2025 ANNUAL REPORT

Beeks Financial Cloud Group PLC 30 June 2025

Registered Company No.SC521839

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

[1] Revenue referenced throughout the accounts excludes grant income and rental income

[2] Underlying EBITDA is defined as profit for the year before amortisation, depreciation, finance costs, taxation, acquisition costs, share based payments, exchange rate gains/losses on statement of financial position translation and exceptional non-recurring costs

[3] Underlying profit before tax is defined as profit before tax excluding amortisation on acquired intangibles, acquisition costs, share based payments, exchange rate gains/losses on statement of financial position translation and exceptional non-recurring costs

[4] Underlying diluted EPS is defined as profit for the year excluding amortisation on acquired intangibles, acquisition costs, share based payments, exchange rate gains/losses on statement of financial position translation and exceptional non-recurring costs divided by the number of shares including any dilutive share options

[5] Net cash is defined as closing cash less closing asset financing loans and bank loans.

BEEKS FINANCIAL CLOUD GROUP PLC FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE YEAR ENDED 30 JUNE 2025

STATUTORY EQUIVALENTS

The highlights are based on underlying results. Reconciliations between underlying and statutory results are contained within these financial statements. The statutory equivalents of the above results are as follows:

- Profit before tax increased to £2.79m (2024: £1.46m).
- Basic EPS increased to 4.43p (2024: 3.33p).

OPERATIONAL HIGHLIGHTS

Record level of Total Contract Value on Proximity Cloud® and Exchange Cloud® new contracts, of over £19m, driven by Tier 1 customer momentum across our offerings

- Major Exchange Cloud® contracts secured, including with the Australian Securities Exchange (ASX), Grupo Bolsa Mexicana de Valores (BMV), Kraken, and post period end, a division of the TMX Group, the owner of the Toronto Stock Exchange (TSX).
- Continued expansion with existing customers, including a further Exchange Cloud® contract extension with the Johannesburg Stock Exchange (JSE) to meet strong customer demand.
- Several significant Proximity Cloud® contracts signed, comprising multi-year wins and renewals across brokerage and fintech firms, including a leading global FX broker.
- Introduction of a revenue share model for certain new Exchange Cloud® deals to enhance long-term profitability and shorten sales cycles, a significant strategic development seeking to enhance profitability and drive long-term value.

Strong operational progress driven by product innovation and enhancement

- Post year end, launch of Market Edge Intelligence®, world's first AI/Machine Learning solution for passive monitoring of capital markets data directly at the network edge.
- Continued investment into Exchange Cloud® and Proximity Cloud® offerings with new features and developments to keep pace with the evolving needs of the financial markets.
- Ongoing investment into the security of Beeks' infrastructure, with both Proximity Cloud® and Exchange Cloud® holding SOC2 compliance standard.
- Secured a minority stake in Liquid-Markets-Solutions, providing exclusive access to its cutting-edge ÜberNIC technology and enhancing the appeal of our Private and Exchange Cloud® offerings to leading financial institutions.

OUTLOOK

- The market backdrop continues to be shaped by the shift to cloud based solutions, with considerably increased level of new opportunities entering the sales pipeline reflecting customer's growing desire to modernise their technology infrastructure and outsource functions where they don't themselves compete.
- Pipeline is at record strength across each of our offerings, with multiple opportunities in the sales funnel, including several of the world's leading financial institutions.
- Post-period end, Beeks secured several significant Private Cloud contracts across multiple financial institutions globally, providing good revenue visibility for FY26 and contracts with four of the Top 30 Exchanges at final stages.
- Even at this early stage of the year, the Board is confident in achieving results for FY26 in line with its expectations.

"FY25 has been another landmark year for Beeks. Yet again we have achieved double-digit growth in revenue and profitability, strengthened our recurring revenue profile and secured significant contracts with some of the world's largest financial institutions.

The sales environment continues to shift towards cloud adoption. Following two years of market education, in which we have strengthened our sales team, increased our marketing activities, and delivered demonstrable results for leading exchanges around the world, we believe we are now a well-established and highly regarded player in the financial markets infrastructure. We are continuing to capture a market that increasingly recognises our solutions as a 'must-have' addition.

The launches of the revenue share model for Exchange Cloud® and the first-of-its-kind Market Edge Intelligence® Solution enhance the scale of our opportunity and the quality of our earnings. We move into FY26 in a strong position, bolstered by a widened offering and a record pipeline of opportunities, providing confidence in sustained growth during FY26 and beyond."

Gordon McArthur
CEO

OUR COMPANY AT A GLANCE

WHAT WE DO

Beeks Financial Cloud Group PLC is a leading provider of cloud computing, connectivity, and analytics solutions, specialising in the financial markets. From our global infrastructure footprint, we deliver secure, low-latency environments designed to support trading, investment, and financial technology businesses worldwide.

OUR CUSTOMERS AND SOLUTIONS

From Proximity Cloud® and Exchange Cloud® to advanced analytics platforms, our capabilities are trusted by some of the world's largest and most demanding institutions. We work with Tier 1 banks, leading brokers, hedge funds, and major exchanges such as the JSE and ASX, helping them trade, connect, innovate and support their customers with confidence.

OUR VISION

As a global leader, Beeks has a presence across all key financial regions. Our mission is to lead the way in creating flexible, future-ready infrastructure for capital markets, delivering innovation without compromising on reliability.

WHY BEEKS?

What sets us apart is our client-led approach. We believe the best technology starts with listening. By building close relationships and understanding our clients' needs, we shape solutions that are not only technically advanced but also aligned with business goals. This combination of human insight and technical expertise ensures that our products and services deliver real value where it matters most.

OFFICE LOCATIONS

- Renfrew, UK
- London, UK
- Tokyo, Japan
- Surabaya, Indonesia

DATA CENTRE LOCATIONS

- London, UK
- New York, US
- Chicago, US
- Amsterdam, Netherlands
- Frankfurt, Germany
- Geneva, Switzerland
- Hong Kong, China
- Johannesburg, South Africa
- Montreal, Canada
- Paris, France
- Singapore
- Sydney, Australia
- Tokyo, Japan
- Toronto, Canada
- Washington DC, US
- Zurich, Switzerland

CHAIRMAN'S STATEMENT

I am pleased to report another year of strong commercial and operational progress for Beeks, further building on the momentum gained over recent years. Revenues increased by 26% to £35.9m, underlying EBITDA by 27% to £13.6m and underlying profit before tax grew by 41% to £5.5m (30 June 2024: £3.9m), providing an increasingly solid financial foundation on which to grow. Diluted earnings per share increased to 4.12p (2024: 3.11p). While still a relatively small business in terms of the wider capital markets, Beeks now has multi-year contracts in place with six of the world's top 30 exchanges, providing the opportunity of long-term, sustained revenue growth as these exchanges in turn roll out the Beeks offering to their customers.

During the year, we achieved record growth in Total Contract Value (TCV) of new contracts secured, driven by strong demand for our Proximity Cloud® and Exchange Cloud® offerings. Eight significant deals were completed in the year, demonstrating the strength of our offerings as well as our traction with global Tier 1 financial institutions. With further exchanges and major institutions in the sales pipeline, the Board sees considerable growth runway ahead. Across our business, we continue to see client retention rates more than 96%. This year one of the few customers to give notice on its contract was a major exchange secured in FY24. However, due to the protracted nature of the full launch of this service to their customers, the financial impact on the Group is immaterial. The success at other major exchanges around the world and the growth in the sales pipeline more than offsets this loss and fully demonstrates the value of the Exchange Cloud® offering experienced by our customers.

This year, we have continued to innovate and expand our service offerings. We launched our revenue share model for Exchange Cloud® contracts, a strategy which is already shortening sales cycles and will enhance Beeks' recurring revenue profile over time and drive higher long-term profitability. Meanwhile, the post-period launch of our AI powered Market Edge Intelligence® marks a material development, opening a new recurring revenue stream with the product already receiving positive early customer feedback.

Looking ahead, the Board remains highly confident in the Group's prospects. The record pipeline of Proximity Cloud® and Exchange Cloud® opportunities, combined with the launch of Market Edge Intelligence®, positions Beeks well for ongoing growth in FY26 and beyond. Our focus remains on converting the pipeline of opportunities and maximising the opportunity we have across each of our four offerings.

On behalf of the Board, I would like to thank our customers for their continued trust in us, our shareholders for their support and our colleagues for their efforts in delivering another year of significant achievement for Beeks.

Will Meldrum
Chairman
3 October 2025

INVESTMENT CASE

ACCELERATING THE FUTURE OF FINANCIAL INFRASTRUCTURE

Beeks Group is a fast-growing provider of cloud and connectivity solutions built for the financial markets. With cutting-edge technology, trusted partnerships, and a proven track record of innovation, we empower financial institutions and exchanges around the world to operate faster, smarter, and more securely.

Our growth story speaks for itself, consistent double-digit revenue increases, expanding global infrastructure, and an ever-growing client base across capital markets, banking and fintech.

PROVEN GROWTH AND RESILIENT PERFORMANCE

Over the past few years, Beeks has delivered sustained, high-quality growth driven by strong demand for low-latency, secure, and compliant infrastructure.

- **Revenue growth:** Our average revenue growth since IPO over the last eight years is 32%.
- **Recurring revenue:** Robust and expanding, providing predictable returns.
- **Scalable model:** Built to grow with client demand, not fixed by physical limits.

Our performance demonstrates continued momentum across all core services.

Read more about the strength of our performance on page 15.

UNIQUE MARKET POSITION

Beeks operates at the intersection of cloud technology and financial market infrastructure - a niche, high-barrier segment with few true specialists.

- Recognised partner to global exchanges, brokers, and banks.
- Exchange Cloud®, the first fully managed cloud solution purpose-built for exchanges and trading venues.
- Market Edge Intelligence®, believed to be the world's first AI/ML analytics platform built for capital markets infrastructure.
- Deep connectivity to key financial data centres and liquidity hubs worldwide.

Our focus on this specialised space sets us apart and underpins our long-term competitive advantage.

Read more about how we are tapping into long-term market growth drivers on page 10.

TRUSTED BY THE WORLD'S LEADING FINANCIAL VENUES

We believe we are the infrastructure partner of choice for institutions seeking performance, security, and reliability.

- Relationships with major exchanges and liquidity providers.
- Strong reputation for delivery and innovation.
- Consistent expansion into new geographies.

Read more about how we are growing with our customers on page 13.

INNOVATION AT OUR CORE

Innovation drives everything we do. From pioneering multi-tenant financial cloud environments to automating complex exchange deployments, we continually push the boundaries of what's possible.

- Investment in research and product development.
- Automation is powering efficiency, creativity, and continuous innovation.
- Focus on emerging technologies to maintain a market-leading edge.

Our product roadmap is aligned with where the industry is heading, not where it has been.

Read more about our product evolution on pages 12 and 13.

POSITIONED FOR LONG-TERM, SUSTAINABLE GROWTH

With an expanding global footprint, increasing demand for cloud-based infrastructure, and a diversified customer base, Beeks is positioned to capture continued market share.

- Ongoing investment in people, technology, and partnerships.
- Long-term contracts delivering recurring revenue.
- Strong sales pipeline across the product portfolio.
- Clear plan for both organic and strategic expansion.

We are focused on building enduring value - for our clients, our people, and our shareholders.

Beeks Group is a growth-driven, innovative, and trusted infrastructure partner to the global financial markets. Our expanding Exchange Cloud® and Proximity Cloud® platform, consistent performance, and specialist focus give us a clear advantage in a rapidly evolving digital landscape.

BEEKS IS BUILDING THE CAPITAL MARKETS INFRASTRUCTURE OF TOMORROW, TODAY.

STRATEGIC REPORT

MARKET OVERVIEW

The capital markets industry continues to undergo rapid transformation, driven by technological innovation and regulatory change. Increasingly, firms are recognising the strategic importance of cloud infrastructure to support trading, risk management and analytics in an environment where speed, scale and resilience are paramount.

Cloud adoption within capital markets has accelerated over the past decade. Although institutions have been seeking to outsource functions that do not provide a competitive advantage for some time, historically they have been cautious to outsource cloud due to security and latency concerns. Now, however, organisations are embracing private and hybrid cloud models that provide the control, performance and compliance assurances required in a highly regulated sector. Exchanges, brokers, banks and trading firms are leveraging cloud-based solutions to access on-demand compute power, streamline operations and reduce the costs of maintaining legacy infrastructure.

Key market drivers include:

- Latency-sensitive trading: The demand for low latency continues to shape infrastructure investment, with cloud platforms tailored for proximity hosting and direct market access gaining traction.
- Data growth and analytics: The exponential rise of market and transaction data has increased reliance on scalable cloud environments for real-time analytics and regulatory reporting.
- Resilience and business continuity: Regulators and market participants alike prioritise operational resilience, making cloud-based redundancy and disaster recovery critical considerations.
- Cost efficiency and agility: Flexible consumption models allow firms to optimise resources, respond quickly to market opportunities and innovate without heavy upfront investment.

Looking ahead, the shift towards cloud-native trading and post-trade environments is expected to deepen. As digital assets, machine learning and AI-driven strategies evolve, firms will require infrastructure capable of supporting increasingly complex workloads. Strategic partnerships between cloud providers, exchanges and fintech specialists are likely to define the next phase of industry development.

Beeks is well positioned within this landscape, offering cloud infrastructure specifically designed for the performance, security and compliance needs of capital markets.

STRATEGY

Our mission is to lead the way in creating flexible, future-ready infrastructure for capital markets, delivering innovation without compromising on reliability.

Our business is driven by three key areas:

- **Expand market presence across geographies and the capital market space**. We will continue to grow the number of customers across exchanges, brokers, bank and other capital markets organisations.
- **Continuously improve the strength of customer relationships**. Beeks aims to strengthen long-term partnerships with existing clients by delivering additional value through our expanding portfolio of services. By focusing on upselling and cross-selling opportunities, from infrastructure to analytics, private cloud and managed services, we will enhance customer engagement, increase retention and grow revenue within our established client base. Central to this goal is building trust through consistent service excellence, demonstrating measurable outcomes and positioning Beeks as a strategic partner rather than a utility provider.
- **Drive innovation**. The launch of Market Edge Intelligence® enhances Beeks' offering by combining our trusted, high-performance infrastructure with intelligence-led tools that address the growing demand for transparency, resilience and efficiency. It sets the path for driving innovation across Beeks as a whole. It signals our commitment to evolving from a provider of infrastructure to a strategic partner for insight and growth. This launch strengthens our role in helping clients navigate an increasingly complex market landscape, while laying the foundation for the next generation of solutions that will define our industry.

SALES AND MARKETING

Over the past year, Beeks has continued to evolve its sales and marketing approach with a clear focus on building trust and reshaping market perception. While our heritage is rooted in infrastructure, our ambition is to be recognised as a broader partner for innovation across financial markets.

To support this shift, we have expanded our activities beyond traditional marketing channels, seeking new and meaningful ways to engage with our target audience. Central to this has been the launch of a client case study programme, designed to highlight real examples of how Beeks solutions deliver measurable value to clients. By sharing these proof points, we aim to strengthen credibility, showcase innovation and give our audience tangible evidence of the impact we create.

This strategy is underpinned by a consistent message: Beeks is more than infrastructure. We are a trusted partner enabling resilience, performance and growth for capital markets participants. By building upon our track record of reliability while broadening our story, we continue to deepen relationships, open new conversations and extend our reach in a highly competitive market.

We have continued to invest in our sales function, recruiting senior sales executives across EMEA, APAC and Americas. Our sales team has attended a number of key industry events and conferences to build market and brand presence and ultimately drive qualified leads and meetings across all our offerings.

STRATEGIC REPORT – CHIEF EXECUTIVE'S REVIEW

CHIEF EXECUTIVE'S REVIEW

FY25 has been another year of strong progress for Beeks, underpinned by sustained double-digit growth and further expansion of our presence in global financial markets. Having previously invested in product development and the launch of Proximity Cloud® and Exchange Cloud®, we had four areas of focus as we entered this year: the accelerated conversion of our considerable sales pipeline, preparation of Market Edge Intelligence®, continued enhancement of our offerings, and achievement of greater operational leverage. I am pleased to report we have delivered on each of the four areas.

We have converted our sales pipeline into significant new customer wins, delivering the highest number of Exchange Cloud® and Proximity Cloud® contracts secured in a single year and record Total Contract Value of £19m. Since launch, Exchange Cloud® and Proximity Cloud® have gained considerable uptake, with adoption from a growing number of Tier 1 financial institutions and exchanges worldwide, each with considerable expansion potential.

The introduction of a revenue share model for certain contracts has successfully shortened sales cycles and paves the way for strong growth in ARR going forwards, as the infrastructure deployed becomes more established and generates growing levels of engagement amongst our clients. Three exchanges are now operating under the revenue share model, with one now recognising revenue and operating profitably. We see a considerable runway of growth from these deals in the next 12-24 months as they come online.

Our new Market Edge Intelligence® product, launched shortly after year end, represents another important step in our evolution, adding an ARR-based AI analytics solution to our portfolio. Meanwhile, we continue to enhance our Exchange Cloud®, Proximity Cloud® and Private Cloud offerings to increase their attractiveness to customers.

Our focus on achieving increasing operational leverage can be seen in the strong profit before tax growth, at 41%. We continue our growth trajectory as an increasingly profitable and operationally cash-generative business.

With a record pipeline across each of our offerings, a proven ability to deliver at scale, and increasing recognition of our value, we enter FY26 with confidence in our ability to build on this momentum and capture the significant opportunities ahead.

Financial performance

Revenue for the year increased by 26% to £35.9m (FY25: £28.5m), reflecting continued momentum across our product portfolio, including strong growth in Proximity Cloud® and Exchange Cloud®. We are now seeing the benefits of operational leverage within our business, with underlying profit before tax increasing 41% to £5.5m and underlying EBITDA improving 27% to £13.62m. We exited the year with an ACMRR of £29.5m (FY24: £28.0m), up 5%, providing a healthy basis for the year ahead. This has been further increased to £31.5m at September 25 following a strong start to the FY26 financial year. The Group achieved a positive free cash flow position, with net cash increasing to £6.96m at the year end (30 June 2024 net cash of £6.58m) despite significant investment into all hardware infrastructure required to deliver the Proximity Cloud® and Exchange Cloud® deals signed during H2, which will become revenue generating in FY26.

Operational Expansion

During the year, we made a few targeted hires to strengthen capabilities in strategic growth areas, including sales and software development with overall headcount as at 30 June 2025 relatively steady at 102 (30 June 2024: 105). We believe our sales team is now well-sized to support the conversion of a record pipeline.

We have maintained a strong global presence across key data centres, and during the year we focused on expanding our presence in existing locations. We will continue to evaluate new locations in line with our sales pipeline.

Product roadmap

Innovation has continued at pace this year. Our latest product, Market Edge Intelligence®, was successfully launched post-period end and is the outcome of investment and innovation into Artificial Intelligence and Analytics throughout FY24 and FY25. Market Edge Intelligence® delivers real-time AI analytics and predictive intelligence directly within colocation facilities, producing insights including predictive alerts, infrastructure anomaly detection, capacity forecasting, and instant trading signal execution. Targeting Tier 1 and Tier 2 customers, the product offers cost savings and operational efficiencies and can be deployed in multiple ways: as part of Beeks Analytics, as a standalone platform, or through integration alongside existing systems. This open architecture and transparent commercial model places us in a unique position, primed to significantly expand the addressable market and generate upsell opportunities within the existing customer base. The solution also generates a new channel of recurring revenue, further adding to our significant base of contracted, multi-year revenue streams.

The product has already received positive customer feedback with early signs of strong demand and several conversations with new and existing customers ongoing. Believed to be the world's first AI/Machine learning solution for passive monitoring of capital markets data directly at the network edge, Market Edge Intelligence® is poised to play a valuable role in the capital markets trading landscape.

Investment into the Exchange Cloud® and Proximity Cloud® offerings focused on streamlining the product to keep pace with the evolving needs of the financial markets landscape and reinforce our technical advantage over other industry alternatives. Upgrades and developments include: enhanced single sign-on functionality to deliver clients a secure transition between infrastructure management and performance analytics views; updated portal displays for high-usage Proximity Cloud® and Exchange Cloud® customers to enable more efficient capacity management; and live client notifications on key infrastructure metrics allowing continuous system monitoring.

Investment into the security of our infrastructure remains a focus of our R&D, and as announced in FY24, both Proximity Cloud® and Exchange Cloud® hold the Service Organisation Control 2 (SOC 2) compliance standard, the widely respected and recognised standard developed by the American Institute of Certified Public Accountants (AICPA). This reflects our commitment to ensuring the security of our customers' data and underpins Beeks' established reputation as a trusted and leading provider for the financial markets. During FY25 we further strengthened our compliance standard by achieving SOC Type 2 accreditation.

Sales and Marketing

Investing in sales and marketing remains part of our growth strategy as we look to deliver on a record pipeline of new sales opportunities. This year has seen a moderate expansion of our global sales team with a few select strategic hires across existing locations within exchanges to support the conversion of our pipeline on an international scale, gaining senior sales personnel with extensive industry experience.

Our professional memberships provide Beeks with a strong channel through which to engage with the capital markets landscape and build relationships among industry specialists. These relationships can lead to new business opportunities, strategic partnerships, and collaborative ventures, while also granting access to valuable insights into competitors. In addition, they help further enhance our competitive differentiation by setting us apart us from other large cloud service providers.

Customers

Beeks continues to support a broad customer base across the financial services sector, including exchanges, banks, brokers, hedge funds, cryptocurrency traders, as well as insurance companies, financial technology firms, payment providers, and Independent Software Vendors (ISVs).

Both Exchange Cloud® and Proximity Cloud® have made material leaps since launching and are the primary drivers behind new customer acquisitions in FY25, marking record numbers of new customer wins and extensions with eight deals secured and a total TCV of over £19m. In line with our land and expand strategy, clients in our existing customer base have continued to increase adoption of our services far beyond the original contract. For example, this year saw further extensions of the Exchange Cloud® contract with Johannesburg Stock Exchange which now has two data centre locations and still offers further extension opportunity. An Exchange Cloud® contract with a large global Exchange, first announced in February 2024, has recently been put on notice, due to the protracted full go live with the exchange's customers. A situation beyond the Company's control. The cancellation will have an insignificant impact on FY26 financial performance.

During the year and continuing post year end, the Group has seen strong new sales momentum for Exchange Cloud®, with several significant customer wins that include:

- Major new contract with the Grupo Bolsa Mexicana (BMV), the second-largest exchange in Latin America, to deploy colocation infrastructure via Beeks' partner, IPC.
- Multi-year contract with the Australian Securities Exchange (ASX), the 11th largest stock market globally, to support its new Colocation on Demand Service, reducing latency, cost and complexity. The solution is due to launch in H1 FY26.
- Significant new contract with Kraken, one of the longest-standing, most liquid and secure cryptocurrency exchanges, for Kraken's European data centre. This is strategically significant because it marks the first cryptocurrency exchange to sign-up for Exchange Cloud® and opens the door into the crypto platform market.
- Significant new contract post-period end with TMX Datalinx, part of the Canada-based TMX Group which owns and operates exchanges across equities, fixed income, derivatives and energy markets, including the Toronto Stock Exchange.

The pipeline for Exchange Cloud® is at record strength, and with the move to the revenue share model significantly decreasing the sales cycle, we are confident in accelerating the sales process and delivering on our pipeline going forward.

Proximity Cloud® is building traction in the FX space, with evidence of demand growing to suggest this is a significant avenue of opportunity. June marked a record month for Proximity Cloud®, with c.$10m of contracts signed, including multi-year contract wins and renewals for brokerage and fintech firms, spanning key locations across UAE and Europe. Revenue associated with these deals is set to be recognised across both FY25 and FY26, contributing to a strong start to FY26.

The pipeline for Proximity Cloud® remains strong, with late-stage conversations ongoing with several large and globally-renowned financial institutions.

Future Growth and Outlook

We are increasingly confident in the significant growth opportunities ahead. We have had a record start to H1 FY26 with the contract wins detailed above and several other Exchanges are in the closing stages of deals. With the pipelines across all our offerings at record strength, the growth opportunity ahead is considerable.

Following two years of market education in which we have strengthened our sales team and marketing efforts and delivered demonstrable results for leading financial institutions around the world, our products are increasingly well-known. As a result, today, customers are actively coming to us. In addition, the resulting record pipeline across all our offerings is underpinned by the revenue share model for Exchange Cloud® which delivers a clear line of sight of profitability, building considerable opportunity for regular revenue flow over the next 18-24 months.

