Company Registration No. 09908607 (England and Wales)

HSO UK HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

PM+M Solutions for Business LLP
Chartered Accountants
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

HSO UK HOLDING LIMITED

COMPANY INFORMATION

Directors	Mr M Haverkamp	
	HSO Business Systems AG	(Appointed 1 December 2024)
Company number	09908607	
Registered office	3rd Floor Jackson House Sibson Road Sale England M33 7RR	
Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB	

HSO UK HOLDING LIMITED

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HSO UK HOLDING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Strategic Review

Introduction

The financial year 2024 has been a transformative one for HSO UK, marked by significant shifts in market dynamics. Over the course of the year, the company made a number of strategic realignments to position the company for the next phase of its growth.

The software and services market in which HSO operates is experiencing a significant and rapid transformation, reflecting a fundamental change in how technology is bought and consumed. Many organisations are shifting away from large-scale investment in enterprise-wide software deployments (e.g. ERP) and instead adopting a *continuous improvement and innovation* model. This shift means breaking down large projects into business releases that deliver faster time-to-value and continuous business improvement, demanding more agile and responsive solutions and services.

Financial Performance

In 2024, HSO UK's revenue decreased from £58.3 million to £52.4 million. However, the story of the year was one of two very different halves, with re-structuring and other important changes in the first half of the year paying back strongly in the second half. It should be noted that the loss also reflects a significant bad-debt write-off due to the business failure of a large customer in the distribution sector.

To adapt to the market's shift towards continuous improvement and faster time-to-value models, we restructured our cost base to reflect our changing business priorities, with more focus on higher growth technologies such as Data, Artificial Intelligence (AI), Low-Code Application Development and Cloud Infrastructure. Reflecting the success of adding these new skills and capabilities to the business, revenue from our Cloud practices (AI, Data, Cloud Infrastructure and Low-Code) doubled in 2024.

It is, however, important to note that our strong legacy in Business Applications, along with our dedication to Microsoft and overall scale as a business, will continue to give HSO a distinct competitive advantage in the changing market. Microsoft itself has recognised the same advantage in its own go-to-market model, driving consumption through AI-infused business applications and enterprise-focused AI services to quickly become the sector leader in artificial intelligence foundation models and platforms.

Industry Focus and Customer Successes

HSO continues to invest in newer, high-growth vertical markets, notably Public Sector and Professional Services, in addition to its on-going investment in our long-established markets of Manufacturing, Distribution and Retail. This has resulted in over 30 new-name customers in the year, providing immediate and long-term revenue opportunities across all Microsoft technologies.

Notable successes were achieved in Professional Services organisations, including in Legal, Architectural, and Engineering firms. These organisations are undergoing significant disruption with technological innovation and competitive pressures mandating rapid investment in technology, in particular in generative AI. As an example, HSO has been helping one of the UK's largest Legal firms in the adoption of AI for legal process automation.

In Public Sector, the company has enjoyed notable success in Local Government and Not-for-Profit organisations, particularly with the use of AI and Low-code applications. Local Government Re-organisation (LGR) in the UK presents an exciting opportunity for HSO as it requires consolidation of multiple platforms and data sources, and the use of AI to drive efficiency, cost saving and improvement in citizen services.

The Manufacturing sector continued to perform strongly, with high-profile wins and successful project completions, including new customers in energy, engineering, life sciences and food, and an award-winning major project go-live. In the Retail sector, HSO's success has been underpinned by its long-standing expertise in Wholesale Distribution and our growing track record in serving large-scale, international retailers.

Investment in Intellectual Property and AI Technology

In 2024, HSO UK made significant strides in strengthening its position as a leader in sector-specific solutions by investing heavily in the development of intellectual property (IP) and advanced AI technologies. These efforts focused on extending Microsoft's capabilities to create tailored AI solutions for enterprise-scale use, including the seamless integration of AI agents within ERP systems to add efficiencies to business operations.

To drive efficiencies and transformative outcomes for our customers, our consulting teams have been trained to identify high-value AI use cases, enabling them to deliver solutions optimised for each customer's needs. The use of generative and agentic AI solutions as implementation tools has also shortened project timelines, reduced costs, and delivered faster time-to-value for clients.

