

# Merit Group Limited - Shareholder Update and Interim Results

**23 January 2026**

Dear Shareholder,

I am writing to provide you with an update on the progress of Merit Group since our delisting from the London Stock Exchange and re-registration as a private limited company in March 2025.

We published our Annual Report and Accounts for the year ended 31 March 2025 earlier this quarter, which showed results broadly in line with expectations set at the time of delisting and as outlined in our final trading update to the market on 23 October 2024.

I now provide a trading update for the first half of FY26 by way of unaudited interim results for the half year ended 30 September 2025.

	<b>H1 FY26</b> <b>30 Sep 25</b>	<b>H1 FY25</b> <b>30 Sep 24</b>
Revenue from Continuing Operations	<b>£6.7m</b>	<b>£7.6m</b>
Gross profit from Continuing Operations	<b>£2.8m</b>	<b>£3.1m</b>
<i>Gross margin %<sup>1</sup></i> from Continuing Operations	<b>41.8%</b>	<b>41.2%</b>
Adjusted EBITDA <sup>2</sup> from Continuing Operations	<b>£0.2m</b>	<b>£0.5m</b>
Statutory operating loss from Continuing Operations	<b>(£0.8m)</b>	<b>(£0.5m)</b>
Loss before tax from Continuing Operations	<b>(£1.1m)</b>	<b>(£0.9m)</b>
Profit from Discontinued Operations	<b>£3.5m</b>	<b>£0.7m</b>
Profit/(loss) for the period	<b>£2.3m</b>	<b>(£0.3m)</b>
Net cash/(debt) <sup>3</sup>	<b>£1.6m</b>	<b>(£2.3m)</b>

1. Gross margin is Gross profit as a percentage of Revenue (based on unrounded figures).

2. Adjusted EBITDA is calculated as earnings before interest, 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 as outlined in Note 8.

## Financial Highlights

- Like-for-like Revenue of £6.7m, down 12% (H1 FY25: £7.6m)
- Gross margin increased by one percentage point
- Adjusted EBITDA from Continuing Operations of £0.2m (H1 FY25: £0.5m)
- Initial cash proceeds of £6.0m received on disposal of Dods EU business; used, in part, to repay all bank debt. Total proceeds expected to be at least £7.0m.
- Net cash generated from operating activities of £0.1m (H1 FY25: net cash generated £0.7m)
- Loss before tax from Continuing Operations of £1.1m (H1 FY25: loss of £0.9m)
- Cash balances of £1.6m and debt-free as at 30 September 2025 (30 September 2024: Net debt<sup>3</sup> of £2.3m)

## **Progress Since Delisting**

Since moving to a private company structure, we have taken decisive steps to streamline the business, strengthen the balance sheet, and position the Group for a return to growth. Key developments include:

### ***Operational***

- Management Changes: Following Con Conlon's departure in March 2025, we have streamlined the management of MD&T, with the members of the senior leadership team reporting directly to me. We have similarly downsized the Dods Political Intelligence (Dods) management team, encouraging a more hands-on approach.
- Commercial structures have also been streamlined, with the distinct Data & Technology sales teams in MD&T reporting directly to the Head of Data and Head of Technology respectively. In Dods we have combined Sales, Marketing, Account Management and Customer Service teams under a single Head of Commercial.
- Cost savings from delisting: We have delivered the anticipated savings associated with de-listing, including a leaner Board structure, reduced Board remuneration, and the removal of plc and reporting-related costs. Elsewhere, we continue to maintain strict cost discipline and take appropriate cost actions, including the successful exit from The Shard in August 2025.

### ***Strategic Disposal***

- Strategic Disposal: We completed the disposal of the European arm of the Political Intelligence business in July 2025, realising proceeds of £6.3 million (initial £6.0 million in cash and £0.3 million in deferred consideration), with up to a further £1.5 million contingent consideration.
- Debt Repayment: The disposal proceeds have been used, in part, to repay all outstanding debt, leaving the Group debt-free.

