Merit Group Limited (formerly known as Merit Group plc)

Annual report and financial statements

For the year ended 31 March 2025

Company number: 04267888

Merit Group Limited (formerly known as Merit Group plc)

Contents

Registered and Head Office:
Merit Group Limited
5th Floor
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London SE1 1LB

Registered Number
04267888

Strategic Report
for the year ended 31 March 2025

The directors present their Strategic Report for the year ended 31 March 2025.

Principal activities

The Group's principal activity is the capture, creation and aggregation of high quality information and data and the provision of data and data engineering services. The Group operates primarily in the UK, Europe and India, and has market-leading positions in much of its portfolio.

Review of the business

The Group's financial results for the year ended 31 March 2025 and its financial position at that date are presented on pages 24 to 66.

	FY 2025	FY 2024
	£m	£m
Revenue from Continuing Operations	17.9	19.9
Gross profit from Continuing Operations	7.8	9.2
Gross margin %[1] from Continuing Operations	*43.9%*	*46.1%*
Adjusted EBITDA[2] from Continuing Operations	1.9	4.0
Statutory operating (loss)/profit from Continuing Operations	(7.4)	1.7
Statutory (loss)/profit before tax from Continuing Operations	(8.1)	0.9
Income tax charge from Continuing Operations	(0.3)	(0.3)
(Loss)/profit for the year from Continuing Operations	(8.4)	0.5
(Loss)/profit for the year	(8.4)	0.2
Net debt[3]	(3.2)	(1.9)

(1) Gross margin is Gross profit as a percentage of Revenue
(2) Adjusted EBITDA is calculated as earnings before tax, depreciation, amortisation of intangible assets, share-based payments and non-recurring items
(3) Net debt comprises the aggregate of gross debt, excluding IFRS16 lease liabilities, and cash and cash equivalents (see Note 21)

Adjusted results are prepared to provide a more comparable indication of the Group's core business performance by removing the impact of certain items including non-recurring items, depreciation and amortisation relating to investment activities, share-based payments and other separately reported items. In addition, the Group also measures and presents performance in relation to various other non-GAAP measures including Adjusted EBITDA. Adjusted results are not intended to replace statutory results. These have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results.

Strategic Report continued

Revenue and operating results

The Group's revenue fell by £2.0 million (10.2%) during the year to £17.9 million, driven mainly by declines in respect of Data and Technology Resourcing revenues within Merit Data & Technology ("MD&T"). Gross margins reduced slightly to 44% (2024: 46%), with gross profit decreasing by 14.4% to £7.8 million (2024: £9.2 million). Disappointingly, Adjusted EBITDA fell to £1.9 million (2024: £4.0 million) due the impact of revenue declines within the operationally geared model of MD&T, which has a degree of fixed overhead capable of supporting higher revenues.

The Group's operating loss from Continuing Operations was £7.4 million (2024: operating profit of £1.7 million), after non-cash items including an amortisation charge of £0.6 million (2024: £0.6 million) for business combinations and an amortisation charge of £0.4 million (2024: £0.3 million) for software intangible assets. The depreciation charge for property, plant and equipment in the year increased slightly to £0.3 million (2024: £0.2 million) and a right-of-use depreciation charge was £0.8 million (2024: £0.8 million). Non-recurring costs, including impairment charges and changes in market value, people-related costs and other costs, were £7.4 million (2024: £0.3 million), including a £6.8 million impairment of goodwill.

The loss before tax from Continuing Operations for the year was £8.1 million, compared to a profit before tax of £0.9 million in 2024, driven by the reduced level of Adjusted EBITDA and £7.2 million of impairments to goodwill and fixed asset investments.

The Group has a tax charge on Continuing Operations of £0.3 million for the year in respect of overseas tax payable (2024: tax charge of £0.3 million).

Financial Position

Non-current assets of £29.3 million (2024: £37.3 million) comprise goodwill of £20.1 million (2024: £26.9 million), intangible assets of £7.0 million (2024: £7.3 million), property, plant and equipment of £0.8 million (2024: £0.6 million), IFRS16 right-of-use assets of £1.1 million (2024: £1.9 million), investments of £nil (2024: £0.4 million) and deferred tax assets of £0.3 million (2024: £0.3 million).

The amortisation of intangibles assets and the depreciation of fixed assets each broadly offset expenditure on additions in the year. Non-current asset investments decreased to £nil (2024: £0.4 million) following a fair value assessment of the Group's investment in DataWorks at the year end. Trade and other receivables, excluding deferred tax, have decreased by £0.3 million to £4.0 million (2024: £4.3 million).

Current liabilities increased by £0.8 million to £9.6 million (2024: £8.8 million), resulting from a £1.1 million increase in current bank borrowings offset by a decrease of £0.3 million in short-term lease liabilities as we approach the end of the current lease for our London premises. Amounts payable under the bank facility increased by £1.1 million to £3.2 million (2024: £2.1 million) in line with the bank loan repayment schedule at the year-end date, which requires £0.2 million of the term loans to be repaid within the next 12 months.

Strategic Report continued

Financial Position (continued)

Non-current liabilities decreased by £0.7 million to £1.0 million (2024: £1.7 million). Key changes in the year were a reduction in bank debt of £0.2 million and a reduction in lease liabilities of £0.5 million. Total equity decreased by £8.7 million to £23.2 million (2024: £31.9 million), reflecting the total comprehensive loss for the year.

Cashflows and net debt

The Group generated a reduced level of operating cash inflows amounting to £1.5 million (2024: £2.3 million) before tax and £1.2 million (2024: £1.9 million) after tax. This was insufficient in the current year to cover the £1.2 million of fixed asset additions, £1.0 million payment of lease liabilities and £0.3 million interest on bank debt.

The year-on-year increase to the Group's net debt(6) position was therefore £1.3 million, from £1.9 million at March 2024 to £3.2 million at March 2025.

At 31 March 2025, the Group had bank debt of £3.6 million (2024: £2.6 million), comprising amounts owed on term loans and amounts drawn down on a revolving credit facility (RCF).

The Group had a term loan with £0.6 million outstanding (2024: £0.7 million) taken out in July 2022 over a five-year period, with interest at 4.75% over Bank of England interest rate. A further £1.8 million term loan was taken out in March 2023 over an 18-month period, to part-fund disposal of the Shard lease. This loan has the same interest rates and covenants as the Group's existing term loan and was fully paid at 31 March 2025 (2024: £0.6 million).

In addition, the Group has a £3.0 million RCF of which £3.0 million was drawn and was outstanding at end of the financial year (2024: £1.3 million).

The Group had a cash and cash equivalents balance of £0.4 million (2024: £0.8 million) and a net debt position of £3.2 million (2024: net debt of £1.9 million).

In July 2025, following the sale of the European part of the Dods Political Intelligence business (see Note 28), all bank loans and the RCF were repaid in full.

Group strategy and future outlook

Data and Intelligence is, and will remain, at the core of everything that we do. We use technology, human expertise and Artificial Intelligence to collate, transform and add the greatest value to the data we provide our customers.

Despite recent challenges, the underlying market demand for data and data-related technology is forecast to continue in the coming years. To support the high level of recurring revenue from long standing customers, we will continue to invest in our sales & marketing capabilities to win new business and will, in parallel, manage our profit margins with technology-led efficiencies and a tightly controlled cost base.

The Board is confident of returning Group revenue to growth, and with the Company's strong operational gearing, expects to report a strong return to profitability in the medium term.

Where appropriate, we will explore opportunities to generate growth beyond what we can expect organically and for maximising value to shareholders through changes in capital allocation between our businesses. To that end, after the year-end, the Group agreed the sale of the European part of its Dods Political Intelligence business in a transaction which completed on 4 July 2025. Proceeds from the sale were used, in part, to fully repay the Group's debt.

Strategic Report continued

Principal Risks and Uncertainties

The Board recognises the critical importance of compliance and effective risk management and has put in place a comprehensive Risk and Mitigation plan. Our risk management process aligns with globally recognised standards and is specifically designed to be agile and adaptable in response to a rapidly evolving business landscape.

The overarching goal of our risk management strategy is to facilitate and enhance the achievement of business objectives through intelligent risk assessment and mitigation. We prioritise the constant identification and mitigation of risks across all categories within the organisation. To ensure the highest level of effectiveness, our framework has been extensively benchmarked against industry best practices and undergoes continuous strengthening and improvement.

To oversee and govern our risk management efforts, we have a dedicated Risk and Governance Committee made up of the Executive Directors supported by other employees with relevant specialist skills and experience. This committee is responsible for administering our risk management framework and ensuring its consistent implementation throughout the organisation. Additionally, we have implemented a multi-layered risk governance structure that spans across the enterprise, providing comprehensive support for our risk management initiatives.

Having used the GRC model to identify fifteen Principal Risks and Uncertainties, the executive team undertook an exercise to rate those risks and uncertainties in a matrix covering both likelihood and impact. This process was used to identify the five highest rated risks from the list of fifteen principal risks. The five key risks identified are:

Information and Cyber-Security Risk	
RISK	The need to ensure a dependable, secure and resilient technological environment within the company to safeguard the confidentiality, integrity and availability of systems and data, whilst also mitigating risks associated with the expansion of device usage.
MITIGATION PLAN	▪ Deployment of effective security controls to identify, prevent and remediate potential threats, with an emphasis on continuous enhancement of security controls through the adoption of new processes and cutting-edge technology solutions. ▪ Vulnerability and penetration testing audits are carried out annually to strengthen our security. Web vulnerability scanning is also carried out to identify security issues in web applications. ▪ Implementation of measures to identify and disable inactive devices as a control mechanism. ▪ Ongoing reinforcement of stringent security policies, including enhanced awareness building to mitigate risks such as phishing and fraudulent calls. ▪ Implementation of Endpoint deduction and response module (EDR), further enhances our ability to proactively detect and remediate threats. ▪ We are also exploring options to implement Virtual Desktop Infrastructure (VDI) to have better control on Access to data both working from office and home.

Strategic Report continued

Technology & Innovation Risk	
RISK	Our ability to continuously develop innovative technological solutions in response to the evolving needs of clients is critical. Failure to do so could lead to a loss of clients and revenue for the Group.
MITIGATION PLAN	To maintain competitiveness in emerging fields, we are strategically investing in the development of expertise in cutting-edge technologies such as ML and AI. This includes initiatives such as reskilling, targeted hiring, research, and intellectual property creation, all of which are informed by a comprehensive understanding of client needs in specific domains.

Strategic and Market Risk	
RISK	Our strategy is to help our clients create value from data that is often difficult to acquire and needs to be captured and put into a form that makes it actionable. Our growth is predicated on a focus on specific markets and sectors, and the provision of best-in-class data services and solutions to a loyal customer base. Failure to align our strategy with our customers' objectives may jeopardise growth, market share, and profitability.
MITIGATION PLAN	▪ Understanding our customers' needs and providing them with tailored solutions is fundamental to our success and we invest time and resource in ensuring we stay close to our customers and regularly survey their attitudes using a CSAT system. ▪ CSAT calls are designed to capture detailed and accurate customer feedback related to service delivery, quality, systems & process, people, and future plans. This ensures alignment with customer expectations and enables us to mitigate risks in a structured and efficient manner. ▪ Frequent in-person meetings with several key customer stakeholders of each account allow us to strengthen relationships, scope potential opportunities, and measure the demand levels for existing and future services. ▪ Our Merit Data & Technology customers have clear statements of works and service level agreements as part of their contracts and we monitor these through a quality assurance process, overseen by a head of QA. ▪ The Dods PI business provides consultancy as well as intelligence feeds and this allows us to better understand our customers' needs, which in turn helps reduce churn. We employ two dedicated customer service personnel to support customers, resolve queries and onboard new customers. ▪ We invest in training and learning & development programs to ensure our staff adopt best practice when dealing with customers.

Strategic Report continued

Software Service Delivery and Obligation Management Risk	
RISK	Aging systems and internal applications with inadequate documentation could result in customer dissatisfaction, penalties, litigation, or other negative outcomes.
MITIGATION PLAN	▪ Implementation of centre of excellence framework to ensure Delivery and Operation excellence. ▪ Redesigning of existing systems and internal applications to be more flexible and customer-centric. ▪ Enhanced code repository with adequate documentation for systems. ▪ Implementation of integrated Risk Management framework to enhance organisational resilience. ▪ Implementation of secure code development in alignment with security standards and to ensure vulnerability testing before deployment. ▪ Web vulnerability scanning is also carried out to identify security issues in web applications.

Operation Service Delivery and Obligation Management Risk	
RISK	The cornerstone of any customer interaction is Delivery and Operational excellence. It is imperative to provide secure, compliant and resilient business solutions that meet the needs of the customer. Failure to do so could result in customer dissatisfaction, penalties, litigation or loss of revenue.
MITIGATION PLAN	▪ Implementation of an integrated Risk Management framework to enhance organisational resilience. ▪ A periodic evaluation of potential risks is conducted for large value projects. ▪ Compliance programs are established to manage risks proactively and address emerging risks, with a particular emphasis on contractual obligations. ▪ Planning and implementation Governance Risk and Compliance Tool for Risk Governance and Contract Management purposes.

