidation and issue (continued)**

In addition to the above issue of 2,285,712 new ordinary shares, a further 137,142 new ordinary shares were issued to pay for fees, 342,855 new ordinary shares were issued relating to convertible shares, and 637,855 new ordinary shares were issued in lieu of accrued interest. All these share issuances were also issued at 87.50 pence per new ordinary share.

**Share rights**

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Deferred shares have no voting rights, no rights to receive notice of or attend any general meeting, no rights to income, and can only receive capital on a winding up (i) up to the paid-up value of the share, and (ii) only once at least £100,000,000 has been paid out on each ordinary share.

**Warrants in Issue**

- 1) **Promoter Warrants** - non-transferable warrants to subscribe for up to 1,500,000,000 Ordinary Shares (2,400,000 after the share consolidation), exercisable at the 125p (0.20p before the share consolidation) for five years from 25 May 2021, were issued to certain members of the Concert Party in consideration of those persons assembling and coordinating the Concert Party's investment in the Company in May 2021 and facilitating the appointment of Simon Wilkinson as Non-Executive Chairman.

<b>Name</b>	<b>Number of Ordinary Shares subject to Promotor Warrants</b>
Richard Hughes	800,000
Mahmud Kamani	800,000
Simon Wilkinson	800,000

- 2) **Cornerstone Investor Warrants** - non-transferable warrants to subscribe for up to 250,000,000 Ordinary Shares (400,000 after the share consolidation), exercisable at 125p (0.20p before the share consolidation) for five years from 25 May 2021, were issued to the Cornerstone Investors of the May 2021 placing.

<b>Name</b>	<b>Number of Ordinary Shares subject to Cornerstone Investment Warrants</b>
Ben Turner	80,000
Donna Turner	120,000
James Pope	80,000
Maxine Pope	120,000

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**22. Share capital (continued)**

- 3) **Broker Warrants** - transferable warrants to subscribe for up to 100,000,000 Ordinary Shares, (160,000 after the share consolidation) exercisable at the 125p (0.20p before the share consolidation) for five years from 25 May 2021 were issued as shown below.

<b>Name</b>	<b>Number of Ordinary Shares subject to Broker Warrants</b>
Turner Pope	94,000
Dr Nigel Burton	40,000
Mark Slade	16,000
David Rae	10,000

- 4) **Director Warrants** - non-transferable warrants to subscribe for, in aggregate, 120,000,000 Ordinary Shares (192,000 after the share consolidation) were issued to the Executive Directors and the Non-Executive Directors, exercisable at 125p (0.20p before the share consolidation) for five years from 25 May 2021, provided that the Ordinary Shares have traded at a Volume Weighted Average Price (VWAP) at or above 187.5p for 20 consecutive Business Days, or on a change of control of the Company.

<b>Name</b>	<b>Number of Ordinary Shares subject to Director Warrants</b>
Simon Wilkinson	48,000
Dr Nigel Burton	48,000

The expense recognised in respect of all warrants issued as part of the May 2021 fundraise has been recognised directly in the share premium reserve, based on the fair value of the services received that are considered to directly relate to the issuing of shares.

**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Retained earnings**

This comprises all current and prior periods retained profits and losses of the group, net of distributions to owners.

**Other reserves**

This comprises the Shard Loan interest, which will be settled via the issuance of new ordinary shares, a reserve relating to equity-settled share-based payment arrangements, a merger accounting reserve, and a reverse acquisition reserve.

**23. Commitments**

No capital expenditure was committed to as at 31 December 2024 (2023: £Nil).

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**24. Related party transactions**

At 31 December 2024, Simon Wilkson owed £12,000 (2023: £NIL) to the Group and Nigel Burton owed £12,000 (2023: £NIL) to the Group. These balances have been cleared since the year end. All of these individuals are shareholders and also Directors of the Company.

During the year, the Group engaged People4 LTD for HR consultancy work at a cost of £24,500 (2023: £NIL), The Hiring Hub Limited at a cost of £25,800 (2023: £NIL) and The Furza Training Group at a cost of £42,608 (2023: £NIL) for recruitment placement fees. The are all related parties with Simon Wilkinson.