This strategic focus on embedding AI and developing IP has positioned HSO UK as a leader in using advanced technology to meet the demands of a fast-changing market. These solutions enable us to price competitively, deliver value more quickly and maintain healthy margins and EBITDA.

Under the "360" branding, HSO now has Industry-focused solutions across Data, Low Code and Business Applications for all target sectors and sub-sectors, including: Local Government (gov360), Professional Services (legal360, AEC360, service360), Retail (retail360), Wholesale and Distribution (wholesale360) and Manufacturing (mfg360).

Partnership with Microsoft

HSO works exclusively work with Microsoft technology, so the company invests considerable time and money into HSO's future strategy and relationship with Microsoft. As Microsoft invests in market-defining technology at an ever-increasing pace, so HSO expands its product portfolio and invests relentlessly in updating skills and knowledge to continue to offer technical leadership and excellence across the whole Microsoft portfolio. The HSO business is structured around technology practices in the form of "Service Lines" which mirror the structure of Microsoft's product engineering and go-to-market teams, and this focus ensures HSO remains the industry benchmark for technical excellence, and in turn, for value to our customers.

Microsoft is also HSO's primary go-to-market partner, and every year we increase investment in our engagement with their sales teams, taking advantage of the many sales and marketing incentives offered by Microsoft to HSO as a top 1% 'Inner Circle' partner. We also aim to ensure our professional services team is recognised as the most highly qualified and experienced Microsoft partner, through having the most Professional Certifications and Product Designations.

Outlook

HSO UK entered 2025 with a strong order book and sales pipeline. However, as noted in the previous annual report, the management team are conscious that the time to deal closure during the first half of this year might become protracted due to the impact of tariffs and wider economic uncertainties, which could see a continuing pattern of lumpy demand. Nevertheless, investment in technology by UK organisations continues apace, and HSO continues to be highly competitive due to the depth of its Microsoft skills, the maturity of its industry practices and its reputation in the market.

Conclusion

HSO prides itself on its ability to adapt quickly and sustainably to market changes. Going into 2025, we have a more diversified and lower-risk model, capable of addressing fast-changing market demands. We are confident that the investments we made in 2024 and our continued diversification and pivot to higher growth technologies, will enable HSO to build on its strong market position and drive further growth and success into the future.

Risk review

Managing risks and uncertainties related to the business is an integral part of management and control. Management and the workforce identify, discuss, and manage risks and challenges that are associated with the respective business, project, customer, or contract continuously. The management culture is very risk averse from a financial and operational point of view. Employees at all levels and roles are supported to call out and register risks as soon they identify them; managing them is our core business.

Our processes include formally reviewing internal and external risks as quickly as possible, including risks facing our customers, their businesses and/or their projects and we manage these accordingly. We have categorised risks and uncertainties in the following categories:

Strategic

The types of business solutions, applications and services needed by our customers continue to expand rapidly because of changing business environments and in turn shifting technology requirements. New and existing clients alike are investing heavily in agile cloud-based solutions resulting in a steady stream of new project services and support opportunities.

Changes to freedom of movement post Brexit restricted our ability to recruit freely from EU countries during 2023 requiring an increase in Visa sponsorship. However, to help mitigate any potential risk of being able to meet demand, the company provides an array of staff retention initiatives such as technical and soft skills training plus many staff engagement and support programs.

People

HSO recognises the stresses on our workforce that come with working in such a rapidly changing industry. Our employees constantly need to acquire new skills and tools to meet the fast-changing needs of customers, who themselves are working under more pressure than ever before. HSO's internal training team supported by the HSO Academy have played a large role in ensuring HSO and our people are the most skilled in the industry and at the forefront of innovation.

HSO has always given the highest priority to employee wellbeing. The management team continues its focus on and investment in strong communication, sustainable working, learning and development, employee engagement, diversity and inclusion, community, and mental health support.

During 2024 and into the early part of 2025, HSO UK created important new positions in Financial and Contractual governance, and invested heavily in leadership talent to support the growth and diversification strategy described above, including the hiring of a new joint Managing Director and new leaders of our ERP and CRM technology practices.

