Årsredovisning

för

Channel Factory Nordics AB

559195-2717

Räkenskapsåret

2024

Fastställelseintyg

Jag intygar att resultaträkningen och balansräkningen har fastställts på årsstämma 2025-09-12.
Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.
Jag intygar att innehållet i dessa elektroniska handlingar överensstämmer med originalen och att originalen undertecknats av samtliga personer som enligt lag ska underteckna dessa.

Elektroniskt underskriven av:

Mattias Spets, Styrelseledamot
2025-10-01

Styrelsen och verkställande direktören för Channel Factory Nordics AB avger följande årsredovisning för räkenskapsåret 2024.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Channel Factory Nordics AB är ett aktiebolag med säte i Stockholm och organisationsnummer 559195-2717. Bolaget bedriver annonsförsäljning för digitala medier och mediebyråverksamhet med kunder i stora delar av Europa. Verksamheten bedrivs huvudsakligen från Stockholm och Sölvesborg och omfattar försäljning, ekonomi, HR, strategi, affärsutveckling och mediaköp samt annonsoptimering.

Väsentliga händelser under räkenskapsåret

Under räkenskapsåret har arbetat för att differensiera sitt utbud av digitala kanaler samt erbjuda kunder nya lösningar inom kärnverksamheten av online videoannonsering exempelvis:

Utökat erbjudandet med fler sociala medier,

Genomfört investeringar i personal med expertis inom sociala medier,

Utökat samarbetet med leverantören av online videoannonsering,

Utökat samarbetet inom koncernen på global nivå

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Bolaget bedömer att verksamheten under kommande år kommer att präglas av fortsatt ökad efterfrågan på huvudmarknaderna samt expansion på nya. Den globala ekonomiska osäkerheten kan dock innebära vissa utmaningar, men bolaget är väl positionerade för att anpassa sig till förändrade marknadsförhållanden.

Utländska filialer

Bolaget har filialer i ett antal europeiska länder såsom Danmark, Polen, Spanien, Frankrike, Finland och Nederländerna.

Hållbarhetsupplysningar

Channel Factory Nordics AB arbetar för att integrera hållbarhet i alla delar av vår verksamhet. Hållbarhetsarbetet är en viktig del av vår affärsstrategi och är avgörande för att skapa långsiktigt värde för våra aktieägare, kunder, och samhället i stort. Vårt företag strävar efter att minimera miljöpåverkan genom att effektivisera resursanvändningen, minska avfall och utsläpp samt främja återvinning.

Channel Factory Nordics AB värdesätter sina anställda och samhället i stort. Vi arbetar aktivt med att säkerställa en säker och inkluderande arbetsmiljö. Vi har fortsatt våra insatser för att stödja lokala samhällen genom genomföra en årlig välgörenhetsdag där anställda avsätter en arbetsdag för att stöta en välgörenhetsorganisation.

Flerårsöversikt (Tkr)	**2024**	**2023**	**2022**	**2021**	**2020**
Nettoomsättning	1 598 104	1 209 815	712 049	381 441	150 402
Resultat efter finansiella poster	39 127	74 550	46 186	24 813	5 350
Antal anställda	118	95	79	16	16
Balansomslutning	833 649	544 116	351 187	201 168	102 613
Soliditet (%)	18	22	17	12	5

Förändringar i eget kapital

	Aktie-kapital	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	50 000	43 100 726	41 735 773	**84 886 499**
Disposition enligt beslut av årsstämman:				
Balanseras i ny räkning		41 735 773	-41 735 773	**0**
Årets resultat			19 484 960	**19 484 960**
Belopp vid årets utgång	**50 000**	**84 836 499**	**19 484 960**	**104 371 459**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	84 836 497
årets vinst	19 484 960
	104 321 457
disponeras så att	
i ny räkning överföres	104 321 457
	104 321 457

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

Resultaträkning

Tkr

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Nettoomsättning		1 598 105	1 209 814
Övriga rörelseintäkter		123	494
		1 598 228	**1 210 308**
Rörelsens kostnader			
Handelsvaror		-1 165 686	-894 204
Övriga externa kostnader	2, 3	-229 200	-107 983
Personalkostnader	4	-163 864	-131 971
Övriga rörelsekostnader		-418	-1 511
		-1 559 168	**-1 135 669**
Rörelseresultat	5	**39 060**	**74 639**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter		336	0
Räntekostnader och liknande resultatposter	6	-269	-89
		67	**-89**
Resultat efter finansiella poster		**39 127**	**74 550**
Bokslutsdispositioner		-12 100	-20 200
Resultat före skatt		**27 027**	**54 350**
Skatt på årets resultat	7	-7 542	-12 614
Årets resultat		**19 485**	**41 736**

Balansräkning

Tkr

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	8, 9	114	114
Andra långfristiga fordringar	10	934	1 538
		1 048	**1 652**
Summa anläggningstillgångar		**1 048**	**1 652**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		444 057	329 335
Fordringar hos koncernföretag		263 559	93 592
Övriga fordringar		1 104	1 288
Förutbetalda kostnader och upplupna intäkter	11	84 811	71 562
		793 531	**495 777**
Kassa och bank		39 070	46 687
Summa omsättningstillgångar		**832 601**	**542 464**
SUMMA TILLGÅNGAR		**833 649**	**544 116**

Balansräkning

Tkr

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	12		
Bundet eget kapital			
Aktiekapital		50	50
		50	**50**
Fritt eget kapital			
Balanserad vinst eller förlust		84 836	43 101
Årets resultat		19 485	41 736
		104 321	**84 837**
Summa eget kapital		**104 371**	**84 887**
Obeskattade reserver	13	53 200	41 100
Kortfristiga skulder			
Leverantörsskulder		242 236	174 364
Skulder till koncernföretag		258 259	118 144
Aktuella skatteskulder		8 169	15 430
Övriga skulder		21 295	6 767
Upplupna kostnader och förutbetalda intäkter	14	146 119	103 424
Summa kortfristiga skulder		**676 078**	**418 129**
SUMMA EGET KAPITAL OCH SKULDER		**833 649**	**544 116**