Market Edge Intelligence® marks a major step forward, enabling us to scale with both new and existing customers. This offering, is a first-of-its-kind technology in our sector, strengthening our reputation as an established capital markets disruptor.

Looking ahead for Exchange Cloud®, we are witnessing a growing demand in emerging markets, where trading infrastructure is struggling to keep pace with the demanding requirements of modern trading. In these regions, we have several opportunities progressing to late-stage contracting and others in earlier stages of the sales funnel. In addition to the strong pipeline of new opportunities, we continue to see substantial extension opportunities with existing customers, as data centres approach capacity.

Overall, we believe we are in a strong position to meet our customers' needs in the years ahead, and provide them with robust solutions that enable them to deliver on their strategies and goals. With our pipeline at record strength, the revenue-share model accelerating completions, an expanded offering and a strong base of recurring revenue, even at this early stage, the Board is confident in achieving results for FY26 in line with its expectations.

Gordon McArthur
CEO
3 October 2025

STRATEGIC REPORT FINANCIAL REVIEW

KEY PERFORMANCE INDICATOR REVIEW

	FY25	FY24	GROWTH
Revenue[1] (£m)	£35.92	£28.49	**26%**
ACMRR[2] (£m)	£29.50	£28.00	**5%**
Gross Profit (£m)	£14.70	£11.34	**30%**
Gross Profit margin[3]	40.9%	39.8%	**1.1%**
Underlying EBITDA[4] (£m)	£13.62	£10.73	**27%**
Underlying EBITDA margin[5]	37.9%	37.7%	**0.2%**
Underlying Profit before tax[6] (£m)	£5.49	£3.90	**41%**
Underlying Profit before tax[7](£m)	15.3%	13.7%	**1.6%**
Profit before tax (£m)	£2.79	£1.46	**91%**
Underlying EPS[8] (pence)	8.47p	7.01p	**21%**

[1]Revenue excludes grant income and rental income

[2]ACMRR is Annualised Committed Monthly Recurring Revenue

[3]Gross profit margin is statutory gross profit divided by Revenue

[4]Underlying EBITDA is defined as profit for the year excluding amortisation, depreciation, finance costs, taxation, acquisition costs, share based payments, exchange rate gains/losses on statement of financial position translation and exceptional non-recurring costs

[5]Underlying EBITDA margin is defined as Underlying EBITDA divided by Revenue

[6]Underlying profit before tax is defined as profit before tax excluding amortisation on acquired intangibles, acquisition costs, share based payments, exchange rate gains/losses on statement of financial position translation and exceptional non-recurring costs

[7]Underlying profit before tax margin is defined as Underlying profit before tax divided by Revenue

[8]Underlying EPS is defined as profit for the year excluding amortisation on acquired intangibles, acquisition costs, share based payments, exchange rate gains/losses on statement of financial position translation and exceptional non-recurring costs divided by the number of shares

I am pleased to report on another year of strong financial performance, with good revenue growth reflecting a positive response by both new and existing customers to our growing cloud offerings, the strength of our recurring revenue model and disciplined execution of our strategy. Revenue grew 26% to £35.9m, supported by broad-based growth across our Proximity Cloud® and Exchange Cloud® offerings. Importantly, profitability accelerated at a faster pace than revenue as we saw increasing leverage of our business, with underlying profit before tax increasing 41% to £5.5m and underlying EBITDA improving 27% to £13.6m.

Our ability to scale while maintaining high levels of recurring revenue and strong cash generation underlines the resilience of the business model. Tier 1 customers now represent a growing proportion of revenues, validating our position as a trusted, long-term partner for global financial markets infrastructure.

BEEKS FINANCIAL CLOUD GROUP PLC STRATEGIC OVERVIEW FOR THE YEAR ENDED 30 JUNE 2025

REVENUE AND RECURRING MODEL

Revenue increased 26% year on year to £35.9m, supported by expansion with existing customers and new contract wins. Recurring revenues represented 71% of total revenue (2024: 84%), reflecting product mix, particularly the higher proportion of Proximity Cloud® and Exchange Cloud® sales (under the prior model) which have an upfront revenue recognition element. Despite this shift, the Group continues to benefit from a resilient base of contracted income, with Annualised Committed Monthly Recurring Revenue (ACMRR) increasing 5% to £29.5m (2024: £28.0m), reinforcing visibility of future earnings. As referenced earlier in the report, ACMRR further increased to £31.5m as at September-25 following a strong start to FY26.

Proximity Cloud® and Exchange Cloud® delivered strong revenue growth, with revenues of £9.9m (2024: £3.5m), while Private and Public Cloud revenues increased by a more modest £0.6m compared with FY24. As noted at the interim stage, we experienced higher than historic customer churn within Private Cloud as clients rationalised legacy infrastructure following the transition of our server licence estate from VMWare to OpenNebula. While this temporarily moderated ACMRR growth, it has positioned the Group with a more efficient cost base.

Importantly, momentum in Private Cloud has already returned. In August 2025 we secured over $7m of new Private Cloud contracts across multiple financial institutions and geographies. These wins, which commence revenue recognition in FY26, underpin the Board's growth expectations and demonstrate the demand for our secure, high-performance infrastructure. Combined with the record Proximity Cloud® wins achieved in June, these contracts highlight Beeks' ongoing ability to capture meaningful, multi-year opportunities across our product portfolio.

Tier 1 customers now represent 54% of delivered revenue (2024: 58%), with a high proportion of recurring revenue secured on multi-year contracts. While the mix of sales between Private Cloud, Proximity Cloud® and Exchange Cloud® may cause annual fluctuations in the percentage of recurring revenue reported, the Group's revenue visibility and contracted base remains robust.

The cancellation of a Proximity Cloud® customer recognised upfront in FY24 and referenced during the FY25 interim financial statements has been reflected through impairment rather than a reversal of revenue. Please refer to Note 14 for further information on this.

GROSS PROFIT

Statutory gross profit earned, which is calculated by deducting from revenue variable cost of sales such as data centre costs, software licencing, connectivity charges and depreciation and amortisation on our server estate and internally developed software, increased 30% to £14.70m (2024: £11.34m) with gross margins rising slightly to 40.9% (2024: 39.8%). We have maintained gross margins year on year notwithstanding the continued investment across our asset estate.

UNDERLYING ADMINISTRATIVE EXPENSES

Underlying administrative expenses, which are defined as administrative expenses less share based payments and non-recurring costs, have increased by 20% from £9.3m to £7.4m. The largest component of administrative expenses, headcount costs increased 8% from £7.2m to £7.8m. Headcount was well controlled in line with strategy with investment targeted at high value areas such as sales. Overall, we maintained similar staffing levels from FY24 with an average headcount of 102 throughout the year (2024: 105), therefore these cost changes are largely as a result of inflationary pay increases. Looking ahead, we expect future increases in headcount to remain measured and strategic, ensuring that any expansion is aligned with the Group's priorities and delivers clear value. This approach allows us to scale efficiently while maintaining flexibility and protecting margins.

Over the year, we have continued to invest in our key products, Proximity Cloud® and Exchange Cloud® with a sharper focus on agility and responsiveness. Rather than committing to large-scale, capital-intensive development cycles, our strategy has shifted towards smaller, iterative releases that allow us to respond more rapidly to customer needs and market opportunities. This approach has naturally resulted in lower levels of capitalised development costs when compared to the previous year of £2.1m (2024: £2.8m). Our margin has also absorbed the investment in Market Edge Intelligence®, where for prudency, £0.4m has been expensed and is classified within administrative expenses during the year.

Other overhead costs have remained relatively flat during the year as we have worked hard to improve margins.

The Group recorded a higher FX charge this year, mainly due to the year end retranslation of intercompany balances (£0.5m, FY24: £0.1m). This is an accounting adjustment rather than a trading or cash impact, and reflects currency movements on intra-Group positions. While this has increased reported charges versus last year, it has no effect on underlying performance or cash flow. In spite of these factors, operating margins have improved during the year with further scope as we move into FY26.

UNDERLYING EBITDA

Cost discipline, combined with revenue growth has enabled Earnings before interest, tax, depreciation, amortisation and exceptional non-recurring costs ("Underlying EBITDA") to increase by 27% to £13.6m (2024: £10.7m).

Underlying EBITDA, underlying profit before tax and underlying earnings per share are alternative performance measures, considered by the Board to be a better reflection of true business performance than statutory measures only. The key adjusting items are share based payments, amortisation, grant income and unrealised exchange rate gains and losses.

Underlying Profit before tax** increased to £5.5m (2024: £3.9m) demonstrating operational leverage and scalability with underlying profit before tax margins increasing to 15.3% (FY24: 13.7%).

Statutory Profit before tax increased to a profit of £2.79m (2024: £1.5m). The other reconciling differences are shown on the table opposite:

	Year ended 30 June 2025	Year ended 30 June 2024
	£'000	£'000
Statutory Profit Before Tax	**2,789**	**1,459**
Add back:		
Share based payments	2,551	2,326
Other non-recurring costs*	113	29
Amortisation of acquired intangibles	130	304
Deduct:		
Grant income	(276)	(275)
Exchange rate gains on intercompany translation	500	60
R&D tax credit	(322)	-
Underlying Profit before tax for the year**	**5,485**	**3,903**

	Year ended 30 June 2025	Year ended 30 June 2024
	£'000	£'000
EBITDA***	**13,709**	**10,940**
Deduct:		
Grant Income	(276)	(275)
Exchange rate losses/(gains) on intercompany translation	501	60
R&D tax credit	(322)	-
Underlying EBITDA	**13,612**	**10,725**

*Other non-recurring costs in the year relates exceptional costs in relation to one-off staff termination payments, and other one-off property costs. Prior year non-recurring costs were incurred due to refinancing and one-off property costs. All of these costs are not expected to recur and are therefore disclosed separately to trading results

**Underlying profit before tax is defined as profit before tax excluding amortisation on acquired intangibles, acquisition costs, share based payments, exchange rate gains/losses on statement of financial position translation and exceptional non-recurring costs

***EBITDA is defined as earnings before depreciation, amortisation, acquisition costs, share based payments and non-recurring costs

TAXATION

The Group reported a tax credit of £177k for the year ended 30 June 2025 (2024: £734k credit), resulting in an effective tax rate (ETR) of (6.36%), compared to (50.31%) in the prior year. The movement reflects a combination of profit growth, the utilisation of deferred tax assets as a result of historic losses and changes in the composition of taxable income and reliefs.

The Group's ETR is expected to remain below the statutory UK rate in the near term, reflecting the continued benefit of tax-deductible share option charges and the availability of R&D tax incentives. Over the medium term, we anticipate a normalisation of the effective tax rate as these temporary factors unwind. See tax notes 9 and 12 for further details.

EARNINGS PER SHARE

Underlying earnings per share increased 21% to 8.47p (2024: 7.01p). Underlying diluted earnings per share increased to 7.60p (2024: 6.36p). The increase in underlying EPS is largely as a result of the increased underlying profitability in FY25. See note 24 for further details.

Basic earnings per share increased to 4.43p (2024: 3.33p). The increase in basic EPS is a result of the statutory profit in the period. Diluted earnings per share have also increased to 4.12p (2024: 3.11p).

STATEMENT OF FINANCIAL POSITION AND CASH FLOWS

The Group's financial position strengthened during the year, with net assets increasing to £43.2m (2024: £37.5m). Non-current assets rose to £40.0m (2024: £31.9m restated), driven primarily by a £3.1m increase in property, plant and equipment as the Group expanded its data centre footprint. Intangible assets remained broadly stable at £9.2m, reflecting capitalised development spend of £2.4m offset by amortisation. Trade and other receivables within non-current assets increased to £8.0m (2024: £3.3m), largely due to the movement in contract assets of £6.8m reflecting the upfront revenue recognition of the Proximity Cloud® and Exchange Cloud® contracts recognised in the year where most of these contracts are billed monthly over the contract term.

We hold a stock supply of £2.6m in IT infrastructure which is capable of delivering part of the immediate FY26 sales pipeline.

Total liabilities increased to £14.5m (2024: £7.8m restated) with lease liabilities growing to £5.9m (2024: £2.9m) largely due to IFRS16 additions for data centre lease contracts. We took advantage of preferential terms to secure discounted data centre leases with some key suppliers which helps hedge against inflationary cost increases.

Beeks delivered operating cash inflows of £9.4m (2024: £10.6m), demonstrating effective cash conversion from profit after tax of £3.0m. Adjusted EBITDA translated strongly into operating cash flow, supported by non-cash charges for depreciation, amortisation and share based payments.

Working capital movements were more pronounced than in the prior year, with a £8.9m increase in receivables, reflecting both the timing and scale of larger customer contracts resulting in an increase in contract assets, partially offset by a £5.5m increase in payables as a result of a significant investment profile, relating to the purchase of hardware to support Proximity Cloud® and Exchange Cloud® contracts near the year end.

Investing cash outflows were in line with prior years at £7.0m (2024: £6.8m), comprising £4.6m of investment in physical infrastructure and £2.4m in capitalised development. These investments are aligned with our strategy of scaling capacity and continuing product innovation.

Beeks closed the year with gross cash of £7.4m (2024: £7.7m). Overall, the Group remains well-capitalised, with no bank debt and low asset finance debt of £0.4m. During the year, we repaid asset finance debt of £0.7m. Our net cash at the end of the year is £7.0m (30 June 2024: £6.6m) and gross borrowings at £0.4m remain at 0.03x Underlying EBITDA of £13.6m which we believe is a very comfortable level of debt to carry given the recurring revenue business model and strong cash generation.

Fraser McDonald
Chief Financial Officer
3 October 2025

STRATEGIC REPORT – PRINCIPAL RISKS AND UNCERTAINTIES

BOARD

Risk identification and management continue to be a key role for the Board. The Board has overall responsibility for the Group's risk management, processes and reporting. Risk management processes and internal control procedures are the ultimate responsibility of the Board.

AUDIT COMMITTEE

The Audit Committee has responsibility for assessing and challenging the robustness of the internal control environment. It directs and reviews management and Group finance reports on internal control and risk management throughout the year and reports the principal risks to the Board.

RISKS RELATING TO BEEKS AND ITS BUSINESS

The below risks have been identified by the Board as the principal risks that the Group face. These risks are reviewed on an ongoing basis and updated at each reporting period. Volatility in energy prices and supply chain are still monitored by the Board, although no longer considered to be principal risks.

a. Cyber Risk

An information security breach or cyber-attack resulting in loss or theft of data, content or intellectual property could affect service to our clients and cause reputational damage. Due to the nature of our services for clients in financial services, the most significant threats come from supply chain attacks, ransomware, and Distributed Denial of Service (DDoS). The Chief Information Security Officer (CISO) is accountable for the security control framework and risk mitigation strategies. Mitigations include:

- Investment and implementation of new layered security capabilities & mitigations including; Breach Attack Simulation (BAS) platform and cyber security risk management platform.
- Continued enhancements to DDoS protection infrastructure, mitigating against larger traffic volumes and identification of new attack techniques.
- Continued threat led penetration testing of the Beeks infrastructure and services carried out by a trusted 3rd party provider.
- Further commitment to the security assurance programme by achieving SOC 2 Type 2 compliance for the Beeks Proximity Cloud® and Exchange Cloud® services. Furthermore, maintained compliance with standards and regulations such as ISO 27001, ISO 22301, DORA, NIS2, GDPR, NIST Cyber Security Framework (CSF) and Center for Internet Security (CIS).

b. Key systems failure, disruption and interruption

Any degradation or interruption to Beeks systems and services exposes the Group to risk in its position as a Cloud hosting provider to the financial sector. This could result in a lack of confidence in the Group's products, with a consequential material adverse effect on the Group's business, financial condition, prospects and operations. Many of the vulnerabilities are not in Beeks' control, such as:

- Loss of data centre facilities or power.
- Interruption to telecommunication or other third-party services.
- Natural disasters.
- Operating system issues, software failures or viruses.
- Acts of war or terrorism.

The technical teams and management at Beeks make operational stability and performance the highest priority and as a result, regular continuous improvement to systems and process are made. Examples that assist in mitigation of the risks are:

- Introduction of a Site Reliability Engineering (SRE) function whose primary focus is achieving the highest levels of reliability for our products and services for clients.
- Continuous improvement of monitoring tailored to our systems, services and client base.
- Upgrade and enhancement of internal network and compute infrastructure to improve stability and resilience.
- Board Level focus on business risks and mitigations with follow-up actions identified and reported against.

c. Actions of third parties and suppliers

Any disruption to Beeks relationship with third-party suppliers such as data centres, internet providers and trading venues could be detrimental to the future business, operating results and/or profitability of the Group. This risk is being mitigated by:

- A thorough SOC2 compliant supplier on boarding procedure to ensure suppliers are fit for purpose and have in place appropriate practices and accreditations to mitigate risk.
- Regular key supplier management meetings to ensure healthy ongoing relationship and, to identify and resolve any potential issues.
- Reviewing the performance of key suppliers and considering alternative options available. This reduces the risk of supply chain and service affecting issues by forging closer relationships and better understanding of our requirements and working practices.
- The delivery of the Group's products and services depends on third party telecommunications and internet service

providers to continue to expand high-speed internet access, to maintain reliable and efficient networks with the necessary speeds, quality of service, capacity and security. Deterioration in the infrastructure may adversely affect the ability or willingness of clients to use the Group's services. In addition, increasing traffic, user numbers or bandwidth requirements may result in a decline in internet or telecommunications performance and/ or internet or telecommunications reliability may decline. Internet or telecommunications outages, intermittent disruptions or delays could adversely affect the Group's ability to provide services to its clients. All of these factors are out of the Group's control.

This risk is being mitigated by:

- Increase in the total available telecommunications bandwidth globally and introduction of additional telecommunications and internet providers to mitigate the risk of a degraded service from one or more providers.

d. Other Operational risks

- Management of unexpected peaks or troughs in client demand for delivery of Beeks systems services and ensuring that the appropriate levels of resource are in place to maintain quality. This risk is managed by having a core of highly skilled permanent staff along with a pool of temporary staff that can be brought in at short notice to help at times of high volume. We continue to supplement these resources by engaging international businesses to operate within our technology platform, giving us further variable cost capacity. The use of technology helps mitigate this risk by streamlining processes as much as possible and enabling efficient access to a large, global and scalable pool of independent contractors.

SECTION 172(1) STATEMENT

The Directors consider, both individually and collectively, that they have taken decisions in a manner they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its shareholders, having regard to the matters set out in s172(1)(a-f) of the Companies Act 2006. This is detailed in the Corporate Governance Report on pages 32 to 40 and below:

a. The likely consequences of any decision in the long-term: the long-term success of the Group is always a key factor when making strategic decisions.

b. The interests of the Group's employees: Our employees are at the core of our success and we continue our ongoing commitment to enhance their wellbeing and development, which remains at the heart of our strategy for success. Prioritising the wellbeing of our employees by offering competitive benefits, continuous learning opportunities, and a supportive work environment that champions diversity and inclusion. We prioritise our employee's wellbeing continuously offering a suite of on-site benefits for our teams to enjoy which includes access to the fully equipped gym, our own personal trainer and in-house yoga instructor as well as weekly relaxation or sports therapy sessions. We also have the Beeks pool table, various comfortable break-out areas and our very own Beeks Bar. This is in addition to an excellent private medical insurance policy which we upgraded this year to cover many benefits to all staff.

As part of our commitment to environmental improvements, we offer all employees our Electric Car Scheme where many of our employees will benefit from saving up to 60% on a new electric car while supporting our company's sustainability journey. We provide showers and changing rooms so employees can easily cycle to work. As well as our wellbeing initiatives, we also have the ability to enable employees to benefit from the success of the Group through share ownership. An HMRC approved Share Incentive Plan was introduced to encourage employee share ownership after admission to AIM, with applications exceeding expectations. This scheme also acts as a substantial incentive for attracting potential candidates and retaining our top talent.

c.The Board recognises that the long-term success of Beeks depends on the strength of our relationships with customers, suppliers, partners and other stakeholders across the financial markets ecosystem. We are committed to building trust, transparency, and collaboration into all relationships, ensuring that our actions deliver sustainable value for all parties.

With our customers, we place strong emphasis on understanding their evolving needs and providing solutions that enable them to innovate with confidence. In the past year, we launched a client case study programme to demonstrate tangible outcomes and proof points, reinforcing the reliability and value of our services. We also continued to invest in customer engagement and support, aiming to build long-term partnerships. We have exhibited and sponsored several key industry events throughout the year as part of this investment in customer engagement.

This year we have become a long-term partner of the World Federation of Exchanges, strengthening our collaboration with exchanges worldwide. The partnership allows us to engage directly with exchanges, contribute to thought leadership and co-host events.

Through this partnership, we can engage directly with leading market operators, contribute to industry dialogue, and support the development of innovative infrastructure and analytics solutions.

The Board continues to review and consider these relationships in its decision-making, ensuring that fostering trust and delivering value to customers, suppliers, and partners remains central to Beeks' strategy for growth.

d. The impact on both the community and the environment is factored into the Group's decision-making process. During the year the Group helped both local and international projects in sponsoring a local and African football team.

e. ESG, training and development has been high on the people agenda with investment being made in upskilling existing employees in their relevant fields with over 20% of staff undergoing accredited training in our ongoing bid to carve our clearer career paths across the organisation.

f. The Board engages with shareholders throughout the year through the annual and half year results, trading updates, regulatory news service announcements, the Annual General Meeting, the investor roadshows and the investor pages on the Beeks Group website. The Board receives detailed feedback reports via our various advisors, on views of shareholders and covering analysts. Throughout the year the Board have maintained open and effective engagement with shareholders and investors on key topics such as strategy, ESG and business performance. During the year management met with existing and prospective shareholders at half year and full year results.

g. The Group's reputation for high standards of business conduct and integrity, both personally and professionally, is embedded in the Group's culture and is led by example by the Directors. The board is clear of the need to act fairly between members of the Group with no single set of stakeholders prioritised over other stakeholders and all decisions being made to try to be equitable to all members.

The Board held ten board meetings in the year to address and meet its obligations under Section 172 of the Companies Act 2006. The following table covers the key decisions made during the year and the stakeholder group(s) impacted by these decisions.

Key Impact	Key Decision Made	Key Stakeholder Group's Impacted
Long-term Strategy and Acquisitions	Each year, the Board approves the budget of the Group and reviews the Group's strategy and growth plans. The Board considers mergers and acquisitions as part of the long-term growth strategy and continually reviews the market for opportunities. The Board discussed the ongoing and significant opportunity within the Proximity Cloud® and Exchange Cloud® pipeline and reviewed the delivery model to meet this customer demand. The board agreed the appropriate governance and operational structure aligned to long-term strategy and growth. During the year, the Board reviewed the Group's sales pipeline, which includes opportunities with customers in new geographic territories. In considering these opportunities, the Board discussed the strategic and operational implications of entering new markets, including the potential requirement to establish new legal entities, the impact of overseas tax regimes, and compliance with local regulatory frameworks. The Board discussed and approved the investment in ÜberNIC technologies during the year, in which the business plan was carefully reviewed and evaluated in detail to ensure it aligned with the strategic fit and long-term growth objectives of the Group.	Shareholders, Employees, Customers, Suppliers
Performance of The Group including Financial Performance	On a monthly basis, the Board reviews the trading performance of the Group with detailed Board reports provided by the CFO covering trading in the month and year to date, with performance monitored against internal budget, external market forecast and the previous financial year. The Board reviewed and discussed the appropriateness of the external market forecast given the sales pipeline, trading and internal targets. At each Board meeting, the Board also receives detailed Board reports covering commercial, operational, security, product development and HR matters prepared by senior managers of the business. These reports cover sales and forecast pipeline, customers and suppliers, data centre activity and various aspects of operational performance and key employee activities. The Board discussed the implications of a new commercial offering where Beeks and the Exchanges contract on a revenue share basis. The board discussed the risks, benefits and associated accounting implications. The board continued to discuss the implications of revenue recognition on Proximity Cloud® and Exchange Cloud® contracts where contract nuances such as hardware ownership and enforceable rights exist.	Shareholders, Employees, Customers, Suppliers, Environment
Governance, Regulatory Requirements and Risk	The Board reviews and approves the results announcements and trading updates, the half year report and annual report and the AGM statement. The Board receives regular briefings from the Chief Executive Officer and Chief Financial Officer and the Operations board members. The Board takes regulatory responsibilities seriously and is committed to ensuring that it is open and transparent with regulators. In the current year, the Board met with our nominated adviser to obtain an update on changes to AIM rules and market abuse regulations to ensure Beeks' compliance with requirements. In the current year, the Board has received updates on the internal security control framework and the Group risk register. The Group has achieved SOC 2 Type 2 compliance for the Proximity Cloud® and Exchange Cloud® services including maintaining certifications for ISO 9001, ISO 14001, ISO 22301 and ISO 27001. Risk control documents are presented at Board meetings on the Group's key risks which include an updated assessment of controls and mitigation actions required in respect of each out of appetite risk. During the year the Board discussed at length the cyber security threats and the associated risk mitigation strategies. The Board remains committed to invest in the cyber security strategy to enhance the overall maturity.	Shareholders, Employees, Customers, Suppliers, Environment

The strategic report on pages 10 to 22 has been approved by the board and signed on its behalf by:

Gordon McArthur
Chief Executive Officer
3 October 2025

OUR PEOPLE

EMPOWERING OUR GROWTH

At Beeks, our people are our greatest asset. Their expertise, creativity, and commitment are what drive our innovation, strengthen our relationships, and deliver growth year after year. As a technology company operating at the heart of capital markets, we recognise that sustainable success depends on more than great infrastructure, it depends on great people.