**25. Net debt note**

Group	1 January 2024	Cash flows	Non-cash Changes	31 December 2024
	£	£	£	£
<b>Cash and cash equivalents*</b>	408,479	2,247,361	-	2,655,840
<b>Leases</b>	(123,016)	106,030	(84,568)	(101,554)
<b>Borrowings</b>	(7,159,395)	-	2,895,448	(4,263,947)
<b>Net cash / (debt)</b>	(6,873,932)	2,353,391	2,810,880	(1,709,661)

\* Cash and cash equivalents at the year-end includes cash of £615,828 held in a solicitors' client account.

	1 October 2022	Cash flows	Non-cash Changes	31 December 2023
	£	£	£	£
<b>Cash and cash equivalents</b>	7,059,643	(6,651,164)	-	408,479
<b>Leases</b>	(263,993)	356,114	(215,137)	(123,016)
<b>Borrowings</b>	(3,305,000)	3,854,395	(7,708,790)	(7,159,395)
<b>Net cash / (debt)</b>	3,490,650	(2,440,655)	(7,923,927)	(6,873,932)

**26. Reverse acquisition**

On 16 February 2024, Sorted Group Holdings PLC acquired all the outstanding share capital in Sorted Holdings Limited (refer to note 2.3). The acquisition was one whereby a nominal value of £66,73 was paid in cash to acquire the outstanding share capital of SHL. Consequentially, new directors were appointed, being directors and key management personnel from SHL.

Consistent with the AIM Rules classifying this transaction as a reverse takeover, management assessed and concluded that the acquisition is, in substance, a reverse acquisition in accordance with the principles in IFRS 3. However, given that Sorted Group Holdings PLC and subsidiaries (before the acquisition) did not meet the definition of a business in accordance with IFRS 3, the reverse acquisition is rather accounted for by analogy to the reverse acquisition accounting principles in IFRS 3 and the principles in IFRS 2 (as generally acceptable accounting principles exist).

## SORTED GROUP HOLDINGS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

#### 26. Reverse acquisition (continued)

As a result, the acquisition is accounted for such that SHL is identified as the acquirer and the net assets of Sorted Group Holdings PLC and subsidiaries (before the acquisition) deemed acquired. The consideration for the reverse acquisition is measured at the fair value of the cash transferred and the deemed consideration of the loan previously granted to SHL, which remains outstanding on 16 February 2024.

Accordingly, the resulting balances and transactions for the periods prior to 16 February 2024 are those of SHL and subsidiaries (before the acquisition).

	£
Cash	67
Loan previously provided	2,516,491
	<u>2,516,558</u>

The allocation of the consideration transferred to the net assets acquired by Sorted Holdings Limited is as follows:

	£
Cash	2,691,816
Accounts receivable and other receivables	178,772
Accounts payable and accruals	(803,086)
Listing costs expensed	449,056
	<u>2,516,558</u>

The amount of £2,474,861 recognised as an adjustment within equity (other reserves) is a function of the above allocation of consideration and other adjustments. The other adjustments are mainly related to the accounting implications of the reverse acquisition as set out in note 2.3, whilst presenting the legal share capital and share premium of Sorted Group Holdings PLC.

#### 27. Events after the reporting date

The £3m Bidco 2024 Loan Facility that was entered into in January 2024 remains in place, covering the period until 31 January 2026. However, a new Bidco 3 Limited loan facility for £1m has subsequently been entered into, covering the period from 1 February 2026 to 31 January 2027. There was no requirement to draw upon the Bidco 2024 Loan Facility either during FY24 or after the period end to date.

The net proceeds from the sale of the Clicksit business and its associated intellectual property (refer to note 12) were committed to settling outstanding liabilities related to Clicksit. In line with this commitment and following an agreement with Shard, a portion of these proceeds was placed into an escrow account to cover any potential future liabilities, although these are deemed unlikely to materialise. This approach was adopted as a conservative measure instead of immediately repaying the Shard Loan. The escrowed funds will to be released later in FY25 to support working capital requirements within the Sorted business.