Kassaflödesanalys

Tkr

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Den löpande verksamheten			
Resultat efter finansiella poster		39 127	74 550
Justeringar för poster som inte ingår i kassaflödet		804	945
Betald skatt		-14 803	-7 872
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**25 128**	**67 623**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av kundfordringar		-307 868	-88 595
Förändring av kortfristiga fordringar		10 114	-116 862
Förändring av leverantörsskulder		72 135	60 770
Förändring av kortfristiga skulder		171 274	-7 421
Kassaflöde från den löpande verksamheten		**-29 217**	**-84 485**
Investeringsverksamheten			
Investeringar i finansiella anläggningstillgångar		0	-482
Försäljning av finansiella anläggningstillgångar		604	0
Kassaflöde från investeringsverksamheten		**604**	**-482**
Finansieringsverksamheten			
Upptagna lån		20 879	72 904
Kassaflöde från finansieringsverksamheten		**20 879**	**72 904**
Årets kassaflöde		**-7 734**	**-12 063**
Likvida medel vid årets början			
Likvida medel vid årets början		46 687	59 696
Kursdifferens i likvida medel			
Kursdifferens i likvida medel		117	-946
Likvida medel vid årets slut		**39 070**	**46 687**

Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Intäktsredovisning

Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Anläggningstillgångar

Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Leasingavtal

Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Inkomstskatter

Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Ersättningar till anställda

Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget Channel Factory Europe Limited, organisationsnummer 11612766 med säte i England upprättar koncernredovisning.

Kassaflödesanalys

Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.

Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringar som är noterade på en marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten. Förändringar i spärrade medel redovisas i investeringsverksamheten.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Antal anställda
Medelantal anställda under räkenskapsåret.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Uppskattningar och bedömningar

Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

Inga väsentliga källor till osäkerhet i uppskattningar och antaganden på balansdagen bedöms kunna innebära en betydande risk för en väsentlig justering av redovisade värden för tillgångar och skulder under nästa räkenskapsår.

Not 2 Leasingavtal

Årets leasingkostnader avseende leasingavtal, uppgår till 8 177 tkr.

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2024	**2023**
Inom ett år	7 882	989
Senare än ett år men inom fem år	13 518	4 952
	21 400	**5 941**

Not 3 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2024	2023
Dillon AB		
Revisionsuppdrag	215	75
	215	**75**

Not 4 Anställda och personalkostnader fördelade per land

	2024		2023	
Medelantalet anställda fördelade per land				
Sverige	63	(28)	52	(23)
Spanien	9	(6)	6	(3)
Nederländerna	16	(7)	11	(5)
Norge	3	(2)	3	(1)
Frankrike	4	(4)	4	(3)
Tyskland	6	(2)	5	(0)
Italien	0	(0)	8	(4)
Övriga	12	(4)	8	(6)
	113	**(53)**	**97**	**(45)**

Inom parentes anges medelantalet kvinnor.

	2024	2023
Löner och andra ersättningar		
Övriga anställda	121 396	100 813
	121 396	**100 813**
Sociala kostnader		
Pensionskostnader för övriga anställda	3 489	3 339
Övriga sociala avgifter enligt lag och avtal	29 989	22 946
	33 478	**26 285**

	2024	2023
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	0 %	0 %
Andel män i styrelsen	100 %	100 %

Not 5 Inköp och försäljning mellan koncernföretag

	2024	2023
Andel av årets totala inköp som skett från andra företag i koncernen	1,00 %	1,00 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	0,00 %	2,00 %

Not 6 Räntekostnader och liknande resultatposter

	2024	2023
Övriga räntekostnader	269	89
	269	**89**

Not 7 Aktuell och uppskjuten skatt

	2024	2023
Skatt på årets resultat		
Aktuell skatt	7 542	12 614
Totalt redovisad skatt	**7 542**	**12 614**

Avstämning av effektiv skatt

	2024		2023	
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		27 027		54 350
Skatt enligt gällande skattesats	20,60	-5 568	20,60	-11 196
Ej avdragsgilla kostnader		-1 719		-1 273
Övrigt		-222		-84
Redovisad effektiv skatt	**27,78**	**-7 509**	**23,09**	**-12 552**

Not 8 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	114	0
Inköp	0	114
Utgående ackumulerade anskaffningsvärden	**114**	**114**
Utgående redovisat värde	**114**	**114**

Not 9 Specifikation andelar i koncernföretag

Namn	Bokfört värde
Channel Factory Italy SRL	114
	114

Not 10 Andra långfristiga fordringar

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	1 538	1 170
Tillkommande fordringar	0	395
Avgående fordringar	-604	-27
Utgående ackumulerade anskaffningsvärden	**934**	**1 538**
Utgående redovisat värde	**934**	**1 538**

Not 11 Förutbetalda kostnader och upplupna intäkter

	2024-12-31	2023-12-31
Förutbetalda hyreskostnader	2 021	863
Upplupna intäkter	73 768	67 676
Förutbetalda kostnader	9 021	3 023
	84 810	**71 562**

Not 12 Disposition av vinst eller förlust

	2024-12-31

Förslag till vinstdisposition
Styrelsen föreslår att till förfogande stående vinstmedel:

balanserad vinst	84 836
årets vinst	19 485
	104 321
disponeras så att	
i ny räkning överföres	104 321
	104 321

Not 13 Obeskattade reserver

	2024-12-31	2023-12-31
Periodiseringsfond 2019	400	400
Periodiseringsfond 2020	1 500	1 500
Periodiseringsfond 2021	6 600	6 600
Periodiseringsfond 2022	12 400	12 400
Periodiseringsfond 2023	20 200	20 200
Periodiseringsfond 2024	12 100	0
	53 200	**41 100**
Skatteeffekt av schablonränta på periodiseringsfond	222	84

Not 14 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Upplupna lönekostnader	-31 600	-19 679
Övriga upplupna kostnader	-114 520	-83 745
	-146 120	**-103 424**

Resultat- och balansräkningen kommer att föreläggas på årsstämma för fastställelse.