We are proud to have built a diverse, talented team with extensive experience across cloud technology, network infrastructure, and capital markets. Every member of our team plays a vital role in delivering secure, scalable and high-performance solutions for our clients across the globe.

EXPERTISE THAT SETS US APART

While technology drives our capabilities, it is our people who drive progress. Our engineers, developers, and extended teams understand both the complexity of capital markets and the technology that enables them to evolve. This industry focus allows us to respond quickly to client needs and to deliver platforms that meet the regulations of exchanges, brokers, and banks across the world.

Over the past year, we've expanded our team with key hires who have brought exceptional experience from across the financial technology sector, further enhancing our ability to deliver for our clients and accelerating our innovation agenda.

A CULTURE THAT DRIVES INNOVATION

We've worked hard to build a culture that encourages collaboration, curiosity, and continuous improvement. Our HR and leadership teams have focused on creating an environment that not only attracts top talent but also empowers people to grow and thrive once they join.

We believe that innovation flourishes when people feel valued and supported. That's why we invest in training, career development, and leadership programmes that equip our teams with the skills and confidence to drive progress.

These initiatives are building capability and resilience within the business and ensuring we can continue to grow sustainably.

OUR PEOPLE, OUR FUTURE

As Beeks continues to expand globally, our people remain at the core of everything we do. Their expertise, passion, and determination power the technology that drives capital markets.

We're proud of the team we've built and even more excited about the opportunities ahead as we continue to invest in our people, strengthen our culture, and shape the future of financial infrastructure together.

Q&A
LEWIS MACKENZIE
SECURITY ANALYST

LEARNING & DEVELOPMENT

What training, mentoring, or support have you received as part of the graduate programme?

I have been given the opportunity to study and acquire various certifications whilst also working on new projects daily. Through senior mentorship I have been able to make use of my teams knowledge to expand my skill set and add value to Beeks security.

CULTURE & SUPPORT

What makes Beeks a supportive place to start your career?

Beeks is a friendly and welcoming place to work. Everyone is happy to share their knowledge and provide guidance through more complex tasks. Even as a graduate, your input is respected and considered.

FUTURE GROWTH

Where do you see your career in the next 2–3 years after starting at Beeks?

After already finishing the graduate program and becoming a Security Analyst, I see myself becoming a Security Engineer in the near future and being a key source of knowledge within the organisation.

What's been the best part of your graduate journey so far?

The best part of my graduate journey was being able to collaborate in projects with various senior members of the organisation, allowing me to further learn and develop my personal skill set whilst being a key part of the team.

What advice would you give to someone considering applying for a graduate career at Beeks?

What matters most is your passion and mindset. If you are enthusiastic and willing to learn, there are plenty of opportunities to further develop your skills.

BOARD OF DIRECTORS

Will Meldrum
Non Executive Chairman
Age 57

Will is a partner at Longview Innovation, a US based venture capital firm, and a management consultant. Previously he was Senior Vice President, employee experience and chief of staff at IHS Markit, a world leader in critical information and data analytics. Prior to joining Markit in 2005, Will worked at Deutsche Bank managing the bank's interests across a portfolio of investments with a key focus on industry consortia, electronic trading systems and data. Will holds an MA from the University of Edinburgh and an MBA from London Business School.

Gordon McArthur
Chief Executive Officer
Age 49

Gordon McArthur founded Beeks in 2011 having become increasingly frustrated by the lack of low latency trading infrastructure available. He has since grown the business from a three man start-up to its current, profitable form. Gordon's career in software and IT solutions businesses spans 20 years during which time he has held commercial and managerial roles at IBM and Versko, an IT specialist for IBM software platforms. During his time at IBM Gordon worked in both financial services and the industrial sector and initially on SME businesses but latterly covering IBM's largest globally integrated accounts in the Oil and Gas sector. Gordon has a BA (Hons) in Risk Management and a Master's in Business Information Management from Glasgow Caledonian University.

Fraser McDonald
Chief Financial Officer
Age 51

Fraser McDonald has over 25 years' experience in finance, management and consulting roles. Having commenced his finance career and management accountancy training (CIMA) with National Australia Group, Fraser has gained experience working for global organisations such as Royal BAM Group, Lactalis McLelland, and Serco Group plc across different industries including banking, manufacturing and construction. Fraser has been in the Technology sector since 2009, where he has held senior roles including Commercial Manager and Head of Finance at ACCESS LLP (subsidiary of Serco Group plc). Fraser joined Beeks on a consultancy basis in March 2016 to support the company through the AIM admission process, before being appointed on a permanent basis as Group Financial Controller in March 2017, and then Chief Financial Officer in October 2018. Fraser has a BA (Hons) in Finance from the University of Strathclyde, and a PgDip in Information Technology from the University of Paisley.

Mark Cubitt
Non Executive Chairman
Age 62

Mark has extensive multinational experience gained over the last 35 years, including 24 years in the PLC environment and eight years as Chief Financial Officer at Wolfson Microelectronics PLC until its sale to Cirrus Logic in August 2014. Mark is also currently Non-Executive Chairman of AIM listed Concurrent Technologies PLC as well as Interim Executive Chair of IQE since October 2024. Previously Mark was Non-Executive Chairman of Superglass Holdings PLC and was part of the team that turned around the business before its sale in 2016. He also served as VP of Finance at Jacobs Engineering and was Finance Director of Babtie Group until the sale of the company to Jacobs Engineering in 2004. During his time at Jacobs, he also sat on the board of highways maintenance firm BEAR Scotland and was its Chairman in 2006. Mark has also worked at Denholm Oilfield Services Limited, Dawson International PLC, Christian Salvesen PLC and its then subsidiary Aggreko. Mark was a Chartered Accountant and remains a member of the Association of Corporate Treasurers, and has a degree in Accountancy and Computer Science from Heriot-Watt University.

Kevin Covington
Non Executive Director
Age 66

Kevin has had more than 30 years' experience working internationally in the financial services industry for both vendors and banks, with a particular focus on M&A and advisory. Kevin Is employed by Adaptive Financial Consulting as their CCO and also runs a boutique advisory firm, Change Alley, which helps develop and grow organisations in the FinTech sector. Kevin also acts as an adviser and mentor to a number of companies in the sector. Previous positions include CEO of a VC backed Australian technology company, Metamako, which was acquired by Silicon Valley based Arista Networks in late 2018 and CEO at technology company ITRS Group Limited. For a number of years Kevin has been ranked in the top 40 most influential people in Trading Technology by the Institutional Investor Magazine.

DIRECTORS' REPORT

RESULTS

The Group's audited financial statements for the year ended 30 June 2025 are set out on pages 51 to 89. The Group's profit for the year after tax amounted to £2.5m (2024: profit after tax £2.2m).

RESEARCH AND DEVELOPMENT

The Group develops cloud computing products including public, private and proximity solutions.

FUTURE DEVELOPMENTS

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 10 to 22.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on pages 24 and 25 and the Directors who served during the year are listed on page 25. Details of Directors' interests in the Group's shares are set out below.

The Directors' interest in the Company's £0.00125 ordinary share capital are detailed in the table below:

INSURANCE FOR DIRECTORS AND OFFICERS

The Group has purchased and maintains appropriate insurance cover against legal action brought against Directors and Officers.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group uses various financial instruments which include cash, leases, asset financing, bank loans and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for The Group's operations. The main risks arising from The Group's financial instruments are credit risk, exchange rate risk and interest rate risk. The Directors review these risks on an ongoing basis. This policy has remained unchanged from previous years. Further information on financial risk management is disclosed in note 16 of the Group accounts.

	2025		2024	
	Shares	Options	Shares	Options
Gordon McArthur	21,093,440	-	21,653,440	-
Mark Cubitt	70,707	-	70,707	-
William Meldrum	46,400	-	41,450	-
Kevin Covington	2,283	-	-	-
Fraser McDonald	-	774,742	-	719,742

CREDIT RISK

Credit risk is managed on a Group basis. Credit risks arise from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Group's credit risk is primarily attributable to its trade receivables. It is the policy of The Group to present the amounts in the Consolidated Statement of financial position net of allowances for doubtful receivables, estimated by The Group's management based on prior experience and the current economic environment. The Group reviews the reliability of its customers on a regular basis; such a review takes into account the nature of the Group's trading history with the customer. The credit risk on liquid funds is limited because the majority of funds are held with two banks with high credit-ratings assigned by international credit-rating agencies. Management does not expect any losses from non-performance of these counterparties. None of the Group's financial assets are secured by collateral or other credit enhancements.

EXCHANGE RATE RISK

The Group monitors its exposure to exchange rate risk on an ongoing basis. The Group has limited exposure to foreign exchange risk as a result of natural hedges arising between sales and cost transactions. Details of exchange rate exposure balances are disclosed in note 16 of The Group accounts.

INTEREST RATE RISK

The Group has limited exposure to interest rate risk in respect of cash balances and long-term borrowings held with banks and other highly rated counterparties. All loans and leases are charged at a fixed rate, other than the term loan which is charged at the base rate of interest plus margin. Therefore, the Group has limited exposure to interest rate risk.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 10 to 22 including the potential impact of the macro-economic climate. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Chief Financial Officer's Report on pages 15 to 18.

We take great comfort from the resilience of our business model. The level of customer churn across our business has remained low and cash collection has been in line with our typical profile. We do however remain vigilant to the economic impact the ongoing macro-economic climate may create, particularly on the SME segment of the market.

Note 16 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Directors are of the opinion that the Group can operate within their current levels of cash reserves including further financing facilities available. At the end of the financial year, the Group had net cash of £7.0m (2024: £6.6m) a level which the Board is comfortable with given the strong cash generation of the Group and low level of debt to EBITDA ratio. The Group has a sufficiently diverse portfolio of customers and suppliers with long-term contracts across different geographic areas. As a consequence, the Directors believe that the Group is well placed to manage its business risks.

The Directors have considered the Group budgets and the cash flow forecasts to December 2027, and associated risks including the risk of climate change and the impact on our data centre estate, useful economic life of assets, and the availability of bank and leasing facilities. We have run appropriate scenario and stress tests applying reasonable downside sensitivities in respect of profitability and associated cash flow generation and are confident we have the resources to meet our liabilities as they fall due.

After making enquiries, the Directors have a reasonable expectation that the Group will be able to meet its financial obligations and has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

AIM RULE COMPLIANCE REPORT

Beeks Financial Cloud Group PLC is quoted on AIM and the Company has complied with AIM Rule 31. Further information on AIM compliance is explained in the Corporate Governance Report on pages 32 to 40.

STREAMLINED ENERGY AND CARBON REPORTING

As the Company does not meet the large sized threshold, the Directors are not required to disclose the reporting requirements of SECR.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 to prepare the financial statements in accordance with UK-adopted international accounting standards and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 101 'Reduced Disclosure Framework'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and whether applicable UK Accounting Standards have been followed for the parent company financial statements, 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 appropriate to presume that the company will continue in business.

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

The Directors confirm that:

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

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

INDEPENDENT AUDITOR AND DISCLOSURE OF INFORMATION TO AUDITOR

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2016.

AUDITOR

A resolution to reappoint the auditor, HaysMac LLP and to authorise the Directors to agree their remuneration will be placed before the forthcoming Annual General Meeting of the Company. By order of the Board.

Fraser McDonald
Chief Financial Officer
3 October 2025

REPORT ON REMUNERATION

DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2025

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 30 June 2025 which sets out our Directors' Remuneration policy and provides details of amounts earned by Directors in respect of the year ended 30 June 2025.

As the Company is listed on the Alternative Investment Market (AIM) it is not required to comply with the provisions of the UK Corporate Governance Code 2023 ("Code") issued by the Financial Reporting Council, however, we continue to provide disclosures in addition to that which is required by AIM Rule 19 on a voluntary basis to enable shareholders to understand and consider our remuneration arrangements. If this was prepared under the Companies Act 2006, additional disclosures would be required in order to meet the requirement.

REMUNERATION COMMITTEE

The Nomination and Remuneration Committee operates within defined terms of reference. The Nomination and Remuneration Committee reviews the performance of the executive directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Nomination and Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Committee meets as and when necessary. The Nomination and Remuneration Committee comprises the Chairman and the Non-Executive Directors and is chaired by Will Meldrum.

REMUNERATION COMMITTEE REPORT

During the period under review the Nomination and Remuneration Committee met once and has granted options over ordinary shares in the company to some senior management, including an executive director, under the Company's Staff Long term incentive scheme (LTIP). In granting these options, the Nomination and Remuneration Committee's objective was to attract, motivate and retain key staff over the long term, designed to incentivise delivery of the company's growth objectives.

	Basic salary	Benefit in kind	Total	Pension
	£'000	£'000	£'000	£'000
2025				
Executive Directors				
Gordon McArthur	103	2	105	9
Fraser McDonald	129	3	132	11
Non-Executive Directors				
Kevin Covington	35	-	35	-
Mark Cubitt	35	-	35	-
Will Meldrum	35	-	35	-
TOTAL	**337**	**5**	**342**	**20**
2024				
Executive Directors				
Gordon McArthur	**100**	**2**	**102**	**10**
Fraser McDonald	**125**	**2**	**127**	**12**
Non-Executive Directors				
Mark Cubitt	**35**	**-**	**35**	**-**
William Meldrum	**35**	**-**	**35**	**-**
Kevin Covington	**35**	**-**	**35**	**-**
TOTAL	**330**	**4**	**334**	**22**

NON-EXECUTIVE DIRECTORS

The Board, based on a recommendation by the Chairman of the Nomination and Remuneration Committee or, in the case of the Chairman, the remainder of the Board determines the remuneration of the Non-Executive Directors.

SERVICE CONTRACTS

The Executive Directors have entered into service contracts with The Group that are terminable by either party on no less than three months' prior notice.

SHARE OPTIONS

Share options were awarded to staff (including a director) during the year in accordance with the Company's LTIP (Long-term Incentive Plan). The details of these are disclosed in Note 21.

Share options awarded to the Director, Fraser McDonald, are shown below:

Director	Date of Grant	Share Options	Vesting Date	Lapse Date	Exercise Price (£)
Fraser McDonald	15 Jan 25	**55,000**	15 Jan 28	15 Jan 25	0.00125

During the year ended 30 June 2025, no share options were exercised by the Director, Fraser McDonald (2024 – 240,000).

For the year ended 30 June 2025, share options awards have been proposed to the Nomination and Remuneration Committee as part of the LTIP. These options will have a three year vesting period for senior executives and between two and three years for other staff. As with the previous LTIP arrangements they will be based on challenging performance conditions in line with the existing plan and are expected to be approved during October 2025.

DIRECTORS' SHARE INTERESTS

The Directors' shareholdings in the Company are shown in the Directors' Report on page 26.

Will Meldrum
Chairman of the Nomination and Remuneration Committee
3 October 2025

BEEKS FINANCIAL CLOUD GROUP PLC CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2025

CORPORATE GOVERNANCE

CHAIRMAN'S INTRODUCTION TO CORPORATE GOVERNANCE

As Chairman of the Board, it is my responsibility to ensure that the highest standards of corporate governance are maintained throughout the Group. All members of the Board strongly believe in the value of good governance and in Beeks' accountability to all stakeholders, including shareholders, staff, clients, suppliers, partners, lenders, and regulators.

For the financial year ended 30 June 2025, the Group has formally adopted the 2023 Quoted Companies Alliance ("QCA") Corporate Governance Code, in line with AIM Rule 26. The 2023 Code builds on the 2018 version and reflects developments in areas such as ESG, corporate culture, stakeholder engagement, diversity and inclusion, and narrative reporting.

We consider the updated framework to be proportionate and appropriate to the size, complexity and risks of our business, while also reflective of our values and long-term ambitions. The Group has applied each of the ten QCA principles, and we provide below an explanation of our approach. We confirm that we have not departed from any of the principles of the 2023 QCA Code.

We remain confident that our approach to governance underpins the Group's ability to scale and to deliver long-term sustainable value to our shareholders.

PRINCIPLE 1: ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTES LONG-TERM VALUE FOR SHAREHOLDERS

Beeks Financial Cloud Group PLC is a leading managed cloud computing, connectivity and analytics provider exclusively for capital markets and financial services, offering Infrastructure as a Service (IaaS) to global companies across multiple asset classes.

Beeks' strategy is to ensure maximum security, optimise performance and deliver ultra-low latency compute power in the exceedingly fast-moving capital markets sector.

Beeks provides:

- Dedicated bare metal and virtual servers that host Capital Markets and financial services organisations in key financial data centres around the world.
- Ultra-low latency connectivity between customers and key financial venues and exchanges.
- Colocation for customers to position their own computing power in our space, benefitting from our proximity to financial hubs.
- In-house security software to protect client infrastructure from cyber attacks.
- The management of hybrid cloud deployments for customers wishing to combine the Beeks IaaS with the public cloud hyperscalers.
- The ability for customers to scale up and scale down as needed. Due to market fluctuations and the inherent risk involved in algorithmic trading, this makes our services highly desirable.
- A self-service customer portal that facilitates the same-day deployment of a host of services allowing customers to manage their own servers.
- Comprehensive monitoring and performance analysis, through Beeks analytics, to allow users to independently track and analyse real-time performance of every single price, quote or trade traversing business critical processes.

The business model focuses on efficiency and flexibility, offering our clients the ability to scale up and scale down as needed. Due to market fluctuations and the inherent risk involved in algorithmic trading strategies, this makes our services highly attractive to clients and in turn delivers value to our shareholders.

The Group's strategy can be viewed on pages 10 to 22.

PRINCIPLE 2: SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Group is committed to open communication with all its shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts and investors think about us, and in turn, helping these audiences understand our business, is a key part of driving our business forward and we actively seek dialogue with the market. We do so via investor roadshows, attending investor conferences and through our regular reporting.

Institutional shareholders

The Directors hold regular meetings with institutional shareholders to discuss and review the Group's activities and objectives. The CEO and CFO meet institutional investors shortly after the annual and interim results, and on an ongoing basis as required. The Group's NOMAD organises and collates responses on institutional investor feedback following these meetings and these responses are reviewed by the Board. Directors also undertake consultation on certain matters with major shareholders from time to time. Through these consultations, the Group maintains a regular dialogue with institutional shareholders and analysts. Feedback is reported to the Board so that all Directors develop an understanding of the views of major shareholders.

Private shareholders

Communication with private shareholders is done via investor events during the year such as IMC where the CEO and CFO present and are available to speak to private investors on a one to one basis. This is in addition to the Annual General Meeting, where attendance by shareholders is encouraged and where the Board is available to answer questions. The Notice of AGM is sent to shareholders at least 21 days before the meeting. The Chairman of the Board and the committees, together with all other Directors attend the AGM and are available to answer questions raised by shareholders. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are subsequently published on the Company's corporate website.

Specific queries may be raised at any time by any shareholder by emailing Beeks' investor relations team at investor@beeksgroup.com. The team ensures that the person best placed to address each query responds as soon as possible. The CEO is responsible for overseeing day-to-day communications with shareholders.

The news and investor relations sections of the Beeks website are regularly updated and provide the market with the latest business news and shareholder updates. Following major periods of communications, our advisers consolidate feedback, on an anonymised basis, from the relevant parties which then forms the basis of a briefing pack for the Board to ensure awareness of shareholder opinions.

In addition to active investor relations, we now provide structured stakeholder engagement reporting. This includes:

- Employee forums and engagement survey;
- Customer satisfaction monitoring and feedback loops into product development; and
- Regular supplier reviews.

PRINCIPLE 3: TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

In addition to its shareholders, the Group believes its main stakeholders are its employees and clients. The Group dedicates significant time to understanding and acting on the needs and requirements of these groups via meetings dedicated to obtaining feedback which is then, where appropriate, considered by the Management team and acted upon.

The Group believes recruiting and maintaining highly talented and motivated staff is key to its success. As referenced within the Section 172(1) statement on page 20, the Group has taken a number of actions to enhance the wellbeing and development of its employees. All staff have objectives, and regular communication with management is encouraged as part of the Group's culture. Staff are also encouraged to develop their skills by implementing meaningful career development plans, where the appropriate training is carried out and succession planning frameworks are established.

At internal Board meetings we report quantitative measures of social and cultural impact, including staff retention, turnover, gender split, employee engagement scores, diversity metrics, and local community contributions.

PRINCIPLE 4: EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

The Board is responsible for risk management and internal controls, supported and informed by the executive team. The Board defines risk appetite and monitors the management of significant risks to ensure that the nature and extent of significant risks taken by the Group are aligned with overall goals and strategic objectives.

The Board takes responsibility for establishing and maintaining reliable systems of control in all areas of operation. These systems of control, especially of financial control, can only provide reasonable but not absolute assurance against material misstatement or loss. The key matters relating to the system of internal control are set out below:

- Beeks has established an operational management structure with clearly defined responsibilities and regular performance reviews.
- The Group operates a comprehensive system for reporting financial and non-financial information to the Board, including review of strategy plans and annual budgets.
- Financial results are monitored against budgets, forecasts and other performance indicators with action dictated accordingly at each meeting.
- A structured approval process has been implemented based on the assessment of risk and value delivered.

- Operational updates highlighting any risks and/or issues are communicated to the Board at Board Meetings by the CEO and the COO.
- Sufficient resources are focused to maintain and develop internal control procedures and information systems, especially in financial management. The Board considers that there have been no substantial weaknesses in internal financial controls that have resulted in any material losses, contingencies or uncertainties that need to be disclosed in the accounts.
- Beeks has implemented an operational risk framework to evaluate how we operate our business. This enables Beeks to measure outcomes and understand the input to business processes and assess risks before making any significant decision based on risk appetite. This will reduce the likelihood of future potential damages as a result of operational impact. The operational framework has developed during the year to enhance the Group's cyber security function as referenced throughout this report.

Internal risk reporting now explicitly covers risk appetite and cyber resilience. The Audit Committee oversees both financial and non-financial risk management.

More information on the Group's principal risks and internal control procedures are set out on pages 19 to 22.

PRINCIPLE 5: MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

Subject to the Articles of Association, UK legislation and any directions given by special resolution, the business of the Group is managed by the Board. The Code requires the Group to have an effective Board whose role is to develop strategy and provide leadership to the Group as a whole. It sets out a framework of controls that allows the Board to apply these principles for the identification, assessment and management of risk. Additionally, it ensures the Board takes collective responsibility for the success of the Group.

The Board's main roles are to provide leadership to the management of the Group, determine the Group's strategy and ensure that the agreed strategy is implemented. The Board takes responsibility for approving potential acquisitions, annual budgets, annual reports, interim statements and Group financing matters. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.

The Board appoints its members and those of its principal Committees following the recommendations of the Nomination and Remuneration Committee. The Board reviews the financial performance and operation of the Group's businesses.

The Board also reviews the identification, evaluation and management of the principal risks faced by the Group, and the effectiveness of the Group's system of internal control.

For the year ended 30 June 2025, the PLC Board comprises the independent Non-Executive Chairman, the CEO, the CFO and the two independent Non-Executive Directors. The Board is highly committed and experienced and is supported by qualified executive and senior management teams. The Chairman, Will Meldrum holds 46,400 ordinary shares, Mark Cubitt holds 70,707 ordinary shares and Kevin Covington holds 2,283 ordinary shares. The Company considers the three Non-Executive Directors to be independent. The board believes the current composition enables the board to perform its duties effectively and there is a clear division of responsibilities between the running of the Board and the Executives responsible for the Company's business, to ensure that no one person has unrestricted powers of decision.

The Executive Directors of the Company are full time and do not serve as non-executive Directors in any other organisation. The Non-Executive Chairman is also a partner at Longview Innovation and a Management Consultant. Non-Executive Directors devote as much time as is necessary for the proper performance of their duties. The Non-Executive Directors typically spend one to two days a month on Company-related matters. The Board met ten times in the year ended 30 June 2025. The attendance of each director is shown on page 37.