Strategic Report continued

The remaining ten identified Principal Risks and Uncertainties were rated lower than the top five; nevertheless, they continue to be monitored and mitigation plans have been put in place for each. They are:

Macro-economic and Political Risk	
RISK	The danger of macro-economic impacts as a result of protectionist policies or geopolitical situations affecting both business operations and employee safety.
MITIGATION PLAN	▪ The Group seeks to operate in stable economic regions and markets and avoids markets where there is heightened risk. ▪ A framework for assessing country risk is taken into account before entering a new market. ▪ The Group takes a conservative view of its financing needs when considering its going concern position to ensure it can withstand a period of economic downturn. ▪ Merit D&T's near twenty-year trading history in India and its senior leadership team made up of experienced local managers allows it to understand and plan for the risk of changes to the local political climate.

Data Privacy Compliance Risk	
RISK	Failure to adhere to contractual and regulatory data privacy requirements poses a substantial risk to an organisation.
MITIGATION PLAN	▪ Continuously strengthen privacy programs through reviews of local regulations, particularly those pertaining to service delivery, including EU and UK regulations. Re-validate existing frameworks, policies and processes that cover all applicable areas of operations and geographies. ▪ Implement ongoing assessments and mitigation actions for new requirements and existing controls. ▪ Enhance cross-border data transfer procedures and controls through adequate data transfer/data processing agreements for clients and vendors. ▪ Integrate privacy by design, privacy impact assessment, and record of processing activities into all new data processing applications, processes, surveys or changes to existing applications/processes. ▪ Educate stakeholders on privacy by design frameworks related to AI, ML and other decentralised technologies. ▪ Consult data protection experts if there is a change in the data protection regime, and update client contracts to ensure they are in compliance with applicable laws. ▪ Detailed data protection clauses in all contracts where the contemplated services involve a transfer of personal data to ensure compliance with relevant data protection laws, including GDPR.

Strategic Report continued

Legal, Statutory, Regulatory and Compliance Risk	
RISK	The risk stemming from any failure to comply with state, local, and foreign laws that govern various aspects of business operations which could result in financial liabilities and/or harm the organisation's reputation.
MITIGATION PLAN	To address this risk, an initiative has been implemented to conduct routine reviews of statutory compliance along with an external advisor. This program tracks all relevant regulations, obligations and necessary steps to ensure adherence to the applicable laws.

Finance Risk	
RISK	The Group's debt financing is subject to interest rate risk, with the bank's margin applied to UK Bank of England base rates and interest payments therefore subject to variability. The current financing is subject to ongoing covenant compliance and renewal of facilities in the future would be subject to market conditions. The Group's revenues and costs arise in different international territories. As such the Group is subject to currency exchange risk that can affect the Group's consolidated results when reported in Pounds Sterling (GBP) and is subject to different forms and rates of direct and indirect taxation, creating complexity in compliance and management of the Group's effective tax rate. The Group is subject to inflation in different territories which can increase the costs to the Group.
MITIGATION PLAN	▪ The Group actively manages its finance risks and consults with the Audit Committee of the Board as well as taking advice from external experts. ▪ Around 60% of the Group's costs are incurred in currencies other than Sterling – predominantly Indian Rupees. The net foreign cash flow exposure is managed by entering into foreign exchange contracts that limit the risk from movements in Indian Rupee exchange rates with Sterling. Contracts are entered into in line with our Board-approved treasury policy. A further mitigation to the risk of currency fluctuations is the natural hedge we have from Euro denominated revenues generated in Dods PI with the circa 10% of the Group's costs incurred in Euros. ▪ The Group operates a focused approach to cost management, including mitigating the impact of inflation. As a Group we have a relatively low percentage of external supplier spend compared to the costs attributable to payroll and related costs and would look to mitigate increases in these through efficiency savings, hence we do not foresee any significant risk from this area. ▪ We monitor and review tax and treasury matters of the Group and engage external advisers for tax advice to both plan our tax exposure and manage compliance across the world.

Strategic Report continued

Business Continuity Risk	
RISK	The risk that as an organisation we may not adequately prepare, test, and successfully carry out crucial processes, leaving us unable to restore and sustain business operations following a disruption caused by internal, third-party, physical, or natural factors, among others.
MITIGATION PLAN	▪ The implementation of a Business Continuity framework is in place across all delivery locations, encompassing customer accounts and service functions. ▪ To reinforce the framework, an impartial assessment of the Business Continuity framework is conducted. ▪ The core Business Continuity team, a cross-functional team, consisting of members of the Leadership team, Delivery, and Support Functions, is responsible for identifying and managing Business Continuity risks periodically. ▪ Implementation of cloud BCP infrastructure for core business critical services.

Talent and Culture Risk	
RISK	A skilled and motivated workforce is a crucial asset for any organisation, and efficient people management can provide a competitive edge in the marketplace. Failing to recruit, retain and manage personnel effectively could result in potential risks for the organisation. There is a risk of employee attrition if compensation is not at par with market benchmarking.
MITIGATION PLAN	▪ We adopt a multi-channel recruitment approach which leverages job portals, social media, employee referral programs, campus hiring and walk-ins. ▪ Our robust performance management system drives high performance across the organisation. Performance differentiation is enabled by clear rating definitions which are based on outcomes. Rewards are closely linked to performance outcomes and career growth is based on sustained high performance. ▪ To promote a learning culture at Merit, we ensure that every employee, across all levels has access to learning programs. We have customised programs designed for individual contributors, first-time people managers and leaders at various levels. Additionally, Merit has an e-learning platform, to build a self-driven learning culture where employees drive their learning and growth. The platform allows all employees to upskill, reskill, or cross-skill in their professional and personal spaces. ▪ We are working on strengthening our Employer branding and Employer Value Proposition to attract top talent and improve retention.

Strategic Report continued

Fraud Risk and Anti-Bribery and Anti-Corruption (ABAC)	
RISK	Maintaining integrity is crucial in preserving the trust of clients and ensuring market confidence. Failing to comply with regulations or engaging in fraudulent behaviour can result in significant reputational and financial harm to an organisation.
MITIGATION PLAN	▪ A strong governance is guaranteed by the Code of Business Conduct and organisation policies and frameworks. ▪ Implement effective organisation and technical measures to ensure transparency in all operations and reduce the opportunity for fraud. ▪ Warranties related to anti-bribery, anti-corruption etc. in vendor agreements to ensure vendors do not engage in any fraudulent activities during the term of their engagement with Merit Group Ltd. ▪ Effective procurement-related policies and conducting risk assessment before onboarding certain third-party vendors.

Intellectual Property (IP) Infringement Risk	
RISK	Violation of IP rights by third parties or clients can lead to legal claims and expose Merit Group Ltd to reputational and financial risks. Inadequate safeguarding of Merit Group Ltd's intellectual property could result in the loss of ownership and revenue.
MITIGATION PLAN	▪ Merit Group Ltd ensures non-infringement of third-party IP by having in place IP-related organisation policies, frameworks and mechanisms. ▪ IP protection clauses in contracts to effectively safeguard Merit Group Ltd’s IP as well as the client/vendor’s IP. ▪ Employee awareness and mandatory training programs, along with systemic controls and periodic reviews, are in place to promote adherence to IP protection policies and procedures. ▪ Review policies, contractor and vendor contracts on a regular basis to update the IP-related clauses if and when required. ▪ Educate stakeholders on privacy by design frameworks related to AI, ML, and other decentralised technologies. ▪ Include IP-related warranties in purchase and sale contracts and appropriate indemnification clauses to protect against any infringement.

Strategic Report continued

Third Party / Supplier Risk	
RISK	If we fail to effectively identify and manage suppliers and partners who provide products or services and have access to sensitive information, it could result in contractual, legal, and regulatory risks if a breach occurs.
MITIGATION PLAN	▪ A fair evaluation process during the onboarding of new suppliers. ▪ Regular compliance reviews, performance evaluations, and business continuity assessments of critical vendors. ▪ The development of a structured program and governance framework to manage high-risk vendors. ▪ Comprehensive clauses related to protection of confidentiality in contracts when third party vendors have access to sensitive data. ▪ Detailed clauses related to indemnification, liability, warranties, breach etc. in vendor contracts, and review these on a regular basis to ensure they are updated as and when required.

Employee Workplace, Environment, Health & Safety Risk	
RISK	Failure to create a safe and healthy work environment can damage employee productivity and retention, cause reputational damage, as well as erode the organisation's competitive advantage.
MITIGATION PLAN	▪ To ensure the emotional and mental well-being of our employees, we have partnered with an employee assistance program (EAP) provider. It enables employees to reach out to counsellors 24/7 to seek assistance for issues pertaining to personal or professional life. We conduct multiple sessions on topics including Health, Work from Home and Emotional Well-being to enable employees to cope with the new ways of working and remain emotionally strong. ▪ To ensure employees can achieve a work-life balance, we have a flexible working policy and work from home options, along with policies that allow employees to adjust their hours based on their personal commitments.

Strategic Report continued

Directors' Section 172(1) statement

Below, the Directors outline the matters they must consider in meeting the requirements of Section 172(1) of the Companies Act 2006:

- **The likely consequences of any decision in the long term –** Strategic and other long-term decisions made by the Board are made after Board discussion and, where appropriate, senior management discussion and in conjunction with supporting information compiled by either senior management or external advisers. The considerations outlined in the five points below form part of any decision that may have a long-term impact.

- **The interests of the Group's employees –** The Group values the interests of its employees, which are its biggest asset. Employee involvement and engagement is discussed in the Directors' Report on page 15.

- **The need to foster the Group's business relationships with suppliers, customers and others –** The Board understands that long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (customers, suppliers, regulators and others). The Group is dedicating significant time to understanding and acting on the needs and requirements of each of these groups via meetings, surveys, feedback and appraisals.

- **The impact of the Group's operations on the community and the environment** – By their nature, the Group's regular operations are judged to have a low environmental impact. Despite this, the Group will continue to look to make improvements to the impact it may have on the environment.

- **The desirability of the Company maintaining a reputation for high standards of business conduct** – The Board recognises its duty to promote the success of the company for the benefit of its members as a whole, while having regard to the interests of stakeholders and maintaining high standards of conduct. To support effective decision-making, the Group has appropriate governance arrangements in place, including regular Board meetings, clear delegation of authority, and documented policies on risk management, ethics, and compliance. These frameworks ensure that directors are able to consider the long-term impact of decisions, take into account the views of key stakeholders, and maintain oversight of the company's strategy and sustainability commitments.

- **The need to act fairly between shareholders of the Group** – The Board recognises the importance of effective communication with the Group's shareholders to ensure that its strategy and performance is understood and that it remains accountable to shareholders. Key decisions affecting shareholder interests are discussed at Board level with due regard to the interests and rights of all shareholders.

The Strategic report was approved by the Board of Directors and was signed on its behalf by:

Philip Machray
Chief Executive Officer and Chief Financial Officer
15 August 2025

Directors' report

The Directors are pleased to present their report and the audited financial statements for the year ended 31 March 2025.

Review of the business and future development
The Strategic Report sets out:

- the issues, factors and stakeholders considered in determining that the Directors have complied with their responsibilities under section 172(1) of the Companies Act 2006;
- the methods used to engage with stakeholders and understand the issues to which the Directors must have regard under section 172 of the Companies Act 2006 and the effect on the Company's decisions and strategies during the year;
- the way that management views the business;
- its strategy, positioning, and objectives;
- its historic financial performance;
- an assessment of its future development and potential;
- its key performance indicators; and
- its key business risks.

Future developments
The Group's future developments are set out in the Group strategy and future outlook section on page 4 of the Strategic Report in accordance with s.414C(11) of the Companies Act 2006 as the Directors consider this to be of strategic importance to the Group.

Dividends
The Board of Directors has decided not to propose to pay a dividend (2024: £nil).

Directors
The Directors who held office during the financial year and up to the date of signing these financial statements were:

Mark Smith	Chairman, Non-Executive Director
Philip Machray	Chief Executive Officer and Chief Financial Officer
Cornelius Conlon	Chief Technology Officer and Managing Director of MD&T (resigned 31 March 2025)
Timothy Briant	Non-Executive Director (resigned 31 May 2025)
Dame Diane Lees DBE	Non-Executive Director (resigned 31 July 2025)
Angela Entwistle	Non-Executive Director
Lord Ashcroft KCMG PC	Non-Executive Director (resigned 26 April 2024)
Julia Robertson	Non-Executive Director (appointed 24 June 2025)

Directors' and Officers' indemnity insurance
The Group has taken out an insurance policy to indemnify the Directors and officers of the Company and its subsidiaries in respect of certain liabilities which may attach to them in their capacity as Directors or officers of the Group, as far as permitted by law. This insurance policy subsisted throughout the year and remains in place at the date of this report. The Group has also given Directors a limited indemnity as allowed under the Companies Act 2006.

Directors' Report continued

Share listing, delisting in the year and change of name

The Company's Ordinary shares were listed on the Alternative Investment Market (AIM: MRIT), regulated by the London Stock Exchange, until 4 March 2025. Following approval by shareholders in a General Meeting, Merit Group plc delisted from AIM and re-registered as a private limited company, Merit Group Limited, on 5 March 2025. Following the delisting, the company's shares may be traded on the Asset Match Private Market at assetmatch.com.

Directors' Section 172(1) statement

The Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year. This has been outlined on page 13.