Stockholm 2025-08-28

Tony Chen
Tony Chen
Ordförande

Mattias Spets
Mattias Spets
Verkställande direktör

Min revisionsberättelse har lämnats 2025-09-12

Emma Kantoft
Emma Kantoft
Auktoriserad revisor

Revisionsberättelse

Till bolagsstämman i Channel Factory Nordics AB
Org.nr 559195-2717

Rapport om årsredovisningen

Uttalanden
Vi har utfört en revision av årsredovisningen för Channel Factory Nordics AB för räkenskapsåret 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Channel Factory Nordics ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden
Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Channel Factory Nordics AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar
Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är lämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar
Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden
Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Channel Factory Nordics AB för räkenskapsåret 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden
Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Channel Factory Nordics AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar
Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar
Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:
- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller

- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Anmärkning
Årsredoivsningen har inte upprättatis i sådan tid att det varit möjligt att, enligt 7 kap. 10 § aktiebolagslagen, hålla bolagsstämma inom sex månader efter räkenskapsårets utgång.

Malmö 2025-09-12

Dillon AB

Emma Kantoft
Emma Kantoft
Auktoriserad revisor

Registered number: 11612766

CHANNEL FACTORY EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

CHANNEL FACTORY EUROPE LIMITED

COMPANY INFORMATION

Directors	Mike Chen Tony Chen Mattias Spets
Registered number	11612766
Registered office	c/o PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Independent auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD

CHANNEL FACTORY EUROPE LIMITED

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CHANNEL FACTORY EUROPE LIMITED

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

The Directors present their Strategic Report of the Group and Company for the year ended 31 December 2024.

Overview of the Group

Channel Factory Europe Ltd and its subsidiaries operate in the digital media industry that is driven by content creation distributed via social-media platforms (i.e., YouTube, Facebook, Instagram, Twitter, etc.). The Company operates within the advertisement placement area of the industry.

Strategic Outlook

Channel Factory Europe Ltd. and its subsidiaries primary growth initiative is to increase its presence globally. The Company is seeking to achieve this objective organically through opening offices in key international locations. The Company's international initiative is new and is seeking to achieve increased sales volumes through direct relationships with international agencies.

Market Conditions

While social media platforms have existed for multiple decades, the industry is still learning how to monetize the space, thus the industry is high growth. Because the success of a digital marketing campaign typically is measured on impressions/views, the strength of the social media platform used ultimately a key driver to overall profitability of firms operating within the Company's space.

Customers

The Company engages with its customers through dedicated client relationship teams, as well as global client management teams established in regional offices to maintain strong customer relationships. The Company develops various services, with an emphasis on innovation for clients and managing any conflicts of interest with multiple agencies. Due diligence is undertaken for all new clients and written contracts must be in place before commencing any significant work.

Shareholders

The Company is a 100% subsidiary of Channel Factory LLC, and the biggest in group in which the results of the Company are consolidated in the group headed by Channel Factory LLC. The Directors consider engagement with the Group to be strong, and the flow of information regarding the Company's activities transparent. Channel Factory LLC is kept informed about the Company's performance through various management forums, which assists the Group in making decisions and reviewing performance as "One Channel Factory".

Financial Instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Principal risks and uncertainties

Maintaining Client Relationship

Risk description

- Loss of key clients and/or failure to win new ones.

Potential risk impact

- Loss of profit.
- Subsequent loss of key managers.

Risk management strategy

- To remain a highly competitive organisation to help win new clients and continue to provide a high-quality service to existing clients.

Risk mitigation actions

- Dedicated client relationship teams are in place, as well as global client management teams established in regional offices.

Managing Counterparty Risk

Risk description

- Loss of income from clients who have cash flow or insolvency problems.

Potential risk impact

- Loss of profit, due to bad debt.

Risk management strategy

- To maintain and develop robust financial and operating systems to ensure any potential loss of income from third parties is minimised.

Risk mitigation actions

- Due diligence, including assessments of credit risk, is undertaken for all new clients and written contracts must be in place before commencing any significant work.
- Company policy requires credit limits to be imposed for all new commercial clients.

Maintaining a strong financial position

Risk description

- Insufficient liquidity and funding requirements to support the Company's liabilities and manage the growth of the business.

Potential risk impact

- Lack of funds for current operations and future growth.

Risk management strategy

- Maintain sufficient funding, with secure access to banking facilities, to meet liabilities and to fund the growth of the business. From a cost perspective, ensuring a cost management culture is integrated throughout the organisation.

Risk mitigation actions

- The Company has access to significant funding, via the cash pooling arrangements in place with relationship banks through Channel Factory Europe Limited.
- Daily cash reporting for all operations is maintained.
- Minimum headroom limits are monitored regularly.
- Working capital and cash conversion metrics are monitored regularly.

Managing the security of data

Risk description

- Unauthorised access to, or inappropriate use of, client, employee or other confidential data, with a specific emphasis on the General Data Protection Regulation (GDPR).

Potential risk impact

- Loss of profit and/or reputational damage.
- Material fines from regulatory bodies resulting from non-compliance.

Risk management strategy

- Ensure robust IT and financial reporting systems are in place in line with best practice data security and compliance regulations and based on strict internal policies and procedures.

Risk mitigation actions

- External access to information is protected by the IT security framework which is assessed regularly through vulnerability testing and IT security audits.
- The Company insists on confidentiality clauses in employee and supplier contracts.

Financial key performance indicators

Channel Factory Europe Ltd and its subsidiaries have grown 42% in revenue and 8% in headcount from 2023 to 2024.

Other key performance indicators

Employee Information

Workforce

We don't require our staff to declare their ethnicity - of course we see this when they show their ID when we interview/hire them, but it is up to them to detail this on bamboo, and for GDPR reasons we cannot store pictures of their passports.