## ***Current Trading and Outlook***

Trading in the current financial year shows an improving trend, with like-for-like revenues from Continuing Operations down 12% in H1 FY26 compared to down 16% in H2 FY25, with the rate of decline slowing to 5% in the months of October and November 2025. Although we had two significant Data & Intelligence contracts reaching their conclusion at the end of November 2025, I anticipate a continuation of this improving revenue in H2, driven by new MD&T Technology revenues and an improved client renewal rate in Dods, now the business is focused solely on the UK.

Despite recent challenges, the underlying market demand for data and data-related technology is forecast to continue in the coming years, and we believe the focus on MD&T's Technology and AI Solutions will continue to improve the revenue trajectory and position the Group for sustainable long-term growth. With the Company's strong operational gearing, we expect to report a strong return to profitability in the medium term.

Where appropriate, and further to the disposal of our European Political Intelligence business, 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.

I would like to thank all shareholders for their continued support during this transitional period. I look forward to updating you on further progress in due course.

Yours faithfully,  
***Phil Machray***

CEO & CFO

Encs – Unaudited Interim Results for the half year ended 30 September 2025

# Merit Group Limited

## Condensed consolidated income statement For the half year ended 30 September 2025

Continuing Operations	Note	Unaudited Half year ended 30 Sept 2025 £'000	Unaudited Half year ended 30 Sept 2024 £'000	Audited Year ended 31 Mar 2025 £'000
<b>Revenue</b>	2	<b>6,690</b>	7,619	14,609
Cost of sales		(3,895)	(4,481)	(8,479)
<b>Gross profit</b>		<b>2,795</b>	3,138	6,130
Administrative expenses		(3,737)	(3,710)	(14,824)
Other operating income		99	114	114
<b>Operating loss</b>		<b>(843)</b>	(458)	(8,580)
<b>Memorandum:</b>				
<b>Adjusted EBITDA<sup>(1)</sup></b>	2	<b>237</b>	524	670
Depreciation of property, plant and equipment		(125)	(129)	(268)
Depreciation of right-of-use assets		(381)	(401)	(800)
Amortisation of intangible assets acquired through business combinations		(293)	(293)	(587)
Amortisation of software intangible assets		(260)	(187)	(418)
<b>Adjusted EBIT<sup>(2)</sup></b>		<b>(822)</b>	(486)	(1,403)
Share-based payments credit		-	28	133
Non-recurring items	3	(21)	-	(7,310)
<b>Operating loss</b>		<b>(843)</b>	(458)	(8,580)
Net finance expense		(208)	(453)	(589)
<b>Loss before tax from Continuing Operations</b>		<b>(1,051)</b>	(911)	(9,169)
Income tax charge		(103)	(50)	(303)
<b>Loss for the period from Continuing Operations</b>		<b>(1,154)</b>	(961)	(9,472)
Profit from Discontinued Operations	4	<b>3,457</b>	657	1,074
<b>Profit/(loss) for the period</b>		<b>2,303</b>	(304)	(8,398)

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

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

The notes on pages 9 to 17 form part of these unaudited interim results.

# Merit Group Limited

## Condensed consolidated statement of comprehensive income For the half year ended 30 September 2025

	Unaudited Half year ended 30 Sept 2025 £'000	Unaudited Half year ended 30 Sept 2024 £'000	Audited Year ended 31 Mar 2025 £'000
<b>Profit/(loss) for the period</b>	<b>2,303</b>	<b>(304)</b>	<b>(8,398)</b>
<b>Items that may be subsequently reclassified to Profit and loss:</b>			
Exchange differences on translation of foreign operations	(93)	(254)	(211)
Remeasurement of defined benefits obligation	(34)	7	32
<b>Other comprehensive income for the period</b>	<b>(127)</b>	<b>(247)</b>	<b>(179)</b>
<b>Total comprehensive profit/(loss) for the period</b>	<b>2,176</b>	<b>(551)</b>	<b>(8,577)</b>

The notes on pages 9 to 17 form part of these unaudited interim results.

