Company Registration No. 09908607 (England and Wales)

HSO UK HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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
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 2025

Strategic Review

Introduction

The financial year 2025 represented a year of significant operational and financial improvement for the HSO UK Holdings group. Despite continuing macroeconomic uncertainty and extended sales cycles across parts of the technology sector, the business delivered strong growth in services revenues, improved profitability and strengthened its position as a leading Microsoft transformation partner.

Demand for cloud-based business transformation, data platforms, AI enabled solutions and managed services continued to increase throughout the year. Organisations increasingly sought practical applications of artificial intelligence, automation and cloud technologies to improve productivity, reduce costs and accelerate business outcomes. HSO remained well positioned to support these initiatives through its industry expertise, Microsoft focus and expanding portfolio of cloud services and intellectual property.

Financial Performance

HSO UK delivered a strong financial recovery during 2025. Revenue increased by 8.1% to £56.6 million (2024: £52.4 million), driven by growth in professional services and increasing demand for cloud, data and AI related transformation services. Services revenue represented approximately 90% of total turnover and continues to be the core driver of the business.

Operating profit improved significantly to £7.1 million (2024: operating loss of £1.2 million), reflecting improved utilisation, stronger project performance, tighter operational control and the benefits of actions taken during previous periods to align the cost base with market demand. Profit before taxation increased to £7.2 million.

The year also benefited from improved collections performance and lower bad debt exposure compared with the prior year. The business remains focused on high-value consulting services, managed services and cloud-based recurring revenues while continuing to invest in AI, data and industry-specific capabilities aligned with Microsoft's strategic roadmap.

Industry Focus and Customer Successes

HSO UK continued to strengthen its position as a leading Microsoft transformation partner during 2025, supporting customers across Manufacturing, Retail, Distribution, Professional Services, Financial Services, Healthcare and the Public Sector. Demand remained strong for cloud-based business applications, data platforms, managed services and digital transformation programmes as organisations sought to improve efficiency, productivity and business performance.

A significant trend during the year was the growing adoption of Artificial Intelligence technologies. Customers increasingly moved from exploring AI capabilities to implementing practical business solutions, with HSO supporting organisations in leveraging Microsoft Copilot, Data & AI and automation technologies to improve decision making, streamline operations and enhance customer experiences. This has further strengthened HSO's role as a trusted advisor for enterprise-wide transformation initiatives.

The Company continued to invest in industry-specific intellectual property, solution accelerators and delivery capabilities, enabling customers to realise value more quickly from their technology investments. Combined with HSO's strong Microsoft partnership, deep industry expertise and focus on customer outcomes, these investments contributed to the Company's improved financial performance during 2025 and provide a strong platform for continued growth in 2026.

Investment in Intellectual Property and AI Technology

During 2025, HSO continued to invest heavily in AI-enabled solutions, industry accelerators and reusable intellectual property. Microsoft's ongoing investment in OpenAI technologies and the rapid expansion of Copilot capabilities created significant opportunities for HSO and its clients. HSO supported customers in moving from AI experimentation to production-ready implementations that deliver measurable business value.

HSO also continued to develop industry-specific solutions under its "360" portfolio and expanded its capabilities across Data & AI, Digital Innovation, Infrastructure, Security and Managed Services. These investments support faster delivery, improved consistency and greater productivity for both clients and employees.

Partnership with Microsoft

HSO's strategic partnership with Microsoft remains a key driver of the Company's success. During 2025, the business continued to strengthen its capabilities across Dynamics 365, Power Platform, Azure, Data & AI, Security and Managed Services, supporting customers in their digital transformation programmes.

The Company continued to invest in Microsoft certifications, specialist skills and employee training to remain aligned with Microsoft's technology roadmap and evolving customer requirements. The Directors believe HSO's close relationship with Microsoft and focus on innovation position the Company well for future growth.