We are a conscious, minority owned company with 5/30 being represented by minority ethnic backgrounds other than white British in the UK team. No one with disabilities other than neurodiverse employees including ADHD and dyslexia (1/30 confirmed).

Employee Development

In terms of development, we offer training to all staff dependent on their role, but also behaviour and mindset training that seeks to improve people's ability to task, time and stress manage. For well-being we offer £400 a year towards anything that benefits their mental and/or physical health.

Environmental and Social Responsibility

Sustainability Initiatives

Channel Factory is a conscious business. We believe in doing good business while doing good. We show how avoiding negative content while aligning with positive content increases campaign efficiency & effectiveness, while supporting media wellness, social responsibility, and sustainability.

In our digital media campaigns, Channel Factory reduces inventory wastage by excluding content where the viewer is not a viable consumer, where the viewer is less responsive and content that is not deemed to be safe or suitable. By excluding this content, we reduce advertising campaign wastage and therefore reduce unnecessary carbon emissions.

Environmental Impact

Channel Factory is working with key partners like Cedara to offer carbon emission reporting for brands on the digital campaigns we run, free of charge.

Using delivered impressions data from digital campaigns, we can measure the carbon impact of ads based on ad formats, platforms, creatives and more, and enable brands to offset emissions for its campaigns with independent green projects.

We make brand campaigns more environmentally efficient by removing non-responsive content.

Social Responsibility

Conscious Business performance - Channel factory is committed to removing inventory from digital campaigns that is untrue, unsuitable, untrue and unresponsive and amplifying content that is relevant, responsive and inclusive. We identify and include content created by and catered to diverse and representative audiences that would otherwise be unfairly excluded by exclusion brand safety tactics.

Charity days - all employees are entitled to two charity days a year to donate to causes of their personal choice.

UK Streamline Energy & Carbon Reporting (SECR)

During the year ended 31 December 2024, the Group consumed below the threshold of 40 MWh, and as a result, we qualify as a low energy user under the Streamlined Energy and Carbon Reporting (SECR) regulations. Consequently we are not required to provide detailed energy and carbon information as per the SECR framework.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Section 172(1) statement

The Directors of Channel Factory present this statement in accordance with the requirements of Section 172(1) of the Companies Act 2006, which outlines the duty of Directors to act in a way that promotes the long-term success of the Group and Company while considering the interests of key stakeholders.

At Channel Factory, we are committed to delivering brand-suitable, performance-driven video advertising solutions while maintaining a strong focus on responsible business practices. Throughout 2024, the Board has ensured that decision-making reflects our core values—innovation, inclusivity, and responsibility—while balancing the interests of our employees, customers, partners, the wider community, and the environment.

Key Considerations and Stakeholder Engagement:

1. Employees

   Our employees are at the heart of our success. In 2024, we focused on fostering a diverse, inclusive, and high-performing workplace through professional development, mental well-being support, and enhanced internal communication. Regular feedback sessions and employee engagement surveys have helped shape initiatives that strengthen our culture and drive performance.

2. Customers & Advertisers

   We continue to prioritise brand suitability, contextual targeting, and ad effectiveness for our clients. In response to the evolving digital landscape, we have enhanced our AI-powered platform, ensuring advertisers can deliver content that aligns with brand values while maximising engagement. Our commitment to transparency and performance has strengthened trust with leading global brands and agencies.

3. Industry & Business Partners

   As a trusted partner in the online video and programmatic advertising industry, we have strengthened collaborations with major platforms, media agencies, and ad tech partners. Our focus on responsible media buying, content suitability, and ad performance ensures that we uphold high ethical and business standards.

4. Community & Social Responsibility

   Channel Factory remains committed to making the internet a safer and more inclusive space. Through our ongoing "The Conscious Project" initiative, we have championed diverse content creators, responsible ad placements, and industry-wide inclusion efforts. We continue to collaborate with industry leaders and advocacy groups to promote brand safety, diversity, and social impact within digital advertising.

5. Environmental Considerations

   As part of our sustainability efforts, we have taken steps to reduce our carbon footprint in digital advertising. By optimising ad delivery processes and reducing wasted impressions, we contribute to a more sustainable programmatic ecosystem. We are committed to further integrating environmentally responsible practices across our business.

6. Regulatory Compliance & Governance

   With increasing scrutiny on data privacy, brand safety, and responsible advertising, the Board has remained vigilant in ensuring compliance with regulations such as GDPR, UK advertising standards, and platform-specific policies. Our AI-driven solutions and governance framework help advertisers navigate evolving regulations while maintaining ethical and transparent ad practices.

7. Long-Term Growth & Shareholder Value

   The Board remains focused on sustainable growth, innovation, and delivering long-term value. Our investments in AI-driven content analysis, contextual targeting, and international expansion have positioned us for continued success. As digital advertising evolves, we remain agile in adapting to industry shifts while driving measurable outcomes for brands and stakeholders.

Conclusion

The Board is committed to upholding the principles of Section 172(1) and ensuring that all strategic decisions align with our vision of creating a more suitable, transparent, and effective digital advertising ecosystem. We will continue to engage with stakeholders, adapt to industry trends, and drive responsible, long-term success for Channel Factory.

This report was approved by the Board on 01/12/25 and signed on its behalf.

Mattias Spets (Dec 1, 2025 10:52:54 GMT+1)

Mattias Spets
Director

CHANNEL FACTORY EUROPE LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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

Principal activity

The principal activity of the Group is to sell advertising through technology platforms on behalf of its ultimate parent company.

Directors

The Directors who served during the year were:

Mike Chen
Tony Chen
Mattias Spets

Future developments

The Directors of Channel Factory Europe Limited are dedicated to achieving the Company's strategic goals, with a strong emphasis on both organic growth and the expansion of new business avenues. A core focus continues to be the enhancement of our digital and data strategy, which is crucial to our future growth and competitive positioning.