Financial

HSO Enterprise Solutions continues to work to protect and improve professional services profitability, thus reducing the dependency on software license revenue and margins to deliver positive **EBIT**. Across our consulting engagements, we take full advantage of the offerings of the HSO Global Services team which provide packaged solutions which can be embedded into our consultancy services, for example Testing as a Service (TaaS). The continued development of templates, accelerators and HSO-developed IP also provides the dual benefit of providing more cost-effective solutions for our customers, at a higher margin.

HSO checks the financial position of potential customers before engaging and contracting. However, financial checks alone do not always tell the whole story. Reading signals such as a change of CIO, CFO or CEO sometimes indicates more than balance sheets do.

HSO continues to focus on cash flow and collections, reducing the overall exposure on receivables. Improvements include involving resources that are close to the customer (project managers, account managers) to support timely collections and building good relationships with our customers' finance departments.

The company has no loans or credit lines; therefore, a change in interest rates would have no impact.

Operational

Our services revenues are the result of projects or annual managed services contracts. Larger projects or contracts may represent up to 10% of the total service revenue; therefore, project or contract related risks need to be limited and distributed.

Our delivery approach and methodology is to organise projects into multiple Business Releases, each with its own scope, time and budget. Our project contracts or statements of work are based on phases within each Business Release, providing a clear definition of project deliverables.

Business Releases are further divided into phases including Definition, Foundation, Analysis, Design, Develop, Deliver, Deploy and Operation. Our methodology is supported by tools, systems and templates to control project risks. Optimisation of our approach and methodology is a continuous process as is investment in templates to accelerate and standardise deliverables.

On behalf of the board

Mr M Haverkamp
Director

26 September 2025

HSO UK HOLDING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Principal activities
The company specialises in implementing and integrating ERP & CRM solutions based on Microsoft Dynamics365, Microsoft Dynamics Customer Engagement, Office 365 and Microsoft Azure. It is working for national and multinational enterprises in retail, distribution, manufacturing and services.

Results and dividends
The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £5,000,000. The directors do not recommend payment of a further dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Haverkamp	
Mr P Ter Maaten	(Resigned 1 December 2024)
HSO Business Systems AG	(Appointed 1 December 2024)

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor
The auditor, PM+M Solutions for Business LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report
During the year, the company consumed 2.2 kWh (2023 - 1.9m kWh) of energy.

There were no direct emissions of CO2.

The volume of CO2 equivalent produced through indirect emissions by the purchase of electricity was 17 tonnes (2023 - 11 tonnes) and fuel consumed for transport not owned by the group was 791 tonnes (2023 - 769 tonnes).

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employee. This was 3.41 metric tonnes CO2e per employee in 2024 (2023: 2.33).

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 group and company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr M Haverkamp
Director

26 September 2025

HSO UK HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HSO UK HOLDING LIMITED

Opinion

We have audited the financial statements of HSO UK Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation 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 the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the matters discussed among the audit engagement team including significant component audit teams and involving relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Group's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety regulations, pensions legislation and tax legislation.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Daniel Bowles BFP ACA FCCA (Senior Statutory Auditor)
For and on behalf of PM+M Solutions for Business LLP, Statutory Auditor
Chartered Accountants
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB
26 September 2025

HSO UK HOLDING LIMITED

GROUP STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	**52,366,162**	58,076,325
Cost of sales		**(13,104,827)**	(15,721,252)
Gross profit		**39,261,335**	42,355,073
Administrative expenses		**(40,527,220)**	(40,980,486)
Other operating income		**91,109**	155,856
Operating (loss)/profit	4	**(1,174,776)**	1,530,443
Interest receivable and similar income	7	**58,374**	-
(Loss)/profit before taxation		**(1,116,402)**	1,530,443
Tax on (loss)/profit	8	**264,909**	(332,378)
(Loss)/profit for the financial year		**(851,493)**	1,198,065
Retained earnings brought forward		**11,505,404**	10,307,339
Dividends		**(5,000,000)**	-
Retained earnings carried forward		**5,653,911**	11,505,404

(Loss)/profit for the financial year is all attributable to the owners of the parent company.
Total comprehensive income for the year is all attributable to the owners of the parent company.