Outlook

HSO UK enters 2026 with a healthy order book, strong market position and a broad portfolio of cloud, data, AI and managed services offerings. While macroeconomic uncertainty, geopolitical tensions and changing trade conditions may continue to influence client investment decisions and sales cycles, demand for technology-enabled business transformation remains robust.

Artificial Intelligence represents one of the largest technology shifts since the adoption of cloud computing. HSO believes its early investment in AI capabilities, deep Microsoft expertise and strong industry focus position the business to benefit from increasing demand for AI-enabled transformation program.

The Company will continue to invest in people, intellectual property, service offerings and delivery capabilities to support long-term growth and maintain its position as a leading Microsoft transformation partner.

Following a strategic review after the year end, the Company implemented a planned organisational restructuring to align its operations with its long-term growth objectives. Management made the decis on to focus resources on a smaller number of higher-value, specialised product lines where the Company believes it has stronger technical expertise and greater opportunities for sustainable growth. As part of this transition, a number of roles became redundant. The restructuring was carefully planned to improve operational efficiency, strengthen the Company's market position and ensure resources are focused on areas expected to deliver the greatest future returns.

Conclusion

HSO continues to pride itself on its ability to adapt quickly and sustainably to changing market conditions. During 2025, the Company further strengthened its position through continued diversification of its service offerings and sustained investment in high-growth technologies, including Cloud, Data & AI, Security, Managed Services and Artificial Intelligence solutions. These strategic investments, combined with a disciplined focus on operational excellence, contributed to strong revenue growth and a significant improvement in profitability during the year.

Entering 2026, HSO benefits from a more diversified, resilient and lower-risk business model, enabling the Company to respond effectively to evolving customer requirements and market opportunities. Demand for cloud-based business transformation, data-driven insights and AI-enabled solutions continues to grow, creating significant opportunities across HSO's target markets.

The Directors remain confident that HSO's strong Microsoft partnership, industry expertise, investment in innovation and focus on customer success position the business well for continued growth. Building on the progress achieved during 2025, the Company is well placed to deliver sustainable long-term value for its customers, employees and stakeholders.

Risk review

Effective risk management remains an integral part of HSO's governance and operational framework. Management continuously identifies, assesses and monitors risks that may impact the business, its customers, projects and strategic objectives. A strong culture of accountability encourages employees at all levels to proactively identify and escalate risks, enabling timely mitigation and informed decision-making.

The Company operates formal processes to review both internal and external risks, including changes in market conditions, customer requirements, technology developments, cybersecurity threats and economic factors. Risks are regularly evaluated by management to ensure appropriate controls remain in place and that the business is well positioned to respond to emerging challenges and opportunities.

Strategic

The types of business solutions, applications and services required by our customers continue to evolve rapidly as organisations seek to improve productivity, efficiency and competitiveness through technology. Demand remains strong for cloud-based business applications, data and analytics, managed services and Artificial Intelligence solutions, creating opportunities for both new and existing customer engagements. HSO continues to adapt its service offerings and capabilities to meet changing customer requirements and maintain its market position.

The Company remains closely aligned with Microsoft's technology strategy and continues to invest in capabilities that support customers' adoption of cloud and AI-enabled business transformation. Management regularly reviews market trends, customer demand and emerging risks to ensure the business can respond effectively to changing market conditions and capitalise on new growth opportunities.

People

HSO recognises that its people are fundamental to the success of the business. During 2025, the Company continued to invest in learning, professional development and technical certifications to ensure employees remained at the forefront of industry innovation. Through the HSO Academy and other development programmes, employees were supported in building the skills required to meet changing customer demand across Cloud, Data & AI, Security and Business Applications.

HSO remained committed to employee wellbeing and fostering an inclusive and supportive working environment. Investment continued in employee engagement, leadership development, diversity and inclusion initiatives, and mental health support to attract, develop and retain talented individuals across the business.