# Merit Group Limited

## Condensed consolidated statement of financial position As at 30 September 2025

	Note	Unaudited 30 Sept 2025 £'000	Unaudited 30 Sept 2024 £'000	Audited 31 Mar 2025 £'000
<b>Non-current assets</b>				
Goodwill		<b>15,629</b>	26,919	20,119
Intangible assets	6	<b>6,502</b>	7,174	6,989
Property, plant and equipment	7	<b>648</b>	604	807
Right-of-use assets	9	<b>2,182</b>	1,493	1,075
Investments		-	350	-
Deferred tax assets		<b>344</b>	334	344
<b>Total non-current assets</b>		<b>25,305</b>	36,874	29,334
<b>Current assets</b>				
Trade and other receivables		<b>4,339</b>	3,750	4,021
Cash and cash equivalents	8	<b>1,576</b>	545	392
<b>Total current assets</b>		<b>5,915</b>	4,295	4,413
<b>Total assets</b>		<b>31,220</b>	41,169	33,747
<b>Current liabilities</b>				
Trade and other payables		<b>3,349</b>	5,267	5,707
Defined benefit pension obligation		<b>63</b>	70	66
Bank loan/RCF	8	-	2,391	3,191
Lease liability	9	<b>624</b>	790	668
<b>Total current liabilities</b>		<b>4,036</b>	8,518	9,632
<b>Non-current liabilities</b>				
Pension obligation		<b>308</b>	261	255
Bank loan/RCF	8	-	462	365
Lease liability	9	<b>1,538</b>	649	333
<b>Total non-current liabilities</b>		<b>1,846</b>	1,372	953
<b>Capital and reserves</b>				
Issued capital		<b>6,708</b>	6,708	6,708
Share premium		<b>1,067</b>	1,067	1,067
Retained profit		<b>4,449</b>	10,237	2,146
Redemption reserve		<b>13,680</b>	13,680	13,680
Translation reserve		<b>(567)</b>	(516)	(474)
Other reserves		<b>1</b>	(5)	35
Share option reserve		-	108	-
<b>Total equity</b>		<b>25,338</b>	31,279	23,162
<b>Total equity and liabilities</b>		<b>31,220</b>	41,169	33,747

The notes on pages 9 to 17 form part of these unaudited interim results.

# Merit Group Limited

## Condensed consolidated statement of changes in equity

For the half year ended 30 September 2025

Unaudited	Share capital £'000	Share premium reserve <sup>1</sup> £'000	Retained earnings £'000	Capital redemption reserve <sup>2</sup> £'000	Translation reserve <sup>3</sup> £'000	Other reserves £'000	Share option reserve <sup>4</sup> £'000	Total shareholders' funds £'000
<b>At 1 April 2024</b>	<b>6,708</b>	<b>1,067</b>	<b>10,541</b>	<b>13,680</b>	<b>(262)</b>	<b>(12)</b>	<b>136</b>	<b>31,858</b>
Total comprehensive income:								
Loss for the six-month period to 30 September 2024	-	-	(304)	-	-	-	-	(304)
Currency translation differences	-	-	-	-	(254)	-	-	(254)
Remeasurement of defined benefits obligations	-	-	-	-	-	7	-	7
Share-based payments	-	-	-	-	-	-	(28)	(28)
<b>At 30 September 2024</b>	<b>6,708</b>	<b>1,067</b>	<b>10,237</b>	<b>13,680</b>	<b>(516)</b>	<b>(5)</b>	<b>108</b>	<b>31,279</b>
Total comprehensive income:								
Loss for the six-month period to 31 March 2025	-	-	(8,094)	-	-	-	-	(8,094)
Currency translation differences	-	-	-	-	42	-	-	42
Remeasurement of defined benefits obligations	-	-	-	-	-	40	-	40
Reserves transfer on lapsed options	-	-	3	-	-	-	(3)	-
Share-based payments	-	-	-	-	-	-	(105)	(105)
<b>At 31 March 2025</b>	<b>6,708</b>	<b>1,067</b>	<b>2,146</b>	<b>13,680</b>	<b>(474)</b>	<b>35</b>	<b>-</b>	<b>23,162</b>
Total comprehensive income:								
Profit for the six-month period to 30 September 2025	-	-	2,303	-	-	-	-	2,303
Currency translation differences	-	-	-	-	(93)	-	-	(93)
Remeasurement of defined benefits obligations	-	-	-	-	-	(34)	-	(34)
<b>At 30 September 2025</b>	<b>6,708</b>	<b>1,067</b>	<b>4,449</b>	<b>13,680</b>	<b>(567)</b>	<b>1</b>	<b>-</b>	<b>25,338</b>

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 9 to 17 form part of these unaudited interim results.