HSO UK HOLDING LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Intangible assets			-		-
Current assets					
Debtors	13	**13,124,458**		20,241,662	
Cash at bank and in hand		**3,693,433**		3,557,046	
		16,817,891		23,798,708	
Creditors: amounts falling due within one year	14	**(10,733,980)**		(11,863,304)	
Net current assets			**6,083,911**		11,935,404
Capital and reserves					
Called up share capital	17		**430,000**		430,000
Profit and loss reserves			**5,653,911**		11,505,404
Total equity			**6,083,911**		11,935,404

The financial statements were approved by the board of directors and authorised for issue on 26 September 2025 and are signed on its behalf by:

Mr M Haverkamp
Director

Company registration number 09908607 (England and Wales)

HSO UK HOLDING LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Investments	**11**		**2**		2
			2		2
Current assets					
Debtors	**13**	**440,071**		-	
Cash at bank and in hand		**8,292**		8,578	
		448,363		8,578	
Creditors: amounts falling due within one year	**14**	**(8,788)**		(8,788)	
Net current assets/(liabilities)			**439,575**		(210)
Net assets/(liabilities)			**439,577**		(208)
Capital and reserves					
Called up share capital	**17**		**430,000**		430,000
Profit and loss reserves			**9,577**		(430,208)
Total equity			**439,577**		(208)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £5,439,785 (2023 - £208 loss).

The financial statements were approved by the board of directors and authorised for issue on 26 September 2025 and are signed on its behalf by:

Mr M Haverkamp
Director

Company registration number 09908607 (England and Wales)

HSO UK HOLDING LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		**5,171,330**		(1,650,159)
Income taxes paid			**(2,378)**		(1,214,560)
Net cash inflow/(outflow) from operating activities			**5,168,952**		(2,864,719)
Financing activities					
Dividends paid to equity shareholders		**(5,000,000)**		-	
Net cash used in financing activities			**(5,000,000)**		-
Net increase/(decrease) in cash and cash equivalents			**168,952**		(2,864,719)
Cash and cash equivalents at beginning of year			**3,557,046**		6,567,396
Effect of foreign exchange rates			**(32,565)**		(145,631)
Cash and cash equivalents at end of year			**3,693,433**		3,557,046

1 Accounting policies

Company information

HSO UK Holding Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 3rd Floor, Jackson House, Sibson Road, Sale, Manchester M33 7RR.

The group consists of HSO UK Holding Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company HSO UK Holding Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 December 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the g roup.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

The company has adequate financial resources along with a diverse spread of customers. There is no over reliance on any single customer. The directors have prepared forecasts for this business, considering the change in trading position since the year end. Consequently, they believe that the company is well placed to manage its business risks successfully despite the current uncertain economic environment. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

1.6 Fixed asset investments

1 **Accounting policies** **(Continued)**

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

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

1 **Accounting policies** **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Amounts unpaid at the balance sheet date are included within creditors.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

The main areas of judgement that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in relation to Trade debtor provisions, see note 13 for carrying balance. All estimates and assumptions surrounding the impairment of Trade debtor balances are based on past knowledge and current commercial awareness.

3 Turnover and other revenue

	2024	2023
	£	£
Turnover analysed by class of business		
Software	**5,281,950**	4,721,045
Services	**47,084,212**	53,355,280
	52,366,162	58,076,325

	2024	2023
	£	£
Turnover analysed by geographical market		
United Kingdom	**47,445,772**	55,164,850
Rest of Europe	**380,987**	1,964,722
Rest of World	**4,539,403**	946,753
	52,366,162	58,076,325

	2024	2023
	£	£
Other revenue		
Interest income	**58,374**	-

After the year end amounts totalling £842,281 were received in relation to incentives revenue which has not been recognised within these financial statements. This revenue related to 2024 but did not meet the reliable estimate criteria for recognising revenue within the FRS102 reporting standard at the year end. Therefore, the revenue will be recognised in the 2025 financial statements.