During 2025, the Company maintained a strong focus on profitable growth, cash generation and operational efficiency. Continued investment in consulting, managed services and higher-value technology solutions, together with the utilisation of global delivery capabilities and intellectual property, contributed to improved profitability and delivery efficiency.

Credit risk continued to be carefully managed through customer due diligence, regular monitoring of receivables and active engagement with customers throughout the contract lifecycle. The Company also maintained a strong focus on cash collection and working capital management during the year.

Operational

The Company generated revenue through a combination of project-based engagements and managed service contracts across a diversified customer base. Project governance, established delivery methodologies and contractual controls helped mitigate operational and delivery risks while supporting high levels of customer satisfaction.

Projects were delivered using standardised methodologies supported by tools, processes, templates and reusable intellectual property. Continuous improvement of delivery practices and investment in automation and delivery accelerators helped improve efficiency, reduce risk and support successful customer outcomes throughout 2025.

On behalf of the board

Mr M Haverkamp
Director

29 September 2026

HSO UK HOLDING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their annual report and financial statements for the year ended 31 December 2025.

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 £10,250,000. 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
HSO Business Systems AG

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 2.4m kWh (2024 - 2.2m 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 (2024 - 11 tonnes) and fuel consumed for transport not owned by the group was 1009 tonnes (2024 - 791 tonnes).

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employee. This was 11.51 metric tonnes CO2e per employee in 2025 (2024: 3.41).

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

United Kingdom company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the group and parent company 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 parent 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 United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent 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 parent 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

29 September 2026

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 2025 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 2025 and of the group's profit 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 group's and 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 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 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.

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
29 September 2026

HSO UK HOLDING LIMITED

GROUP STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2024 £
Turnover	3	**56,623,594**	52,366,162
Cost of sales		**(12,811,776)**	(13,104,827)
Gross profit		**43,811,818**	39,261,335
Administrative expenses		**(35,358,051)**	(40,527,220)
Other operating (expenses)/income		**(78,170)**	91,109
Exceptional item	4	**(1,250,000)**	-
Operating profit/(loss)	5	**7,125,597**	(1,174,776)
Interest receivable and similar income	7	**112,275**	58,374
Profit/(loss) before taxation		**7,237,872**	(1,116,402)
Tax on profit/(loss)	9	**(1,898,591)**	264,909
Profit/(loss) for the financial year		**5,339,281**	(851,493)
Retained earnings brought forward		**5,653,911**	11,505,404
Dividends		**(10,250,000)**	(5,000,000)
Retained earnings carried forward		**743,192**	5,653,911

Profit/(loss) 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 2025

	Notes	2025		2024	
		£	£	£	£
Current assets					
Debtors	**14**	**17,133,126**		13,124,458	
Cash at bank and in hand		**3,656,130**		3,693,433	
		20,789,256		16,817,891	
Creditors: amounts falling due within one year	**15**	**(19,616,064)**		(10,733,980)	
Net current assets			**1,173,192**		6,083,911
Capital and reserves					
Called up share capital	**18**		**430,000**		430,000
Profit and loss reserves			**743,192**		5,653,911
Total equity			**1,173,192**		6,083,911

The financial statements were approved by the board of directors and authorised for issue on 29 September 2026 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 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Investments	**12**		**2**		2
Current assets					
Debtors	**14**	**440,071**		440,071	
Cash at bank and in hand		**8,272**		8,292	
		448,343		448,363	
Creditors: amounts falling due within one year	**15**	**(8,788)**		(8,788)	
Net current assets			**439,555**		439,575
Net assets			**439,557**		439,577
Capital and reserves					
Called up share capital	**18**		**430,000**		430,000
Profit and loss reserves			**9,557**		9,577
Total equity			**439,557**		439,577