# Merit Group Limited

## Condensed consolidated statement of cash flows For the half year ended 30 September 2025

	Note	Unaudited Half year ended 30 Sept 2025 £'000	Unaudited Half year ended 30 Sept 2024 £'000	Audited Year ended 31 Mar 2025 £'000
<b>Cash generated by operations</b>	5	<b>160</b>	673	1,517
Taxation paid		(103)	-	(367)
<b>Net cash generated from operating activities</b>		<b>57</b>	673	1,150
<b>Cash flows from investing activities</b>				
Interest and similar income received		11	7	9
Additions to intangible assets		(86)	(354)	(694)
Additions to property, plant and equipment		(17)	(149)	(491)
Proceeds on disposal of operations		<b>5,283</b>	-	-
<b>Net cash generated from/(used in) investing activities</b>		<b>5,191</b>	(496)	(1,176)
<b>Cash flows from financing activities</b>				
Interest and similar expenses paid		(80)	(120)	(302)
Payment of lease liabilities		(435)	(480)	(951)
Receipt on disposal of lease liabilities		13	-	-
Net (repayments)/drawdowns of bank facility		(3,556)	210	913
<b>Net cash used in financing activities</b>		<b>(4,058)</b>	(390)	(340)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,190</b>	(213)	(366)
Opening cash and cash equivalents		<b>392</b>	782	782
Effect of exchange rate fluctuations on cash held		(6)	(24)	(24)
<b>Closing cash at bank</b>		<b>1,576</b>	545	392
<b>Comprised of:</b>				
Cash and cash equivalents		<b>1,576</b>	545	392
<b>Closing cash at bank</b>		<b>1,576</b>	545	392

The notes on pages 9 to 17 form part of these unaudited interim results.

# Merit Group plc

## Notes to the condensed consolidated financial statements

For the half year ended 30 September 2025

### 1. Basis of preparation

This condensed set of financial statements has been prepared applying accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 March 2025. The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006.

The condensed consolidated financial statements are neither audited in accordance with International Standards on Auditing (UK) nor subject to review as per International Standard on Review Engagements (ISRE) 2410. The comparative figures for the year ended 31 March 2025 have been extracted from the Group's statutory accounts for that financial period. Those accounts have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

### 2. Segmental information

#### Business segments

The Group considers that it has two operating business segments, Merit Data & Technology (MD&T) and Dods, plus a (non-revenue generating) central corporate segment.

The Merit Data & Technology business segment focuses on the provision of data and intelligence, including marketing data, and the provision of data-related technology, including data engineering, machine learning, software development, and technology resourcing.

The Dods business segment concentrates on the provision of key information and insights into the political and public policy environments around the UK.

The central corporate segment contains the activities and costs associated with the Group's head office.

The following table provides an analysis of the Group's segment revenue by business segment:

Continuing Operations	Unaudited Half year ended 30 Sept 2025 £'000	Unaudited Half year ended 30 Sept 2024 £'000	Audited Year ended 31 Mar 2025 £'000
Merit Data & Technology	5,134	5,835	11,133
Dods	1,556	1,784	3,476
	<b>6,690</b>	<b>7,619</b>	<b>14,609</b>

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

# Merit Group plc

## Notes to the condensed consolidated financial statements

For the half year ended 30 September 2025

### 2. Segmental information (continued)

Group Revenue by stream	Unaudited Half year ended 30 Sept 2025 £'000	Unaudited Half year ended 30 Sept 2024 £'000	Audited Year ended 31 Mar 2025 £'000
<b>Continuing Operations</b>			
Data and Intelligence	2,818	3,276	6,272
Data Technology	2,316	2,559	4,860
Political Intelligence	1,556	1,784	3,477
	<b>6,690</b>	<b>7,619</b>	<b>14,609</b>