Financial Instruments

The financial risk management objectives and policies of the Group, including exposure to currency risk, credit risk, interest rate risk and liquidity risk, are set out in Note 18 to the financial statements.

Research and development activities

The Group has expensed £0.5 million (2024: £0.4 million) of research and development costs during the year.

Post balance sheet events

Post balance sheet events are set out in Note 28 to the financial statements.

Employees

The Group has recruitment policies to ensure that all applications for employment are given full and fair consideration in light of the applicant's aptitude and ability. There is also an equal opportunities policy to ensure that all employees are treated equally in terms of employment, training, career development and promotion. Operational processes are reviewed and redesigned where necessary, taking account of local market best practice.

Employee engagement

The Group aims to attract, retain and motivate its employees by encouraging and rewarding high performance, both on an individual and team contribution basis, through competitive remuneration and incentive arrangements. Efforts are made to provide employees with continuing opportunities to develop their full potential and advance to positions of greater responsibility by gaining the relevant skills and experience required to deliver upon both the Group's business objectives and the individual's own personal objectives. The Group is committed to providing equality of opportunity to all existing and prospective employees without discrimination. In addition, it is supportive of the employment and advancement of disabled persons. All operations within the Group actively encourage employee involvement and communication, both through regular employee briefings and by direct access to managers and Directors at all levels.

Statement on engagement with suppliers, customers and others in a business relationship with the Group

Details of how the Group manages relationships with suppliers, customers and others can be found within the Group's Section 172(1) statement in the Strategic Report on page 13.

Directors' Report continued

Streamlined energy and carbon reporting (SECR)

We understand the importance of tackling carbon emissions. Although the Group's operations fall outside of manufacturing and are primarily delivered digitally, they are not entirely carbon-neutral. Our operations are located in 4 offices and we employ almost a thousand colleagues across those offices, with an associated carbon footprint for their occupancy and commuting.

The Group's largest two offices are both in India, where 800 employees working within Merit D&T are based in Chennai and Mumbai. Within Dods Political Intelligence, our 65 employees occupy leased premises in London and Brussels.

The Group started to capture emissions data in 2022 across four categories as follows:

- Category 1 emissions include all direct CO2 emissions emitted from its operational activities. These emissions include sources owned or controlled by Merit, such as fuel consumption, wastewater treatment and other emissions in the form of refrigerant.
- Category 2 emissions include energy indirect emissions emitted from the consumption of purchased electricity by Merit. These emissions occur at the source where electricity is produced. Electricity consumption in relation to wastewater treatment is also included in this category.
- Category 3 emissions include greenhouse gas ('GHG') emissions occurring from sources located outside the organisational boundaries. These emissions include fuel consumption for business travel via road as well as other means of transport, and from the employees' own commutes.
- Category 4 emissions include GHG emissions occurring from sources located outside the organisational boundaries associated with goods used by the organisation. These emissions include the electricity consumed by the employees while working from home, and combustion of waste from food, plastic, and garden materials processed outside the organisation.

In some locations, energy usage is metered and the Group procures and pays for energy directly consumed. In other locations, energy usage is pooled across all building tenants and the Group pays a service charge that includes energy consumed.

	India		**Europe**		**Total Group**	
	2024-25	**2023-24**	**2024-25**	**2023-24**	**2024-25**	**2023-24**
Category 1	**98.3**	18.7	**-**	-	**98.3**	18.7
Category 2	**227.4**	634.4	**21.5**	31.2	**248.9**	665.6
Category 3	**199.0**	239.5	**45.5**	63.0	**244.5**	302.5
Category 4	**316.9**	469.6	**275.9**	325.5	**592.8**	795.1
Total (tCO2e)	**841.6**	1,362.2	**342.9**	419.7	**1,184.5**	1,781.9
Employees	**800**	894	**65**	64	**865**	958
tCO2e per employee	**1.05**	1.52	**5.28**	6.56	**1.37**	1.86

Directors' Report continued

Directors' responsibilities statement

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

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors have elected under company law to prepare the Group financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, and to prepare the Company financial statements in accordance with United Kingdom applicable accounting standards in conformity with the requirements of the Companies Act 2006.

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 and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with relevant accounting standards and in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Directors' Report continued

Statement of disclosure of information to the auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for preparing the annual report in accordance with applicable law and regulations. The Directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy, and is fair, balanced and understandable.

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

To the best of our knowledge:

- The consolidated financial statements of Merit Group Limited have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its Parent Company financial statements in accordance with FRS 102; these are presented after the notes to the consolidated financial statements; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Auditor

A resolution to reappoint Cooper Parry Group Limited as auditor and to authorise the Directors to determine their remuneration will be proposed at the forthcoming AGM.

Directors' Report continued

Going concern

The Directors have considered the implications for going concern below, for a period of at least twelve months from the signing of these accounts.

The Directors have prepared and approved monthly-phased projections for the 21 months from the balance sheet date. The projections include the implications of the post year-end sale of the European part of the Dods Political Intelligence business (see Note 28), the proceeds of which were used, in part, to fully repay the Group's bank debt. The Directors consider the projections to be reasonable.

The Directors have assessed the future funding requirements of the Group within the projections, compared them with the level of available facilities, and assessed the impact of them on the Group's cash flow, facilities and headroom. In addition, the Directors have considered reasonable downside risks and their potential impact on the projections and headroom.

Based on this work, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future.

For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Directors' Report was approved by the Board of Directors and was signed on its behalf by:

Philip Machray
Chief Executive Officer and Chief Financial Officer
15 August 2025

Independent auditor's report to the members of Merit Group Limited (formerly known as Merit Group plc)

Opinion

We have audited the financial statements of Merit Group Limited (formerly known as Merit Group plc) (the 'parent' company) and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion,:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Independent auditor's report to the members of Merit Group Limited (formerly known as Merit Group plc) (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement as set out on page 17, 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.

Independent auditor's report to the members of Merit Group Limited (formerly known as Merit Group plc) (continued)

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

Auditor 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:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment;
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business; and
- reviewing accounting estimates for bias, specifically those in relation to goodwill and deferred tax assets.

Independent auditor's report to the members of Merit Group Limited (formerly known as Merit Group plc) (continued)

Auditor responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. 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. This description forms part of our auditor's report.

Use of our report

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

Melanie Hopwell (Senior Statutory Auditor)

For and on behalf of Cooper Parry Group Limited
Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: **15 August 2025**

Financial Statements

Consolidated income statement

For the year ended 31 March 2025

Continuing Operations	Note	**2025 £'000**	2024 £'000
Revenue	3	**17,858**	19,895
Cost of sales		**(10,013)**	(10,730)
Gross profit		**7,845**	9,165
Administrative expenses		**(15,398)**	(7,850)
Other operating income	4	**114**	346
Operating (loss)/profit from Continuing Operations		**(7,439)**	1,661
Memorandum:			
Adjusted EBITDA[1]		**1,925**	3,989
Depreciation of property, plant and equipment	15	**(268)**	(173)
Depreciation of right-of-use assets	24	**(839)**	(833)
Amortisation of intangible assets acquired through business combinations	14	**(587)**	(587)
Amortisation of software intangible assets	14	**(418)**	(345)
Adjusted EBIT[2]		**(187)**	2,051
Share-based payments	25	**133**	(63)
Non-recurring items			
People-related costs	5	**(74)**	(202)
Fair value movement on Investments	5	**(350)**	(125)
Impairment of goodwill	5	**(6,800)**	-
Other non-recurring items	5	**(161)**	-
Operating (loss)/profit from Continuing Operations		**(7,439)**	1,661
Net finance expense	10,11	**(611)**	(777)
(Loss)/profit before tax from Continuing Operations	7	**(8,050)**	884
Income tax charge	12	**(348)**	(336)
(Loss)/Profit for the year from Continuing Operations		**(8,398)**	548
Loss for the year from Discontinued Operations	6	**-**	(354)
(Loss)/Profit for the year		**(8,398)**	194

[1] Adjusted EBITDA is defined as the operating (loss)/profit after adding back depreciation, amortisation, share-based payments, and non-recurring items.

[2] Adjusted EBIT is defined as the operating (loss)/profit after adding back share-based payments and non-recurring items.

100% of the (loss)/profit is attributable to owners of the parent.

The Notes on pages 30 to 66 form part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 March 2025

	Note	**2025**	2024
		£'000	£'000
(Loss)/profit for the year		**(8,398)**	194
Items that may be subsequently reclassified to Consolidated income:			
Exchange differences on translation of foreign operations		**(211)**	(138)
Remeasurement of defined benefits obligations	26	**32**	(15)
Other comprehensive expense for the year		**(179)**	(153)
Total comprehensive (loss)/profit for the year		**(8,577)**	41

The Notes on pages 30 to 66 form part of these financial statements.

Consolidated statement of financial position

As at 31 March 2025

	Note	**2025 £'000**	2024 £'000
Non-current assets			
Goodwill	13	**20,119**	26,919
Intangible assets	14	**6,989**	7,300
Property, plant and equipment	15	**807**	584
Right-of-use assets	24	**1,075**	1,914
Investments	17	**-**	350
Deferred tax assets	22	**344**	277
Total non-current assets		**29,334**	37,344
Current assets			
Trade and other receivables	19	**4,021**	4,299
Cash and cash equivalents	18,19	**392**	782
Total current assets		**4,413**	5,081
Total assets		**33,747**	42,425
Current liabilities			
Trade and other payables	20	**5,707**	5,692
Defined benefit pension obligation	26	**66**	79
Bank loan / RCF	18, 21	**3,191**	2,091
Lease liability	24	**668**	977
Total current liabilities		**9,632**	8,839
Non-current liabilities			
Defined benefit pension obligation	26	**255**	283
Bank Loan	18, 21	**365**	552
Lease liability	24	**333**	893
Total non-current liabilities		**953**	1,728
Capital and reserves			
Issued capital	23	**6,708**	6,708
Share premium		**1,067**	1,067
Retained profit		**2,146**	10,541
Capital redemption reserve		**13,680**	13,680
Translation reserve		**(474)**	(262)
Other reserves		**35**	(12)
Share option reserve		**-**	136
Total equity		**23,162**	31,858
Total equity and liabilities		**33,747**	42,425

The Notes on pages 30 to 66 form part of these financial statements.

These financial statements were approved by the Board of Directors and were signed on its behalf by:

Philip Machray
Chief Executive Officer and Chief Financial Officer
15 August 2025

Consolidated statement of changes in equity

For the year ended 31 March 2025

	Share capital £'000	Share Premium reserve(1) £'000	Retained earnings £'000	Capital redemption reserve(2) £'000	Translation reserve(3) £'000	Other reserves £'000	Share option reserve(4) £'000	**Total shareholders' funds £'000**
At 1 April 2023	**6,708**	**1,067**	**10,347**	**13,680**	**(124)**	**3**	**73**	**31,754**
Total comprehensive income								
Profit for the year	-	-	**194**	-	-	-	-	**194**
Currency translation differences	-	-	-	-	**(138)**	-	-	**(138)**
Remeasurement of defined benefit pension obligation	-	-	-	-	-	**(15)**	-	**(15)**
Share-based payment	-	-	-	-	-	-	**63**	**63**
At 31 March 2024	**6,708**	**1,067**	**10,541**	**13,680**	**(262)**	**(12)**	**136**	**31,858**
At 1 April 2024	**6,708**	**1,067**	**10,541**	**13,680**	**(262)**	**(12)**	**136**	**31,858**
Total comprehensive expense								
Loss for the year	-	-	**(8,398)**	-	-	-	-	**(8,398)**
Currency translation differences	-	-	-	-	**(212)**	-	-	**(212)**
Remeasurement of defined benefit pension obligation	-	-	-	-	-	**47**	-	**47**
Reserve transfer on lapsed options	-	-	**3**	-	-	-	**(3)**	**-**
Share based payments	-	-	-	-	-	-	**(133)**	**(133)**
At 31 March 2025	**6,708**	**1,067**	**2,146**	**13,680**	**(474)**	**35**	**-**	**23,162**

1 The share premium reserve represents the amount paid to the Company by shareholders above the nominal value of shares issued.
2 The capital redemption reserve is a non-distributable reserve created on cancellation of deferred shares.
3 The translation reserve comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling.
4 The share option reserve represents the cumulative expense recognised in relation to equity-settled share-based payments.

The Notes on pages 30 to 66 form part of these financial statements.