Role of chairman and chief executive officer

The Code requires that there should be a clear division of responsibilities between the running of the Board and the executive responsible for the Group's business, so as to ensure that no one person has unrestricted powers of decision. The Chairman is responsible for the leadership of the Board, ensuring its effectiveness and setting its agenda. Once strategic and financial objectives have been agreed by the Board, it is the CEO's responsibility to ensure they are delivered upon. To facilitate this, the CEO regularly meets the Executive Management Team (EMT) which comprises representatives from Operations, Technical Delivery, Finance and Sales. The day-to-day operations of the Group are managed by the EMT.

Composition of and appointments to the Board

The Code requires that there should be a balance of Executive and Non-Executive Directors and when appointing new Directors to the Board, there should be a formal, rigorous and transparent procedure.

For the year ended 30 June 2025 the PLC Board comprises the Non-Executive Chairman, the CEO, the CFO and the Non-Executive Directors. Short biographies of the Directors are given on pages 24 and 25. The Board is satisfied with the balance between Executive and Non-Executive Directors. The Board considers that its composition is appropriate in view of the size and requirements of the Group's business and the need to maintain a practical balance between Executive and Non-Executive Directors.

Each member of the Board brings different skills and experience to the Board and the Board Committees. The Board is satisfied that there is sufficient diversity in the Board structure to bring a balance of skills, experience, independence and knowledge to the Group.

The Board is supported by a senior management team, with the qualification and experience necessary to run the Company.

Each member of the Board brings different experience and skills to the Board and its various committees. The Board composition is kept under review as this mix of skills and business experience is a major contributing factor to the proper functioning of the Board, helping to ensure matters are fully debated and that no individual or group dominates the Board decision-making process.

The Code requires that the Board undertakes a formal and rigorous annual evaluation of its own performance and that of its Committees and Directors. The Board continues to annually review its composition, to ensure there is adequate diversity to allow for its proper functioning and that the Board works effectively together as a unit. When a new appointment to the Board is due to be made, consideration will be given to the particular skills, knowledge and experience that a potential new member could add to the existing Board composition.

Board committees

The Board has established two committees to deal with specific aspects of the Board's responsibilities: the Audit Committee and the Nomination and Remuneration Committee. The Report of the Audit Committee can be found on pages 46 to 47. The Audit Committee is chaired by Will Meldrum and includes Mark Cubitt and Kevin Covington.

The Nomination and Remuneration Committee is chaired by Will Meldrum and includes Mark Cubitt and Kevin Covington. The Committee has overall responsibility for making recommendations to the Board of the remuneration packages of the Executive Directors. The Board considers it appropriate, due both to the size of the Group and the experience of the Board members, to have a combined nomination and remuneration committee.

The Audit Committee met two times during the year and the Nominations and Remuneration Committee met once during the year.

Re-election

Under the Code, Directors should offer themselves for re-election at regular intervals. It is proposed that at least one of the Directors will be put forward for re-election at the Group's AGM which will be scheduled during December 2025.

The Board has expanded its governance reporting to include a skills and diversity matrix and succession planning.

PRINCIPLE 6: ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

Biographies of the Board of Directors can be found on pages 24 and 25.

Each member of the Board brings different skills and experience to the Board and the Board Committees.

The CEO's role is critical in developing and maintaining the sustainability and effectiveness of the Group. Specifically, the CEO's key responsibilities include:

- Leading the development and execution of the Group's vision and strategy.
- Senior human resource management: Recruiting, retaining and motivating an appropriately skilled executive management team.
- Representing the Group: The CEO is required to consistently present the Group and its objectives to key stakeholders and the market in general.
- Leading and driving overall Merger and Acquisition strategy.

The CEO is therefore expected to keep up to date with the industry and market in which the Company operates. The primary function of the CFO is to ensure that the Group's Board is able to make proper judgements as to the Group's financial position. This encompasses responsibility for the Group's financial health, that it has in place an appropriate financial strategy to enable it to achieve its wider strategic plan objectives, its annual budget outcomes and, most importantly, is able to meet its obligations to shareholders, the 'market', banks, creditors, suppliers and other stakeholders as required.

The CFO's responsibilities also encompass:

- Internal and external financial reporting.
- Corporate governance.
- Risk management and the maintenance of effective systems of internal control.
- Responsibility for the Company Secretary role.

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- Tax compliance and planning.
- Liaising with the Nomad on a regular basis.
- Compliance with AIM Rules and MAR.

The CFO is required to keep up to date with any changes to accounting standards and to ensure his skillset is refreshed on an ongoing basis.

The Non-Executive Directors hold senior positions with other companies ensuring that their knowledge is continuously refreshed. Specific training will be provided to the Board by the Company when required to support the Directors existing skillset.

PRINCIPLE 7: EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

The Company was admitted to trading on AIM on 27 November 2017. The Board was appointed in advance of Admission with the exception of the CFO who was appointed at the Company's AGM on 24 October 2018. Since Admission, evaluation of the performance of the Company's Board has historically been implemented in an informal manner. The Chairman regularly communicates with Board Members outside of Board meetings to ensure that each director is satisfied with the performance of the Board and has the opportunity to raise any issues of concern. Similarly, the Chairman uses his substantial experience of private and PLC boards to evaluate the Board effectiveness on an ongoing basis.

The Chairman has been tasked with assessing the individual contributions of each of the members of the team to ensure that:

- Their contribution is relevant and effective.
- They are committed.
- Where relevant, they have maintained their independence.

The Board has established an executive team with strength in depth in each of its core functions of network operations, software development, security, sales & marketing, human resources and finance which it will draw on, together with appropriate external appointments, in regards to succession.

PRINCIPLE 8: A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The Board places a high degree of value on promoting a corporate culture that reflects the Group's ethical principles and behaviours in order to maximise the quality of service that is passed on to the customer. As the Group works as an international team that is spread across three continents, a lot of importance is placed on (i) a culture of inclusivity and open and honest communication (ii) ensuring that employees are understood and trusted and (iii) that individual cultural values and languages are respected. The Company encourages innovation, has flat management structures, open plan offices and a culture of continuous improvement. This helps to ensure that communication and understanding flows well within the Company, and thereby provides the most efficient and highest quality of service to clients.

The Board has implemented formal HR policies and procedures including an employee handbook that sets out details and guidelines on the culture of the company and how this should be reflected in employees' individual conduct. Culture is now formally embedded in Board risk and strategy discussions.

PRINCIPLE 9: MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION MAKING BY THE BOARD

The Board comprises three independent Non-Executive Directors and two Executive Directors.

Board programme

The Board is scheduled to meet 10 times each year in accordance with its scheduled meeting calendar, with additional meetings scheduled where necessary. The Group has a highly committed and experienced Board and is supported by qualified executive and senior management teams.

Board meetings held during the period under review and the attendance of Directors is summarised below:

	Board meetings		Audit Committee		Remuneration Committee	
	Possible	**Attended**	Possible	**Attended**	Possible	**Attended**
Executive Directors						
Gordon McArthur	8	**8**	2	**0**	1	**1**
Fraser McDonald	8	**8**	2	**2**	1	**1**
Independent Non-Executive Directors						
Mark Cubitt	8	**8**	2	**2**	1	**1**
William Meldrum	8	**8**	2	**2**	1	**1**
Kevin Covington	8	**8**	2	**2**	1	**1**

The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and Committee papers are distributed several days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company's management.

All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports monthly on its headline performance against its agreed budget and market forecast and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting.

The Board considers the appropriateness of its accounting policies on an annual basis. The Board believes that its accounting policies, in particular in relation to income recognition and research and development, are appropriate. During the financial year ended 30 June 2025, the business reviewed matters including revenue recognition and capitalisation of R&D activities. Similar to the prior year, technical accounting papers were prepared, reviewed and assessed by the Company's auditor.

Financial results with comparisons to budget and forecast results are reported to the Board on a regular basis, together with a commercial report on strategic and operational issues. Significant variances from budget or strategy are discussed at Board meetings and actions set in place to address them.

There is a clear division of responsibility at the head of the Company. The Chairman is responsible for the leadership of the Board, ensuring its effectiveness and setting its agenda. Once strategic and financial objectives have been agreed by the Board, it is the CEO's responsibility to ensure they are delivered upon. To facilitate this, the CEO regularly meets the Executive Management Team (EMT) which comprises representatives from Operations, Technical Delivery, Finance, Sales and HR. The day to day operations of the Group are managed by the EMT.

Board committees

The Board is supported by the Audit, and Nomination and Remuneration committees. These committees are represented by the chairman and the other two Non-Executive Directors. Board members not part of the Audit, Nomination and Remuneration committee are invited to join where it is considered to be appropriate. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duty. Attendance at these committees is referenced in the Board Programme table.

Based on the current stage of growth within the business, the Board do not believe it is requirement to have an internal audit function, but this will be kept this under review as the business continues to grow or equivalent.

PRINCIPLE 10: COMMUNICATE HOW THE COMPANY IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

Trading updates and press releases are issued as appropriate and the Company's broker provides briefings on shareholder opinions and compiles independent feedback from investor meetings. Information offered at the analysts' meetings together with financial press releases are available on the Company's website, www.beeksgroup.com.

The Annual General Meeting is used by the Directors to communicate with both institutional and private investors. Every shareholder has access to a full annual report each year end and an interim report at the half year end. Care is taken to ensure that any price sensitive information is released to all shareholders, institutional and private, at the same time in accordance with London Stock Exchange requirements. The Company strives to give a full, timely and realistic assessment of its business in all price-sensitive reports and presentations.

Environmental, Social and Governance (ESG)

We are committed to building a sustainable and equitable future. We recognise that we have a responsibility to contribute positively to society and minimise our environmental impact where we can.

Environmental Responsibility

We are dedicated to reducing our carbon footprint and promoting environmental sustainability. Our initiatives include:

- Energy Efficiency: Implementing energy-efficient practices in our operations, including the use of renewable energy sources in our offices and adopting an electric car scheme available to all staff.
- Sustainable Products: Developing digital products that reduce the need for paper-based transactions, thereby minimising waste and resource consumption.
- Supply Chain Management: Partnering with vendors and suppliers who adhere to environmental best practices, ensuring that our supply chain is as sustainable as possible.

Social Responsibility

Our commitment to social responsibility is reflected in our efforts to create positive social impact and foster an inclusive, diverse, and equitable environment. We are proud of the dynamic culture we have created and which continues to attract and retain some of the best talent there is working in Glasgow, London, the US and remote workers on a global scale.

Our key areas of focus include:

BEEKS FINANCIAL CLOUD GROUP PLC CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2025

Employee Wellbeing

We prioritise our employee's wellbeing offering a suite of on-site benefits for our teams to enjoy which includes access to the fully equipped gym, our own personal trainer and in-house yoga instructor as well as weekly relaxation or sports therapy sessions. For further recreation we also have the Beeks pool and table tennis table. Our generous private medical offer also ensures all of our employees have access to the support that they need.

Positive Workplace Culture

Our strong workplace culture is underpinned by our comprehensive wellbeing offering, which plays a central role in the environment we are building. With ambitious growth targets, it is important that we position ourselves as a distinctive employer of choice combining scale and opportunity in an engaging working environment where people enjoy coming to work. This approach is reflected in our high employee tenure and the increasing number of direct applications we receive for vacancies in the marketplace.

Employee Benefits and Reward

As Beeks continues to grow, so too does our approach to employee benefits and reward. We are committed to enhancing our suite of health and wellbeing initiatives, ensuring our people are supported both inside and outside of work.

We also provide employees with the opportunity to share in the success of the Group through equity participation, aligning individual and company performance. In addition, we have introduced a bi-annual share option recognition scheme, through which colleagues who go above and beyond are recognised with additional share option awards. This initiative celebrates the achievements and contributions of our people and reinforces the Beeks values at the heart of our culture.

Recruitment, Tenure and Vacancies

Throughout the year, we made a number of key strategic hires reflecting our continued investment in talent to support the growth of our global operations.

We bring together specialists in technology, infrastructure, operations, and client support, ensuring we have the right expertise to deliver on our strategic objectives and provide value to our clients.

Developing and supporting our people

We continue our commitment to the growth and development of our employees, and in the past year:

- We supported employees in gaining industry-recognised qualifications, ensuring our workforce remains at the forefront of technological and financial services expertise.
- Our leadership development pathways provide opportunities for individuals to progress within the company, with 11% of vacancies being filled internally through promotion.
- We had under two employees complete their qualifications which were sponsored by Beeks with a Masters in Employment Law and a BA Hons in Business Management.

Growing Our Graduate Programme

At Beeks, we believe in nurturing the next generation of talent. Our Graduate Programme has continued to go from strength to strength, providing ambitious and talented individuals with the opportunity to begin their careers in a dynamic, supportive, and innovative environment.

During the year, we welcomed seven new graduates into the programme across our Software Development, Network Operations Centre and Cyber Security teams, representing our commitment to investing in future skills and supporting long-term growth. Graduates at Beeks are immersed in real-world projects from day one, working alongside experienced colleagues and gaining valuable insights into both our technology and our client-focused operations.

We have expanded the programme to include structured rotations across different business areas, ensuring graduates build a broad understanding of our business and can develop the technical, professional, and leadership skills needed for future success. Alongside this, our graduates benefit from ongoing mentorship, tailored training, and support in pursuing relevant professional qualifications.

We also welcomed two interns and a Software Development and an Engineering student on a one-year placement as part of our partnership with local Universities as well as taking several work experience pupils in to support local schools.

Looking ahead, we plan to enhance our programme and graduate offering by increasing intake, expanding the range of disciplines covered, and continuing to strengthen partnerships with universities to ensure we attract the brightest and best talent into Beeks.

Key Statistics

To illustrate the strength of our people agenda, we are pleased to highlight:

- 80% retention rate.
- An average tenure of 3.6 years.
- Over 20% of our employees completed a formal certified training course in their respective disciplines.
- 11% workforce internally promoted.

Diversity and Equal Opportunities

We actively foster an inclusive and supportive environment where diverse perspectives are welcomed, and every individual is empowered to achieve their best. This year, we have continued to focus on inclusive recruitment practices to strengthen this commitment.

Supply Chain

We believe that the key to success is building strong relationships with our suppliers and customers. Our teams are dedicated to forging open and regular channels of communication with customers to ensure we meet their requirements and deliver the highest quality customer service. Our senior management have regular meetings with key customers to maintain visibility over their technology roadmaps in order that the Group's development plans remain aligned to our customers' future strategies.

Beeks is aware that a shared commitment to the values of ESG is compelling market players to establish partnerships to deliver workable and sustainable financial systems. As an example, our partnership with IPC facilitates the delivery of accessible, cloud-based solutions that turbo-charge market participants' business. We mindfully work with infrastructure partners with high ESG capability in line with our customers' requirements; and as we collaborate with others our own ESG preparedness expands and benefits from shared approaches.

Environment

Beeks' latest dedicated server hosting solution, Exchange Cloud®, features high-density compute racks accommodating up to 80 servers within a data centre. By fitting up to eight times more servers in a rack than other providers, we help organisations reduce their data centre footprint and achieve natural efficiencies in power consumption, cost and cooling. Beeks has plans to undergo an internal assessment for ESG in the near future. At present, Beeks commits to procuring energy from renewable sources whenever feasible and is increasing renewable energy sourcing each year.

By colocating in data centres owned by large data centre providers, Beeks and our customers also benefit from their Corporate Sustainability Programme, ensuring reduced power consumption and heightened energy efficiency for cooling and lighting across the whole site. By offering colocation in 32 locations, Beeks leverages the sustainable innovation these providers offer and assists in the worldwide goal to reach 100% renewable energy by 2030 by reducing operational emissions and moving towards a zero-carbon energy grid.

Every ESG-sensitive operation is able to benefit from in-depth monitoring, fine-tuning and improving their existing infrastructure over acquiring new equipment. Beeks' technology has developed on-premise and cloud-based Analytics as a Service enabling businesses to get more granular insight into how their networks are performing, and how to optimise their existing stacks within Data Centres and in the Cloud. Beeks' business model will now enable firms to enter into shorter commitments than the typical demand from on-premise data centres. Beeks' Infrastructure as a Service (IaaS) also removes the necessity for additional hardware, resulting in reduced capital expenditures, more environmentally friendly colocation options, and faster, cost-efficient expansion into global, diverse, and inclusive markets. We are now equipped to assist our customers with their ESG audits, providing clients such as Form3 with energy footprint calculations and support on fuel consumption for generator testing.

As part of our efforts to improve our environmental impact, and educate our people on how they can help, we have also rolled out compulsory ISO 14001 compliant training which now also forms part of our onboarding process. This training goes hand in hand with our newly established ISO 14001 accreditation.

In addition, the introduction of the employee Electric Car Scheme, Beeks is integrating a workforce that is more environmentally conscious. By educating employees of the financial benefits such as saving on National Insurance and Income Tax, and environmental benefits, Beeks can actively contribute to a reduction in our carbon footprint, resulting in fewer emissions, reduced noise pollution, and improved air quality.

Local Community and ESG Initiatives

We continue our commitment to hiring locally, proud to attract and retain the best talent in our head office, working hybrid hours. Our Graduate Programme continues to grow, with new Graduate Network Engineers joining our team this year. We also welcomed two software engineering interns from the University of Glasgow and the University of Strathclyde, further investing in the development of future talent.

We recognise the importance of contributing to the communities in which we operate. As we continue to grow globally, we remain committed to supporting local initiatives that strengthen connections, create opportunities, and reflect our values as a responsible business. Over the past year, we have continued to sponsor and support community activities, including our partnerships with local football teams, helping to promote grassroots sport and wellbeing. We encourage our employees to engage in community projects and take pride in giving back through initiatives that make a tangible difference. We have also supported a local charity through our own fundraising efforts.

By investing in local initiatives, we aim to foster long-term relationships, create positive social impact, and ensure that Beeks' success also benefits the wider community.

This focus on grassroots sports is an important part of our wider ESG strategy. By helping young athletes and community sports teams, we aim to promote wellbeing and provide opportunities for people to thrive.

We recognise that our long-term success is built not only on financial performance but also on our responsibility to the environment, our people and our governance standards. The Board is fully committed to embedding ESG principles across the business, in line with the expectations of our stakeholders and the QCA Corporate Governance Code.

To support this, we have engaged an independent third-party advisor to review our current approach and identify any gaps. This work will provide a clear roadmap for improvement, and we will report transparently on our ESG priorities and progress in our next Annual Report for the year ending 30 June 2026.

By order of the Board.

Will Meldrum
Chairman
3 October 2025

REPORT OF THE AUDIT COMMITTEE

COMMITTEE ACTIVITIES IN THE FINANCIAL YEAR ENDING 30 JUNE 2025

The Audit Committee is chaired by Will Meldrum. The other members are Mark Cubitt and Kevin Covington. Attendance during the year can be seen within the Board programme table on page 37. Board members not part of these committees are invited to attend meetings as and when it is deemed appropriate.

The Committee met two times in relation to the financial year ended 30 June 2025. One meeting was post year end, with the second meeting to approve the annual accounts. In addition to standing items on the agenda, the Committee:

- Received and considered, as part of the review of the annual financial statements, the audit plan for the year and the results of the annual audit. These reports included the scope of the annual audit, the approach to be adopted by the Auditor to address and conclude upon key estimates and other key audit areas, the basis on which the Auditor assesses materiality, the terms of engagement for the Auditor and an on-going assessment of the impact of future accounting developments for the Group;
- Considered the Annual Report and Accounts in the context of being fair, balanced and understandable;
- Considered the effectiveness and independence of the external audit; and
- Review the enhanced audit report.

Significant areas considered by the Audit Committee in relation to the 2025 financial statements are set out below:

Areas of estimates	Matter Considered and Role of the Committee
Revenue recognition	The committee considered the risk associated with revenue recognition and considered new contracts awarded during the year. The committee considered management's assessment of revenue recognition specifically in relation to the Proximity Cloud® and Exchange Cloud® contracts in the year and the nuances within these contracts including hardware ownership, termination clauses and regulatory approvals. The committee critically assessed the principles, assumptions, judgements and estimates applied by management to identify and allocate amounts to each performance obligation.
Capitalisation and impairment of intangibles	As the evolvement and development of Proximity Cloud®/Exchange Cloud® continued in the year to 30 June 2025, the committee assessed the appropriateness of capitalisation of these intangibles in line with how the relevant criteria have been met and how management have applied judgement. The committee critically assessed the inputs and resultant costs capitalised in line with the relevant accounting standard, as well as the appropriateness of the cut off points in which amortisation commenced. The committee also considered any risks associated with the carrying value of capitalised intangible assets that may indicate risk of impairment.
Recoverability of deferred tax asset	The committee considered the appropriateness to recognise the deferred tax asset in the year, specifically assessing managements judgement to identify if there is sufficient forecastable future taxable profits to utilise the deferred tax asset on carried forward losses.

INDEPENDENCE AND OBJECTIVITY OF THE AUDITOR

The Committee continues to monitor the work of the Auditor to ensure that the Auditor's objectivity and independence is not compromised by it undertaking inappropriate non-audit work. The current Auditor, HaysMac LLP, was appointed Auditor on 22 March 2024.

AUDIT AND NON-AUDIT FEES

The Committee approves all non-audit work commissioned from the external auditors. During the year the fees payable for the current year audit to the Auditor were £85,000 for the Group and £75,000 for the subsidiary audit. There were no fees paid to the Auditor for non-audit fees (2024: £nil).

OTHER MATTERS

The Committee is authorised to seek any information it requires from any Group employee in order to perform its duties. The Committee can obtain, at the Group's expense, outside legal or other professional advice on any matters within its terms of reference. The Committee may call any member of staff to be questioned at a meeting of the Committee as and when required.

REPORTING RESPONSIBILITIES

The Committee makes whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required. The Committee ensures that it gives due consideration to laws and regulations, the provisions of the QCA Corporate Governance Code, the requirements of the AIM Rules for Companies and the UK Listing Authority's Listing Rules, Prospectus and Disclosure and Transparency Rules and any other applicable rules as appropriate. The Committee also oversees any investigation of activities which are within its terms of reference. The Audit Committee operates within agreed terms of reference in accordance with the Group's Financial Position and Prospects.

Will Meldrum
Chairman of the Audit Committee
3 October 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BEEKS FINANCIAL CLOUD GROUP PLC

OPINION

- We have audited the financial statements of Beeks Financial Cloud Group PLC (the 'Company') and its subsidiaries (together the 'Group') for the year ended 30 June 2025 which comprise:

Group	Company
• the Consolidated Statement of Comprehensive Income;	• the Company Statement of Changes in Equity;
• the Consolidated Statement of Changes in Equity;	• the Company Balance Sheet;
• the Consolidated Balance Sheet;	• and related notes to the financial statements.
• the Consolidated Statement of Cash flows;	
• and related notes to the financial statements including a summary of significant accounting policies.	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom - adopted International Financial Reporting Standards (IFRSs). The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2025 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards IFRS; 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit scope covered all the Group's components, with varying levels of testing based upon the significance of each component. We performed a scoping assessment of the Group at the planning stage of the audit and subsequently updated this assessment for the year end figures. We assessed the risk of material misstatement for each of the components and determined their significance based on the overall impact to the Group financial statements. This assessment considered the balances in each component which related to significant risks as determined in our audit assessment, as well as any other balances that are deemed to be significant when compared to the Group financial statements. We assessed each entity in relation to the risk of management override of controls.

Our audit scope included subsidiaries which represented a certain proportion of our materiality metric (revenue). We further scoped subsidiaries to ensure an appropriate level of coverage over all account balances, which was proportionate to their assessed risk level. At 30 June 2025, the Company and Beeks Financial Cloud Limited were subject to full scope audit procedures given the significance of the activity of these entities to the overall Group financial statements. The remaining entities in the Group (Velocimetrics Limited, Beeks FX VPS USA and Beeks Financial Cloud Japan) were deemed insignificant to the audit of the Group financial statements based on the above metrics and therefore, the audit work on these components has been limited to other audit procedures including analytical review and verification of bank balances to third-party confirmation, where considered appropriate.

We communicated with both the Directors and the Audit Committee our planned audit work via our audit planning report and relevant discussions throughout the audit process. We have communicated any issues to the Audit Committee and the Directors in our final audit findings report.

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.

Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included consideration of the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the period 12 months from the date of the signing of the financial statements.