Our efforts are concentrated on several key areas, including actions to sustain operating margins and cash flow. We are also implementing measures to boost liquidity, working closely with our partners at Channel Factory Europe Limited. Additionally, we are placing increased emphasis on monitoring our cash flow and net working capital positions to ensure financial stability.

Any potential impacts on other areas, the management team remains vigilant in tracking developments and stands ready to take necessary actions to mitigate any effects on the Company's operations.

In the coming years, we anticipate significant advancements in YouTube's advertising ecosystem that will impact our financial outlook. These include the increasing integration of artificial intelligence and machine learning to enhance targeted advertising, improving ad performance, and driving higher engagement rates. Additionally, the growing trend of shoppable ads and interactive content is expected to open new revenue streams, while the expansion of YouTube Shorts and live streaming will likely create fresh opportunities for ad placements. As the platform continues to evolve, we foresee a shift towards more personalised and data-driven ad strategies, necessitating continuous adaptation to stay competitive and optimise our financial performance.

Financial instruments

Foreign Currency Risk

Medium Risk - the Company has medium risk to foreign currency exposure, this will be mitigated by the following points:

- **Pricing Adjustments:** Adjust our pricing strategy to factor in exchange rate fluctuations.
- **Local Sourcing:** Sourcing materials, content, or services locally in the same currency as our revenue can reduce foreign currency exposure.

Credit Risk

- Low Risk - Company has no outstanding credit arrangements.

Liquidity Risk

- Low Risk - Company has high cash reserves.

Interest Rate Risk

- Low Risk - Company has no outstanding loans or assets.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Directors has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditors, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 01/12/25 and signed on its behalf.

Mattias Spets (Dec 1, 2025 10:52:54 GMT+1)

Mattias Spets
Director

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHANNEL FACTORY EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHANNEL FACTORY EUROPE LIMITED

Opinion

We have audited the financial statements of Channel Factory Europe Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated Statements of Cash Flows, Consolidated analysis of Net Debt and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Group and Parent Company financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHANNEL FACTORY EUROPE LIMITED (CONTINUED)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement on page 9, the Directors are responsible for the preparation of the Group and Parent Company 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 Group and Parent Company financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHANNEL FACTORY EUROPE LIMITED (CONTINUED)

Auditors' 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:

- We obtained an understanding of the Group and Parent Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience.

- We determined the principal laws and regulations relevant to the Group and Parent Company in this regard to be those arising from Companies Act 2006, Financial Reporting Standard 102, UK employment law and relevant UK tax legislation.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Parent Company with those laws and regulations. These procedures included, but were not limited to enquiries of management and review of legal correspondence.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered the non-rebuttable presumption of a risk of fraud arising from management override of controls.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

- The Group engagement team shared the risk assessment in relation to non-compliance of laws with and regulations and material misstatements due to fraud with the component auditors so that they could included appropriate audit procedures in response to such risks in their work.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHANNEL FACTORY EUROPE LIMITED (CONTINUED)

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.

PKF Littlejohn LLP

Stuart Leat (Senior Statutory Auditor)

for and on behalf of

PKF Littlejohn LLP

Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD
Date: 1 December 2025

CHANNEL FACTORY EUROPE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	*As restated 2023 £*
Turnover	4	**116,217,546**	*82,065,971*
Other operating income	5	**9,500**	*9,103*
Cost of sales		**(76,834,833)**	*(53,703,331)*
Gross profit		**39,392,213**	*28,371,743*
Administrative expenses		**(35,272,842)**	*(22,497,076)*
Difference in foreign exchange		**(112,929)**	*(85,227)*
Operating profit	6	**4,006,442**	*5,789,440*
Interest payable and similar expenses	10	**(24,651)**	*(10,334)*
Profit before taxation		**3,981,791**	*5,779,106*
Tax on profit	11	**(1,070,832)**	*(1,747,465)*
Profit for the financial year		**2,910,959**	*4,031,641*
Profit for the year attributable to:			
Owners of the Parent Company		**2,910,959**	*4,031,641*
		2,910,959	*4,031,641*

There was no other comprehensive income for 2024 (2023: £NIL).

The notes on pages 21 to 37 form part of these financial statements.

CHANNEL FACTORY EUROPE LIMITED
REGISTERED NUMBER: 11612766

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £		*As restated 2023 £*	
Fixed assets					
Tangible assets	12	**2,552**		*-*	
			2,552		*-*
Current assets					
Debtors: amounts falling due after more than one year	14	**89,801**		*143,129*	
Debtors: amounts falling due within one year	14	**50,658,598**		*35,306,836*	
Cash at bank and in hand	15	**6,433,782**		*3,707,556*	
		57,182,181		*39,157,521*	
Creditors: amounts falling due within one year	16	**(44,763,425)**		*(28,963,983)*	
Net current assets			**12,418,756**		*10,193,538*
Total assets less current liabilities			**12,421,308**		*10,193,538*
Provisions for liabilities					
Deferred taxation		**(793,095)**		*(677,508)*	
			(793,095)		*(677,508)*
Net assets			**11,628,213**		*9,516,030*
Capital and reserves					
Called up share capital	20	**2**		*2*	
Foreign exchange reserve	21	**(698,340)**		*100,436*	
Profit and loss account	21	**12,326,551**		*9,415,592*	
Equity attributable to owners of the Parent Company			**11,628,213**		*9,516,030*
			11,628,213		*9,516,030*

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on

Mattias Spets (Dec 1, 2025 10:52:54 GMT+1) 01/12/25

Mattias Spets
Director

The notes on pages 21 to 37 form part of these financial statements.

CHANNEL FACTORY EUROPE LIMITED
REGISTERED NUMBER: 11612766

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	*2023 £*
Non-current assets			
Investments	13	**4,011**	*4,011*
		4,011	*4,011*
Current assets			
Debtors	14	**8,052,320**	*5,244,482*
Cash at bank and in hand	15	**36,876**	*20,126*
		8,089,196	*5,264,608*
Creditors: amounts falling due within one year	16	**(7,180,930)**	*(4,876,632)*
Net current assets		**908,266**	*387,976*
Total assets less current liabilities		**912,277**	*391,987*
Net assets		**912,277**	*391,987*
Capital and reserves			
Called up share capital	20	**2**	*2*
Profit and loss account	21	**912,275**	*391,985*
		912,277	*391,987*

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of Channel Factory Europe Limited is not presented in these financial statements.