Merit Group Limited (formerly known as Merit Group plc)

Consolidated statement of cash flows
For the year ended 31 March 2025

	Note	**2025 £'000**	2024 £'000
Cash flows from operating activities			
(Loss)/profit for the year		**(8,398)**	194
Depreciation of property, plant and equipment	15	**268**	173
Depreciation of right-of-use assets	24	**839**	833
Amortisation of intangible assets acquired through business combinations	14	**587**	587
Amortisation of other intangible assets	14	**418**	345
Share-based payments (credit)/charge	25	**(133)**	63
Lease interest expense	24	**82**	124
Loss on disposal of fixed assets	7	**-**	2
Fair value movement on investments	5,17	**350**	125
Loss on disposal of operations (before tax)	6	**-**	354
Impairment of goodwill	13	**6,800**	-
Interest income	10	**(9)**	(26)
Interest expense	11	**302**	407
Foreign exchange charge on operating items		**37**	6
Income tax charge	12	**348**	336
Operating cash flows before movement in working capital		**1,491**	3,523
Decrease in trade and other receivables		**278**	176
Decrease in trade and other payables		**(252)**	(1,412)
Cash generated by operations		**1,517**	2,287
Taxation paid		**(367)**	(426)
Net cash generated from operating activities		**1,150**	1,861
Cash flows from investing activities			
Interest and similar income received	10	**9**	26
Additions to intangible assets	14	**(694)**	(324)
Additions to property, plant and equipment	15	**(491)**	(418)
Acquisition of investment	17	**-**	(25)
Proceeds from disposal of operations	6	**-**	450
Net cash used in investing activities		**(1,176)**	(291)

Consolidated statement of cash flows continued

	Note	**2025 £'000**	2024 £'000
Cash flows from financing activities			
Interest and similar expenses paid		**(302)**	(407)
Payment of lease liabilities	24	**(951)**	(1,003)
Receipt on disposal of lease liabilities		**-**	577
Net drawdowns/(repayments) on bank loans	18	**913**	(2,072)
Net cash used in financing activities		**(340)**	(2,905)
Net decrease in cash and cash equivalents		**(366)**	(1,335)
Opening cash and cash equivalents		**782**	2,144
Effect of exchange rate fluctuations on cash held		**(24)**	(27)
Closing cash at bank		**392**	782
Comprised of:			
Cash and cash equivalents		**392**	782
Closing cash at bank	19	**392**	782

The Notes on pages 30 to 66 form part of these financial statements.

Notes to the consolidated financial statements

1. Statement of significant accounting policies and judgements

Merit Group Limited (formerly known as Merit Group plc) is a private limited company incorporated in England and Wales. Its registered office is 5th Floor, 150 borough High Street, London, SE1 1LB.

The Company's Ordinary shares were listed on the Alternative Investment Market (AIM: MRIT), regulated by the London Stock Exchange, until 4 March 2025. Following approval by shareholders in a General Meeting, Merit Group plc delisted from AIM and re-registered as a private limited company on 5 March 2025.

The consolidated financial statements of Merit Group Limited have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its Parent Company financial statements in accordance with FRS 102; these are presented after the notes to the consolidated financial statements.

The consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

The accounting policies set out below have, unless otherwise stated, or as outlined in the 'Standards adopted' section below, been applied consistently to all periods presented in these Group financial statements. The consolidated financial statements and the Parent Company financial statements are presented in Sterling (£) and are rounded to the nearest thousand pounds (unless stated otherwise).

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 2.

Accounting developments
This report has been prepared based on the accounting policies detailed in the Group's financial statements for the year ended 31 March 2025 and is consistent with the policies applied in the previous financial year.

The following IFRS standards, amendments or interpretations became applicable during the year ended 31 March 2025 but have not had a material effect on the consolidated financial statements:

Notes to the consolidated financial statements

1. Statement of significant accounting policies and judgements continued

Accounting developments (continued)

Standard		Effective Date*
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	1 Jan 2024
Amendments to IAS 1	Non-Current Liabilities with Covenants	1 Jan 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 Jan 2024
Amendments to IAS 7 & IFRS 7	Supplier Finance Arrangements	1 Jan 2024

*Effective for accounting periods starting on or after this date

There are no other new standards, amendments and interpretations which are effective for periods beginning on or after 1 April 2024, which had any impact on the Group's accounting policies and disclosures in these financial statements.

New and revised accounting standards in issue but not yet effective
Accounting standards, amendments and interpretations issued, but not yet effective, up to the date of the issuance of the consolidated financial statements are disclosed below. The Group expects to adopt these standards, if applicable, in the accounting period in which they become effective. These are not expected to have a material impact on the financial statements or the balance therein.

Standard		Effective Date*
Amendments to IAS 21	Lack of exchangeability	1 Jan 2025
IFRS18	Presentation and Disclosure in Financial Statements	1 Jan 2027

*Effective for accounting periods starting on or after this date

Basis of preparation
The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, except for forward contracts (stated at fair value at year end) and defined benefit pension obligations (stated at the projected unit credit method in accordance with IAS 19 at year end).

In addition to statutory disclosures, the Group also measures and presents performance in relation to various other non-GAAP measures including Adjusted EBITDA. Adjusted results are not intended to replace statutory results. These have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results.

Adjusted EBITDA is presented to provide a more comparable indication of the Group's core business performance by removing the impact of certain items, including non-recurring items, depreciation and amortisation relating to investment activities, share-based payments and other separately reported items.

Notes to the consolidated financial statements

1. Statement of significant accounting policies and judgements continued

Going Concern
The Directors have considered the implications for going concern below, for a period of at least twelve months from the signing of these accounts.

The Directors have prepared and approved monthly-phased projections for the 21 months from the balance sheet date. The projections include the implications of the post year-end sale of the European part of the Dods Political Intelligence business (see Note 28), the proceeds of which were used, in part, to fully repay the Group's bank debt. The Directors consider the projections to be reasonable. The Directors have assessed the future funding requirements of the Group within the projections, compared them with the level of available facilities, and assessed the impact of them on the Group's cash flow, facilities and headroom. In addition, the Directors have considered reasonable downside risks and their potential impact on the projections and headroom.

Based on this work, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future.

Basis of consolidation
Subsidiaries are entities controlled by the Group. Control is achieved where the Group is exposed to, or has rights to, variable returns and has the ability to affect those returns. The results of subsidiaries acquired or sold are included in the consolidated financial statements from the date that control commences to the date that control ceases. Where necessary, adjustments are made to the results of the acquired subsidiaries to align their accounting policies with those of the Group. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

Business combinations
Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

1. Statement of significant accounting policies and judgements continued

Revenue policy
Revenue is the total amount of income generated by the sale of goods or services relating to the Group's primary operations. The Group has multiple revenue streams, being revenue from Data, Software & Technology Resourcing, Political Intelligence, and Political Engagement (now Discontinued – see note 6).

Our Merit Data and Technology ("MD&T") business provides services within Data and Software & Technology Resourcing. Across each of these services, the performance obligation is the delivery of the service as agreed with the client in the contract. The performance obligation is satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group or via periodic delivery of data where that is the contractual requirement. Revenue is recognised either:

- in line with the hours used under the contract for services in line with our right to invoice for the actual hours used at a fixed contractual rate per hour; or
- on delivery of the data where this reflects the completion of the contractual deliverable;

in each case in accordance with IFRS15 and dependent upon the nature of the contractual arrangement.

Political Intelligence is a subscription-based service; the revenue is recognised on a straight-line basis over the life of the subscription. The performance obligation is the provision and availability of the subscription platform; the obligation is deemed to be satisfied as the client has ongoing access to the subscription platform. Where subscriptions are paid in advance, the contract balances for services not yet delivered are treated as deferred income.

Leases
A contract contains a lease if the contract gives a right to control the use of an asset for a period of time in exchange for consideration. Leases which meet the criteria of "short-term", for which the lease term is less than 12 months, or "low-value assets" are exempt from IFRS 16. Lease payments associated with "short-term" and "low-value assets" are expensed on a straight-line basis over the life of the lease.

For all other leases, at the lease commencement date, a right-of-use asset and corresponding lease liability are recognised in the Consolidated statement of financial position. The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. Right-of-use assets are measured at the value of the associated lease liability plus any initial direct costs incurred, adjusted for any prepaid or accrued lease payments. The right-of-use asset is initially recognised at cost, and subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease liability is increased by the interest cost and decreased by the lease payments made.

Post-retirement benefits - defined contribution
The Group contributes to independent defined contribution pension schemes. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

Notes to the consolidated financial statements

1. Statement of significant accounting policies and judgements continued

Defined benefits pensions
The Group operates a defined benefit pension plan for eligible employees based in India. The assets of the scheme are held separately from those of the Group.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit credit method.

Past service cost and settlement gains are recognised immediately in the Consolidated income statement. Remeasurements comprising of actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefit liability/asset, are recognised in other comprehensive income (OCI), net of income taxes.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

Non-recurring items
Non-recurring items are items which in management's judgement need to be disclosed by virtue of their size, incidence or nature. Such items are included on the income statement on an independent line to which they relate and are separately disclosed either in the notes to the consolidated financial statements or on the face of the Consolidated income statement.

Non-recurring items are not in accordance with any specific IFRS definition and therefore may be different to other companies' definition of non-recurring items.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on taxable profit for the year and any adjustment to tax payable in respect of previous years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's assets and liabilities for current tax are calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax nor the accounting profit other than in a business combination.

Deferred tax liabilities are recognised for temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

1. Statement of significant accounting policies and judgements continued

Taxation (continued)
The carrying amount of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates enacted or that are expected to apply (substantively enacted) at the balance sheet dated when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Goodwill
Goodwill represents the difference between the cost of acquisition of a business and the fair value of identifiable assets, liabilities and contingent liabilities acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is tested annually for impairment. Any impairment is recognised immediately in profit or loss.

Intangible assets
Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight-line basis over their useful lives in accordance with IAS 38 Intangible Assets. Intangible assets are not revalued. The amortisation period and method are reviewed at each financial year end and are changed in accordance with IAS 8 Accounting Policies, “Changes in Accounting Estimates and Errors” if this is considered necessary. There were no changes from last year. The estimated useful lives are as follows:

Publishing rights and brands	20-75 years (one specific right is deemed to have a useful economic life of 75 years)
Customer relationships	1-8 years
Customer list	4-8 years
Other assets	1 year

Software which is not integral to a related item of hardware is included in intangible assets and amortised over its estimated useful lives of between 3-10 years. The salaries of staff employed in the development of new software relating to the Group’s information services products and salaries of staff employed in building our digital platform architecture within the Group are capitalised into software.

1. Statement of significant accounting policies and judgements continued

Intangible assets – research and development
Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use;
- its intention to complete and its ability and intention to use the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of the asset begins from the date development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is charged to the income statement. During the period of development, the asset is tested for impairment.

The Directors assess the useful life of the completed capitalised projects to be 3-10 years from the date of when benefits begin to be realised and amortisation will begin at that time.

Intangible assets - Impairment
The carrying amounts of the Group's intangible assets are reviewed at each reporting date to determine whether there is any indication of possible impairment. If any such indication of possible impairment exists, then the asset's recoverable amount is estimated and compared with the asset's carrying value. For goodwill, the recoverable amount is estimated each year at each balance sheet date.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell.

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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

1. Statement of significant accounting policies and judgements continued

Intangible assets – Impairment (continued)
An impairment loss in respect of goodwill is not reversed. In respect of other intangible assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided to write off the cost less estimated residual value of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	Over the shorter of the life of the asset or lease period
IT Equipment, fixtures & fittings	3-10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Cash
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.

Foreign currencies
The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the presentation currency of the Group.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated but remain at the exchange rate at the date of the transaction.

1. Statement of significant accounting policies and judgements continued

Foreign currencies (continued)
Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period ended on the balance sheet date. Exchange rate differences arising, if any, are recognised directly in equity in the Group's translation reserve. Such translation differences are recognised as income or as expense in the income statement in the period in which the operation is disposed of.

Provisions
A provision is recognised on the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Financial Instruments
Financial assets
Financial assets are recognised on the Group's Consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments
All of the Group's derivatives and forward contracts are measured at their fair value at the end of each period. Derivatives and forward contracts that mature within one year are classified as current.

Financial assets
Financial Assets are measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through income statement (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The Group's financial assets comprise of trade and other receivables and cash and cash equivalents.

Trade receivables
Trade receivables are measured at amortised costs and are carried at the original invoice amount less allowances for expected credit losses.

1. Statement of significant accounting policies and judgements continued

Trade receivables (continued)
Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying a historical credit loss experience to the trade receivables. The expected credit loss rate varies depending on whether, and the extent to which, settlement of the trade receivables is overdue, and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions. For the purpose of determining credit loss rates, customers are classified into groupings that have similar loss patterns. The key driver of the loss rates is the ageing of the debtor. When a trade receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any credit loss allowance available, and then to the income statement.

Subsequent recoveries of amounts previously provided for or written off are credited to the income statement. Long term receivables are discounted where the effect is material.

Financial Liabilities
The Group's financial liabilities consist of trade payables, loans and borrowings, and other financial liabilities. Trade payables are non-interest bearing. Trade payables are initially recognised at their fair value and subsequently measured at their amortised cost. Loans and borrowings and other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Interest expense is measured on an effective interest rate basis and recognised in the income statement over the relevant period.

Fixed asset investments
Investments in unlisted entities which are held for long term investment purposes are held at fair value through profit and loss ("FVTPL"). The carrying amount of the Group's fixed asset investments are reviewed at each reporting date with changes in fair value recognised in other gains/(losses) in the Consolidated income statement.

Share based payments
Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income on a straight-line basis over the vesting period. Fair value is calculated using the Monte Carlo simulation model, details of which are given in Note 25.

Non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

2. Critical accounting estimates and judgements

The key assumptions concerning the future and other key sources of estimation and judgements at the balance sheet date that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Significant Judgements and Estimates

a) Going concern

Management applies judgement when determining to apply the going concern basis for preparation of the financial statements, through evaluation of financial performance and forecasts. See "Going concern" section on page 19 for further details.

b) Impairment testing

Where indicators of a possible impairment are identified, the Directors use the value in use or fair value less costs to sell to determine recoverable value.