The risks that we considered most likely to affect the Group's financial resources or ability to continue operations over this period were adverse circumstances impacting timely conversion of contract assets and trade receivables to cash, growth in revenues, adverse changes in working capital trends and reliance on significant customers. We considered these risks through a review of the application of reasonably foreseeable downside scenarios that could arise with reference to the level of available financial resources indicated by the Group's financial forecasts and management's assessment of these risks, including potential mitigation available. This has been aligned with our review of the development of future products, sales pipeline of existing products and assessments performed by management in determining the market opportunities that they look to exploit.

Our audit procedures to evaluate the director's assessment of the Group and the Company's ability to continue to adopt the going concern basis of accounting included:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern;
- Discussing management's assessment of the Group's ability to remain a going concern;
- Evaluating the methodology used by the Directors to assess the Group and the Company's ability to continue as a going concern including assessment and evaluation of the key assumptions used and judgements;
- Performing stress tests including sensitivity analysis to model the effect of changing assumptions made or amending key data used in management's cash flow forecasts and considering the impact on the Group's ability to adopt the going concern basis;
- Reviewing the appropriateness of the Directors' disclosures regarding going concern in the financial statements; and
- Review of the mathematical accuracy of the model, challenging the key inputs and assumptions, review of post year end actuals including management accounts and cash balance per bank statements.

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 ability to continue as a going concern for a period of at least 12 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

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

In determining the key audit matters we considered the:

- Areas of higher risks of material misstatement or significant risks identified in accordance with ISA (UK) 315;
- Significant audit judgements on financial statement line items that involved significant management judgement such as accounting estimates; and
- The impact of significant events and transactions during the period covered by the audit.

The following table summarises the key audit matters we have identified and rationale for their identification together we how we responded to each in our audit and our key observations.

Key Audit Matter	How we addressed the key audit matter in the audit
Revenue recognition The Group's revenue recognition policies are included within the accounting policies in note 1, the critical accounting judgements and key sources of estimation uncertainty related to revenue are included in note 2, and the components of revenue are set out in note 3. Revenue recognition has been identified as a significant risk area regarding misstatement as a result of fraud, error, classification and cut off. The key estimates and judgements relating to revenue have been disclosed in note 2 of the financial statements. Group revenue has grown from £28.5m in the prior year to £35.9m in the year ended 30 June 2025. Revenue is derived from provision of access to Intellectual Property (IP), the sale of own IP, the provision and delivery of hardware, support and maintenance and the provision of consultancy services. The significant risk of fraud, error, classification and cut off was considered to fall into two categories: • Manual adjustments to revenue that were outside the normal pattern of journal entries expected based on our understanding of the Group's pattern of revenue recognition. • Management judgements and estimates made in relation to new or modified contracts within the Proximity Cloud® or Exchange Cloud® revenue streams which involve significant judgement and estimation by management in the application of IFRS 15. The Group enters into Proximity Cloud® and Exchange Cloud® contracts that span three to five years. Management make key judgements and estimates in relation the revenue recorded in relation to long-term contracts, in particular as to the portions of revenue recorded at a point in time as well as over time.	In response to this risk, our work consisted of, but was not limited to, the following audit procedures in respect of all full scope components: • Assessed the Group's accounting policy for each material revenue stream and obtained an understanding of the relevant business processes and controls assessing their design and implementation. • We utilised substantive Audit Data Analytics on all revenue streams to identify any anomalies being transaction that fall outside the standard posting cycle. • We performed substantive tests of detail for a sample of revenue items recorded during the year to ensure that revenue had not been materiality overstated. • For new Exchange Cloud® and Proximity Cloud® contracts we obtained and scrutinised management application of their accounting policies in accounting for contract revenue in accordance with IFRS 15. As part of this, we reviewed the estimates and judgements considered to be significant in the application of the accounting policy for these revenue streams, challenging management to ensure these were reasonable. We challenged management on the judgements made in determining the contract period and the allocation of expected revenue to relevant performance obligations. • For existing Exchange Cloud® and Proximity Cloud® contracts, we reviewed assumptions made in the prior period to ensure that they materially align to management's estimate, considering the impact on current and prior contracts where deviations are noted. • We have reviewed the allocation of revenue in accordance with the principles of IFRS 15 to identifiable performance obligations determined by management following a review of the contracts relating to the Exchange Cloud® and Proximity Cloud® revenue streams. • Our review also included an assessment of the appropriateness of the accounting for contract assets, trade receivables and contract liabilities.

Key Audit Matter	How we addressed the key audit matter in the audit
Capitalisation of development costs in Intangible assets and application of IAS 38. The capitalisation of development costs has been identified as a significant risk area regarding misstatement as a result of fraud, and error in capitalisation of development costs and application of IAS 38. The net book value of the Group's capitalised development costs has grown from £7.1m in the prior period to £7.2m in the year ended 30 June 2025. The Group has capitalised £2.1m of development expenditure during the period (2024: £2.9m) in line with management's assessment of development costs and projects in line with IAS 38. The Group's accounting policy for intangible assets is included within the accounting policies in note 1, the critical accounting judgements and key sources of estimation uncertainty related to development costs are included in note 2, and the components of intangible assets are set out in note 10. The costs capitalised during the period are a combination of directly attributable costs relating to ongoing development projects as well as allocation of appropriate attributable overhead costs. Significant judgement is required by management in assessing if the relevant conditions per IAS 38 have been met for development costs and in assessing if costs relate to enhancement of assets or maintenance of existing assets. These judgements are therefore susceptible to management bias or error.	• We performed specific targeted testing around the reporting date, with June 2025 and July 2025 bank receipts and sales listings reviewed selecting a sample of significant sales or receipts. We agreed receipts and sales to supporting documentation ensuring that revenue has been recorded in the appropriate reporting period once ascertaining when the performance obligations of these transactions was satisfied. • We have reviewed the disclosures included with the financial statements in respect of revenue including those made in the accounting policies in note 1, the critical accounting judgements and key sources of estimation uncertainty related to revenue as included in note 2, and the components of revenue as set out in segmental reporting within note 3. In response to this risk, our work consisted of, but was not limited to, the following audit procedures in respect of all full scope components: • We reviewed the Group research and development policy and critically assessed the application of the policy in line with the IAS 38 requirements. • We obtained the intangible fixed assets register and verified the brought forward figures to the prior year signed financial statements. • For the development projects ongoing in the year, we obtained management's assessment in line with IAS 38 criteria. • We performed a sample test of capitalised additions to supporting documentation to assess whether it satisfied the development costs criteria. Consideration of the overall projects to which costs were attributable to were included in management's assessment and our review. • We discussed ongoing projects with members outside of the finance team to ensure we understood the commercial background of the projects and how this factors into the determination that a project is capital in nature. • We discussed additions relating to time costs with members outside of the finance team to assess the nature of the time spent and assess whether the capitalisation of these costs in line with IAS 38 was appropriate. • We critically assessed the costs and projects that moved from development phase to completed which is at the point of a major product release or upgrade in which that asset is made available for sale and release to customer. • We have reviewed the disclosures included within the financial statements in respect of intangible assets including those made in the accounting policies in note 1, the critical accounting judgements and key sources of estimation uncertainty in note 2, and the intangible assets disclosures in note 10.

BEEKS FINANCIAL CLOUD GROUP PLC INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2025

The table also shows our judgement of the likelihood and magnitude of each significant risk, the significant risks deemed to be key audit matters where fraud, error, classification and cut off in revenue recognition and capitalisation of development costs.

OUR APPLICATION OF MATERIALITY

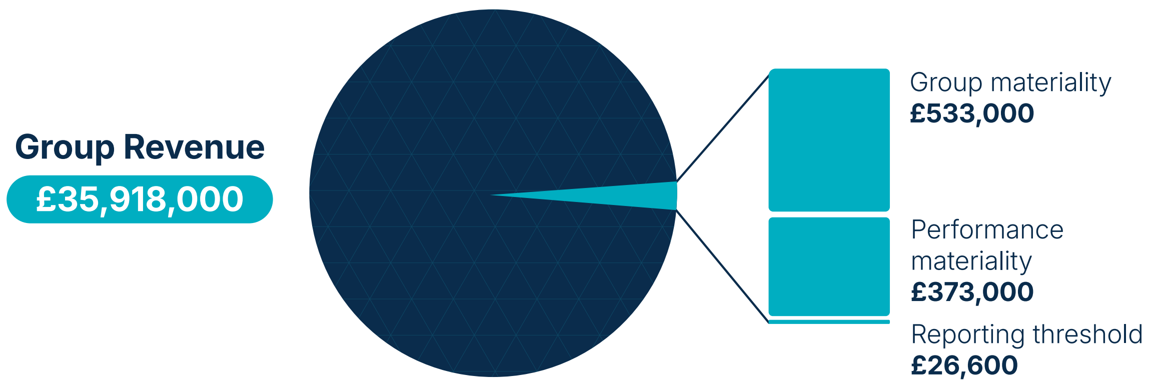
The scope and focus of our audit were influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

	Group Financial Statements	Company Financial Statements
Materiality	£533,000 (2024: £427,500)	£260,000 (2024: £216,000)
Benchmark	Materiality for the Group was determined to be 1.5% (2024: 1.5%) of Revenue for the period, based on the point at which we performed our audit planning and risk assessment.	Materiality has been based on 1% (2024: 1%) of gross assets but capped at £260,000 (2024: £216,000) being the remaining available allocation of Group materiality as assessed as part of our Group scoping and component materiality allocation.
Basis for, and judgements used in the determination of materiality	Revenue has been used as the basis for materiality because profit before tax and adjusted profit before tax (adjusted to exclude amortisation, acquisition costs, share based payments and exceptional non-recurring costs) have varied significantly year on year. Revenue has grown year on year but is considered to be more stable. When considering the usage of EBITDA, PBT and Revenue, the revenue metric was deemed the most appropriate on the basis that revenue is deemed a key figure for investors, alongside presenting the most stable figure of the three.	The Company is non-trading and as such gross assets was deemed the most appropriate measure of materiality. As a result of Group scoping the allocation of Group component materiality to the Company resulted in a maximum allocation of £260,000. We have therefore capped the materiality to this figure, and figures have been audited to this materiality.

Performance materiality - Based on our risk assessment and our review of the Group's control environment, performance materiality was set at 70% (2024: 65%) of materiality, being £373,000 (2024: £277,875) for the Group and £182,000 (2024: £140,400) for the Company. 70% was set as the benchmark for performance materiality to reflect our assessment and understanding of the control environment with consideration of findings in previous audits.

Reporting threshold - The reporting threshold to the audit committee was set as 5% of materiality, being £26,600 (2024: £21,375) for the Group and £13,000 (2024: £10,800) for the Company.

OVERALL MATERIALITY



OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the strategic report and the Directors' report for the financial period 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and management.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements in respect of employment law, including but not limited to minimum wage regulation, and food standards requirements. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate manual journal entries to revenue and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenge and critical assessment of areas containing significant amounts of management judgement or estimation, for example in areas such as revenue and intangible asset additions;
- The evaluation of management's controls designed to prevent and detect irregularities;
- Utilisation of our audit software to select journals for further inspection that met certain risk criteria as determined by the engagement team;
- Review of tax working papers prepared by management experts and utilising our own experts to review these areas;
- The identification and review of manual journals, in particular journal entries which shared key risk characteristics; and
- The review and challenge of assumptions, estimates and judgements made by management in their recognition of accounting estimates.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit/. 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.

Jonathan Maddison

Jonathan Maddison
(Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

3 October 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		2025	2024
	Note	**£000**	**£000**
Revenue	3	35,918	28,487
Other Income	3	694	371
Cost of sales		(21,907)	(17,516)
Gross profit		**14,705**	**11,342**
Administrative expenses		(11,942)	(9,759)
Operating profit	4	**2,763**	**1,583**
Analysed as			
Earnings before depreciation, amortisation, acquisition costs, share based payments and non-recurring costs:		**13,708**	**10,940**
Depreciation	11	(5,669)	(5,085)
Amortisation – acquired intangible assets	10	(276)	(326)
Amortisation – other intangible assets	10	(2,336)	(1,591)
Share based payments	21	(2,551)	(2,326)
Other non-recurring costs	4	(113)	(29)
Operating profit		**2,763**	**1,583**
Finance income	6	408	250
Finance costs	5	(382)	(374)
Profit before taxation		**2,789**	**1,459**
Taxation	9	177	734
Profit after taxation for the year attributable to the owners of Beeks Financial Cloud Group PLC		**2,966**	**2,193**
Other comprehensive income			
Amounts which may be reclassified to profit and loss			
Currency translation differences		(31)	8
Total comprehensive income for the year attributable to the owners of Beeks Financial Cloud Group PLC		**2,935**	**2,201**
		Pence	Pence
Basic earnings per share	24	4.43	3.33
Diluted earnings per share	24	4.12	3.11

The above income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2025	2024 (Restated)
		£000	£000
Non-current assets			
Intangible assets	10	9,165	9,368
Trade and other receivables	14	8,000	3,287
Property, plant and equipment	11	19,792	16,739
Deferred tax	12	3,068	2,530
		40,025	**31,924**
Current assets			
Trade and other receivables	14	7,711	4,171
Inventories	13	2,607	1,506
Cash and cash equivalents	15	7,357	7,701
		17,675	**13,378**
Total assets		**57,700**	**45,302**
Liabilities			
Non-current liabilities			
Trade and other payables	18	11	136
Lease liabilities	17	3,475	1,283
Deferred tax	12	-	-
Total non-current liabilities		**3,486**	**1,419**
Current liabilities			
Trade and other payables	18	8,580	4,777
Lease liabilities	19	2,417	1,611
Total current liabilities		**10,997**	**6,388**
Total liabilities		**14,483**	**7,807**
Net assets		**43,217**	**37,495**
Equity			
Issued capital	20	84	83
Share premium	22	23,775	23,775
Reserves	22	7,668	6,297
Retained earnings		11,690	7,340
Total equity		**43,217**	**37,495**

These financial statements were approved by the Board of Directors on 3rd October 2025 and were signed on its behalf by:

Gordon McArthur
Chief Executive Officer,

Beeks Financial Cloud Group PLC,

Company number: SC521839

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Foreign Capital Reserve	Merger Reserve	Other Reserve	Share based payments	Share Premium	Retained Earnings	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 30 June 2023	**82**	**70**	**705**	**(315)**	**4,419**	**23,775**	**4,050**	**32,786**
Profit after income tax expense for the year	-	-	-	-	-	-	2,193	2,193
Currency translation difference	-	8	-	-	-	-	-	8
Total comprehensive income	**-**	**8**	**-**	**-**	**-**	**-**	**2,193**	**2,201**
Deferred tax	-	-	-	-	-	-	181	181
Issue of share capital	1	-	-	-	-	-	-	1
Share based payments	-	-	-	-	2,326	-	-	2,326
Exercise of share options	-	-	-	-	(916)	-	916	-
Total transaction with owners	**1**	**-**	**-**	**-**	**1,410**	**-**	**1,097**	**2,508**
Balance at 30 June 2023	**83**	**78**	**705**	**(315)**	**5,829**	**23,775**	**7,340**	**37,495**
Profit after income tax expense for the year	-	-	-	-	-	-	2,966	2,966
Currency translation difference	-	(31)	-	-	-	-	-	(31)
Total comprehensive income	**-**	**(31)**	**-**	**-**	**-**	**-**	**2,966**	**2,935**
Deferred tax	-	-	-	-	-	-	235	235
Issue of share capital	1	-	-	-	-	-	-	1
Share based payments	-	-	-	-	2,551	-	-	2,551
Exercise of share options	-	-	-	-	(1,149)		1,149	
Total transaction with owners	**1**	**-**	**-**	**-**	**1,402**	**-**	**1,384**	**2,787**
Balance at 30 June 2025	**84**	**47**	**705**	**(315)**	**7,231**	**23,775**	**11,690**	**43,217**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Profit for the year before tax		2,789	1,459
Adjustments for:			
Depreciation of tangible fixed assets	11	5,669	5,085
Amortisation of intangible assets	10	2,612	1,917
Interest payable on bank loans	5	6	85
Lease liability interest	5	229	163
Share based payment charge	7	2,551	2,326
Proceeds from grant income		(276)	-
Operating cash flows		**13,581**	**11,035**
(Increase) in receivables	14	(8,253)	(1,343)
(Decrease)/Increase in inventories	13	(1,527)	997
Increase/(Decrease) in payables	18	5,527	(171)
Operational cash flows after movement in working capital		**9,328**	**10,518**
Corporation tax paid		97	33
Net cash generated from operating activities		**9,425**	**10,551**
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(4,583)	(3,882)
Capitalised development costs	10	(2,444)	(2,909)
Proceeds from share issue		1	-
Net cash used in investing activities		**(7,026)**	**(6,791)**
Cash flows from financing activities			
Repayment of existing loan borrowings	17	-	(1,814)
Repayment of lease liabilities	17	(2,467)	(2,065)
Interest on lease liabilities	19	(229)	(163)
Interest payable on bank loans	5	(6)	(85)
Proceeds from asset finance	17	-	229
Net cash generated from financing activities		**(2702)**	**(3,898)**
Net (decrease) in cash and cash equivalents		**(302)**	**(138)**
Effects of exchange rates on cash and cash equivalents		**(42)**	**10**
Cash and cash equivalents at beginning of year	15	**7,701**	**7,829**
Cash and cash equivalents at end of year	15	**7,357**	**7,701**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corporate information

Beeks Financial Cloud Group PLC is a public limited company which is listed on the AIM Market of the London Stock Exchange and is incorporated in Scotland. The address of its registered office is Riverside Building, 2 Kings Inch Way, Renfrew, Renfrewshire, PA4 8YU. The principal activity of the Group is the provision of information technology services and products. The registered number of the Company is SC521839.

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

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) and with the requirements of the Companies Act 2006. The financial statements are prepared in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

The financial statements have been prepared on the historical cost basis except for the valuation of certain financial instruments that are measured at fair values at each reporting period, as explained in the accounting policies below.

The measurement bases and principal accounting policies of the group are set out below and are consistently applied to all years presented unless otherwise stated.

Adoption of new and revised standards

The below are the standards that are new/amended for accounting periods that begin on or after 1 January 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Financial Instruments (Amendments to IFRS 9); Non-current liabilities with covenants (Amendments to IAS 1); and
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

No new standards or amendments that became effective in the financial year had a material impact in preparing these financial statements. There are a number of standards and amendments to standards which have been issued by the IASB that are effective in future accounting periods that have not been adopted early.

The following amendments are effective for annual reporting periods beginning on or after 1 January 2025:

- Guidance on the exchange rate to use when a currency is not exchangeable (Amendments to IAS 21); and
- Accounting treatment for the sale or contribution of assets (Amendments to IFRS 10 and IAS 28).

The following amendments are effective for annual reporting periods beginning on or after 1 January 2026:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7);
- Annual Improvements to IFRS Standards 2022 - 2024 Cycle (covering amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7).

The following standards are effective for annual reporting periods beginning on or after 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Going concern

The key factors considered by the Directors were:

- Historic and current trading and profitability of the Group.
- The rate of growth in sales both historically and forecast.
- The competitive environment in which the group operates.
- The current level of cash reserves.
- The finance facilities available to the Group, including the availability of any short-term funding required through the use of the Revolving Credit Facility.

The financial position of the Group, its cash flows and liquidity position are described in the Chief Financial Officer's Report on pages 15 to 18.

The Directors take comfort from the resilience of our business model. The level of customer churn across our business has remained low and cash collection has been in line with our typical profile. We do however remain vigilant to the economic impact the ongoing macro-economic environment may create, particularly on the SME segment of the market.

Note 16 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Directors are of the opinion that the Group can operate within their current levels of cash reserves including further financing facilities available. At the end of the financial year, the Group had net cash of £7.00m (2024: Net cash £6.58m) a level which the Board is comfortable with given the strong cash generation of the Group and low level of debt to EBITDA ratio. The Group has a diverse portfolio of customers and suppliers with long-term contracts across different geographic areas. As a consequence, the Directors believe that the Group is well placed to manage its business risks.

The Directors have considered the Group budgets and the cash flow forecasts to December 2026, and associated risks including the risk of climate change and the impact on our data centre estate, useful economic life of assets, and the availability of bank and leasing facilities. We have run appropriate scenario and stress tests applying reasonable downside sensitivities in respect of profitability and associated cash flow generation and are confident we have the resources to meet our liabilities as they fall due for a period of at least 12 months from the date of these financial statements.

After making enquiries, the Directors have a reasonable expectation that the Group will be able to meet its financial obligations and has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Accordingly, the Directors have adopted the going concern basis in preparing the Report for the year ended 30 June 2025.

Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary or a business is the fair values of the assets transferred, the liabilities incurred to former owners of the acquiree and the equity interests issued to the Group.

The consideration transferred includes the fair values of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the acquisition date.

Acquisition related costs are expensed as incurred. As each of the subsidiaries are 100% wholly owned the Group has full control over each of its investees. Intercompany transactions, unrealised gains and losses on intragroup transactions and balances between group companies are eliminated on consolidation.

Foreign currency transactions

In line with IAS 21 foreign currency transactions are translated into pound sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses resulting from the retranslation of inter-company balances are recognised in profit or loss. Non-monetary assets are translated at the historical rate.

Foreign operations

The assets and liabilities of foreign operations are translated into pound sterling using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Pound sterling using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies.

Where the Group's assessment of the net fair value of a subsidiary's identifiable assets acquired and liabilities assumed is less than the fair value of the consideration including contingent consideration of the business combination then the excess is treated as goodwill. Where the Group's assessment of the net fair value of a subsidiary's net assets and liabilities exceeds the fair value of the consideration including contingent consideration of the business combination then the excess is recognised through profit or loss immediately. Where an acquisition involves a potential payment of contingent consideration the estimate of any such payment is based on its fair value. To estimate the fair value an assessment is made as to the amount of contingent consideration which is likely to be paid having regard to the criteria on which

BEEKS FINANCIAL CLOUD GROUP PLC NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

any sum due will be calculated and is probability based to reflect the likelihood of different amounts being paid. Where a change is made to the fair value of contingent consideration within the initial measurement period as a result of additional information obtained on facts and circumstances that existed at the acquisition date then this is accounted for as a change in goodwill. Where changes are made to the fair value of contingent consideration as a result of events that occurred after the acquisition date then the adjustment is accounted for as a charge or credit to profit or loss.

The Group's accounting policy for common control transactions is to recognise and measure such transactions at carrying amounts, with no gain or loss recognised in the financial statements. This policy ensures consistency and comparability in the treatment of transactions within the Group.

Revenue recognition

Revenue arises from the provision of Cloud-based localisation. To determine whether to recognise revenue, the group follows a five-step process as follows:

- Identifying the contract with a customer.
- Identifying the performance conditions.
- Determining the transaction price.
- Allocating the transaction price to the performance conditions.
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at transaction price, stated net of VAT and other sales related taxes and discounts, if applicable.

The below outlines all the Group's revenue streams and associated accounting policies:

Infrastructure as a Service (IaaS)

The group's core business provides managed Cloud computing infrastructure and connectivity. The Group considers the performance obligation to be the provision of access and use of servers to our clients. As the client receives and consumes the benefit of this use and access over time, the related revenue is recognised evenly over the life of the contract.

Monitoring software and maintenance services

The group also provides software products that analyse and monitor IT infrastructure. Revenue from the provision of software licences is split between the delivery of the software licence and the ongoing services associated with the support and maintenance. The supply of the software licence is recognised on a point in time basis when control of the goods has transferred, being the delivery of the item to the customer, whilst the ongoing support and maintenance service is recognised evenly over the period of the service being rendered on an over time basis. The group applies judgement to determine the percentage of split between the licence and maintenance portions, which includes an assessment of the expected cost plus margin that would be received in a standalone sale of the performance obligations. Where an agreement includes a royalty fee as a result of future sales by a customer to third parties and there is a minimum amount guaranteed, this is recognised at point in time when the delivery of the item is complete.

Set-up fees

Set up fees charged on contracts are reviewed to consider the material rights of the set-up fee. When a set-up fee is arranged, Beeks will consider the material rights of the set-up fee, if in substance it constitutes a payment in advance, the set-up fee will be deemed to be a material right. The accounting treatment for both material rights and non-material rights set-up fees is as follows:

- Any set up fees that are material rights are spread over the group's average contract term.
- Set up fees that are not material rights are recognised over the enforceable right period, i.e. 1 to 3 months depending on the termination period.

Revenue in respect of installation or training, as part of the set-up, is recognised when delivery and installation of the equipment is completed on a point in time basis.

Hardware and software sales

Revenue from the supply of hardware is recognised when control of the goods has transferred. For hardware, this occurs upon delivery and installation of the item to the customer. For software, control is deemed to pass on provision of the licence key to the customer being the point in time the customer has the right to use the software.