4 Operating (loss)/profit

	2024	2023
	£	£
Operating (loss)/profit for the year is stated after charging:		
Exchange losses	**32,565**	145,631
Operating lease charges	**581,818**	388,478

5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2024	2023	2024	2023
	Number	Number	Number	Number
Services	**327**	339	**-**	-
Sales	**23**	19	**-**	-
Administration	**5**	7	**-**	-
Management	**25**	22	**2**	2
Total	**380**	387	**2**	2

Their aggregate remuneration comprised:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Wages and salaries	**27,071,684**	27,592,897	**-**	-
Social security costs	**3,135,206**	3,221,583	**-**	-
Pension costs	**1,010,328**	1,012,598	**-**	-
	31,217,218	31,827,078	**-**	-

None of the directors received any remuneration during the current or preceding year from the company or the group.

Remuneration in the year for key management personnel totalled £382,541 (2023: £345,464).

6 Auditor's remuneration

	2024	2023
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	**5,250**	4,750
Audit of the financial statements of the company's subsidiaries	**29,000**	27,750
	34,250	32,500

6	**Auditor's remuneration**		**(Continued)**
	For other services		
	Audit-related assurance services	**9,000**	6,500
	Taxation compliance services	**5,250**	5,000
	All other non-audit services	**-**	2,600
		14,250	14,100

7	**Interest receivable and similar income**		
		2024	**2023**
		£	**£**
	Interest income		
	Other interest income	**58,374**	-

8	**Taxation**		
		2024	**2023**
		£	**£**
	Current tax		
	UK corporation tax on profits for the current period	**-**	373,939
	Adjustments in respect of prior periods	**-**	(32,802)
	Total current tax	**-**	341,137
	Deferred tax		
	Origination and reversal of timing differences	**21,277**	(8,759)
	Tax losses carried forward	**(286,186)**	-
	Total deferred tax	**(264,909)**	(8,759)
	Total tax (credit)/charge	**(264,909)**	332,378

From the 1 April 2023 the effective tax rate is 25%. During the prior year the effective tax rate was 23.5%.

8 Taxation (Continued)

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
(Loss)/profit before taxation	**(1,116,402)**	1,530,443
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 23.52%)	**(279,101)**	359,960
Tax effect of expenses that are not deductible in determining taxable profit	**11,988**	5,793
Adjustments in respect of prior years	**-**	(32,802)
Effect of change in corporation tax rate	**-**	(518)
Permanent capital allowances in excess of depreciation	**-**	(55)
Other permanent differences	**2,204**	-
Taxation (credit)/charge	**(264,909)**	332,378

9 Dividends

	2024	2023
Recognised as distributions to equity holders:	£	£
Interim paid	**5,000,000**	-

10 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2024 and 31 December 2024	**25,626**
Amortisation and impairment	
At 1 January 2024 and 31 December 2024	**25,626**
Carrying amount	
At 31 December 2024	**-**
At 31 December 2023	-

The company had no intangible fixed assets at 31 December 2024 or 31 December 2023.

11 Fixed asset investments

	Notes	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Investments in subsidiaries	12	-	-	2	2

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2024 and 31 December 2024	2
Carrying amount	
At 31 December 2024	2
At 31 December 2023	2

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
HSO CRM Solutions Limited	3rd Floor, Jackson House, Sibson Road, Sale, Manchester M33 7RR	Dormant	Ordinary Shares	100.00
HSO Customer Service Limited	3rd Floor, Jackson House, Sibson Road, Sale, Manchester M33 7RR	Dormant	Ordinary Shares	100.00
HSO Enterprise Solutions Limited	3rd Floor, Jackson House, Sibson Road, Sale, Manchester M33 7RR		Ordinary Shares	100.00

For the duration of the current financial period, HSO CRM Solutions Limited and HSO Customer Service Limited were dormant.