In the current and prior years, the Directors have used the value in use model. The key judgements and estimates required in this model are:

- the identification of cash-generating units (CGUs). The Directors have judged that the primary CGUs used for impairment testing should be MD&T and Dods;
- the assessment of value in use, which was derived from a discounted cashflow model using the expected post-tax earnings and cashflows of each CGU; and
- the estimated discount rate, which was based on management's estimate of the long-term cost of capital available to the Group to fund each CGU.

See Note 13 for further details.

c) Capitalisation of development costs

Management applies judgement when determining the value of development costs to be capitalised as an intangible asset in respect of its product development program. Judgement includes the technical feasibility, intention and availability of resources to complete the intangible asset so that the asset will be available for use and assessment of likely future economic benefits. Details of intangible assets capitalised are available in Note 14.

d) Recognition of deferred tax assets

Judgement is applied in the assessment of deferred tax assets in relation to losses to be recognised in the financial statements. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. See Note 22 for further details.

e) Investments

The Group takes into account the power over its investee, its exposure and rights to variable returns from its involvement with the investee, and its ability to use the power over the investee to affect the amount of the investor's return to determine whether the investment is treated as an Associate or a controlling interest. See Note 17 for further details. Where a controlling interest exists, the investee is consolidated.

3. Turnover

The following table provides an analysis of the Group's segment revenue by geographical market. Segment revenue is based on the geographical location of customers.

Revenue by geographical segment	**2025 £'000**	2024 £'000
UK	**13,592**	15,811
Belgium	**1,732**	1,857
USA	**950**	619
Germany	**514**	475
France	**280**	322
Rest of world	**790**	811
	17,858	19,895

Revenue by business segment	**2025 £'000**	2024 £'000
Merit Data & Technology	**11,133**	12,869
Dods	**6,725**	7,026
	17,858	19,895

Revenue by stream	**2025 £'000**	2024 £'000
Data	**6,223**	6,760
Software & Technology Resourcing	**4,910**	6,109
Political Intelligence	**6,725**	7,026
	17,858	19,895

No client accounted for more than 10 percent of total revenue.

Notes to the consolidated financial statements

4. Other operating income

During the year, the Group received £86,934 in respect of R&D tax credits (2024: £nil) and £13,783 in respect of insurance proceeds and other sundry recoveries towards the cost of replacement IT equipment (2024: £nil).

During the year, the Group provided transitional services to the Political Holdings Limited group, the purchaser of the disposed Media, Events and Training operations, as part of the agreed disposal. These services included finance, IT and occupancy services, for which the costs are primarily incurred within the Dods segment. The fees of £13,406 (2024: £346,000) were recognised within Other operating income.

5. Non-recurring items

	2025 **£'000**	2024 £'000
Impairment of Goodwill	**6,800**	-
Fair value movement on investments	**350**	125
People-related costs	**74**	202
Other: Professional services in relation to aborted transactions	**161**	-
	7,385	327

During the year the Group made impairment charges of £6,800k against the carrying value of goodwill (2024: £nil) (see note 13).

Fair value movements on investments relate to the valuation of the Group's investment in unlisted entities (see Note 17).

People-related costs include redundancy costs reflecting the effect of Group initiatives to appropriately restructure the Board and business.

Other non-recurring costs in the year relate to one-off professional fees in respect of incomplete M&A transactions. These costs are classified as non-recurring as they related to a one-off exercise unrelated to Continuing Operations, and are therefore highly unlikely to arise again.

6. Discontinued operations

On 30 November 2022, the Group completed the disposal of the Media, Events and Training operations of its Dods segment (together, the "MET Operations") for a cash consideration of £4.5 million to Political Holdings Limited.

On 12 January 2023, the Group completed the disposal of the trade and assets of Le Trombinoscope SAS, the Paris-based activities of the Dods segment ("Le Trombinoscope") to Trombimedia Limited for £0.1 million cash consideration.

As a consequence of the disposals, the activities of the MET Operations and Le Trombinoscope were classified as Discontinued Operations in the Consolidated income statement.

Notes to the consolidated financial statements

6. **Discontinued operations** continued

The results of Discontinued Operations for the year are as follows:

6(a) Profit from Discontinued Operations

	2025 **£'000**	2024 £'000
Loss for the period from Discontinued Operations	**-**	-
Loss on disposal of Discontinued Operations after tax (see note 6(c))	**-**	(354)
Loss from Discontinued Operations for the year	**-**	(354)

6(b) Cashflows from Discontinued Operations

Cashflows generated by the Discontinued Operation for the year were as follows:

Discontinued Operations	**2025** **£'000**	2024 £'000
Net cash inflow from investing activities	**-**	450
Net increase in cash, cash equivalents and bank overdrafts from Discontinued Operations	**-**	450

6(c) Disposal details

	2025 **£'000**	2024 £'000
Carrying amount of net assets sold	**-**	354
Loss on disposal before tax and reclassification of foreign currency translation reserve	**-**	(354)
Loss on disposal of Discontinued Operations after tax	**-**	(354)

6(d) Post year-end disposal

On 4 July 2025, the Group sold the European part of its Dods Political Intelligence business, via the transfer of assets from Dods Group Limited, comprising the customer contracts for EU Political monitoring and EU stakeholder management services together with the employees and leasehold premises based in Brussels. Proceeds were used, in part, to fully repay the Group's outstanding term loan and RCF with Barclays Bank. Dods' UK Political Intelligence was not included within the sale.

7. (Loss)/profit before tax

(Loss)/profit before tax has been arrived at after charging/(crediting):

	Note	**2025 £'000**	2024 £'000
Depreciation of property, plant and equipment	15	**268**	173
Depreciation of right-of-use assets	24	**839**	833
Amortisation of intangible assets acquired through business combinations	14	**587**	587
Amortisation of software intangible assets	14	**418**	345
Staff costs	9	**11,039**	11,296
Non-IFRS16 operating lease expense	24	**44**	41
Non-recurring items	5	**7,385**	327
Interest income	10	**(9)**	(26)
Interest expense	11	**384**	531
Net foreign exchange loss	11	**212**	250
Loss on disposal of fixed assets	15	**-**	2

(Loss)/profit before tax has been arrived at after charging:

Auditor's remuneration	**2025 £'000**	2024 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**50**	50
Fees payable to the Company's auditor and its associates for other services:		
- The audit of the Company's subsidiaries, pursuant to legislation	**54**	50
	104	100

8. Directors' remuneration

During FY25, aggregate remuneration of the directors was £627k (2024: £920k), which included contributions to defined contribution pensions schemes of £15k (2024: £19k).

During the year, retirement benefits accrued to two directors (2024: three) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £325k (2024: £251k). The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11k (2024: £8k).

Notes to the consolidated financial statements

9. Staff costs

The average number of persons employed by the Group (including Executive Directors) during the year within each category was:

	2025 Number	2024 Number
Editorial and production staff	**42**	41
Sales and marketing staff	**32**	30
Managerial and administration staff	**119**	100
Technology and support staff	**672**	788
	865	959

	2025 £'000	2024 £'000
Wages and salaries	**10,339**	10,319
Social security costs	**685**	783
Pension and other costs	**148**	131
Share-based payment (credit)/charge	**(133)**	63
	11,039	11,296

10. Finance income

	2025 £'000	2024 £'000
Bank interest income	**9**	26
Pension finance credit	**7**	3
	16	29

11. Finance expense

	2025 £'000	2024 £'000
Bank interest expense	**302**	407
Pension finance charge	**31**	25
Lease interest expense	**82**	124
Net foreign exchange loss(1)	**212**	250
	627	806

(1) Net foreign exchange loss includes £175k FX loss on derivatives (2024: £203k FX loss).

Notes to the consolidated financial statements

12. Income tax

	2025 £'000	2024 £'000
Current tax		
Current tax on income for the year at 25% (2024: 25%)	**-**	-
Adjustments in respect of prior periods	**35**	13
	35	13
Overseas tax		
Current tax expense on income for the year	**381**	424
Total current tax expense	**416**	437
Deferred tax (see Note 22)		
Origination and reversal of temporary differences	**(76)**	(120)
Effect of change in tax rate	**6**	-
Adjustments in respect of prior periods	**2**	19
Total deferred tax income	**(68)**	(101)
Total income tax charge	**348**	336

The tax charge for the year differs from the standard rate of corporation tax in the UK of 25% (2024: 25%). A reconciliation is provided in the table below:

	2025 £'000	2024 £'000
(Loss)/profit before tax	**(8,050)**	884
Notional tax (credit)/charge at standard rate of 25% (2024: 25%)	**(2,012)**	221
Effects of:		
Expenses not deductible for tax purposes	**1,828**	63
Non-qualifying depreciation	**-**	7
Adjustments to brought forward value	**7**	19
Non-taxable income	**-**	(5)
Utilisation of losses not provided for	**(162)**	(81)
Tax losses carried forward	**564**	56
Adjustment to agree foreign tax charge	**53**	42
Other	**70**	14
Total income tax charge	**348**	336

13. Goodwill

	2025 £'000	2024 £'000
Cost as at 1 April	**26,919**	26,919
Impairment charge in the year	**(6,800)**	-
Cost as at 31 March	**20,119**	26,919

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units (CGUs) that are expected to benefit from that business combination. The CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cashflows from other groups of assets. Management determined that the smallest level that they could reasonably allocate the group of assets to was MD&T CGU and Dods CGU.

Of the carrying value of goodwill, £15.6 million has been allocated to the MD&T CGU (2024: £15.6 million), and £4.5 million had been allocated to the Dods CGU (2024: £11.3 million).

Goodwill is not amortised but is tested annually for impairment.

In the current and prior years, the assessment for impairment has been undertaken with the recoverable amount being determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rates and forecasts of income and costs. The Group assessed whether the carrying value of goodwill was supported by the discounted cash flow forecasts of the Group based on financial forecasts approved by management covering a five-year period, considering past performance, known developments and committed plans, and expectations for future business developments. Management selected a pre-tax discount rate of 14.3% (2024: 14.3%) reflective of the Group's estimated weighted average cost of capital and the cost of debt financing for the Group, which it considered reflected the market assessments of the time value of money and the risks specific to each separate business.

Based on the above assessments, the Directors concluded that at the year-end that the recoverable amount for the Dods CGU was below its carrying value, including the value of goodwill, and have consequently made a provision for impairment of £6.8 million against the carrying value of goodwill (2024: £nil). In the case of the MD&T CGU, the Directors concluded that at each year-end the recoverable amount was in excess of its carrying value, including the value of goodwill. Therefore no impairment charge was recognised in respect of MD&T (2024: £nil).

Notes to the consolidated financial statements

14. Intangible assets

	Assets acquired through business combinations[1]	Software	Under construction capitalised costs	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2023	11,209	2,176	144	13,529
Additions – internally generated	-	22	302	324
Software brought into use	-	144	(144)	-
At 31 March 2024	11,209	2,342	302	13,853
Additions – internally generated	-	375	319	694
Software brought into use	-	458	(458)	-
Disposals	-	(7)	-	(7)
At 31 March 2025	**11,209**	**3,168**	**163**	**14,540**
Accumulated amortisation				
At 1 April 2023	5,090	531	-	5,621
Charge for the year	587	345	-	932
At 31 March 2024	5,677	876	-	6,553
Charge for the year	587	418	-	1,005
Disposals	-	(7)	-	(7)
At 31 March 2025	**6,264**	**1,287**	**-**	**7,551**
Net book value				
At 31 March 2024	5,532	1,466	302	7,300
At 31 March 2025	**4,945**	**1,881**	**163**	**6,989**

[1] Assets acquired through business combinations, summarised in the table below, comprise:

Notes to the consolidated financial statements

14. Intangible assets continued

Assets acquired through business combinations:	Publishing rights and brands	Customer relationships and lists	Other assets	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2023	5,483	5,626	100	11,209
At 31 March 2024	5,483	5,626	100	11,209
At 31 March 2025	**5,483**	**5,626**	**100**	**11,209**
Accumulated amortisation				
At 1 April 2023	1,559	3,431	100	5,090
Charge for the year	76	511	-	587
At 31 March 2024	1,635	3,942	100	5,677
Charge for the year	76	511	-	587
At 31 March 2025	**1,711**	**4,453**	**100**	**6,264**
Net book value				
At 31 March 2024	3,848	1,684	-	5,532
At 31 March 2025	**3,772**	**1,173**	**-**	**4,945**

The carrying value of publishing rights with a useful economic life of 75 years is £3.8 million (2024: £3.8 million).

Included within intangible assets are internally generated assets with a net book value of £1.5 million (2024: £1.9 million).

During the period there was an expense of £0.5 million to the Consolidated income statement for Research & Development (2024: £0.4 million).