Unaudited half year ended 30 Sep 2025	MD&T 30 Sep 2025 £'000	Dods 30 Sep 2025 £'000	Central 30 Sep 2025 £'000	Total 30 Sep 2025 £'000
<b>Business segment loss before tax</b>				
<b>Continuing Operations</b>				
<b>Adjusted EBITDA</b>	559	(37)	(285)	<b>237</b>
Depreciation of property, plant and equipment	(94)	(31)	-	<b>(125)</b>
Depreciation of right-of-use assets	(206)	(175)	-	<b>(381)</b>
Amortisation of intangible assets acquired through business combinations	(255)	(38)	-	<b>(293)</b>
Amortisation of software intangible assets	(83)	(177)	-	<b>(260)</b>
Non-recurring items	-	(21)	-	<b>(21)</b>
<b>Operating loss</b>	(79)	(479)	(285)	<b>(843)</b>
Net finance expense	(142)	14	(80)	<b>(208)</b>
<b>Loss before tax</b>	(221)	(465)	(365)	<b>(1,051)</b>

Unaudited half year ended 30 Sep 2024	MD&T 30 Sep 2024 £'000	Dods 30 Sep 2024 £'000	Central 30 Sep 2024 £'000	Total 30 Sep 2024 £'000
<b>Business segment loss before tax</b>				
<b>Continuing Operations</b>				
<b>Adjusted EBITDA</b>	615	337	(428)	<b>524</b>
Depreciation of property, plant and equipment	(86)	(43)	-	<b>(129)</b>
Depreciation of right-of-use assets	(250)	(151)	-	<b>(401)</b>
Amortisation of intangible assets acquired through business combinations	(255)	(38)	-	<b>(293)</b>
Amortisation of software intangible assets	(42)	(145)	-	<b>(187)</b>
Share based payments credit	-	-	28	<b>28</b>
<b>Operating loss</b>	(18)	(40)	(400)	<b>(458)</b>
Net finance expense	(298)	(27)	(128)	<b>(453)</b>
<b>Loss before tax</b>	(316)	(67)	(528)	<b>(911)</b>

# Merit Group plc

## Notes to the condensed consolidated financial statements For the half year ended 30 September 2025

### 2. Segmental information (continued)

Audited year ended 31 Mar 2025	MD&T 31 Mar 2025	Dods 31 Mar 2025	Central 31 Mar 2025	Total 31 Mar 2025
Business segment loss before tax	£'000	£'000	£'000	£'000
<b>Continuing Operations</b>				
<b>Adjusted EBITDA</b>	1,016	300	(646)	<b>670</b>
Depreciation of property, plant and equipment	(191)	(77)	-	(268)
Depreciation of right-of-use assets	(498)	(302)	-	(800)
Amortisation of intangible assets acquired through business combinations	(510)	(77)	-	(587)
Amortisation of software intangible assets	(118)	(300)	-	(418)
Share based payments credit	-	-	133	<b>133</b>
Non-recurring items	-	(22)	(7,288)	<b>(7,310)</b>
<b>Operating loss</b>	(301)	(478)	(7,801)	<b>(8,580)</b>
Net finance expense	(302)	(11)	(276)	<b>(589)</b>
<b>Loss before tax</b>	(603)	(489)	(8,077)	<b>(9,169)</b>

### 3. Non-recurring items

	Unaudited Half year ended 30 Sep 2025 £'000	Unaudited Half year ended 30 Sep 2024 £'000	Audited Year ended 31 Mar 2025 £'000
<b>Continuing Operations</b>			
Impairment of goodwill	-	-	6,800
Fair value movement on investments	-	-	350
People-related costs	<b>21</b>	-	-
Professional services in relation to aborted transaction	-	-	160
<b>Non-recurring items from Continuing Operations</b>	<b>21</b>	-	7,310
<b>Discontinued Operations</b>			
People-related costs	<b>32</b>	-	75
<b>Total non-recurring items (Continuing and Discontinued Operations)</b>	<b>53</b>	-	7,385

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

# Merit Group plc

## Notes to the condensed consolidated financial statements

For the half year ended 30 September 2025

### 4. Discontinued Operations

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. The disposal generated proceeds of £6.3 million (an initial £6.0 million in cash and £0.3 million in deferred consideration receivable in January 2026), with up to a further £1.5 million contingent upon client retention rates in the first year post-acquisition.