The Parent Company had a profit after tax of £520,290 for the year ended 31 December 2024 (2023: £85,065).

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on

01/12/25

Mattias Spets (Dec 1, 2025 10:52:54 GMT+1)
Mattias Spets
Director

The notes on pages 21 to 37 form part of these financial statements.

CHANNEL FACTORY EUROPE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of Parent Company	Total equity
	£	£	£	£	£
At 1 January 2023	**2**	**63,090**	**3,733,625**	**3,796,717**	**3,796,717**
Prior year adjustment (note 26)	-	-	**1,650,326**	**1,650,326**	**1,650,326**
At 1 January 2023 (as restated)	**2**	**63,090**	**5,383,951**	**5,447,043**	**5,447,043**
Comprehensive income for the year					
Profit for the year as restated - see below (note 26)	-	-	**4,031,641**	**4,031,641**	**4,031,641**
Currency translation differences	-	**37,346**	-	**37,346**	**37,346**
Total comprehensive income for the year	**-**	**37,346**	**4,031,641**	**4,068,987**	**4,068,987**
At 1 January 2024	**2**	**100,436**	**9,415,592**	**9,516,030**	**9,516,030**
Comprehensive income for the year					
Profit for the year	-	-	**2,910,959**	**2,910,959**	**2,910,959**
Currency translation differences	-	**(798,776)**	-	**(798,776)**	**(798,776)**
Total comprehensive income for the year	**-**	**(798,776)**	**2,910,959**	**2,112,183**	**2,112,183**
At 31 December 2024	**2**	**(698,340)**	**12,326,551**	**11,628,213**	**11,628,213**

The notes on pages 21 to 37 form part of these financial statements.

	£
Profit for the year ended 31 December 2023:	3,160,334
2023 restatement (note 26)	871,307
2023 profit (as restated)	**4,031,641**

CHANNEL FACTORY EUROPE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2023	**2**	**306,920**	**306,922**
Comprehensive income for the year			
Profit for the year	**-**	**85,065**	**85,065**
Total comprehensive income for the year	**-**	**85,065**	**85,065**
At 1 January 2024	**2**	**391,985**	**391,987**
Comprehensive income for the year			
Profit for the year	**-**	**520,290**	**520,290**
Total comprehensive income for the year	**-**	**520,290**	**520,290**
At 31 December 2024	**2**	**912,275**	**912,277**

The notes on pages 21 to 37 form part of these financial statements.

CHANNEL FACTORY EUROPE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	*As restated 2023 £*
Cash flows from operating activities		
Profit for the financial year	**2,910,959**	*4,031,641*
Adjustments for:		
Interest paid	**24,651**	*10,334*
Taxation charge	**1,070,832**	*1,747,465*
(Increase) in debtors	**(10,673,387)**	*(13,505,032)*
(Increase) in amounts owed by groups	**(4,625,050)**	*(1,010,702)*
Increase in creditors	**8,384,904**	*6,884,448*
Increase in amounts owed to groups	**6,459,294**	*707,940*
Difference in foreign exchange	**(798,774)**	*37,346*
Net cash generated from operating activities	**2,753,429**	*(1,096,560)*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(2,552)**	-
Net cash from investing activities	**(2,552)**	-
Cash flows from financing activities		
Interest paid	**(24,651)**	*(10,334)*
Net cash used in financing activities	**(24,651)**	*(10,334)*
Net increase/(decrease) in cash and cash equivalents	**2,726,226**	*(1,106,894)*
Cash and cash equivalents at beginning of year	**3,707,556**	*4,814,450*
Cash and cash equivalents at the end of year	**6,433,782**	*3,707,556*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**6,433,782**	*3,707,556*
	6,433,782	*3,707,556*

The notes on pages 21 to 37 form part of these financial statements.

CHANNEL FACTORY EUROPE LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2024

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	**3,707,556**	**2,726,226**	**6,433,782**
	3,707,556	**2,726,226**	**6,433,782**

The notes on pages 21 to 37 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

Channel Factory Europe Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 15 Westferry Circus, Canary Wharf, London, E14 4HD.

The principal activity of the Company and its subsidiaries (the 'Group') is to sell advertising through technology platforms on behalf of its parent company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

We believe that the Group's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding and support will be more than adequate for the Group and Company's needs. We have considered a period of at least twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the Group and Company's ability to continue as a going concern need to be made in the financial statements.

The assessment of the Group and Company's ability to continue as a going concern takes account of our plans for future actions. We believe that the outcome of those plans will improve the Group and Company's financial position and that our plans are feasible based on the circumstances relevant to the Group.

The Parent Company's activities and its finances ultimately derive from its subsidiary company, Channel Factory Nordics AB. The Company has received a letter of support from Channel Factory Nordics AB confirming it will continue to provide the Company with finance as required to meet its obligations for a period of at least 12 months from the date of approval of these financial statements.

On the basis of their assessment of the Company's financial position and after confirmation from the Directors of Channel Factory Nordics AB, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Group's financial statements are presented in pound sterling and rounded to the nearest £.

The Company's functional and presentational currency is the pound sterling. The subsidiaries functional currency is in Swedish Krona and Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in the Consolidated Statement of Comprehensive Income.