Notes to the consolidated financial statements

15. Property, plant and equipment

	Leasehold Improvements	IT Equipment and Fixtures and Fittings	Total
	£'000	£'000	£'000
Cost			
At 1 April 2023	-	1,449	1,449
Additions	93	325	418
Disposals	-	(4)	(4)
At 31 March 2024	93	1,770	1,863
Additions	2	489	491
Disposals	-	(56)	(56)
At 31 March 2025	**95**	**2,203**	**2,298**
Accumulated depreciation			
At 1 April 2023	-	1,108	1,108
Charge for the year	23	150	173
Disposals	-	(2)	(2)
At 31 March 2024	23	1,256	1,279
Charge for the year	48	220	268
Disposals	-	(56)	(56)
At 31 March 2025	**71**	**1,420**	**1,491**
Net book value			
At 31 March 2024	70	514	584
At 31 March 2025	**24**	**783**	**807**

16. Subsidiaries

Company	Activity	% holding	Country of registration
Dods Group Limited[1]	Political monitoring	100	England and Wales
Le Trombinoscope SAS[2]	Dormant	100	France
Merit Data & Technology Limited[1]	Data and technology	100	England and Wales
Merit Data and Technology Private Limited[3]	Data and technology	99.99	India
European Parliamentary Communications Services SPRL[4]	Dormant	100	Belgium

1 Registered address: 5th Floor, 150 borough High Street, London, SE1 1LB.
2 Registered address: Tour Voltaire, 1 place des Degrés – La Défense, 92800 Puteaux, Paris, France.
3 Registered address: SP 52, 3rd Street, Ambattur Industrial Estate, Chennai 600 058.
4 Registered address: Boulevard Charlemagne 1, 1041 Bruxelles, Belgium.

Notes to the consolidated financial statements

17. Investments

Investments are presented on the balance sheet as follows:

	2025 £'000	2024 £'000
Non-current asset investments		
Unlisted Investments	-	350

Fair value	**2025 £'000**	**2024 £'000**
Balance at the beginning of the year	**350**	450
Additions	-	75
Disposals	-	(50)
Unrealised losses recognised though profit and loss	**(350)**	(125)
Balance at the end of the year	-	350

In 2022, the Group acquired a 9.2% stake in Web Data Works Limited ("DataWorks") for £450k. DataWorks is an unlisted business registered in and operated from the Republic of Ireland, engaged in the development of e-commerce data management software and applications.

After taking into account the Group's voting rights, exposure and rights to variable returns from its involvement with the investee, and its ability to use the power over the investee to affect the amount of investor's return, the Directors have concluded that the Group does not have a significant influence over DataWorks. The investment is therefore carried as a fixed asset investment at fair value through profit and loss.

The Directors' assessment of the fair value of other unlisted investments falls within Level 3 of the fair value hierarchy of IFRS 13. This assessment has been based on management's experience of investing in unlisted investments and the financial information, including financial projections, received from the investee companies. As such, the fair value can be subject to material change as the investee business develops and performs over time.

The Directors have determined that the fair value (FVTPL) of the investment is as follows:

Investee entity	**2025 £'000**	**2024 £'000**
Web Data Works Limited	-	350

A loss of £350,000 in respect of this investment has been recognised in the year (2024: loss of £125,000).

18. Financial instruments

The carrying amount of financial assets and liabilities recognised at the balance sheet date of the reporting periods under review may also be categorised as follows:

	2025 £'000	2024 £'000
Financial assets		
Trade and other receivables (amortised cost)	**3,474**	3,627
Deferred consideration receivable (amortised cost)	**-**	50
Cash and cash equivalents (amortised cost)	**392**	782
	3,866	4,459
Financial liabilities		
Trade and other payables (amortised cost)	**(2,608)**	(2,416)
Derivative Contracts (FVTPL*)	**(175)**	(203)
Lease liabilities (amortised cost)	**(1,001)**	(1,870)
Bank loan & RCF (amortised cost)	**(3,556)**	(2,643)
	(7,340)	(7,132)
Net financial liabilities	**(3,474)**	(2,673)

*FVTPL stands for "Fair value through profit and loss".

The deferred consideration receivable at 31 March 2025 was due within the next 12 months and accrued no interest (2024: same). Its fair value was therefore the same as the booked value with no discounting of the outstanding amount.

Between 2 May 2024 and 5 March 2025, the Group signed forward contracts for a total value of approximately £6.6 million with maturity dates ranging from 25 April 2025 to 25 February 2026. The forward contracts are for currency pairing of GBP to INR.

The Group has exposure to several forms of risk through its use of financial instruments. Details of these risks and the Group's policies for managing these risks are included below.

Notes to the consolidated financial statements

18. Financial instruments continued

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's principal financial assets are trade and other receivables, and cash.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the Consolidated statement of financial position are net of allowances for doubtful receivables. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

At 31 March 2025, £597,000 of the Group's trade receivables were exposed to risk in countries other than the United Kingdom (2024: £485,000).

	Gross 2025 £'000	**Provided Loss Allowance 2025 £'000**	Gross 2024 £'000	Provided Loss Allowance 2024 £'000
Trade Receivables	**2,659**	**(55)**	3,034	(82)
	2,659	**(55)**	3,034	(82)

The maximum credit risk exposure for which the Group has made provision is £55,000 (2024: £82,000).

The ageing of trade receivables at the reporting date was:

	Gross carrying amount £'000	**Default rate**	**Lifetime expected credit losses* £'000**
Current	1,820	1.4%	24
1-30 days past due	578	1.8%	10
31-60 days past due	186	4.9%	9
61-90 days past due	32	30.8%	10
More than 90 days past due	43	4.7%	2
	2,659		**55**

* Expected credit losses = Gross carrying amount x Default rate.

The movement in allowance for doubtful accounts in respect of trade receivables during the year was as follows:

	2025 £'000	2024 £'000
Balance at the beginning of the year	**82**	**82**
Charged in the year	**-**	**-**
Released in the year	**(27)**	**-**
Balance at the end of the year	**55**	**82**

18. Financial instruments continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The contractual cash flows of each financial liability are materially the same as their carrying amount.

A reconciliation of the Group's liabilities arising from financing activities is disclosed below.

	Bank Loan and RCF £'000	Lease Liabilities £'000	Total Financing Liabilities £'000
At 1 April 2023	4,715	1,880	6,595
Cash movements:			
Repayment of Term Loan principal	(172)	-	(172)
Repayment of 2023 Property Term Loan	(1,200)	-	(1,200)
Repayment of RCF	(700)	-	(700)
Lease payments	-	(1,007)	(1,007)
Non-cash movements:			
New leases	-	873	873
Lease interest	-	124	124
At 31 March 2024	**2,643**	**1,870**	**4,513**
Cash movements:			
Repayment of Term Loan principal	(187)	-	(187)
Repayment of 2023 Property Term Loan	(600)	-	(600)
Drawdown of RCF	1,700	-	1,700
Lease payments	-	(951)	(951)
Non-cash movements:			
Lease interest	-	82	82
At 31 March 2025	**3,556**	**1,001**	**4,557**

18. Financial instruments continued

Banking covenants
Under the Group's bank facilities (see Note 21), the Group is subject to selected covenant compliance tests on a rolling 12 month basis and at each quarter end date. These covenant compliance tests are as follows:

Covenant	**Compliance test**
Leverage ratio	Gross debt shall not be more than x Adjusted EBITDA
Profit Cover Ratio	Gross financing costs (capital & interest) shall not be less than x Adjusted EBITDA
Cashflow Cover Ratio	Gross financing costs (capital & interest) shall not be less than x cashflow before financing

Adjusted EBITDA: earnings before interest, tax, depreciation & amortisation adjusted for share based payments and non-recurring items.

Rolling 12 month basis, ending on:	Leverage Ratio	Profit Cover Ratio	Cashflow Cover Ratio
30 June 2025	1.0x	3.0x	1.5x
30 September 2025	1.0x	3.0x	1.5x
31 December 2025 and thereafter	1.0x	3.0x	1.5x

Maturity of financial liabilities:
The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities as at 31 March 2025. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Due within 1 year £'000	**Due 2-5 years £'000**	**Due after 5 years £'000**	**Total £'000**
Trade and other payables	2,608	-	-	**2,608**
Derivative contracts	175	-	-	**175**
Bank loan/RCF	3,191	365	-	**3,556**
Lease liabilities	668	333	-	**1,001**

The Group has a strong track record on cash and working capital management and carefully monitors its aged debtors to ensure its cash receipts are as expected. The Group does not anticipate paying dividends to shareholders at this time.

In July 2025, following the sale of the European part of the Dods Political Intelligence business (see Note 28), all bank loans and the RCF were repaid in full.

Notes to the consolidated financial statements

18. Financial instruments continued

Currency risk
The Group is exposed to currency risk on transactions denominated in Euros, US Dollars and Indian Rupees; see Notes 19 and 20.

Share capital
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. For further details of share capital, see Note 23.

Sensitivity analysis
In managing interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, changes in foreign exchange and interest rates would have an impact on consolidated earnings. The balances of the financial assets and liabilities exposed to these sensitivities are £448,000 Trade receivables, £182,000 Cash and cash equivalents and £406,000 Trade payables for the year.

At 31 March 2025, it is estimated that a general increase of one percentage point in interest rates would have decreased the Group's profit before tax by approximately £36,000 (2024: £26,000).

It is estimated that a general increase of one percentage point in the value of the Euro and Dollar against Sterling would have increased the Group's profit before tax by approximately £26,000 (2024: £24,000).

It is estimated that a general increase of one percentage point in the value of the Rupee against Sterling would have decreased the Group's profit before tax by approximately £89,000 (2024: £90,000).

Fair values
The Directors consider that the fair value of financial instruments is materially the same as their carrying amounts.

Capital management
The Group manages its capital to ensure that all entities will be able to continue as a going concern while maximising return to stakeholders, as well as sustaining the future development of the business. The capital structure of the Group consists of cash and cash equivalents and equity attributable to the owners of the parent, comprising issued share capital, other reserves and retained earnings.

Capital Management	**2025 £'000**	2024 £'000
Cash & cash equivalents	**392**	782
Share Capital	**6,708**	6,708
Other reserves	**14,308**	14,610
Retained Earnings	**2,146**	10,586
	23,554	32,686

19. Other financial assets

Trade and other receivables	2025 £'000	2024 £'000
Trade receivables	**2,604**	2,952
Other receivables	**870**	675
Deferred consideration receivable	**-**	50
Prepayments and accrued income	**547**	622
	4,021	4,299

Trade and other receivables denominated in currencies other than Sterling comprise £307,000 (2024: £386,000) denominated in Euros, £82,000 (2024: £92,000) denominated in USD and £59,000 (2024: £nil) denominated in Indian Rupees.

The Group had a balance of £64,000 of accrued income relating to contract assets (2024: £141,000).

Cash related	2025 £'000	2024 £'000
Cash and cash equivalents	**392**	782
	392	782

Cash includes £62,000 (2024: £101,000) denominated in Euros, £13,000 (2024: £20,000) denominated in USD and £107,000 (2024: £327,000) denominated in Indian Rupees.

20. Trade and other payables

Current	2025 £'000	2024 £'000
Trade creditors	**1,049**	679
Other creditors including tax and social security	**770**	873
Accruals and deferred income	**3,888**	4,140
	5,707	5,692

Current liabilities denominated in currencies other than Sterling compromise £37,000 (2024: £55,000) denominated in Euros, £5,000 (2024: £nil) denominated in USD and £364,000 (2024: £138,000) denominated in Indian Rupees.

The Group had a balance of £2,924,000 of deferred revenue relating to contract liabilities (2024: £3,073,000).

Other creditors including tax and social security includes £175,000 of liabilities in respect of forward foreign exchange contracts (2024; £203,000).

21. Net debt

	2025 £'000	2024 £'000
Bank loan / RCF due within one year	**3,191**	2,091
Bank loan due after more than one year	**365**	552
	3,556	2,643
Cash and cash equivalents	**(392)**	(782)
Net debt	**3,164**	1,861

Interest-bearing loans and borrowings

On 22 July 2022, the Company agreed new secured loan facilities with Barclays which include:

- Term Loan: a £3 million, five-year term loan, amortising on a straight-line basis at £150,000 per quarter;
- RCF: a £2 million non-amortising, revolving credit facility for the five-year duration of the Term Loan;
- Both the Term Loan and RCF accruing interest at 4.75% above Bank of England base rate.

On 1 December 2022, the Company repaid and cancelled £2 million of the Term Loan following receipt of the proceeds of disposals.

On 22 March 2023, the Company secured a further £1.8 million 18-month Term Loan, amortising on a straight-line basis at £300,000 per quarter, in order to fund the disposal of the Company's Shard lease. This loan was fully repaid during the year.

On 09 March 2023, the Company secured a further £1.0 million RCF facility.

At 31 March 2025, the balances outstanding on the Company's loan and RCF facilities were as follows:

Facility	**Outstanding at 31 March 2025 £'000**	Outstanding at 31 March 2024 £'000
£1 million Term Loan	**556**	743
£1.8 million Term Loan	**-**	600
RCF	**3,000**	1,300
Total Term Loans and RCF	**3,556**	2,643

See Note 18 for the maturity analysis of the bank loan.

Merit Group Limited (formerly known as Merit Group plc)

Notes to the consolidated financial statements

22. Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Group, and movements thereon during the current year and prior year:

	Liabilities	Assets			
	Intangible assets arising on consolidation £'000	Other timing differences £'000	Accelerated capital allowances £'000	Tax losses £'000	**Total £'000**
At 1 April 2023	(641)	3	181	641	184
Credit/(charge) in the year	144	1	74	(126)	93
At 31 March 2024	(497)	4	255	515	277
Credit/(charge in the year	130	80	(150)	7	67
At 31 March 2025	**(367)**	**84**	**105**	**522**	**344**

Deferred tax assets and liabilities have been offset in both the current year and preceding year as the current tax assets and liabilities can be legally offset against each other, and they relate to taxes levied by the same taxation authority or the Group intends to settle its current tax assets and liabilities on a net basis.