As permitted by section 408 of the 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 £10,249,980 (2024 - £5,439,785 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 September 2026 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 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash generated from operations	22		**10,810,335**		5,171,330
Income taxes paid			**(709,913)**		(2,378)
Net cash inf ow from operating activities			**10,100,422**		5,168,952
Investing activities					
Interest received		**112,275**		-	
Net cash generated from investing activities			**112,275**		-
Financing activities					
Dividends paid to equity shareholders		**(10,250,000)**		(5,000,000)	
Net cash used in financing activities			**(10,250,000)**		(5,000,000)
Net (decrease)/increase in cash and cash equivalents			**(37,303)**		168,952
Cash and cash equivalents at beginning of year			**3,693,433**		3,557,046
Effect of foreign exchange rates			**-**		(32,565)
Cash and cash equivalents at end of year			**3,656,130**		3,693,433

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 2025. 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 are recoverable.

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

1.6 Fixed asset investments

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 mpairment 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.

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

	2025	2024
	£	£
Turnover analysed by class of business		
Software	**5,808,186**	5,281,950
Services	**50,815,408**	47,084,212
	56,623,594	52,366,162

	2025	2024
	£	£
Turnover analysed by geographical market		
United Kingdom	**53,301,434**	47,445,772
Rest of Europe	**2,955,534**	380,987
Rest of World	**366,626**	4,539,403
	56,623,594	52,366,162

	2025	2024
	£	£
Other revenue		
Interest income	**112,275**	58,374

4 Exceptional item

	2025	2024
	£	£
Expenditure		
Resolution agreement	**1,250,000**	-

Included within operating expenses is an exceptional charge of £1.25m relating to the resolution of a commercial dispute. The charge has been presented separately on the basis of its material value and non-recurring nature.

5 Operating profit/(loss)

	2025	2024
	£	£
Operating profit/(loss) for the year is stated after charging:		
Exchange losses	**70,848**	32,565
Operating lease charges	**491,543**	581,818

6 Employees

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

	Group		Company	
	2025	2024	2025	2024
	Number	Number	Number	Number
Services	**277**	327	**-**	-
Sales	**22**	23	**-**	-
Administration	**3**	5	-	-
Management	**19**	25	**2**	2
Total	**321**	380	**2**	2

Their aggregate remuneration comprised:

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Wages and salaries	**25,287,278**	27,071,684	-	-
Social security costs	**3,077,083**	3,135,206	**-**	-
Pension costs	**920,030**	1,010,328	**-**	-
	29,284,391	31,217,218	**-**	-

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 £412,189 (2024: £374,537).

7 Interest receivable and similar income

	2025	2024
	£	£
Interest income		
Interest on bank deposits	**112,275**	-
Other interest income	-	58,374
Total income	**112,275**	58,374

8 Auditor's remuneration

	2025	2024
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	**5,500**	5,250
Audit of the financial statements of the company's subsidiaries	**55,500**	29,000
	61,000	34,250
For other services		
Audit-related assurance services	**9,000**	9,000
Taxation compliance services	**5,500**	5,250
	14,500	14,250

9 Taxation

	2025	2024
	£	£
Current tax		
UK corporation tax on profits for the current period	**1,635,218**	-
Deferred tax		
Origination and reversal of timing differences	**262,191**	21,277
Adjustment in respect of prior periods	**1,182**	-
Tax losses carried forward	**-**	(286,186)
Total deferred tax	**263,373**	(264,909)
Total tax charge/(credit)	**1,898,591**	(264,909)

From the 1 April 2024 the effective tax rate is 25%. During the prior year the effective tax rate was 25%.

9 Taxation (Continued)

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

	2025	2024
	£	£
Profit/(loss) before taxation	**7,237,872**	(1,116,402)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	**1,809,468**	(279,101)
Tax effect of expenses that are not deductible in determining taxable profit	**7,852**	11,988
Other permanent differences	**-**	2,204
Deferred tax adjustments in respect of prior years	**1,182**	-
Over provision - Current taxes	**80,089**	-
Taxation charge/(credit)	**1,898,591**	(264,909)

10 Dividends

	2025	2024
Recognised as distributions to equity holders:	£	£
Interim paid	**10,250,000**	5,000,000

11 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2025 and 31 December 2025	**25,626**
Amortisation and impairment	
At 1 January 2025 and 31 December 2025	**25,626**
Carrying amount	
At 31 December 2025	**-**
At 31 December 2024	-

The company had no intangible fixed assets at 31 December 2025 or 31 December 2024.