As a consequence of the disposal, the European activities of the Dods Political Intelligence business are classified as Discontinued Operations in the Consolidated income statement.

The results of Discontinued Operations for the period, which for H1 FY26 includes the results of the European operations for 3 months (6 months in H1 FY25; 12 months in FY2025) to the date of disposal were as follows:

#### 4(a) – Profit from Discontinued Operations

Discontinued Operations	Unaudited Half year ended 30 Sept 2025 £'000	Unaudited Half year ended 30 Sept 2024 £'000	Audited Year ended 31 Mar 2025 £'000
<b>Revenue</b>	<b>789</b>	1,674	3,249
Cost of sales	(473)	(721)	(1,534)
<b>Gross profit</b>	<b>316</b>	953	1,715
Administrative expenses	(169)	(254)	(576)
<b>Operating profit</b>	<b>147</b>	699	1,139
<b>Memorandum:</b>			
<b>Adjusted EBITDA</b>	<b>189</b>	719	1,254
Depreciation of property, plant and equipment	-	-	-
Depreciation of right-of-use assets	(10)	(20)	(40)
Non-recurring items			
People-related costs (see Note 3)	(32)	-	(75)
<b>Operating profit</b>	<b>147</b>	699	1,139
Net finance (expense)/credit	(9)	(12)	(20)
<b>Profit before tax</b>	<b>138</b>	687	1,119
Income tax charge	(77)	(30)	(45)
<b>Profit for the period from Discontinued Operations</b>	<b>61</b>	657	1,074
Profit on disposal of Discontinued Operations (see Note 4(b))	3,396	-	-
<b>Profit for the period from Discontinued Operations</b>	<b>3,457</b>	657	1,074

# Merit Group plc

## Notes to the condensed consolidated financial statements For the half year ended 30 September 2025

### 4. Discontinued Operations (continued)

#### 4(b) – Disposal details

	Unaudited Half year ended 30 Sept 2025 £'000
Consideration received and receivable	
Cash (net of transaction costs)	5,283
Deferred Consideration (estimated)	1,000
	<hr/>
	6,283
Carrying amount of assets sold	4,712
Carrying amount of liabilities transferred	(1,825)
Carrying amount of net assets sold	<hr/>
	2,887
Profit on disposal of Discontinued Operations after tax	<hr/>
	3,396

### 5. Cash generated by operations

	Unaudited Half year ended 30 Sept 2025 £'000	Unaudited Half year ended 30 Sept 2024 £'000	Audited Year ended 31 Mar 2025 £'000
<b>Cash flows from operating activities</b>			
Profit/(loss) for the period	2,303	(304)	(8,398)
Depreciation of property, plant and equipment	125	129	268
Depreciation of right-of-use assets	391	421	839
Amortisation of intangible assets acquired through business combinations	293	293	587
Amortisation of other intangible assets	260	187	418
Share-based payments credit	-	(28)	(133)
Fair value movement on investments	-	-	350
Loss on disposal of property, plant and equipment	58	-	-
Profit on disposal of operations (before tax) - Note 4(b)	(3,396)	-	-
Impairment of goodwill	-	-	6,800
Interest income	(11)	(7)	(9)
Interest expense	80	120	302
Lease interest expense	61	49	82
Foreign exchange on operating items	79	(12)	37
Income tax charge	180	80	348
<b>Operating cash flows before movement in working capital</b>	<hr/>	423	928
Decrease in trade and other receivables	609	549	278
Decrease in trade and other payables	(872)	(804)	(252)
<b>Cash generated by operations</b>	<hr/>	160	673
			1,517