13 Debtors

	Group		Company	
	2024	2023	2024	2023
Amounts falling due within one year:	£	£	£	£
Trade debtors	**10,617,533**	16,709,383	**-**	-
Corporation tax recoverable	**711,128**	650,376	**-**	-
Amounts owed by group undertakings	**367,690**	667,047	**440,000**	-
Other debtors	**74,074**	69,441	**-**	-
Prepayments and accrued income	**1,065,447**	2,121,738	**-**	-
	12,835,872	20,217,985	**440,000**	-
Deferred tax asset (note 15)	**288,586**	23,677	**71**	-
	13,124,458	20,241,662	**440,071**	-

Trade debtors is presented net of provisions for credit notes and doubtful debts which total £3,792,433 (2023: £2,499,328).

The amounts owed by group undertakings have no fixed repayment terms and are interest free.

After the year end amounts totalling £842,281 were received in relation to incentives revenue which has not been recognised within these financial statements. This revenue related to 2024 but did not meet the reliable estimate criteria for recognising revenue within the FRS102 reporting standard at the year end. Therefore, the revenue will be recognised in the 2025 financial statements.

14 Creditors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	**1,265,157**	1,940,206	**-**	-
Amounts owed to group undertakings	**3,411,819**	4,167,464	**4,188**	4,188
Other taxation and social security	**1,611,493**	1,983,040	**-**	-
Other creditors	**690,251**	708,012	**-**	-
Accruals and deferred income	**3,755,260**	3,064,582	**4,600**	4,600
	10,733,980	11,863,304	**8,788**	8,788

The amounts owed to group undertakings have no fixed repayment terms and are interest free.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Assets 2024 £	Assets 2023 £
Tax losses	**286,257**	-
Short term timing differences	**2,329**	23,677
	288,586	23,677

Company	Assets 2024 £	Assets 2023 £
Tax losses	**71**	-

Movements in the year:	Group 2024 £	Company 2024 £
Asset at 1 January 2024	**(23,677)**	**-**
Credit to profit or loss	**(264,909)**	**(71)**
Asset at 31 December 2024	**(288,586)**	**(71)**

The deferred tax asset in relation to losses is expected to reverse in full during the following reporting period.

16 Retirement benefit schemes

Defined contribution schemes	2024 £	2023 £
Charge to profit or loss in respect of defined contribution schemes	**1,010,328**	1,012,598

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the balance sheet date, the total outstanding pension contributions were £24,202 (2023: 246,001).

17 Share capital

Group and company Ordinary share capital Issued and fully paid	2024 Number	2023 Number	2024 £	2023 £
Ordinary shares of £1 each	**430,000**	430,000	**430,000**	430,000

17 **Share capital** **(Continued)**

18 **Financial commitments, guarantees and contingent liabilities**

There is a fixed and floating charge over all the assets and undertakings of the company. The chargors include this company and its subsidiaries, HSO Enterprise Solutions Limited, HSO Customer Service Limited and HSO CRM Solutions Limited.

19 **Operating lease commitments**

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Within one year	**467,542**	350,314	**-**	-
Between two and five years	**345,542**	628,886	**-**	-
	813,084	979,200	**-**	-

20 **Controlling party**

The company's ultimate controlling party is Peter Ter Maaten.

The parent company of the largest group that includes the company and for which group financial statements are prepared is HSO Group BV. Consolidated financial statements of the group can be requested from HSO UK Holding Limited, 3rd Floor Jackson House, Sibson Road, Sale, England, M33 7RR.

21 **Cash generated from/(absorbed by) group operations**

	2024	2023
	£	£
(Loss)/profit after taxation	**(851,493)**	**1,198,065**
Adjustments for:		
Taxation (credited)/charged	**(264,909)**	332,378
Investment income	**(58,374)**	-
Foreign exchange gains on cash equivalents	**32,565**	145,631
Movements in working capital:		
Decrease/(increase) in debtors	**7,442,865**	(1,232,297)
Decrease in creditors	**(1,129,324)**	(2,093,936)
Cash generated from/(absorbed by) operations	**5,171,330**	(1,650,159)

22 Analysis of changes in net funds - group

	1 January 2024	Cash flows	Exchange rate movements	31 December 2024
	£	£	£	£
Cash at bank and in hand	3,557,046	168,952	(32,565)	3,693,433

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