The Group has concluded it acts as a principal in each hardware sales transaction vs an agent. This has been determined by giving consideration to whether the Group holds inventory risk, has control over the pricing over a particular service, takes the credit risk, and whether responsibility ultimately sits within the Group to service the promise of the agreements. Refer to note 2 for more detail on these considerations.

Professional and consultancy services

Revenue from professional and consultancy services are recognised using the output method as these services are rendered and the performance obligation satisfied. Any unearned portion of revenue (i.e. amounts invoiced in advance of the service being provided) is included in payables as a contract liability.

Proximity Cloud® and Exchange Cloud® Services

Proximity Cloud® and Exchange Cloud® are fully-managed and configurable compute, storage and analytics racks built with industry-leading low latency hardware that allow capital markets and financial services customers to run compute, storage and analytics on-premise.

Revenue from the sale of Proximity Cloud® and Exchange Cloud® contracts has been assessed under IFRS 15 and using the five step process, the following performance obligations have been identified:

- Delivery and installation of the hardware, and provision of the software licence.
- Delivery of maintenance and technical support over the contract.
- Delivery of unspecified upgrades and future software releases.
- Significant financing components.

The delivery and installation of the hardware, and provision of the software licence are highly interrelated and considered to be one performance obligation. Management have assessed that the software is the predominant item within the performance obligation as it is the functionality and use of the developed software that provides benefit to the customer, furthermore the purpose of the contract is for provision of the software licence with the hardware being required to facilitate this. This is recognised on a point in time basis when the control of the goods have been transferred, being when delivery of the item is completed and the right to use the software is granted to the customer. This is further explained in significant judgements.

The maintenance and technical support, as well as the delivery of the unspecified upgrades and future software releases are recognised evenly on an over time basis over the period of the contract. The performance obligation for both is considered to be that of standing ready to provide technical product support and unspecified updates, optional upgrades and enhancements when made available over the period of service being rendered.

These contracts include multiple deliverables. The Group applies judgement to determine the transaction price to be allocated between a) the delivery and installation of the hardware and provision of the software licence, recognised on a point in time basis and b) the stand ready services (support, maintenance, unspecified upgrades) recognised over time. The Group applies the expected cost plus margin approach to the stand ready services and, the delivery and installation of the hardware and provision of software licence is estimated using the residual approach, given this is a new product to market and standalone selling prices are not directly observable. Further detail is provided within key judgement and estimations on page 64.

Where such contracts include a significant financing component, the group also adjusts the transaction price to reflect the time value of money. Finance income is recognised as other income in the statement of the comprehensive income.

Revenue recognised over time and at a point in time is disclosed at note 3 of the notes to the financial statements.

Government grant income

Grants from Government agencies are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is deducted from carrying the amount of the intangible asset over the expected useful life of the related asset. Note 3 Revenue provides further information on Government grants.

Rental Income

Rental income from the head office property leased out under operating leases is recognised in the statement of the comprehensive income as other income as these services are rendered, as the tenant occupies the space.

Cost of sales

Costs considered to be directly related to revenue are accounted for as cost of sales. All direct production costs and overheads, including indirect overheads that can reasonably be allocated as relating to the Group's revenue generation, have been classified as cost of sales.

Where assets are purchased under a finance lease arrangement, they are recognised initially as Right of Use Assets and disclosed within the Property plant and equipment note 11. Assets that are subsequently sold as part of a Proximity Cloud® or Exchange Cloud® contract are transferred to profit and loss as cost of sales.

Interest

Interest revenue is recognised as part of the financing component within some Proximity Cloud® and Software Licencing contracts. Interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to the net carrying amount of the financial asset.

Other non-recurring costs

The Group defines other non-recurring costs as costs

BEEKS FINANCIAL CLOUD GROUP PLC NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

incurred by the Group which relate to material non-recurring costs. These are disclosed separately where it is considered it provides additional useful information to the users of the financial statements.

Taxation and deferred taxation

The income tax expense or income for the period is the tax payable on the current period's taxable income. This is based on the national income tax rate enacted or substantively enacted for each jurisdiction with any adjustment relating to tax payable in previous years and changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in financial statements.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applicable when the asset or liability crystallises based on current tax rates and laws that have been enacted or substantively enacted by the reporting date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of temporary differences can be deducted. The carrying amount of deferred tax assets are reviewed at each reporting date.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash at bank, overnight and longer-term deposits which are held for the purpose of meeting short-term cash commitments are disclosed within cash and cash equivalents.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another and is recognised when The Group becomes party to the contractual provisions of the instrument.

To protect elements of our cash flows against the level of exchange rate risk, the Group entered into forward exchange contracts to hedge foreign exchange USD exposures arising on the forecast receipts and payments during the year. None were held at 30 June 2025. The Group does not use derivative instruments.

Financial assets and liabilities are recognised initially at fair value, and subsequently measured at amortised cost, with any directly attributable transaction costs adjusted against fair value at initial recognition and recognised immediately in the Consolidated income statement as a profit or loss.

Financial assets

Trade and other receivables

Trade and other receivables are initially recognised at transaction price, less allowances for impairment. These are subsequently measured at amortised costs using the effective interest method. An allowance for impairment of trade and other receivables is established when there is evidence that Beeks Financial Cloud Group PLC will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade and other receivables may be impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within expenses. When a trade or other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amount previously written off are credited against 'administrative expenses' in the Consolidated statement of comprehensive income.

IFRS 9 requires an expected credit loss ("ECL") model which requires the Group to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The main financial assets that are subject to the ECL model are trade receivables and contract assets, which consist of billed receivables arising from contracts.

The Group has applied the simplified approach to providing

BEEKS FINANCIAL CLOUD GROUP PLC NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

for ECL prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables.

The ECL model reflects a probability weighted amount derived from a range of possible outcomes. To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has established a provision matrix based on the payment profiles of historic and current sales and the corresponding credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information that might affect the ability of customers to settle the receivables, including macroeconomic factors as relevant.

Provision against trade and other receivables is made when there is evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows. An assessment for impairment is undertaken at least at each reporting date.

Where a financing component is applicable, the Group has chosen to measure any loss allowance at an amount equal to lifetime expected credit losses.

Financial liabilities

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to Beeks Financial Cloud Group PLC prior to the end of the financial period which are unpaid as well as any outstanding tax liabilities.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Defined contribution schemes

The defined contribution scheme provides benefits based on the value of contributions made. Contributions to the defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs, and minimising the use of unobservable inputs.

Inputs determining fair value measurements are categorised info different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted).
- Level 2: Observable direct or indirect inputs other than Level 1 inputs.
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of inputs used that has a significant effect on the fair value of the item. The Group measures a number of items at fair value, including;

- Trade and other receivables (note 14).
- Trade and other payables (note 18).
- Borrowings (note 17).
- Share based payments (note 21) .

For more detailed information in relation to the fair value of the items above please refer to the applicable notes.

Share based payments

The Group operates equity-settled share based remuneration plans for its employees. Options are measured at fair value at grant date using the Black Scholes model. Where options are redistributed, options are measured at fair value at the redistribution date using the Black Scholes Model. The fair value is expensed on a straight line basis over the vesting period, based on an estimate of the number of options that will eventually vest. Fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability growth targets).

Under the Group's share option scheme, share options are granted to Directors and selected employees. The options are expensed in the period over which the share based payment vests. A corresponding increase to the share based payment reserve in equity is recognised.

When share options are exercised, the company issues new shares. The nominal share value from the proceeds received are credited to share capital and proceeds received above nominal value, net of attributable transaction costs, are credited to the share premium when the options are exercised. When share options are forfeited, cancelled, or expire, the corresponding fair value is transferred to the retained earnings reserve. Amounts held in the share based payments reserve are transferred to Retained Earnings on exercise of the related options.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Where the Group entity incurs a share based payment charge relating to subsidiary employees, the charge is treated as a capital contribution in the subsidiary and an increase in investment in the Group entity.

Property, plant and equipment (PPE)

PPE is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Beeks Financial Cloud Group PLC and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on IT infrastructure and fixtures and fittings is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Leasehold property and improvements over the lease period.
- Freehold property over 50 years.
- Computer Equipment over 5 years and over the length of lease.
- Office equipment and fixtures and fittings over 5-20 years.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Where assets are purchased under a finance lease arrangement, they are recognised as Right of Use Assets and disclosed within the Property plant and equipment note 11. Where these assets are subsequently sold as part of a Proximity Cloud® or Exchange Cloud® contract, they are transferred from PP&E to stock and thereafter to the profit and loss as cost of sales.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to bringing the asset to its current condition. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any directly attributable selling expenses.

Where inventories are purchased under a finance lease arrangement, they are recognised initially as Right of Use Assets and disclosed within the Property plant and equipment note 11.

Inventories that are subsequently sold as part of a Proximity Cloud® or Exchange Cloud® contract are transferred to profit and loss as cost of sales.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling prices less costs to complete and sell is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in profit or loss.

Assets held at Head Office are classified and disclosed as inventory until the point in which the assets purpose is identified. At the point, the asset will either be transferred to property, plant and equipment and sold under Infrastructure-as-a-Service (IaaS) or sold to a customer under a Proximity Cloud® or Exchange Cloud® solution and transferred to Cost of Sales within the Income statement.

Leases

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group; the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and the Group has the right to direct the use of the identified asset throughout the period of use.

At the lease commencement date, the Group recognises a right-of-use asset and a corresponding lease liability on the Consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability measured at the present value of future lease payments, any initial direct costs incurred by the Group. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group assesses the right-of-use asset for impairment under IAS 36 'Impairment of Assets' where such indicators exist.

Lease liabilities are presented on two separate lines in the Consolidated statement of financial position for amounts due within one year and amounts due after more than one year. The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot readily be determined, the Group applies an incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the liability by payments made. The Group re-measures the lease liability (and adjusts the related right-of-use asset) whenever the lease term has changed, or a lease contract is modified, and the modification is not accounted for as a separate lease.

Lease payments included in the measurement of the lease liability can be made up of fixed payments and an element of variable charges depending on the estimated future price increases, whether these are contractual or based on management's estimate of potential increases. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. Where non-contractual payment discounts are subsequently received from suppliers, these are treated as a discharge of the lease liability with a credit recognised in the profit or loss statement.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients available under IFRS 16. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Under IFRS 16, the Group recognises depreciation of the right-of-use asset and interest on lease liabilities in the Consolidated statement of comprehensive income over the period of the lease. On the Consolidated statement of financial position, right-of-use assets have been included in right of use assets and lease liabilities have been included in lease liabilities due within one year and after more than one year.

Intangible assets and amortisation

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the assets and liabilities assumed at the date of acquisition. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Intangible assets carried forward from prior years are re-valued at the exchange rate in the current financial year. Impairment testing is carried out by assessing the recoverable amount of the cash generating unit to which the goodwill relates. A bargain purchase is immediately released to the Consolidated statement of comprehensive income in the year of acquisition.

Customer relationships

Included within the value of intangible assets are customer relationships. These represent the purchase price of customer lists and contractual relationships purchased on the acquisition of the business and assets of Gallant VPS Inc. and Commercial Network Services as well as the purchase of Velocimetrics Ltd. These relationships are carried at cost less accumulated amortisation or impairment losses where applicable. Amortisation is calculated using the straight line method over periods of between five and ten years and is charged to cost of sales.

Development costs

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs incurred are capitalised when all the following conditions are satisfied:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Group intends to complete the intangible asset and use or sell it;
- The Group has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits;
- There are adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred. The costs which do meet the criteria range from new product development to the enhancement of existing services. The scope of the development team's work continues to evolve as the Group continues to deliver business critical solutions to a growing customer base. Development costs capitalised are amortised on a straight-line basis over the estimated useful life of the asset. The estimated useful life is deemed to be five years for all developments capitalised. Amortisation is charged at the point of a major product release or upgrade in which that asset is made available for sale or release to the customer. Charges are recognised through cost of sales in the Consolidated statement of comprehensive income in the period in which they are incurred.

Impairment

Goodwill and assets with an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or where the asset is still in development and is not yet being amortised as it is not available for use. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

A previously recognised impairment loss is reversed only if there is an indication that an impairment loss recognised in prior periods for an asset or cash-generating unit may no longer exist or may have decreased. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would be determined, net of depreciation, had no impairment loss been recognised for the asset or cost-generating unit in prior years. Such a reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Equity

Ordinary shares are classified as equity. An equity instrument is any contract that evidences a residual interest in the assets of Beeks Financial Cloud Group PLC after deducting all of its liabilities. Equity instruments issued by Beeks Financial Cloud Group PLC are recorded at the proceeds received net of direct issue costs.

The share capital account represents the amount subscribed for shares at nominal value. Details on this can be found at note 22.

Amounts arising from the revaluation of non-monetary assets and liabilities held in foreign subsidiaries, and joint operations are held within the foreign currency reserve.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Beeks Financial Cloud Group PLC, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Value-added tax ('VAT') and other similar taxes

Revenues, expenses, and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Trade receivables and trade payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a net basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Alternative performance measures

In addition to measuring financial performance of the Group based on statutory profit measures, the Group also measures performance based on underlying EBITDA, underlying profit before tax and underlying diluted earnings per share.

The alternative performance measures provide management's view of the Group's financial performance and are not necessarily comparable with other entities. These alternative measures exclude significant costs (such as Share based Payments) and as such, should not be regarded as a complete picture of the Group's financial performance. These measures should not be viewed in isolation, but as supplementary information to the rest of the financial statements.

Underlying EBITDA

Underlying EBITDA is defined as earnings before amortisation, depreciation, finance costs, taxation, acquisition costs, share based payments and exceptional non-recurring costs.

Underlying EBITDA is a common measure used by investors and analysts to evaluate the operating financial performance of companies, particularly in the sector that the Group operates.

The Group considers underlying EBITDA to be a useful measure of operating performance because it approximates the underlying operating cash flow by eliminating the charges mentioned above. It is not a direct measure of liquidity, which is shown in the Consolidated statement of cash flows, and needs to be considered in the context of the Group's financial commitments. Reference is also made to the right of use asset implication on depreciation in the year as a result of the Group taking additional space in data centres.

Underlying profit before tax

Underlying profit before tax is defined as profit before tax adjusted for the following:

- Amortisation charges on acquired intangible assets;
- Exchange variances on statement of final position gains and losses;
- Share based payment charges; and
- M&A activity including:
  - Professional fees;
  - Any non-recurring integration costs; Any gain or loss on the revaluation of contingent consideration where it is material; and
  - Any material non-recurring costs where their removal is necessary for the proper understanding of the underlying profit for the period.

The Group considers underlying profit before tax to be a useful measure of performance because it eliminates the impact of certain non-recurring items including those associated with acquisitions and other charges commonly excluded from profit before tax by investors and analysts for valuation purposes.

Underlying diluted earnings per share

Underlying diluted earnings per share is calculated by taking the adjusted profit before tax as described after deducting an appropriate taxation charge and dividing by the total weighted average number of ordinary shares in issue during the year and adjusting for the dilutive potential ordinary shares relating to share options.

The Group considers adjusted diluted earnings per share to be a useful measure of performance for the same reasons as underlying profit before tax. In addition, it is used as the basis for consideration to the level of dividend payments.

Net cash/Net Debt

Net cash/net debt is a financial liquidity metric that measures the ability of a business to pay all its debts if they were to be called immediately. This is defined as current and non-current borrowing liabilities (debt and asset finance but excluding lease liabilities)– cash and cash equivalents.

Operational costs

Operational costs are defined as operating expenses less exceptional costs, share based payments and non-recurring costs. These costs are adjusted to reflect the true business operational trading costs.

Profit after Tax

Management believes that profitability measures after tax are not measures that would specifically require alternative performance measures as they do not constitute trading results. Tax legislation is out with the control of the Group. Whilst the group currently benefits from some tax relief such as R&D tax credits, the group does not rely on these in terms of trading results or provide consideration of the tax impact of adjusted items for alternative performance measures. Further information on tax impact on profitability can be found on Note 9.

Annualised Committed Monthly Recurring Revenue

Annualised Committed Monthly Recurring Revenue (ACMRR) is committed recurring revenue. Management believes that ACMRR is a key measure as it provides investors with the total contracted committed revenue of the Group

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Key judgements

The key judgments in preparation of the financial statements are below:

Revenue

The Group applies judgment for elements of revenue recognition. The key areas of assessment include whether the group acts as a principal vs an Agent for the sale of hardware, where third parties are utilised. The Group also applied several areas of judgement within the revenue recognition of Proximity Cloud® contracts as outlined below.

Full details of the Group's revenue recognition policy can be found on page 57.

BEEKS FINANCIAL CLOUD GROUP PLC NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Principal v agent

Management is required to exercise its judgement in the classification of revenue recognition on either an agent or principal basis. Management have considered the primary indicators used to assess the agent/principal classification and has concluded that the Group acts as a principal in each sales transaction. This judgement has been reached on the basis that the Group holds the inventory risk, has control over the pricing over a particular service, takes the credit risk, and bears the responsibility to service the promise of the agreements. If management concluded that the group acted as agent, then this would result in revenue being recognised on a net basis where margin earned would be recognised as revenue with nil costs being recognised.

Proximity Cloud® and Exchange Cloud®

The Proximity Cloud® and Exchange Cloud® contracts include multiple deliverables. The group applies judgement to identify the performance obligations which ultimately feeds into the estimation of the transaction price to be allocated between them. The group has identified the performance obligations as:

a. the delivery and installation of the hardware and provision of the software licence (the appliance), recognised on a point in time basis

b. the stand ready services (support and maintenance) recognised over time

c. delivery of unspecified upgrades and future software releases recognised over time

The most significant judgement is that the delivery and installation of the hardware and provision of the software licence are considered to be one performance obligation, with the software considered the predominant item in the contract. This is considered to be the case as it is the functionality and use of the developed software that provides benefit to the customer, furthermore the purpose of the contract is for provision of the software licence with the hardware being required to facilitate this. As the contract is a right to use Beeks' software, revenue for both the software and hardware is recognised on a point in time basis upon delivery. As such, the Group consider this to be one performance obligation, recognised at a point in time basis, once the delivery and installation of the appliance to the customer is complete and the relevant licence key has been provided.

Management considers that the stand ready services do not affect the customers' ability to use and benefit from the software licence and the software can function on its own without this support. As such, the provision of stand ready services is considered to be a separate performance obligation, recognised over time as the services are rendered.

On the occasion that the title for hardware included within Proximity Cloud® and Exchange Cloud® contracts is retained by the Group and as such, indicate the existence of a lease, management have applied judgment in order to determine the appropriate accounting treatment. Management have assessed that delivery and installation of the hardware, and provision of the software licence is one performance obligation under IFRS 15 as the two are considered to be non-distinct. As a result, the accounting treatment follows that of the predominant item within the performance obligation which has been assessed by management to be the software and as such is treated as revenue in accordance with IFRS 15 recognised at a point in time rather than a lease under IFRS 16.

Where judgement is required as to the present and enforceable rights and obligations of a Proximity Cloud® and Exchange Cloud® contract, management have applied judgement as to whether cut off periods are substantive either in nature or in financial quantum. Judgements have been made on a contract-by-contract basis as to what length of contract should be considered when allocating the transaction price to relevant performance obligations, including considering whether penalties are substantive and what the expected consideration would be. These judgements have supported the enforceable term applied to the recognition of revenue on these types of contracts.

Please refer to Key estimations below for further information.

Software Licences

Management have applied judgement in determining the performance obligations of the delivery of software licenses and maintenances. Management have concluded that delivery of the software license key is one performance obligation, recognised upfront at a point in time when control of the goods has transferred, being the delivery of the software licence keys to the customer. At this point in time the customer has been granted the right to use the software licence. The ongoing support and maintenance service is deemed a separate performance obligation and is recognised evenly over the period as the service is rendered.

Operating Segments/Cash Generating Units

The group applies judgement over the operating segments to be reported in the financial statements. The key concept applied is to provide information used by management that will allow users to understand the entity's main activities, where these are located and how these are performing. In doing so, management exercise judgement over who the chief operating decision makers (CODMs) are, consider the discrete financial information available and determine what information is regularly reviewed by the CODMs.

Development costs

The Group reviews half yearly whether the recognition criteria for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. In addition, all internal activities related to the development of new products which are not finalised by the period end are continuously monitored by the Directors and assessed for any indications of impairment. Time tracking and categorisation and the resultant capitalisation of development costs for software developers is done via an internal time tracking system with management using judgement for some senior employees who contribute to development projects. Cut off for project capitalisation is made based on the lifecycle and releases within the product roadmap. Any non-development costs are recognised in the statement of comprehensive income. See note 10 for further information.

Inventories / Property, Plant and Equipment

The Group applies judgement to the classification and disclosure of inventories within the financial statements. Assets held at Head Office are classified and disclosed as inventory given these assets could be resold to a customer under a Proximity Cloud® or Exchange Cloud® sale. At the financial year end, it would not be known whether the assets classified as inventories will be transferred to Property, Plant and Equipment and sold under Infrastructure As A Service (IaaS), or sold customers as a Proximity Cloud® or Exchange Cloud® solution.

Deferred Tax

The Group applies judgement to the recognition of its deferred tax asset in relation to timing differences on share based payment charges and carried forward losses. Specifically in terms of losses carried forward, management apply judgement to determine if there is sufficient forecastable future taxable profits to utilise the deferred tax asset. Given current profit trajectory in line with future projections, management have concluded the recognition of the deferred tax asset is appropriate.

Key estimations

The key assumptions concerning the future, and other key sources of estimation uncertainty at the year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed in the table opposite.

Software licences and maintenance

Management have used observable evidence from maintenance support time, pricing models and industry practice comparisons to estimate the percentage of split between licence and maintenance for the sale of software licences that have an attached maintenance performance obligation.

BEEKS FINANCIAL CLOUD GROUP PLC NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

3. SEGMENT INFORMATION

Operating segments are reporting in a manner consistent with the internal reporting provided to the chief operating decision makers.

The chief operating decision makers, who are responsible for allocating resources and assessing performance of operating segments, have been identified as the executive Directors.

In the current year there is one customer that account for more than 10% of Group revenue. The total revenue for this customer amounts to £10.9m (2024: £11.2m).

Performance is assessed by a focus on the change in revenue across public/private cloud and new sales relating to Proximity Cloud®/Exchange Cloud®. Cost is reviewed at a cost category level but not split by segment. Assets are used across all segments and are therefore not split between segments so management review profitability at a group level.

Revenues by Operating segment, further disaggregated are as follows:

	Year ended 30/06/25 (£'000)			Year ended 30/06/24 (£'000)		
	Public/ Private Cloud	**Proximity Cloud®/ Exchange Cloud®**	**Total**	**Public/ Private Cloud**	**Proximity Cloud®/ Exchange Cloud®**	**Total**
Over time						
Infrastructure/software as a Service	23,765	-	**23,765**	22,723	-	**22,723**
Maintenance	363	-	**363**	388	-	**388**
Proximity Cloud®	-	709	**709**	-	378	**378**
Exchange Cloud®		157	**157**		53	**53**
Professional services	199	-	**199**	463	-	**463**
Over time total	**24,327**	**866**	**25,193**	**23,574**	**431**	**24,005**
Point in time						
Hardware/Software resale	871	-	**871**	826	-	**826**
Software licences	193	-	**193**	456	-	**456**
Set up fees	104	-	**104**	100	-	**100**
Software other	111	-	**111**	57	-	**57**
Proximity Cloud®	-	7,818	7,818	-	1,626	**1,626**
Exchange Cloud®	-	1,628	1,628	-	1,417	**1,417**
Point in time total	**1,279**	**9,446**	**10,725**	**1,439**	**3,043**	**4,482**
Total revenue	**25,606**	**10,312**	**35,918**	**25,013**	**3,474**	**28,487**

Revenues by geographic locations are as follows:

	2025	2024
	£'000	£'000
Revenues by geographic location are as follows:		
United Kingdom	13,243	7,140
Europe	2,039	2,861
US	12,427	11,140
Rest of World	8,209	7,346
Total	**35,918**	**28,487**

During the year other income includes £0.3m (2024: £0.3m) recognised for grant income received from Scottish Enterprise, £0.1m (2024: £0.1m) recognised as rental income and £0.3m (2024: £nil) recognised in relation to the expected R&D tax credit.

	2025	2024
	£'000	£'000
Non-Current Assets by geographic location are as follows:		
United Kingdom - Property, plant and equipment	9,984	8,343
Europe - Property, plant and equipment	1,638	1,416
Rest of World - Intangible assets	7,797	8,000
Rest of World – Goodwill	1,368	1,368
Rest of World - Property, plant and equipment	2,523	2,531
US – Property, plant and equipment	5,647	4,449
Total Non-Current Assets	**28,957**	**26,107**

Intangible assets have been classified as "Rest of World" due to the fact they represent products that are available to customers throughout the World as well as the US intangible assets referred to in note 10.