# Merit Group plc

## Notes to the condensed consolidated financial statements

For the half year ended 30 September 2025

### 6. Intangible assets

	Assets acquired through business combinations £'000	Software £'000	Under Construction Capitalised costs £'000	Total £'000
<b>Cost</b>				
At 1 April 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
Additions – internally generated	-	86	-	86
Software brought into use	-	163	(163)	-
Disposals	-	(28)	-	(28)
<b>At 30 September 2025</b>	<b>11,209</b>	<b>3,389</b>	<b>-</b>	<b>14,598</b>
<b>Accumulated amortisation</b>				
At 1 April 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
Charge for the period	293	260	-	553
Disposals	-	(8)	-	(8)
<b>At 30 September 2025</b>	<b>6,557</b>	<b>1,539</b>	<b>-</b>	<b>8,096</b>
<b>Net book value</b>				
At 31 March 2024 – audited	5,532	1,466	302	7,300
At 31 March 2025 – audited	4,945	1,881	163	6,989
<b>At 30 September 2025 – unaudited</b>	<b>4,652</b>	<b>1,850</b>	<b>-</b>	<b>6,502</b>

# Merit Group plc

## Notes to the condensed consolidated financial statements

For the half year ended 30 September 2025

### 7. Property, plant and equipment

	Leasehold Improvements £'000	IT Equipment and Fixtures and Fittings £'000	Total £'000
<b>Cost</b>			
At 1 April 2024	93	1,770	1,863
Additions	2	489	491
Disposals	-	(56)	(56)
At 31 March 2025	95	2,203	2,298
Additions	-	17	17
Disposals	(95)	(118)	(213)
<b>At 30 September 2025</b>	<b>-</b>	<b>2,102</b>	<b>2,102</b>
<b>Accumulated depreciation</b>			
At 1 April 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
Charge for the period	20	105	125
Disposals	(91)	(71)	(162)
<b>At 30 September 2025</b>	<b>-</b>	<b>1,454</b>	<b>1,454</b>
<b>Net book value</b>			
At 31 March 2024 – audited	70	514	584
At 31 March 2025 – audited	24	783	807
<b>At 30 September 2025 – unaudited</b>	<b>-</b>	<b>648</b>	<b>648</b>

# Merit Group plc

## Notes to the condensed consolidated financial statements

For the half year ended 30 September 2025

### 8. Net (cash)/debt

Net (cash)/debt comprises the aggregate of loans and borrowings, excluding IFRS16 lease liabilities, and cash and cash equivalents, as follows:

	Unaudited Half year ended 30 Sep 2025 £'000	Unaudited Half year ended 30 Sep 2024 £'000	Audited Year ended 31 Mar 2025 £'000
Bank loan / RCF due within one year	-	2,391	3,191
Bank loan due after more than one year	-	462	365
	-	2,853	3,556
Cash and cash equivalents	(1,576)	(545)	(392)
<b>Net (cash)/debt</b>	<b>(1,576)</b>	<b>2,308</b>	<b>3,164</b>

### Interest-bearing loans and borrowings

At 30 September 2024, the Company's secured loan facilities provided by Barclays comprised:

- Term Loan: a £1 million, five-year term loan, amortising on a straight-line basis at c.£50,000 per quarter from July 2022;
- RCF: a £3 million non-amortising, revolving credit facility for the five-year duration of the Term Loan;
- Both the Term Loan and RCF accrues interest at 3.5% above Bank of England base rate.

On 4 July 2025, following the disposal of the European part of its Dods Political Intelligence business, the proceeds were used, in part, to fully repay the Group's outstanding term loan and RCF with Barclays Bank.

# Merit Group plc

## Notes to the condensed consolidated financial statements

For the half year ended 30 September 2025

### 9. Leases

	Right-of-use assets £'000	Lease liabilities £'000
As at 1 April 2024	1,914	(1,870)
Depreciation	(839)	-
Lease Interest	-	(82)
Lease payments	-	951
As at 31 March 2025	1,075	(1,001)
Additions	2,330	(2,330)
Disposals	(832)	795
Depreciation	(391)	-
Lease Interest	-	(61)
Lease payments	-	435
<b>As at 30 September 2025</b>	<b>2,182</b>	<b>(2,162)</b>
Current		(624)
Non-current		(1,538)

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

	Unaudited Half year ended 30 Sep 2025 £'000	Unaudited Half year ended 30 Sep 2024 £'000	Audited Year ended 31 Mar 2025 £'000
Depreciation charge of right-of-use assets	391	421	839
Interest expense (included in net finance expense)	61	48	82

The right-of-use assets relate to office space in three locations and at the balance sheet date have remaining terms ranging up to 4 years.