At the balance sheet date, the Group has total carried forward tax losses of £11.3 million (2024: £9.3 million) available to offset against future taxable profits. Of these, the Group has recognised deferred tax assets of £522,000 (2024: £515,000) in respect of carried forward tax losses of £2.1 million (2024: £2.1 million) as it is probable that these assets shall be recovered against the taxable profits over the foreseeable period. On the remaining £9.2 million (2024: £7.2 million) carried forward taxable losses, the Group has not recognised a deferred tax asset as it is less probable that the potential asset would be utilised.

23. Issued capital

	28p ordinary shares Number	**Total £'000**
Issued share capital as at 31 March 2024	23,956,124	6,708
Issued share capital as at 31 March 2025	**23,956,124**	**6,708**

24. Leases

The Group held leased assets accounted for under IFRS16 with the following net book value and associated lease liabilities:

	Right-of-use assets £'000	Lease liabilities £'000
As at 1 April 2023	1,874	(1,880)
Additions	873	(873)
Depreciation	(833)	-
Lease Interest	-	(124)
Lease payments	-	1,007
As at 31 March 2024	**1,914**	**(1,870)**
Depreciation	**(839)**	**-**
Lease Interest	**-**	**(82)**
Lease payments	**-**	**951**
As at 31 March 2025	**1,075**	**(1,001)**
Current		**(668)**
Non-current		**(333)**

The right-of-use assets relate to office space in four locations and at the balance sheet date have remaining terms ranging up to 5 years. Lease liabilities includes liabilities in respect of IT equipment with a cost of £77,000 (2024: £77,000). These assets are capitalised within IT equipment (see Note 15).

The Consolidated income statement includes the following amounts relating to leases:

	2025 £'000	2024 £'000
Depreciation charge of right-of-use assets	**839**	833
Interest expense (included in finance cost)	**82**	124

Lease payments not recognised as a liability

The group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability for the year was £44,000 (2024: £41,000) and the minimum commitments under such leases at 31 March 2025 were:

Land and Buildings	2025 £'000	2024 £'000
Within one year	**-**	31
Between two and five years	**-**	15
	-	46

25. Share-based payments

Performance Share Plan (PSP)
In January 2022, the Company granted a conditional award to two executive Directors, David Beck (former CEO) and Philip Machray (CFO) under a performance share plan as below.

Date of grant	Director	Outstanding Options at 1 April 2024	Granted during the year	Lapsed/waived during the year	**Outstanding options at 31 March 2025**
28 January 2022	David Beck	762,376	-	(762,376)	**-**
28 January 2022	Philip Machray	658,415	-	(658,415)	**-**
		1,420,791	-	(1,420,791)	**-**

On 30 April 2024, following the appointment of Philip Machray as Chief Executive Officer, the Company amended the terms of the above awards as follows:

Director	Outstanding Options at 31 March 2024	Original Performance Period	Amended Performance Period
David Beck	762,376	17 Nov 2021 to 17 Nov 2024	17 Nov 2021 to 31 Jan 2025
Philip Machray	658,415	17 Nov 2021 to 17 Nov 2024	17 Nov 2021 to 17 Nov 2027
	1,420,791		

On 4 March 2025, following the delisting of the Company's shares from AIM, the CEO fully waived his entitlement to his PSP options in return for the Company granting a revised long-term incentive of equivalent value which, if earned, would be payable as cash bonuses. No other awards were made in the current year.

A Monte Carlo Arithmetic Brownian Motion simulation model has been used to determine the fair value of the share options on the date of grant. The fair value is expensed to the income statement on a straight-line basis over the vesting period. The model assesses a number of factors in calculating the fair value. These include the market price on the day of grant, the exercise price of the share options, the expected share price volatility of the Company's share price, the expected life of the options, the risk-free rate of interest and the expected level of dividends in future periods. The inputs into the model were as follows:

Date of grant	Risk free rate	Share price volatility	Share price at date of grant
28 January 2022	2.3%	40.0%	50.5p

Expected volatility was determined by calculating the historical volatility of the Company's share price for three years prior to the date of grant. The expected life used in the model is the term of the options.

No options were outstanding under the Company's PSP scheme as at 31 March 2025. The income statement credit in respect of the PSP for the year was £133,000 (2024: charge of £63,000).

26. Pensions

Defined benefit pension

The Group operates a defined benefit pension scheme for qualifying employees based in India known as Gratuity Benefits which is classified as Post-Retirement Benefits under IAS19 (revised). Under the scheme, the eligible employees are entitled to a retirement benefit in cash based on final salary on attainment of retirement age (or earlier withdrawal/resignment or death) after 5 years of continual service. The assets of the scheme are held separately to the assets of the Group in a trustee administered fund.

The Group employed an independent actuary to update the Gratuity Benefits valuation to measure the scheme's liabilities.

The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. The projected unit credit method is based on the plan's accrual formula and upon services as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

The scheme's costs are borne by the Group. Any surplus or deficits in the scheme may affect the Group through periodic adjustments to the Group's contribution rate as determined by the actuary.

The plan exposes the Group to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

- Interest rate risk – The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds.
- Investment risk – The entire plan assets at 31 March 2025 comprise an insurance policy. The value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases the present value of the asset is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the valuation period.
- Longevity risk – The Group is required to provide benefits for the members in the gratuity scheme. Increases in the continual tenure of employment will increase the defined benefit liability.
- Inflation risk – A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's liability. High salary growths will lead to higher level of benefits to be paid by the Group.

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate, and the withdrawal rates. The assumptions used for the valuation of the defined benefits obligation are as follows in the table "Principal actuarial assumptions" on pages 64 and 65.

26. Pensions continued

Funded status of the plan

	2025	2024
	£'000	£'000
Present value of defined benefit obligations	(409)	(419)
Fair value of plan assets	88	57
Present value of unfunded defined benefit obligations	**(321)**	**(362)**
Current	(66)	(79)
Non-current	(255)	(283)
Net Deficit	(321)	(362)
Net Liability	**(321)**	**(362)**

Movement in present value of obligation	**2025**	**2024**
	£'000	£'000
At 1 April	(419)	(374)
Current service cost	(68)	(75)
Interest cost	(26)	(25)
Remeasurement (gains)/losses (OCI)		
Due to changes in financial assumptions	28	(4)
Due to changes in demographic assumptions	1	-
Due to experience adjustments	3	(11)
Benefits paid from fund	53	57
Foreign exchange revaluation	19	13
At 31 March	**(409)**	**(419)**

Movement in fair value of plan assets	**2025**	**2024**
	£'000	£'000
At 1 April	57	49
Net interest Income	4	3
Contribution by employer	82	65
Benefits paid	(53)	(57)
Foreign exchange revaluation	(2)	(3)
At 31 March	**88**	**57**

The plan asset relates 100% to an insurance policy. The plan assets are all based geographically in India.

Notes to the consolidated financial statements

26. Pensions continued

The amounts included in the Consolidated income statement, Consolidated statement of other comprehensive income and Consolidated statement of financial position arising from the Group's obligations in respect of its defined benefit pension scheme are as follows:

Amounts recognised in Consolidated income statement	**2025**	**2024**
	£'000	£'000
Service cost	68	75
Interest cost	26	25
Interest income	(4)	(3)
Foreign exchange revaluation	(17)	(10)
Total expense recognised in Consolidated income statement	**73**	**87**

Amounts recognised in Consolidated statement of OCI	**2025**	**2024**
	£'000	£'000
Actuarial changes in financial assumptions	(28)	4
Actuarial experience adjustments	(4)	11
Return on plan assets	-	-
Total (credit)/expense recognised in Consolidated statement of OCI	**(32)**	**15**

Movement in pension scheme net deficit	**2025**	**2024**
	£'000	£'000
Opening pension scheme net deficit	(362)	(325)
Contributions by employer	82	65
Consolidated income statement	(73)	(87)
Consolidated statement of OCI	32	(15)
Closing pension scheme net deficit	**(321)**	**(362)**

Principal actuarial assumptions (expressed as weighted averages) are as follows:

Principal Actuarial assumptions	**2025**	**2024**
	p.a.	p.a.
Discount rate	6.60%	7.20%
Salary growth rate	4.50%	7.00%
Withdrawal rates by age		
Below 35	30.00%	25.00%
35 to 45	20.00%	15.00%
Above 45	15.00%	10.00%
Rate of return on plan assets	15.00%	7.20%

26. Pensions continued

In valuing the liabilities of the pension fund, mortality assumptions have been made as indicated below.

Mortality rates

Age (in years)	2025	2024
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%

At 31 March 2025 the mortality rates were derived from the Indian Assured Lives Mortality (2012-2014) report.

The Group expects to contribute approximately £66,000 in the next financial year.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4.77 years (2024: 6.22 years).

The calculation of the defined benefit obligation (DBO) is sensitive to the assumptions set out above. The following table summarises how the defined benefit obligation at the end of the reporting period would have been because of a change in the respective assumptions.

Sensitivity to key assumptions	2025 £'000 p.a.	2024 £'000 p.a.
Discount rate		
Increase by 0.5%	401	408
Decrease by 0.5%	417	431
Salary growth rate		
Increase by 0.5%	416	429
Decrease by 0.5%	402	410
Withdrawal rate (W.R)		
W.R x 110%	402	417
W.R x 90%	409	421

27. Related party transactions

Meritgroup Limited acquisition

On acquisition of Meritgroup Limited, an arm's length non-repairing 7-year lease was entered into between a Merit subsidiary (Letrim Intelligence Services Private Limited) and Merit Software Services Private Limited. Cornelius Conlon, who served as a Director of the Group during the year, is the beneficial owner of Merit Software Services Private Limited. The lease relates to the Chennai office of MD&T. During the year, payments of £732,805 (2024: £833,560) were made to Merit Software Services Private Limited in relation to the lease and other property-related costs.

Other related party transactions

During the year, an amount of £96,646 (2024: £136,374) was billed for Software and Technology Resourcing services to System1 Group plc, a company of which Philip Machray is a Non-Executive Director and shareholder. At 31 March 2025, there was a balance of £8,400 (2024: £16,800) outstanding.

During the year, the Political Holdings Limited group, a private company owned by Lord Ashcroft KCMG PC, a substantial shareholder in the Company, and of which Angela Entwistle, a non-executive director of the Company, is a director, was billed £103,803 (2024: £109,594) for marketing and data services. At 31 March 2025, there was a balance of £113,883 due (at 31 March 2024: £62,302).

During the current and previous years, Deacon Street Partners Limited, a company related by virtue of Angela Entwistle, a Director of the Company also being a Director, invoiced £30,000 (2024: £30,000) to the Company for the services of Angela Entwistle as a Non-Executive Director. At 31 March 2025, the balance outstanding was £2,500 (2024: £2,500).

The Spouse of Cornelius Conlon, who served as a Director of the Company during the year, is employed by a subsidiary of the Company and received £54,901 remuneration in the year (2024: £51,273).

The Executive Directors of the Group are considered key management personnel. See Note 8 for details of Directors' remuneration.

28. Post balance sheet events

On 4 July 2025, the Group sold the European part of its Dods Political Intelligence business, via the transfer of assets from Dods Group Limited, comprising the customer contracts for EU Political monitoring and EU stakeholder management services together with the employees and leasehold premises based in Brussels. Proceeds were used, in part, to fully repay the Group's outstanding term loan and RCF with Barclays Bank. Dods' UK Political Intelligence was not included within the sale.

Parent Company statement of financial position

As at 31 March 2025

	Note	**2025 £'000**	2024 £'000
Non-current assets			
Intangible assets	32	**818**	1,021
Tangible fixed assets	33	**-**	-
Investments	34	**30,416**	32,766
Total non-current assets		**31,234**	33,787
Current assets			
Trade and other receivables	35	**3,683**	2,285
Cash	36	**7**	6
Total current assets		**3,690**	2,291
Total assets		**34,924**	36,078
Current liabilities			
Trade and other payables	37	**655**	913
Bank loan / RCF	38	**3,191**	2,091
Lease liability	41	**-**	6
Total current liabilities		**3,846**	3,010
Non-current liabilities			
Bank Loan	38	**365**	552
Total non-current liabilities		**365**	552
Capital and reserves			
Called-up share capital	39	**6,708**	6,708
Share premium account		**1,067**	1,067
Profit and loss account		**9,258**	10,925
Capital redemption reserve		**13,680**	13,680
Share option reserve		**-**	136
Total equity		**30,713**	32,516
Total equity and liabilities		**34,924**	36,078

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 from the requirement to present its own Income Statement.

During the year, the Company made a loss of £1,667,000 (2024: profit of £204,000).

The Notes on pages 69 to 79 form part of these financial statements.