The Group has taken advantage of the practical expedient permitted by IFRS 15 and has therefore not disclosed the amount of the transaction price allocated to unsatisfied performance obligations or when it expects to recognise that revenue. Longer term contracts continue to be paid on a monthly basis.

4. OPERATING PROFIT

Operating Profit is stated after charging:

	2025	2024
	£000	£000
Staff costs (note 7)	7,799	7,198
Depreciation on owned assets (note 11)	3,826	3,789
Depreciation right-of-use assets (note 11)	1,843	1,296
Amortisation of acquired intangibles (note 10)	296	318
Amortisation of other intangibles (note 10)	2,316	1,599
Other cost of sales and admin*	14,893	10,681
Foreign exchange losses	212	38
Share based payments (note 21)	2,551	2,326
Other non-recurring costs	113	29

*Included within other cost of sales and admin are the remainder of direct costs associated with the business including data centre connectivity, software licences, security, and other direct support costs.

Auditor's remuneration

	2025	2024
Audit	£000	£000
Fees payable for the audit of the consolidation and the parent company accounts	85	79
Fees payable for the audit of the subsidiaries	75	70
	160	**149**

5. FINANCE COSTS

	2025	2024
	£000	£000
Bank charges	147	126
Interest on loan liabilities	6	85
Interest expense	229	163
Total finance costs	**382**	**374**

6. FINANCE INCOME

	2025	2024
	£000	£000
Financing charge on Proximity cloud® contracts	277	147
Bank Interest received	131	103
Total finance income	**408**	**250**

7. AVERAGE NUMBER OF EMPLOYEES AND EMPLOYEE BENEFITS EXPENSE

Including Directors, the average number of employees (at their full time equivalent) during the year was as follows:

	2025	2024
	£000	£000
Management and administration	25	21
Support and development staff	77	84
Average numbers of employees	**102**	**105**

The employee benefits expense during the year was as follows:

	2025	2024
	£000	£000
Wages and salaries	6,644	6,153
Social security costs	745	666
Other pension costs	410	379
Total employee benefits expense	**7,799**	**7,198**
Share based payments (note 21)	2,551	2,326

Wages and salary costs directly attributable to the development of products are capitalised in intangible assets. The total additions capitalised in intangible assets relates to payroll costs and external third-party costs. Refer to Note 10 for capitalised development costs.

8. DIRECTORS' EMOLUMENTS

	2025	2024
	£000	£000
Aggregate remuneration in respect of qualifying services	343	330
Aggregate amounts of contributions to pension schemes in respect of qualifying services	37	22
Other benefits in kind	4	4
Gain on exercise of options	-	388
Total Directors' emoluments	**384**	**744**
Highest paid director - aggregate remuneration (excluding share based payments)	137	125

There are two Directors (2024: two) who are accruing retirement benefits in respect of qualifying services.

9. TAXATION EXPENSE

	2025	2024
	£000	£000
Current		
UK tax	62	-
Foreign tax on overseas companies	65	222
R&D tax credit received	-	(121)
Total current tax	**127**	**101**
Origination and reversal of temporary differences	(304)	(835)
Total deferred tax	**(304)**	**(835)**
Tax on Profit on ordinary activities	**(177)**	**(734)**

The differences between the total tax credit above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax, together with the impact of the effective tax rate (ETR), are as follows:

	2025	% ETR movement	2024	% ETR movement
	£000		£000	
Profit before tax	**2,789**		**1,459**	
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%)	697	25%	354	24%
Effects of:				
Impact of super deduction	-	-	14	0.96%
Expenses not deductible for tax purposes	570	20.43%	554	37.97%
R&D tax credits relief	-	-	(451)	30.91%
Share option deduction	(1,071)	(38.42%)	(1,059)	72.58%
Prior year deferred tax adjustments	(340)	(12.19%)	(144)	9.87%
Capital gains/losses	(33)	(1.18%)	(37)	2.54%
Foreign tax suffered	-	-	156	10.69%
Other	-	-	(121)	-
Total tax charge	**(177)**	**(6.36%)**	**(734)**	**(50.31%)**

The effective tax rate (ETR) for the year was 6.36% (2024: 50.31%).

10. INTANGIBLE ASSETS

	Acquired customer relationships	Development costs	IP addresses	Trade name	Goodwill	TOTAL
Cost						
As at 30 June 2023	**2,501**	**8,869**	**-**	**137**	**2,336**	**13,843**
Additions	-	2,796	104	-	**-**	2,900
Foreign exchange movements	(2)	-	-	-	**-**	(2)
As at 1 July 2024	**2,499**	**11,665**	**104**	**137**	**2336**	**16,741**
Additions	-	2,146	-	-	-	2,146
Foreign exchange movements	(117)	-	-	-		(117)
As at 30 June 2025	**2,382**	**13,811**	**104**	**137**	**2,336**	**18,770**
Accumulated Amortisation						
As at 30 June 2023	**(1,474)**	**(3,207)**	**-**	**(88)**	**(968)**	**(5,737)**
Charge for the year	(263)	(1,627)	-	(27)	**-**	**(1,917)**
Foreign exchange movements	5	-	-	-	-	5
Grant income release	-	276	-	-	-	276
As at 1 July 2024	**(1,732)**	**(4,558)**	**-**	**(115)**	**(968)**	**(7,373)**
Charge for the year	(276)	(2,314)	-	(22)	-	(2,612)
Foreign exchange movements	105	-	-	-	-	105
Grant income release	-	275	-	-	-	275
As at 30 June 2025	**(1,903)**	**(6,597)**	**-**	**(137)**	**(968)**	**(9,605)**
NBV as at 30th June 2024	**767**	**7,107**	**104**	**22**	**1,368**	**9,368**
NBV as at 30th June 2025	**479**	**7,214**	**104**	**-**	**1,368**	**9,165**

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Development costs have been recognised in accordance with IAS 38 in relation to the Open Nebula project and development of the Proximity Cloud® and Exchange Cloud® products, including analytics and its integration into this product. Development costs in relation to Proximity Cloud® and Exchange Cloud® have a useful life of five years.

Brought forward development costs consist of £8.7m where £3.0m was capitalised in FY22, £2.9m was capitalised in FY23 and £2.8m in FY24.

During the year, a total of £3.5m development costs relating to the development of Proximity cloud®/Exchange cloud® and the Open Nebula project were capitalised. These assets now have a carrying value of £3.1m.

As at 30 June 2025, £0.2m (2024: £1.5m) of development costs capitalised are currently being carried as work in progress not yet amortised. This relates to cost where projects have not yet been completed and made available to customers. All costs incurred during the preliminary stages of development projects are charged to profit or loss. Within the Proximity Cloud®/Exchange Cloud® segment in the current year, an impairment review was carried out solely on the projects within development costs for which amortisation is yet to begin as no revenue has yet been generated from these items not yet under sale. No impairment indicators were found.

Impairment test for goodwill

For this review, goodwill was allocated to individual cash generating units (CGU) on the basis of the Group's operations as disclosed in the segmental analysis. As the Board reviews results on a segmental level, the Group monitors goodwill and annually assesses it on the same basis for impairment.

The carrying value of goodwill by each CGU is as follows:

	2025
	£'000
Private/Public Cloud	**488**
Proximity Cloud®/Exchange Cloud®	**880**
Total goodwill	**1,368**

Goodwill has been allocated to the Proximity Cloud®/Exchange Cloud® segment and management have reviewed and confirmed that there is no indication of impairment.

The recoverable amount of all CGUs has been determined by using value-in-use calculations, estimating future cash inflows and outflows from the use of the assets and applying an appropriate discount rate to those cash flows to ensure that the carrying value of each individual asset is still appropriate.

In performing these reviews, under the requirements of IAS 36 "Impairment of Assets" management prepare forecasts for future trading over a useful life period of up to five years.

These cash flow projections are based on financial budgets and market forecasts approved by management using a number of assumptions including:

- Historic and current trading.
- Weighted sales pipeline.
- Potential changes to cost base (including staff to support the CGU).
- External factors including competitive landscape and market growth potential.
- Forecasts that go beyond the approved budgets are based on long-term growth rates on a macro-economic level.

Management performed a full impairment assessment on the goodwill allocated to Public/Private Cloud. This included including modelling projected cash flows based on the current weighted sales pipeline, a discount rate based on the calculated pre-tax weighted average cost of capital (15%, 2024: 15%) and cost base assumptions that included contingency and investment to deliver against the weighted sales pipeline. Conservative mid-term rates of 20% and terminal growth rates of 2% (2024: 2%) were estimated, which were significantly less than both the Group's internal business plan, external market mid-term forecast as well as historic performance.

Sensitivity analysis has been performed to show the impact of reasonable or possible changes in key assumptions. An increase in discount rate from 15% to 20% was applied with sales growth assumptions reduced. This resulted in no resultant indication of impairment.

An impairment review was carried out on the three development projects, for which amortisation is yet to begin, in line with the testing on impairment of intangible assets as referenced within the Group's accounting policies in note 1. For Exchange cloud® and Analytics, the existing weighted sales pipeline was used as a typical pipeline profile for current and future years and cash flows on the business unit to which the goodwill relates were forecast. Discount rates and cost base assumptions were consistent to what has been detailed above in regards to the impairment testing on goodwill. For Open Integration, cost comparisons of the two platform were compared based on current pricing with discount rates again consistent with the impairment testing on goodwill.

Based on an analysis of the impairment calculation's sensitivities to changes in key parameters (growth rate, discount rate and pre-tax cash flow projections) there was no reasonably possible scenario where these recoverable amounts would fall below their carrying amounts therefore as at 30 June 2025, no change to the impairment provision against the carrying value of intangibles was required. The revaluation of these from prior year represents exchange adjustment only.

11. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment	Office equipment and fixtures and fittings	Right of Use	Freehold property	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
As at 30 June 2023	**20,490**	**326**	**7,741**	**3,039**	**31,596**
Additions	3,550	68	950	1	4,569
Transfer to stock	(175)	-	(595)	-	(770)
Exchange adjustments	(3)	-	(58)	-	(61)
As at 1 July 2024	**23,862**	**394**	**8,038**	**3,040**	**35,334**
Additions	3,857	49	5,372	-	9,278
Transfer to stock	-	-	(125)	-	(125)
Disposals	(501)	-	-	-	(501)
Exchange adjustments	8	-	161	-	169
As at 30 June 2025	**27,226**	**443**	**13,446**	**3,040**	**44,155**
Depreciation					
As at 30 June 2023	**(9,828)**	**(97)**	**(3,621)**	**(98)**	**(13,644)**
Charge for the year	(3,435)	(63)	(1,516)	(71)	**(5,085)**
Transfer to stock	78	-	-	-	78
Exchange adjustments	6	-	50	-	56
As at 1 July 2024	**(13,179)**	**(160)**	**(5,087)**	**(169)**	**(18,595)**
Charge for the year	(3,681)	(73)	(1,843)	(72)	(5,669)
Depreciation on disposal	40	-	-	-	40
Exchange adjustments	(9)	-	(130)	-	(139)
As at 30 June 2025	**(16,829)**	**(233)**	**(7,060)**	**(241)**	**(24,363)**
NBV as at 30 June 2024	**10,683**	**234**	**2,951**	**2,871**	**16,739**
NBV as at 30 June 2025	**10,397**	**210**	**6,386**	**2,799**	**19,792**

All revenue generating depreciation charges are included within cost of sales. Non-revenue generating depreciation charges are included with administrative expenses.

Of the £0.5m recognised in disposals during the year, £0.3m related to equipment used in the sale of Proximity Cloud® and Exchange Cloud® products.

The Group recognises rental income for the rental of units at their Head Office property in Renfrew. This asset is disclosed as Freehold Property. Units are leased to tenants under operating leases with rentals payable quarterly. Full details on operating leases as a lessor can be found on note 19.

Assets held at Head Office are classified and disclosed as inventory until the point in which the assets purpose is identified. Where an asset is sold to a customer under a Proximity Cloud® or Exchange Cloud® solution, it is transferred to stock and subsequently transferred to Cost of Sales within the Income statement.

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12. NON-CURRENT ASSETS - DEFERRED TAX

Deferred tax is recognised at the standard UK corporation tax of 25% for fixed assets in the UK (2024: 25%). Deferred tax in the US is recognised at an average rate of 21% for 2025 (2024: 21%). The deferred tax asset relates to the difference between the amortisation period of the US acquisitions for tax and reporting purposes as well as the impact of the share options exercised during the year and tax losses carried forward in both UK and overseas companies.

	2025	2024
	£000	**£000**
The split of the deferred tax asset and liabilities are summarised as follows:		
Deferred tax (liabilities)	(3,963)	(4,197)
Deferred tax asset	7,031	6,726
Net deferred tax asset	**3,068**	**2,530**
Movements		
Opening balance	**2,530**	**1,514**
Charge to profit or loss (note 9)	304	835
Charged to goodwill / equity	235	181
Closing balance	**3,068**	**2,530**

The movement in deferred tax assets and liabilities during the year is as follows:

	Share options	Tax losses c/fwd	Accelerated tax depreciation and other movement	Total deferred tax asset carried forward	Total deferred tax (liability) carried forward
	£000	£000	£000	£000	£000
As at 30 June 2023	**807**	**4,413**	**177**	**5,397**	**(3,884)**
Charge to income	709	601	(161)	1,149	**(312)**
Charge to equity	181	-	-	181	**-**
As at 30 June 2024	**1,697**	**5,014**	**16**	**6,727**	**(4,196)**
Charge to income	611	(540)	(1)	70	234
Charge to equity	235	-	-	235	-
As at 30 June 2025	**2,543**	**4,474**	**15**	**7,031**	**(3,963)**

13. CURRENT ASSETS - INVENTORIES

The Group holds hardware which can be used in the sale of Proximity Cloud® or Exchange Cloud® contracts. Subsequent to the year end, if they are not used as part of a Proximity Cloud® or Exchange Cloud® sale, they will be reclassified as PPE at the point in which they are delivered into one of the Group's data centres.

During the period, £1.8m (2024 - £0.7m) of inventories were recognised as an expense in the period through cost of sales. Of the £1.5m classified as inventories at 30 June 2024, £1.1m was subsequently transferred to PPE during the year at the point in which they were delivered into one of the Group's data centres.

Of the £2.6m stock, £1.0m of this relates to assets held for specific Proximity Cloud® and Exchange Cloud® deals where assets have been delivered but are not yet in use at 30th June 2025.

	2025	2024
	£000	**£000**
Materials	2,457	1,084
Consumables	150	422
	2,607	**1,506**

14. TRADE AND OTHER RECEIVABLES

	2025	2024
	£000	**£000**
Trade receivables	1,616	1,334
Less: allowance for impairment of receivables	(42)	(124)
	1,574	**1,210**
Prepayments	1,301	1,153
Contract assets	3,611	1,490
Other taxation	582	60
Other receivables	643	258
Trade and other receivables - current	**7,711**	**4,171**

	2025	2024
	£000	**£000**
Contract assets	8,000	3,287
Trade and other receivables – non-current	8,000	3,287

Contract assets primarily relate to our rights to consideration for goods or services delivered but not invoiced at the reporting date. The associated performance will either be the delivery of the bundled appliance for Proximity Cloud®/Exchange Cloud® contracts or the delivery of the licence key for software contracts. The contract assets are transferred to receivables when invoiced. Contract liabilities relate to deferred revenue. At the end of each reporting period, these positions are netted on a contract basis and presented as either an asset or a liability in the Consolidated Statement of Financial Position. Consequently, a contract balance can change between periods from a net contract asset balance to a net contract liability balance in the statement of financial position.

Significant changes in the contract assets and the contract liability balances during the period are as follows:

	Contract assets	Contract liabilities
	£000	**£000**
Balance at 30 June 2024	4,777	951
Transferred to receivables from contract assets from the beginning of the period	(1,037)	-
Revenues recognised during the period to be invoiced	8,351	-
Impairment of contract assets	(480)	
Revenue recognition that was included in the contract liability balance at the beginning of the period	-	(631)
Remaining performance obligations for which considerations have been received	-	357
Balance at 30 June 2025	**11,611**	**677**

During the year, the Group derecognised a contract asset of £0.5m which resulted in a net impairment charge of £0.1m (2024: £nil) in the statement of comprehensive income. The impairment reflects changes in specific customer circumstances in relation to a previously awarded Proximity Cloud® contract which have affected the recoverability of amounts recognised previously. The impairment does not represent a change in the Group's revenue recognition policies or judgements applied in prior years, but rather updated expectations of credit risk in line with IFRS 9 Financial Instruments.

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The Group continues to monitor the recoverability of contract assets closely, applying a lifetime expected credit loss model under IFRS 9. Other than the specific impairment noted above, the credit quality of contract assets remains strong, with no material concentration of credit risk.

The credit risk relating to trade receivables is analysed as follows:

	2025	2024
	£000	**£000**
Trade receivables	1,616	1,334
Less: allowance for impairment of receivables	(42)	(124)
Closing balance	**1,574**	**1,210**

Movements in the allowance for expected credit losses are as follows:

	2025	2024
	£000	**£000**
Opening balance	124	47
Movement in allowances	(56)	92
Receivables written off during the year as uncollectable	(26)	(15)
Closing balance	**42**	**124**

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.
The group has applied the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss allowance for all trade receivables. The expected credit loss allowance under IFRS 9 as at 30 June 2025 is £40k (2024 - £46k). The increase in expected credit loss allowance is in line with the revenue growth of the business.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

	2025	ECL rate	2025 ECL allowance	2024	ECL rate	2024 ECL allowance
Risk profiling category (ageing)	**£'000**	**%**	**£'000**	**£'000**	**%**	**£'000**
Current	486	-0.25%	-1	438	-0.25%	-1
0-30 days	1,076	-3.00%	-35	582	-3.00%	-18
30-60 days	45	-4.00%	-2	161	-4.00%	-6
60-90 days	-	-6.00%	-	5	-6.00%	-0
Over 90 days	-	-18.00%	-2	118	-18.00%	-21
Total	**1,607**		**-40**	**1,304**		**-46**

The ECL rate in the current year has been reduced in line with the risk profile of trade receivables, historic trade losses and continued tight credit control procedures.

Trade receivables consist of a large number of customers across various geographical areas. The aging below shows that almost all are less than three months old and historic performance indicates a high probability of payment for debts in this aging. Those over three months relate to customers without history of default for which there is a reasonable expectation of recovery.

For contract asset ECL rates, Beeks have concluded that there is minimal credit risk, as it is significantly unlikely that the customers associated with these contract assets default on their contracts. To be prudent, the Group have considered a 0.001% provision which equates to approximately £2,000 and therefore wholly trivial. As such, no additional provision has been incorporated against the value currently sitting within contract assets relating to Proximity Cloud® or Exchange Cloud® sales.

Past due but not impaired

The Group did not consider a credit risk on the aggregate balances after reviewing the credit terms of the customers based on recent collection practices.

The aging of trade receivables at the reporting date is as follows:

	2025	2024
	£000	**£000**
Not yet due	485	437
Due 1 to 3 months	1,122	768
Due 3 to 6 months	-	116
More than 6 months due	9	13
	1,616	1,334

15. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2025	2024
	£000	**£000**
Cash and cash equivalents	7,357	7,701
	7,357	**7,701**

The credit risk on cash and cash equivalents is considered to be negligible because over 99% of the balance is with counter parties that are UK and US banking institutions.

16. CURRENT ASSETS - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and cash equivalents, short term deposits and bank and other borrowings.

The carrying amount of all financial assets presented in the statement of financial position are measured at amortised cost.

The carrying amount of all financial liabilities presented in the statement of financial position are measured at amortised cost.

There have been no changes to valuation techniques, or any amounts recognised through 'Other Comprehensive Income'.

The main purpose of these financial instruments is to finance the Group's operations. The Group has other financial instruments which mainly comprise trade receivables and trade payables which arise directly from its operations.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The Group finance department identifies, evaluates, and manages financial risks. The Board provides guidance on overall risk management including foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

The impact of the risks required to be discussed under IFRS 7 are detailed below:

Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the functional currency of the operations. The Group had potential exchange rate exposure within USD trade payable balances of £1,846,837 at 30 June 2025 (£1,254,998 at 30 June 2024) and potential exchange rate exposure within EUR trade payables balances of £80,815 (£61,880 at 30 June 2024). The Group had potential exchange rate exposure within USD trade receivables of £1,214,571 (£585,469 as at 30 June 2024) and potential exchange rate exposure within EUR trade receivables of £nil (£12,888 at 30 June 2024). The Group had potential exchange rate exposure within USD intercompany balances of £5,046,009 (£5,920,060 as at 30 June 2024) and within JPY intercompany balances of £150,441 (£189,311 as at 30 June 2024). The Group also has potential exchange rate exposure within USD bank balances of £6,154,821 (£7,127,773 as at 30 June 2024) and £137,405 within EUR bank balances (£110,650 as at 30 June 2024).

Cash flow and interest rate risk

The Group has relatively limited exposure to interest rate risk in respect of cash balances and long-term borrowings held with banks and other highly rated counterparties. Loans are at variable rates of interest based on the Bank of England's base rate therefore the Group is subject to changes in interest rates. Given the relatively low level of debt the Board do not consider this to be a significant risk. The Group has a total debt level of £0.4m all of which was held at a fixed rate under asset finance agreements.

Credit risk

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2025	2024
	£000	**£000**
Cash and cash equivalents	7,357	7,701
Trade receivables	1,616	1,334
Contract assets	3,611	1,490
Other receivables	643	259
	13,227	**10,784**

Credit risk is managed on a Group basis. Credit risks arise from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Group. The Group provides standard credit terms (normally 30 days) to all of its customers which has resulted in trade receivables of £1,616K (2024: £1,334K) which are stated net of applicable allowances, and which represent the total amount exposed to credit risk.

The Group's credit risk is primarily attributable to its trade receivables and contract assets. The Group present the amounts in the statement of financial position net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment. The Group reviews the reliability of its customers on a regular basis, such a review takes into account the nature of the Group's trading history with the customer, along with management's view of expected future events and market conditions.

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The credit risk on liquid funds is limited because the majority of funds are held with two banks with high credit-ratings assigned by international credit-rating agencies. Management does not expect any losses from non-performance of these counterparties.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

The Group closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet obligations of the Group as they fall due. The Group monitors its current debt facilities and complies both with its gross borrowings to adjusted EBITDA, minimum adjusted cash banking and LTV covenants. Judgement is required in assessing what items are allowable for the adjusted components.

The Board receives regular debt management forecasts which estimate the cash inflows and outflows over the next twelve months, so that management can ensure that sufficient financing is in place as it is required.

As at 30 June 2025, the Group's financial liabilities (excluding leases disclosed in Note 17) have contractual maturities (including interest payments where applicable) as summarised below:

	Current			Non-current	
	Within 1 month	1–3 months	3–12 months	1–5 years	After 5 years
	£'000	£'000	£'000	£'000	£'000
Trade and other payables	4,986	1,320	498	-	-

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Trade and other payables includes trade payables, accruals, contract liabilities, other taxation and social security and other payables.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

	2025	2024
	£000	**£000**
Total equity	43,216	37,495
Cash and cash equivalents	7,357	7,701
Capital	**50,573**	**45,196**
Total equity	**43,216**	**37,495**
Lease liabilities	5,892	2,894
Overall financing	**49,108**	**40,389**
Capital-to-overall financing ratio	**1.03**	**1.12**

Other risks

Rental income from the head office property leased out under operating leases is recognised in the statement of the comprehensive income as other income as these services are rendered, as the tenant occupies the space. Any associated risk of the underlying asset used to generate this rental income is believed to be minimal given the building is utilised as the head office and the majority of staff are based there.

17. NON-CURRENT LIABILITIES - BORROWINGS AND OTHER FINANCIAL LIABILITIES

	2025	2024
	£000	**£000**
Lease liabilities	3,475	1,283
	3,475	**1,283**

During the year, the Group closed its revolving credit facility of £3.5m.

Changes in liabilities arising from financing activities:

	Lease liabilities	Total
	£000	**£000**
Balance at 30 June 2024	2,895	2,895
Lease liabilities additions IFRS 16	**5,463**	**5,463**
Lease repayments	**(2,467)**	**(2,467)**
Balance at 30 June 2025	**5,891**	**5,891**

Included within the lease liabilities balance of £5.9m is £0.4m of asset finance lease liabilities.