12 Fixed asset investments

	Notes	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Investments in subsidiaries	13	-	-	2	2

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2025 and 31 December 2025	2
Carrying amount	
At 31 December 2025	2
At 31 December 2024	2

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2025 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.

14 Debtors

	Group		Company	
	2025	2024	2025	2024
Amounts falling due within one year:	£	£	£	£
Trade debtors	**9,891,225**	10,617,533	-	-
Corporation tax recoverable	**-**	711,128	**-**	-
Amounts owed by group undertakings	**795,849**	367,690	**440,000**	440,000
Other debtors	**5,106,702**	74,074	**-**	-
Prepayments and accrued income	**1,314,136**	1,065,447	**-**	-
	17,107,912	12,835,872	**440,000**	440,000
Deferred tax asset (note 16)	**25,214**	288,586	**71**	71
	17,133,126	13,124,458	**440,071**	440,071

Trade debtors is presented net of provisions for credit notes and doubtful debts which total £3,265,644 (2024: £3,792,433).

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

See note 4 for further detail in respect of amounts included in other debtors.

15 Creditors: amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	**1,644,120**	1,265,157	**-**	-
Amounts owed to group undertakings	**2,412,816**	3,411,819	-	4,188
Corporation tax payable	**214,178**	-	**-**	-
Other taxation and social security	**1,880,622**	1,611,493	**-**	-
Other creditors	**1,759,048**	690,251	**-**	-
Accruals and deferred income	**11,705,280**	3,755,260	**8,788**	4,600
	19,616,064	10,733,980	**8,788**	8,788

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

See note 4 for further detail in respect of amounts included in accruals.

16 Deferred taxation

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

Group	Assets 2025 £	Assets 2024 £
Tax losses	**71**	286,257
Short term timing differences	**25,143**	2,329
	25,214	288,586

Company	Assets 2025 £	Assets 2024 £
Tax losses	**71**	71

Movements in the year:	Group 2025 £	Company 2025 £
Asset at 1 January 2025	**(288,586)**	**(71)**
Charge to profit or loss	**263,372**	**-**
Asset at 31 December 2025	**(25,214)**	**(71)**

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

17 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	**920,030**	1,010,328

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 £261,225 (2024: 24,202).

18 Share capital

Group and company	2025	2024	2025	2024
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	**430,000**	430,000	**430,000**	430,000

19 Financial commitments, guarantees and contingent liabilities

On 18 November 2025, the fixed and floating charge over all assets of the company held by Wilmington Trust (London) Limited was satisfied.

20 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	
	2025	2024	2025	2024
	£	£	£	£
Within one year	**282,730**	467,542	**-**	-
Between two and five years	**45,660**	345,542	**-**	-
	328,390	813,084	**-**	-

21 Controlling party

The company's ultimate controlling party is Bain Capital, LP.

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.

22 Cash generated from group operations

	2025	2024
	£	£
Profit/(loss) after taxation	**5,339,281**	**(851,493)**
Adjustments for:		
Taxation charged/(credited)	**1,898,591**	(264,909)
Investment income	**(112,275)**	(58,374)
Foreign exchange gains on cash equivalents	**-**	32,565
Movements in working capital:		
(Increase)/decrease in debtors	**(4,983,168)**	7,442,865
Increase/(decrease) in creditors	**8,667,906**	(1,129,324)
Cash generated from operations	**10,810,335**	5,171,330

23 Analysis of changes in net funds - group

	1 January 2025	Cash flows	31 December 2025
	£	£	£
Cash at bank and in hand	**3,693,433**	**(37,303)**	**3,656,130**

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