On 26<sup>th</sup> June 2025, Shard agreed to the Change of Terms outlined in Note 19 Borrowings Shard Loan.

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**SORTED GROUP HOLDINGS PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**


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**28. Impact of transition to IFRS**

A reconciliation is provided here of SHL and its subsidiaries' total equity and total comprehensive income reported previously under Financial Reporting Standard 102 to the equivalent reported in accordance with IFRS. In accordance with IFRS, the reconciliations below show adjustments to total equity and total comprehensive income rather than line by line:

	<b>1 October 2022</b>	<b>31 December 2023</b>
	<b>£</b>	<b>£</b>
Total equity reported in accordance with FRS 102	9,150,367	(565,155)
Effect of transition to IFRS:		
Right-of-use assets	254,473	114,648
Lease liabilities	(263,993)	(123,016)
Deferred tax	-	-
<b>Total equity in accordance with IFRS</b>	<b>9,140,847</b>	<b>(573,523)</b>
		<b>15 month period ended 31 December 2023</b>
		<b>£</b>
Loss as reported in accordance with FRS 102		(9,955,640)
Effect of transition to IFRS:		
Reversal of rent expense on operating leases		356,906
Depreciation of right of use assets and interest on lease liabilities		(355,636)
<b>Total loss in accordance with IFRS</b>		<b>(9,954,370)</b>

**Impact on Equity and Total Comprehensive Income***Lease liabilities and right of use assets*

Under IFRS 16, a right-of-use asset and a lease liability are recognised for all leases except for a practical expedient relating to 'low-value' and 'short' term leases where lease payments can be recognised on a straight-line basis over the lease term. The main change from FRS 102 on application of IFRS 16 is in respect of the accounting for 'operating leases' where rentals payable (as adjusted for lease incentives) were previously expensed on a straight-line basis over the lease term.

At 1 October 2022 right-of-use assets of £254,473 and lease liabilities of £263,993 have been recognised, with a corresponding adjustment of £9,520 within equity. The net impact on profit or loss of additional depreciation and interest expense for the period ended 31 December 2023 less than the rental expense is an increase in profit or loss of £1,270.

**Effect on Cash Flows**

The transition to IFRS had only a presentational effect on the cash flows reported in accordance with IFRS as compared with those reported in accordance with FRS 102. The presentation in the Consolidated Statement of Cash Flows in accordance with IFRS differs from the presentation in accordance with FRS 102 as cash flows relating to operating lease expenses under FRS 102 previously reported within net cash flows from operating activities are now presented as repayments of lease liabilities and finance expenses within financing activities.



SORTED GROUP HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

29. Share-based payments

Sorted announced the implementation of new share incentive awards ("New Awards") under the existing Sorted Group Holdings plc Share Option Plan, to retain and incentivise key management personnel. The New Awards have been granted to one Director of the Company, certain persons discharging managerial responsibilities ("PDMRs"), and several senior management team members.

The New Awards comprise 763,964 new share options over ordinary shares of 62.5 pence each in the Company ("Ordinary Shares"). The options vest in three equal instalments on the first, second, and third anniversaries of the grant date, conditional upon achieving minimum share price targets of 75p, 90p, and 110p respectively, measured against the average closing mid-market price of Ordinary Shares over the preceding 30 days. No charge has been made in these financial statements as a result of the issue of the New Awards on the basis that the fair value of the New Awards is considered to be immaterial.

These Options carry an exercise price of 62.5p and have a ten-year life span from the grant date, exercisable once the vesting conditions have been satisfied. Any Ordinary Shares acquired upon exercising the Options must be held for at least twelve months thereafter.

Allocation of the options is as follows:

Recipient	Number of options granted
Mahmoud Warriah - Chief Financial Officer (Director)	115,000
Paul Hill - Product Director (PDMR)	115,000
Victoria Hill - Carrier Director (PDMR)	115,000
Russell Waite - Engineering Director (PDMR)	115,000
Steve Allen - Dealer Principal (PDMR)	38,000
Senior managers (10 individuals)	265,964
	<u>763,964</u>

Following this grant, the total number of Ordinary Shares under option is 763,964, representing approximately 10% of the Company's current issued ordinary share capital.