18. TRADE AND OTHER PAYABLES

	2025	2024
	£000	£000
Trade payables	6,809	2,792
Accruals	778	512
Contract liabilities	625	815
Other taxation and social security	266	324
Other payables	102	334
Trade and other payables - current	8,580	4,777

	2025	2024
	£000	£000
Contract liabilities	11	136
Trade and other payables – non-current	**11**	**136**

Non-current contract liabilities in the year relates deferred income from support contracts that span over one year.

19. LEASES

The Group leases assets including the space in data centres in order to provide infrastructure services to its customers and also hardware for data centres. Information about leases for which The Group is a lessee is presented below:

Right-of-use assets

	Leasehold Property and improvement
	£000
Balance at 1 July 2024	**2,951**
Additions	5,372
Transfer to stock	(125)
Depreciation	(1,843)
Foreign exchange	**31**
Balance at 30 June 2025	**6,386**

The right-of-use assets are disclosed as non-current assets and are disclosed as Property, plant and equipment (note 11).

Right-of-use lease liabilities

	2025	2024
	£000	£000
Maturity analysis:		
Within one year	(2,703)	(1,674)
Within two years	(2,093)	(1,044)
Within three years	(1,565)	(274)
Add: unearned interest	469	98
Total lease liabilities	**(5,892)**	**(2,894)**
Analysed as:		
Non-current (Note 18)	(3,475)	(1,283)
Current (Note 19)	(2,417)	(1,611)
	(5,892)	**(2,894)**

The Group does not face a significant liquidity risk with regard to its lease liabilities. The interest expense on lease liabilities amounted to £0.2m for the year ended 30 June 2025 (2024: £0.2m). Lease liabilities are calculated at the present value of the lease payments that are not paid at the commencement date.

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight line basis. During the year ended 30 June 2025, in relation to leases under IFRS 16, the Group recognised the following amounts in the Consolidated statement of comprehensive income:

	2025	2024
	£000	£000
Depreciation charge	1,843	1,516
Interest expense	229	163

Payments for short-term lease expenses in relation to data centre space have not been disclosed below and are instead reflected within other cost of sales under note 4.

Amounts recognised in the Consolidated statement of cash flows:

	2025	2024
	£000	£000
Amounts payable under leases:		
Repayment of lease liabilities within cash flows from financing activities	2,467	2,065

The Group recognises rental income for the rental of units at their Head Office property in Renfrew. Units are leased to tenants under operating leases with rentals payable quarterly. Lease income from operating leases where the group is a lessor is recognised on a straight-line basis over the lease term. The total recognised in profit or loss during the period is as follows:

	2025	2024
	£000	£000
Rental income from operating leases	96	96

As part of this, The Group receives rental payments on a quarterly basis. The amounts due to be received over the next five years are as follows:

	2025	2024
	£000	£000
Within 1 year	72	96
Between one and two years	72	96
Between two and three years	72	96

20. EQUITY - ISSUED CAPITAL

	2025	2024	2025	2024
	shares	shares	£000	£000
Ordinary shares - fully paid	67,317,194	66,541,009	84	83

Movements in ordinary share capital

Details	Date	Shares	Issue price	£000
Balance	30 June 2018	50,043,100		62
EMI Share options exercised	31 August 2018	677,700	£0.00125	1
EMI Share options exercised	24 October 2018	32,200	£0.00125	-
EMI Share options exercised	20 June 2019	111,800	£0.00125	1
New share issue	14 April 2020	363,458	£0.00125	-
EMI Share options exercised	9 November 2020	44,118	£0.00125	-
New share issue	15 December 2020	430,946	£0.00125	1
New share issue	26 April 2021	4,347,827	£0.00125	5
EMI Share options exercised	15 November 2021	264,705	£0.00125	-
New share issue	25 April 2022	9,090,910	£0.00125	12
EMI Share options exercised	16 January 2023	21,946	£0.00125	-
EMI Share options exercised	5 April 2023	106,796	£0.00125	-
EMI Share options exercised	31 May 2023	35,928	£0.00125	-
Share options exercised	13 November 2023	137,724	£0.00125	-
Share options exercised	16 January 2024	197,630	£0.00125	-
Share options exercised	28 March 2024	520,729	£0.00125	1
Share options exercised	26 April 2024	58,037	£0.00125	-
Share options exercised	13 May 2024	28,455	£0.00125	-
Balance	**30 June 2024**	**66,514,009**		**83**
Share options exercised	14 August 2024	122,565	£0.00125	-
Share options exercised	2 September 2024	22,500	£0.00125	-
Share options exercised	24 October 2024	83,373	£0.00125	-
Share options exercised	22 November 2024	78,000	£0.00125	-
Share options exercised	17 December 2024	233,291	£0.00125	1
Share options exercised	10 February 2025	130,701	£0.00125	-
Share options exercised	31 March 2025	99,255	£0.00125	-
Share options exercised	17 April 2025	33,500	£0.00125	-
Balance	**30 June 2025**	**67,317,194**		**84**

Ordinary shares

During the year, 803,186 share options were exercised.

21. SHARE BASED PAYMENTS

The movements in the share options during the year, were as follows:

	2025		2024	
	Number of share options	Weighted Average Fair Value price per share (£)	Number of share options	Weighted Average Fair Value price per share (£)
Outstanding at the beginning of the year	6,733,468	1.26	6,233,043	1.35
Exercised during the year	(803,186)	1.41	(942,575)	0.97
Issued during the year	1,454,234	2.62	1,443,000	1.06
Forfeited during the year	(82,054)	1.06	-	-
Outstanding at the end of the year	7,302,462	1.26	6,733,468	1.26

The Group granted a total of 1,371,734 share options on 15th January 2025.

Shares were forfeited during the year where employees left the business, with their share options not being fully redistributed within the Group.

These share options outstanding at the end of the year have the following expiry dates and exercise prices:

	Grant 4A	Grant 4B	Grant 5A	Grant 5B	Grant 5C	Grant 6A	Grant 6B	Grant 6C
Shares	**1,022,500**	**597,150**	**604,000**	**462,500**	**462,500**	**395,000**	**524,000**	**524,000**
Date of grant	26th November 2021	26th November 2021	2nd December 2022	2nd December 2022	2nd December 2022	20th November 2023	20th November 2023	20th November 2023
Exercise price	£0.00125	£0.00125	£0.00125	£0.00125	£0.00125	£0.00125	£0.00125	£0.00125
Unvested expiry date	26th November 2024	26th November 2024	2nd December 2025	2nd December 2025	2nd December 2024	20th November 2026	20th November 2026	20th November 2025

	Grant 7A	Grant 7B	Grant 7C
Shares	370,000	500,867	500,867
Date of grant	15th January 2025	15th January 2025	15th January 2025
Exercise price	£0.00125	£0.00125	£0.00125
Unvested expiry date	15th January 2028	15th January 2027	15th January 2028

These share options vest under challenging performance conditions based on underlying profitability growth during the periods.

The Black-Scholes model was used to calculate the fair value of these options, the resulting fair value is expensed over the vesting period. The following table lists the range of assumptions used in the model:

	Grant 1	Grant 2	Grant 3	Grant 4A	Grant 4B	Grant 4C	Grant 5A
Shares	264,706	1,574,850	1,042,063	1,022,500	597,150	632,150	604,000
Share price (£)	1.02	0.84	0.945	1.575	1.575	1.575	1.43
Volatility	5%	5%	5%	5%	5%	5%	5%
Annual risk free rate	4%	4%	4%	4%	4%	4%	4%
Exercise strike price (£)	0.00125	0.00125	0.00125	0.00125	0.00125	0.00125	0.00125
Time to maturity (yrs)	3	3	3	3	3	2	3

	Grant 5B	Grant 5C	Grant 6A	Grant 6B	Grant 6C	Grant 7A	Grant 7B	Grant 7C
Shares	462,500	462,500	395,000	632,150	604,000	370,000	500,867	500,867
Share price (£)	1.43	1.43	1.065	1.065	1.065	2.62	2.62	2.62
Volatility	5%	5%	5%	5%	5%	5%	5%	5%
Annual risk free rate	4%	4%	4%	4%	4%	4%	4%	4%
Exercise strike price (£)	0.00125	0.00125	0.00125	0.00125	0.00125	0.00125	0.00125	0.00125
Time to maturity (yrs)	3	2	3	3	2	3	2	3

The total expense recognised from share based payments transactions on the Group's profit for the year was £2.5m (2024: £2.3m). Expected volatility was determined at the date of grant from historic volatility, adjusted for events that were not considered to be reflective of the volatility of the share price going forward. These share options vest on the achievement of challenging growth targets. It is management's intention that the Group will meet these challenging growth targets therefore, based on management's expectations, the share options are included in the calculation of underlying diluted EPS in note 24.

BEEKS FINANCIAL CLOUD GROUP PLC NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

22. EQUITY - RESERVES

The foreign currency retranslation reserve represents exchange gains and losses on retranslation of foreign operations. Included in this is revaluation of opening balances from prior years.

The merger reserve initially arose on the share for share exchange reflecting the difference between the nominal value of the share capital in Beeks Financial Cloud Group PLC and the value of the Group being acquired, Beeks Financial Cloud Limited. The merger reserve then increased upon acquisition of Velocimetrics Ltd in FY 2018, reflecting the difference between the nominal value of the share capital issued from Beeks Financial Cloud Group PLC and the value of the shares issued to the owners of Velocimetrics Ltd.

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings represents retained profits and losses.

The other reserve arose on the share for share exchange and reflects the difference between the value of Beeks Financial Cloud Group Limited and the share capital of the Group being acquired through the share for share exchange. Also included in the other reserve is the fair value of the warrants issued on the acquisition of VDIWare LLC.

23. RELATED PARTY TRANSACTIONS

Parent entity

Beeks Financial Cloud Group PLC is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Transactions with related parties

The following transactions occurred with related parties:

	2025	2024
	£000	£000
Withdrawals from the director, Gordon McArthur	58	10

At the end of the financial year, the Directors loan account totalled £35K (2024 - £93K). In line with the Companies Act 2006 this amount due by the director will be repaid subsequent to the financial year end.

During the financial year, Beeks Financial Cloud Limited received services in the normal course of its business and at arm's length from A&B Property and Rental Services Scotland Limited, a company owned by Gordon McArthur.
During the year, Beeks Financial Cloud Limited paid for services of £1,550 (2024: £6,145) to A&B Property and Rental Services Scotland Limited and the amounts due at the year end was £nil (2024: £nil).

Key management personnel

Compensation paid to key management (which comprises the Executive and Non-Executive PLC Board members) during the year was as follows:

	2025	2024
	£000	£000
Wages and salaries	343	330
Social security costs	37	36
Other pension costs	37	22
Other benefits in kind	4	4
Share based payments	126	155

24. EARNINGS PER SHARE

	2025	2024
	£000	£000
Profit after income tax attributable to the owners of Beeks Financial Cloud Group PLC	2,966	2,193
	Pence	Pence
Basic earnings per share	4.43	3.33
Diluted earnings per share	4.12	3.11
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	66,952,413	65,905,797
Adjustments for calculation of diluted earnings per share:		
Dilutive impact of share options	4,703,077	4,023,763
Options over ordinary shares	366,982	610,795
Weighted average number of ordinary shares used in calculating diluted earnings per share	72,022,472	70,540,354
Profit before tax for the year	2,789	1,459
Share based payments	2,551	2,326
Amortisation on acquired intangibles	130	304
Exceptional non-recurring costs	113	29
Exchange rate losses/(gains) on intercompany translation and unrealised currencies	500	60
Grant income	(276)	(275)
Tax effect	57	720
R&D tax credit	(322)	-
Underlying profit for the year	5,542	4,623
Weighted average number of shares in issue - basic	66,952,413	65,905,797
Weighted average number of shares in issue - diluted	74,621,412	72,688,673
Underlying earnings per share - basic	8.47	7.01
Underlying earnings per share - diluted	7.60	6.36

Included in the weighted average number of shares for the calculation of underlying diluted EPS are share options outstanding but not exercisable. It is management's intention that The Group will meet the challenging growth targets therefore, based on management expectations, the share options are included in the calculation of underlying diluted EPS.

25. SUBSIDIARIES

The Consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries held by the company in accordance with the accounting policy described in note 1.

The subsidiary undertakings are all 100% owned, with 100% voting rights.

Company name	Country of incorporation	Principal place of business/ registered office	Activity
Beeks Financial Cloud Co Ltd	Japan	FARO 1F, 2-15-5, Minamiaoyama, Minato-Ku, Tokyo, Japan.	Non-trading
Beeks FX VPS USA Inc.	Delaware, USA	874 Walker Road, Suite C, Dover, Kent, Delaware, 19904, USA.	Non-trading Year end 31st December
Beeks Financial Cloud Limited	Scotland	Riverside Building, 2 Kings Inch Way, Renfrew, Renfrewshire, PA4 8YU	Cloud Computing Services
Velocimetrics Limited	England	20 St Thomas Street, London Bridge, London, England, SE1 9RS	Non-trading
Velocimetrics Inc.	New York, USA	230 Park Avenue, 10th Floor, New York 10169, USA.	Non-trading

In accordance with S479A of the Companies Act 2006, Velocimetrics Limited (06943398) have not prepared audited accounts. Beeks Financial Cloud Group PLC guarantees all outstanding liabilities in this company at the year ended 30 June 2025, until they are satisfied in full.

26. PRIOR PERIOD ADJUSTMENT

During the year, it was identified that the disclosure of the Group deferred tax assets and deferred tax liabilities had been grossed up opposed to netted down and thus was not accurately disclosed within the consolidated statement of financial position.

This error has been corrected within the restated figures in the 2024 balance sheet and the total impact on the consolidated statement of financial position is shown below:

	Restated 2024
	£000
Decrease in non-current assets	(4,196)
Impact on total assets	(4,196)
Decrease in non-current liabilities	(4,196)
Impact on total liabilities	(4,196)
Impact on net assets	-

The above prior year adjustment has a net impact of £nil on net assets. There is also no resulting impact on the consolidated statement of comprehensive income and therefore no impact to EPS and diluted EPS.

27. ULTIMATE CONTROLLING PARTY

The Directors have assessed that there is no ultimate controlling party.

COMPANY STATEMENT OF FINANCIAL POSITION

	Note	2025 £000	2024 £000
Non-current assets			
Investments	4	8,511	7,042
Property, plant and equipment	5	3,643	4,075
Deferred tax	6	1,509	968
		13,663	**12,085**
Current assets			
Trade and other receivables	7	25,295	23,901
Cash and cash equivalents		18	130
		25,313	**24,031**
Total assets		**38,976**	**36,116**
Current liabilities			
Trade and other payables	8	894	965
Lease liabilities	8	205	547
		1,099	**1,512**
Non-current liabilities			
Lease liabilities	9	19	224
		19	224
Total liabilities		**1,118**	**1,736**
Net assets		**37,858**	**34,380**
Equity			
Issued capital	11	84	83
Share premium	12	23,775	23,775
Reserves		7,935	6,534
Retained earnings		6,064	3,988
Total equity		**37,858**	**34,380**

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit after tax for the year was £783,473 (2024: £404,988).

These financial statements were approved by the Board of Directors and were authorised for issue on 3rd October 2025 and are signed on its behalf by:

Gordon McArthur
Chief Executive Officer

Company name, Beeks Financial Cloud Group PLC
Company number, SC521839

COMPANY STATEMENT OF CHANGES IN EQUITY

	Called up share capital £000	Merger reserve £000	Share based payments £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 30 June 2023	**82**	**705**	**4,419**	**23,775**	**2,554**	**31,535**
Profit after income tax expense for the year	-	-	-	-	405	**405**
Total comprehensive income	**-**	**-**	**-**	**-**	**405**	**405**
Deferred tax	-	-	-	-	113	**113**
Share based Capital	1	-	-	-	-	**1**
Share based payments	-	-	2,326	-	-	**2,326**
Exercise of share options	-	-	(916)	-	916	**-**
Total transaction with owners	**1**	**-**	**1,410**	**-**	**1,029**	**2,440**
Balance at 30 June 2024	**83**	**705**	**5,829**	**23,775**	**3,988**	**34,380**
Profit after income tax expense for the year	-	-	-	-	783	**783**
Total comprehensive income	**-**	**-**	**-**	**-**	**783**	**783**
Deferred tax	-	-	-	-	143	**143**
Share based Capital	1	-	-	-	-	**1**
Share based payments	-	-	2,551	-	-	**2,551**
Exercise of share options	-	-	(1,150)	-	1,150	**-**
Total transaction with owners	**1**	**-**	**1,401**	**-**	**1,150**	**2,695**
Balance at 30 June 2025	**84**	**705**	**7,230**	**23,775**	**6,064**	**37,858**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. COMPANY INFORMATION

Beeks Financial Cloud Group PLC (the "Company") is a public limited company which is listed on the AIM Market of the London Stock Exchange and incorporated in Scotland.

The address of the registered office is Riverside Building, 2 Kings Inch Way, Renfrew, Renfrewshire, PA4 8YU. Beeks Financial Cloud Group PLC was incorporated on 4 December 2015 and has subsequently been converted to a public limited company "PLC" on 8 November 2017.

The principal activity of the Company is a holding company that holds investments in subsidiaries and holds various central overheads and salary costs. The company number is SC521839.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – The Reduced Framework (FRS 101). The principal accounting policies adopted in preparation of the financial statements are set out on pages 55 to 89. These policies have been applied consistently throughout the year unless otherwise stated.

The financial statements have been prepared on an historic cost basis.

The financial statements are presented in pounds sterling.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. These financial statements do not include:

- A statement of cash flows and related notes.
- Disclosure of key management personnel compensation.
- The effect of future accounting standards not adopted.
- Related party transactions with other group entities.
- Share based payments disclosures.
- Financial instrument disclosures.
- Capital management disclosures.
- Company profit and loss account.

Going concern

The Company has net current assets of £37.86m at 30 June 2025 (2024: £34.38m).

After making enquiries, the Directors have a reasonable expectation that the Company will be able to meet its financial obligations and has adequate resources to continue in operational existence for the foreseeable future (being a period extending to December 2026). For this reason they continue to adopt the going concern basis in preparing the financial statements. Further information can be seen in the Going Concern note within the Directors' Report in the Group accounts.

Revenue

Revenue arises from intercompany management charges, stated net of VAT. Such charges are recognised in the period they are earned.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. On an annual basis, in order to assess any potential impairment of investments, the carrying value of the investment in all companies is considered against future cash flows and reviewed for events or changes in circumstances that indicate that the carrying amount may be impaired.

Property, plant and equipment (PPE)

PPE is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Beeks Financial Cloud Group PLC and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Freehold property over 50 years.
- Leasehold property over the lease term.
- Fixtures and fittings over 5-20 years.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Critical accounting estimates and key sources of estimation uncertainty

The key estimates in preparation of the financial statements are below:

Carrying value of investments

The Company carries out an impairment review whenever events or changes in circumstance indicates that the carrying value of an investment is possible. In addition, the Company carries out an impairment review where there are indicators of impairment. An impairment is recognised when the recoverable amount is less than the carrying amount. The impairment tests reflect the latest projections from the subsidiary.

The key judgment in preparation of the financial statements is below:

Deferred Tax

The Company applies judgement to the recognition of its deferred tax asset in relation to timing differences on share based payment charges and carried forward losses. Specifically in terms of losses carried forward, management apply judgement to determine if there is sufficient forecastable future taxable profits to utilise the deferred tax asset. Given current profit trajectory in line with future projections, management have concluded the recognition of the deferred tax asset is appropriate.

Intercompany

The Company carries intercompany balances due from its subsidiary entities within the Group. Management have assessed recoverability of these intercompany balances and deem no issues in terms of credit losses. The Group companies have adequate net assets to assist in the recovery of intercompany balances

3. STAFF COSTS

Average monthly number of employees (including Directors) by activity:

	2025	2024
	£000	£000
Management and administration	25	21
Support and development	10	11
Total employees	**35**	**32**

Cost of employment (including Directors):

	2025	2024
	£000	£000
Wages and salaries	2,297	1,915
Social security costs	267	214
Other pension costs	152	131
Total employee benefits expense	**2,716**	**2,260**

4. INVESTMENTS

	2025	2024
	£000	£000
Shares in Group undertakings	8,511	7,042

During the year, the Group charged share based payments of £1.5m (2024: £1.1m) to employees of the subsidiary companies. As a result, the investment in subsidiaries has increased during the year to reflect this.

5. PROPERTY, PLANT AND EQUIPMENT (PPE)

	Freehold property	Fixtures and fittings	Right of use	Total
Cost	£000	£000	£000	**£000**
As at 1 July 2023	**3,039**	**199**	**1,407**	**4,645**
Additions	1	8	226	**235**
Transferred to stock	-	-	(304)	**(304)**
As at 30 June 2024	**3,040**	**207**	**1,329**	**4,576**
Transferred to stock	-	-	(91)	**(91)**
As at 30 June 2025	**3,040**	**207**	**1,238**	**4,485**
Depreciation				
As at 1 July 2023	**98**	**26**	**77**	**201**
Charge for the year	71	30	199	**300**
As at 1 July 2024	**169**	**56**	**276**	**501**
Charge for the year	72	32	237	**341**
As at 30 June 2025	**241**	**88**	**513**	**842**
NBV as at 30 June 2024	**2,871**	**151**	**1,053**	**4,075**
NBV as at 30 June 2025	**2,799**	**119**	**725**	**3,643**

Where a right-of-use asset is sold to a customer under a Proximity Cloud® or Exchange Cloud® solution, it is transferred to stock within Beeks Financial Cloud Ltd and subsequently transferred to Cost of Sales within its Income statement.

6. DEFERRED TAX

	2025	2024
	£000	**£000**
Tax losses carried forward	968	506
Credit to profit or loss	398	350
Share based payments, recognised in equity	143	112
Deferred tax asset	1,509	968

7. TRADE AND OTHER RECEIVABLES

	2025	2024
	£000	**£000**
Prepayments	313	252
Amounts due from Group undertakings	24,855	23,500
Trade debtors	1	-
Other receivables	126	149
	25,295	23,901

Management have assessed recoverability of intercompany balances and deem no issues in terms of credit losses. The Group has adequate net assets to assist in recovery of intercompany balances.

8. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2025	2024
	£000	**£000**
Trade payables	269	267
Accruals	357	221
Other taxation and social security	235	266
Other payables	33	211
Lease liabilities	205	547
	1,099	1,512

9. NON-CURRENT LIABILITIES

	2025	2024
	£000	**£000**
Lease payables	19	224

BEEKS FINANCIAL CLOUD GROUP PLC NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

10. LEASES

The company has a brought forward lease for a data centre space in Slough, England. The company also holds a right of use lease by virtue of an asset finance lease with the liability contracted to Beeks Financial Cloud Group PLC. Information about leases for which the company is a lessee is presented below:

	Leasehold Property
Right-of-use-assets	**£000**
Balance at 30 June 2024	1,053
Transfer to stock	(91)
Depreciation	(237)
Balance at 30 June 2025	**725**

The right-of-use assets in relation to leasehold property are disclosed as PPE (note 5).

Right-of-use lease liabilities

	2025	2024
	£000	**£000**
Maturity analysis:		
Analysed as:		
Non-current (Note 8)	19	224
Current (Note 9)	205	547
	224	771

The interest expense on lease liabilities amounted to £45,000 for the year ended 30th June 2025 (2024 - £50,000). Lease liabilities are calculated are calculated at the present value of the lease payments that are not paid at the commencement date.

11. EQUITY – ISSUED CAPITAL

For details of the issued share capital see note 20 in The Group notes.

12. EQUITY - RESERVES

Ordinary shares are classified as equity. An equity instruments is a contract that evidences a residential interest in the assets of Beeks Financial Cloud Group PLC after deducting all of its liabilities. Every instrument issued by Beeks Financial Cloud Group PLC are recorded at the proceeds received net of direct issue costs.

The share capital amount represents the amount subscribed for shares at nominal value. Any transactional costs associated with the issuing of share are deducted from the share premium, net of any related taxation benefits.

The merger reserve arose on the share for share exchange reflecting the difference between the nominal value of the share capital in Beeks Financial Cloud Group PLC and the value of the Group being acquired, Beeks Financial Cloud Limited.

13. RELATED PARTY TRANSACTIONS

As permitted by FRS 101, related party transactions by wholly owned members of the Group have not been disclosed. Related party transactions regarding remuneration and dividends paid to key management of the company have been disclosed in note 23 of the Group financial statements.

14. CONTINGENT LIABILITIES

The Company had no material contingent liabilities at 30 June 2025.

15. ULTIMATE CONTROLLING PARTY

The Directors have assessed that there is no ultimate controlling party.

NOTES

beeksgroup.com

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