These financial statements were approved by the Board of Directors and were signed on its behalf by:

Philip Machray
Chief Executive and Chief Financial Officer
15 August 2025

Company number: 04267888

Parent Company statement of changes in equity

For the year ended 31 March 2025

	Share capital £'000	Share premium reserve[1] £'000	Capital redemption reserve[2] £'000	Profit and loss account £'000	Share option reserve[3] £'000	**Total shareholders' funds £'000**
At 1 April 2023	6,708	1,067	13,680	10,721	73	**32,249**
Total comprehensive income						
Profit for the year	-	-	-	204	-	**204**
Share-based payment charge	-	-	-	-	63	**63**
At 31 March 2024	**6,708**	**1,067**	**13,680**	**10,925**	**136**	**32,516**
At 1 April 2024	6,708	1,067	13,680	10,925	136	**32,516**
Total comprehensive income						
Loss for the year	-	-	-	(1,667)	-	**(1,667)**
Share-based payment credit	-	-	-	-	(136)	**(136)**
At 31 March 2025	**6,708**	**1,067**	**13,680**	**9,258**	**-**	**30,713**

(1) The share premium reserve represents the amount paid to the Company by shareholders above the nominal value of shares issued.
(2) The capital redemption reserve is a non-distributable reserve created on cancellation of deferred shares
(3) The share option reserve represents the cumulative expense recognised in relation to equity-settled share-based payments.

The Notes on pages 69 to 79 form part of these financial statements.

Notes to the Parent Company financial statements

29. Statement of Accounting Policies - Company

The Company financial statements have been prepared for the year ended 31 March 2025 (comparative: year ended 31 March 2024).

The following accounting policies have been applied consistently in the current and prior year in dealing with items which are considered material in relation to the Company's financial statements.

The Company's financial statements are presented in Sterling (£) and are rounded to the nearest thousand pounds (unless stated otherwise).

The preparation of financial statements in compliance with FRS 102 requires management to exercise judgement in applying the Company's accounting policies (see note 30).

Basis of accounting
The financial statements have been prepared in accordance with United Kingdom applicable accounting standards, including Financial Reporting Standard 102, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own income statement.

The individual accounts of the Company have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes;
- financial instrument disclosures, including: categories of financial instruments, items of income, expenses, gains or losses relating to financial instruments, and exposure to and management of financial risks;
- the requirement to present share-based payment disclosures; and
- the requirement to disclose key management personnel compensation.

Going Concern
The Directors have considered the implications for Going Concern for a period of at least twelve months from the signing of these accounts. The Board remains satisfied with the Company's funding and liquidity position as discussed further in Note 1 of the Group financial statements.

The Board remains mindful regarding the uncertainties inherent in the current economic conditions. The Company's forecasts and projections, taking into account reasonable changes in trading performance given these uncertainties, show the Company operating within its current cash flow with headroom going forward.

On the basis of these forecasts, and given the level of cash available, the Board has concluded that the going concern basis of preparation continues to be appropriate.

29. Statement of Accounting Policies – Company continued

Share-based payments
The Company operates an equity-settled, share based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Deferred tax is recognised where it is likely that tax relief will be available on the difference between exercise price and market price at the balance sheet date.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises a movement in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its subsidiary's financial statements, with the corresponding movement being recognised directly in equity.

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.

Leases
Operating lease rentals are charged to the income statement on a straight-line basis over the period of the lease.

Finance leases are recorded as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments. Finance lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability. The depreciation of the lease asset is the shorter of the lease term and the estimated useful life of the asset, in line with the policy.

Post-retirement benefits - defined contribution
The Company contributes to independent defined contribution pension schemes.

Tax
Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Notes to the Parent Company financial statements

29. Statement of Accounting Policies – Company continued

Tax (continued)
Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed, recognised, and will be assessed. Deferred tax is recognised when income or expenses from a subsidiary is to be assessed foo tax in a future period, except where:

- the Company is unable to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Intangible fixed assets
Intangible fixed assets acquired by the Company are stated at cost less accumulated amortisation and impairment losses, if any. Intangible fixed assets are amortised on a straight-line basis over their useful lives. Intangible fixed assets are not revalued. The amortisation period and method are reviewed at each financial year end.

Intangible fixed assets represent publishing rights acquired by the Company. These are amortised over their useful economic life of 20 years.

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use, its intention to complete and its ability to use the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

29. Statement of Accounting Policies – Company continued

Tangible fixed assets and depreciation
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 provided to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

- IT Equipment 3-5 years

Fixed asset investments
In the Company's financial statements, investments in subsidiary undertakings and participating interests are stated at cost less any provisions for impairment. Investments in unlisted investments are held at fair value through profit and loss (“FVTPL”).

Impairment of fixed assets
The carrying amounts of the Company’s assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset’s recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the income statement if it is caused by a clear consumption of economic benefits. Otherwise, impairments are recognised in the statement of other comprehensive income until the carrying amount reaches the asset’s depreciated historic cost.

Calculation of recoverable amount
The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment
An impairment loss is reversed on intangible fixed assets only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment on the intangible fixed assets and the value in use or the fair value less cumulative amortisation is above the impaired carrying amount.

For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

29. Statement of Accounting Policies – Company continued

Impairment of fixed assets (continued)
An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets, liabilities and equity instruments
The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, such as bank loans, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically other debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

30. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements, estimates and assumptions

a) Going concern
Management applies judgement when determining to apply the going concern basis for preparation of the financial statements. As the Company is assured of financial support from the ultimate parent company, the Company is under the assumption that it will be able to meet all of its short-term financial needs for the foreseeable future.

b) Investments
The Group takes into account the power over its investee, its exposure and rights to variable returns from its involvement with the investee, and its ability to use the power over the investee to affect the amount of the investor's return to determine whether the investment is treated as an associate or a controlling interest. See note 34 for further details.

c) Intangible fixed assets
Management recognises an intangible fixed asset when it is identifiable and has no physical substance, the Company has full control over the asset, and future economic benefits are expected. An intangible asset is deemed by management to exist when it can be identified as being separable or arises from contractual or other legal rights.

d) Useful economic lives of tangible and intangible fixed assets
The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See notes 32 and 33 for the carrying amount of the intangible and tangible fixed assets respectively, and note 29 for the useful economic lives for each class of assets.

e) Deferred tax
Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income. Details of deferred tax are given in note 35.

Notes to the Parent Company financial statements

31. Staff costs - Company

The average number of persons employed by the Company (including executive Directors) during the year within each category was:

	2025	2024
Managerial and administration staff	**4**	4

The aggregate payroll costs in respect of these employees (including executive Directors) were:

	2025 £'000	2024 £'000
Wages and salaries	**419**	480
Social security costs	**45**	57
Pension and other costs	**10**	14
Share-based payment (credit)/charge	**(133)**	63
	341	614

Detailed disclosures on Directors' remuneration are given in Note 8.

32. Intangible assets - Company

	Publishing rights £'000	**Software £'000**	**Total £'000**
Cost			
At 31 March 2024	1,357	799	2,156
At 31 March 2025	**1,357**	**799**	**2,156**
Accumulated amortisation			
At 31 March 2024	612	523	1,135
Charge for the year	69	134	203
At 31 March 2025	**681**	**657**	**1,338**
Net book value			
At 31 March 2024	745	276	1,021
At 31 March 2025	**676**	**142**	**818**

Notes to the Parent Company financial statements

33. Tangible fixed assets - Company

	IT Equipment £'000	Total £'000
Cost		
At 31 March 2024 and 31 March 2025	**77**	**77**
Accumulated depreciation		
At 31 March 2024 and 31 March 2025	**77**	**77**
Net book value		
At 31 March 2024	-	-
At 31 March 2025	**-**	**-**

34. Fixed asset investments - Company

	Unlisted investment[1] £'000	Subsidiary undertakings[2] £'000	Total £'000
Cost or fair value			
At 31 March 2024	475	32,446	32,921
Fair value movement	(350)	-	(350)
At 31 March 2025	**125**	**32,446**	**32,571**

1 Fair value through profit and loss
2 Cost

	Unlisted investment[1] £'000	Subsidiary undertakings[2] £'000	Total £'000
Accumulated amortisation			
At 31 March 2024	125	30	155
Impairment provision	-	2,000	2,000
At 31 March 2025	**125**	**2,030**	**2,155**
Net book value			
At 31 March 2024	350	32,416	32,766
At 31 March 2025	**-**	**30,416**	**30,416**

During the year, the Company made an adjustment to fair value charge of £350,000 against the carrying value of unlisted investments (2024: £125,000), and an impairment charge of £2,000,000 (2024: £nil) against the carrying value of subsidiary undertakings. Detailed disclosures on subsidiary undertakings are given in Note 16 and unlisted investments in Note 17.

Notes to the Parent Company financial statements

35. Trade and other receivables - Company

	2025 £'000	2024 £'000
Other debtors	**14**	5
Amounts owed by group undertakings	**3,410**	2,000
Deferred tax asset	**161**	175
Prepayments and accrued income	**98**	105
	3,683	2,285

Amounts owed by group undertakings accrue no interest and are repayable on demand.

At the balance sheet date, the Company has recognised a deferred tax asset of £161,000 (2024: £175,000) in respect of carried forward tax loss for which is it probable that these assets will be recovered against the taxable profits over the foreseeable period.

36. Cash and cash equivalents - Company

	2025 £'000	2024 £'000
Cash and cash equivalents	**7**	6

37. Trade and other payables - Company

Trade and other payables: amounts falling due within one year	2025 £'000	2024 £'000
Trade creditors	**108**	81
Amounts owed to group undertakings	**-**	343
Other creditors including tax and social security	**275**	67
Accruals and deferred income	**272**	422
	655	913

All amounts owed to group undertakings due within one year are interest free and repayable on demand.

38. Interest-bearing loans and borrowings - Company

On 22 July 2022, the Company agreed new secured loan facilities with Barclays which include:

- Term Loan: a £3 million, five-year term loan, amortising on a straight-line basis at £150,000 per quarter;
- RCF: a £2 million non-amortising, revolving credit facility for the five-year duration of the Term Loan;
- Both the Term Loan and RCF accruing interest at 4.75% above Bank of England base rate.

On 1 December 2022, the Company repaid and cancelled £2 million of the Term Loan following receipt of the proceeds of disposals.

On 22 March 2023, the Company secured a further £1.8 million 18-month Term Loan, amortising on a straight-line basis at £300,000 per quarter, in order to fund the disposal of the Company's Shard lease. This loan was fully repaid during the year.

On 09 March 2023, the Company secured a further £1.0 million RCF facility.

At 31 March 2025, the balances outstanding on the Company's loan and RCF facilities were as follows:

Facility	**Outstanding at 31 March 2025 £'000**	Outstanding at 31 March 2024 £'000
£1 million Term Loan	**556**	743
£1.8 million Term Loan	**-**	600
RCF	**3,000**	1,300
Total Term Loans and RCF	**3,556**	2,643

These mature as follows:

	2025 £'000	2024 £'000
Bank loan / RCF due within one year	**3,191**	2,091
Bank loan due after more than one year	**365**	552
Net debt	**3,556**	2,643

In July 2025, following the sale of the European part of the Dods Political Intelligence business (see Note 28), all bank loans and the RCF were repaid in full.

Notes to the Parent Company financial statements

39. Share capital - Company

	28p ordinary shares Number	**Total £'000**
Issued share capital as at 1 April 2024	23,956,124	6,708
Issued share capital as at 31 March 2025	**23,956,124**	**6,708**

40. Operating lease commitments - Company

At the balance sheet date, the Company had no outstanding commitments for lease payments under non-cancellable operating leases.

41. Finance lease commitment - Company

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable finance leases which fall due as follows:

IT equipment	**2025 £'000**	2024 £'000
Within one year	**-**	6
Between two and five years	**-**	-
	-	6

42. Related party transaction disclosures - Company

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Related Party Disclosures Section 33 (33.1A) from disclosing transactions which occurred between wholly owned subsidiaries of the Group headed by Merit Group Limited.

During the current and previous years, Deacon Street Partners Limited, a company related by virtue of Angela Entwistle, a Director of the Company also being a Director, invoiced £30,000 (2024: £30,000) to the Company for the services of Angela Entwistle as a Non-Executive Director. At 31 March 2025, the balance outstanding was £2,500 (2024: £2,500).

Company information

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Company Registrar
You can contact MUFG Corporate Market's shareholder helpline which is available to answer any queries you have in relation to shareholding:

By phone - +44 (0)371 664 0300
Calls are charged at the standard geographic rate and will vary by provider.

MUFG Corporate Markets are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

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By post – MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL

Link Investor Centre is a free app for smartphone and tablet provided by Link Group (the company's registrar) It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play. Alternatively, you may access the Link Investor Centre via a web browser at: https://investorcentre.mpms.mufg.com.

Merit Group Limited is a private limited company registered in England No. 04267888.

Merit Group Limited is the Parent Company of the Merit Group of companies. Unless otherwise stated, the text in this Annual Report does not distinguish between the activities and operations of the Parent Company and those of its subsidiary undertakings.

This is the Annual Report of Merit Group Limited for the year ended 31 March 2025 and complies with UK legislation and regulations. It is also available on the Company's website: www.meritgrouplimited.com.

Cautionary Statement
The purpose of this Annual Report is to provide information to the members of the Company. The Annual Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve risk and uncertainty, since future events and circumstances can cause results and developments to differ from those anticipated. Nothing in this Annual Report should be construed as a profit forecast.