2.5 Revenue

Advertising revenues are generated by providing social media viewership/interaction amplification and digital media ad services on behalf of third-party customers. The Group and Company recognises revenue as follows:

1. Identify the contract; Contracts, whether written, oral or implied by customary business practices, only exist if they create enforceable rights and obligations between two or more parties.
2. Identify performance obligations; A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine transaction price; The transaction price in a contract reflects the amount of consideration (for example, payment) to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The entity should estimate any variable consideration under the expected value approach or;
4. Allocate transaction price; The transaction price is allocated to each performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for satisfying each separate performance obligation.
5. Recognise revenue; Revenue is recognised either at a point in time or over time, depending on when the customer receives the value from the contract. When assessing revenues recognised at a point in time, the entity shall consider when the satisfaction of the performance obligation and transfer of control occurred. When assessing revenues recognised over time, the entity shall measure the progress of the performance obligation under either the input method or output method.

The Group and Company recognises advertising revenues at a point in time as the services are provided. Revenue is not recognised unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved.

2. Accounting policies (continued)

Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties to the arrangement.

In 2017, the Company entered into a strategic alliance (the 'Letter Agreement') with Apex Exchange, LLC, wherein the Company provides digital advertising services for clients. Pursuant to the Letter Agreement, Apex is entitled to receive a share in the defined net profit generated from advertising revenues for Apex clients. When a company enters into an addendum or new contract with an existing customer, it must determine whether the original contract was modified, whether it should be combined with the original contract, or whether it is a separate contract. A contract is considered modified if the addendum or new contract either changes in either the scope or price (or both) of the original contract. The Company shall combine two or more contracts when they are entered into at or near the same time with the same customer and one of the following occur:

- The contracts are negotiated as a package with a single commercial objective.
- The amount of consideration to be paid in one contract depends on the price or performance of another contract.
- The goods or services promised in the contracts are a single performance obligation.

If the addendum or new contract with an existing customer does not meet the criteria of either the contract modification or combination criteria, the contract is treated as a separate and distinct contract.

Principal agent considerations

To determine whether the Company performance obligation with respect to the contracts with customers is to provide the specified goods or services itself (i.e., the Company is a principal) or to arrange for those goods or services to be provided by another party (i.e., the Company is an agent), the Company identifies the specified good or service to be provided to the customer and assesses whether it controls that good or service before the good or service is transferred to the customer. In reaching its conclusion, the Company considered the following indicators:

- The Company has discretion in establishing the prices for the specified service.
- The Company bears the credit risk on collections for fees charged to the customer.
- The Company is primarily responsible for fulfilling the promise to provide the specified good or service.

The Company has concluded that it is a principal in the revenue earned from all its contracts with customers and accordingly, recognizes revenue in the gross amount of consideration to which it is entitled from the customer.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.8 Taxation

The tax expense for the year comprises current tax. Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Office equipment	-	3 years
Computer equipment	-	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2. Accounting policies (continued)

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.15 Financial instruments

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

The Company and its subsidiaries only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the amounts disclosed in the consolidated financial statements. Actual results could differ from those estimates. For the fiscal year 2024 and 2023, management believes there were no material estimates that could significantly impact the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4. Turnover

An analysis of turnover by class of business is as follows:

	2024 £	*2023 £*
Revenue	**116,217,546**	*82,065,971*
	116,217,546	*82,065,971*

Analysis of turnover by country of destination:

	2024 £	*2023 £*
United Kingdom	**32,429,440**	*17,593,069*
Rest of Europe	**62,349,968**	*48,945,676*
Rest of the world	**21,438,138**	*15,527,226*
	116,217,546	*82,065,971*

5. Other operating income

	2024 £	*2023 £*
Other operating income	**9,500**	*9,103*
	9,500	*9,103*

6. Operating profit

The operating profit is stated after charging:

	2024 £	*2023 £*
Exchange differences	**112,929**	*85,227*
Other operating lease rentals	**1,274,920**	*926,752*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2024 £	*Group 2023 £*	**Company 2024 £**	*Company 2023 £*
Wages and salaries	**8,886,690**	*7,238,445*	**2,064,527**	*1,699,056*
Social security costs	**2,340,632**	*2,102,819*	**356,515**	*244,277*
Cost of defined contribution scheme	**391,415**	*325,225*	**88,559**	*31,249*
	11,618,737	*9,666,489*	**2,509,601**	*1,974,582*

The average monthly number of employees, including the Directors, during the year was as follows:

	Group 2024 £	*Group 2023 £*	**Company 2024 £**	*Company 2023 £*
Staff	**131**	*122*	**30**	*27*
Director	**3**	*3*	**3**	*3*
	134	*125*	**33**	*30*

8. Directors' remuneration

	2024 £	*2023 £*
Directors' emoluments	**571,932**	*735,698*
Group contributions to defined contribution pension schemes	**18,048**	*18,152*
	589,980	*753,850*

The highest paid Director received remuneration of £571,932 *(2023 - £735,698)*.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £18,048 *(2023 - £18,152)*.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

9. Auditors' remuneration

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Fees payable to the Group's auditors and its associates for the audit of the Company and it's subsidiaries' annual financial statements	**35,800**	*38,493*	**35,800**	*35,840*
Fees payable to the Group's auditors and its associates in respect of all other non-audit services	**18,929**	*19,743*	**6,364**	*17,260*
	54,729	*58,236*	**42,164**	*53,100*

10. Interest payable and similar expenses

	2024 £	*2023 £*
Other loan interest payable	**31**	*3,477*
Other interest payable	**24,620**	*6,857*
	24,651	*10,334*

11. Taxation

	2024 £	*As restated 2023 £*
Corporation tax		
Current tax on profits for the year	**257,731**	*103,368*
	257,731	*103,368*
Foreign tax		
Foreign tax on income for the year	**645,491**	*984,391*
	645,491	*984,391*
Total current tax	**903,222**	*1,087,759*
Deferred tax		
Deferred tax on foreign tax allocation reserve for the year	**167,610**	*659,706*
Total deferred tax	**167,610**	*659,706*

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as *(2023 - lower than)* the standard rate of corporation tax in the UK of 25% *(2023 -23.5%)*. The differences are explained below:

	2024 £	*As restated* *2023* *£*
Profit on ordinary activities before tax	**3,981,791**	*5,789,440*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 23.5%)	**995,447**	*1,360,518*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**251,588**	*181,861*
Adjustments to tax charge in respect of prior periods	**(3,732)**	-
Other timing differences leading to an (decrease)/increase in taxation	**(63,322)**	*(24,774)*
Overseas taxation	**(109,149)**	*(130,131)*
Deferred tax	-	*359,991*
Total tax charge for the year	**1,070,832**	*1,747,465*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

12. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Total £
Cost			
Additions	**522**	**2,030**	**2,552**
At 31 December 2024	**522**	**2,030**	**2,552**
Net book value			
At 31 December 2024	**522**	**2,030**	**2,552**
At 31 December 2023	-	-	-

All of the Group's tangible assets are held in the subsidiary companies.

13. Investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2024	**4,011**
At 31 December 2024	**4,011**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Channel Factory Nordics AB	Svevägen 20, SE-111, 57 Stockholm, Sverige	Ordinary shares	100%
Channel Factory Italy S.R.L	Via Caldera 21, 20153 Milano MI, Italia	Ordinary shares	100%

The aggregate of the share capital and reserves as at 31 December 2024 and the profit for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit £
Channel Factory Nordics AB	**10,487,976**	**2,057,075**
Channel Factory Italy S.R.L	**262,354**	**213,708**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

14. Debtors

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Due after more than one year				
Other debtors	**89,801**	*143,129*	**-**	*-*
	89,801	*143,129*	**-**	*-*
Due within one year				
Trade debtors	**37,723,737**	*27,944,875*	**-**	*-*
Other debtors	**712,451**	*639,747*	**117,347**	*91,112*
Amounts owed by group undertakings	**5,962,005**	*1,336,955*	**7,898,943**	*5,083,666*
Prepayments and accrued income	**6,260,405**	*5,385,259*	**36,030**	*69,704*
	50,748,399	*35,449,965*	**8,052,320**	*5,244,482*

Amounts owed by group undertakings are interest free and repayable on demand (see note 23).

15. Cash

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Cash at bank and in hand	**6,433,782**	*3,707,556*	**36,876**	*20,126*
	6,433,782	*3,707,556*	**36,876**	*20,126*

16. Creditors: Amounts falling due within one year

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Trade creditors	**17,658,207**	*13,696,998*	**120,847**	*71,312*
Other creditors	**8,751,093**	*6,915,978*	**-**	*4,642*
Other taxation and social security	**155,116**	*1,368,853*	**-**	*-*
Corporation tax	**986,940**	*99,640*	**357,371**	*99,640*
Amounts owed to group undertakings	**10,800,797**	*4,341,503*	**6,164,240**	*4,451,239*
Accruals and deferred income	**6,411,272**	*2,541,011*	**538,472**	*249,799*
	44,763,425	*28,963,983*	**7,180,930**	*4,876,632*

Amounts owed to group undertakings are interest free and repayable on demand (see note 23).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17. Creditors: Amounts falling due after more than one year

	Group 2024 £	*Group As restated 2023 £*	Company 2024 £	*Company 2023 £*
Other creditors	-	-	-	-
	-	-	-	-

18. Financial instruments

	Group 2024 £	*Group As restated 2023 £*	Company 2024 £	*Company 2023 £*
Financial assets				
Financial assets measured at amortised cost	**50,921,776**	*33,772,262*	**8,053,166**	*5,194,904*
Financial liabilities				
Financial liabilities measured at amortised cost	**(43,621,270)**	*(27,495,491)*	**(6,823,560)**	*(4,776,992)*

Financial assets are measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and cash at bank for the Group and Company.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, amounts owed to group undertakings and other creditors for the Group and Company.

19. Deferred taxation

Group

	As restated 2024 £
At beginning of year (as restated)	**(677,508)**
Charged to profit or loss	**(115,587)**
At end of year	**(793,095)**

19. Deferred taxation (continued)

Company

	2024
	£
At end of year	**-**

	Group 2024	*Group 2023*
	£	£
Other timing differences	**(793,095)**	*(677,508)*
	(793,095)	*(677,508)*

20. Share capital

	2024	2023
	£	£
Allotted, called up and fully paid		
10,100 *(2023 - 10,100)* A Ordinary shares of £0.0001 each	**1**	*1*
9,900 *(2023 - 9,900)* B Ordinary shares of £0.0001 each	**1**	*1*
	2	*2*

A Ordinary shares have voting rights. There are no restrictions on the distribution of dividends and repayment of capital.

B Ordinary shares have no voting rights. There are no restrictions on the distribution of dividends and repayment of capital.

21. Reserves

Foreign exchange reserve

Foreign exchange reserve relates to translation of Channel Factory Nordics AB (the 'Subsidiary) balances from SEK to GBP and Channel Factory Italy S.R.L. (the 'Subsidiary) balance from EUR to GBP for the purpose of consolidation.

Profit and loss account

Profit and loss account is an accumulation of the Group's profit and losses since incorporation, less any distributions made to shareholders.

22. Pension commitments

Channel Factory Europe Ltd (the 'Company') operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £88,559 (2023: £31,249). Contributions totalling £NIL (2023: £NIL) were payable to the fund at the Balance Sheet date.

Channel Factory Nordics AB (the 'Subsidiary') operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Subsidiary in an independently administered fund. The pension cost charge represents contributions payable by the Subsidiary to the fund and amounted to £302,856 (2023: £293,976). Contributions totalling £NIL (2023: £56,690) were payable to the fund at the Balance Sheet date.

23. Commitments under operating leases

At 31 December 2024 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2024 £	*Group 2023 £*	**Company 2024 £**	*Company 2023 £*
Not later than 1 year	**701,937**	*527,373*	**505,510**	*269,020*
Later than 1 year and not later than 5 years	**1,562,051**	*367,603*	**1,537,000**	*134,510*
	2,263,988	*894,976*	**2,042,510**	*403,530*

24. Related party transactions

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' not to disclose related party transactions with wholly owned subsidiaries within the Group.

Transactions between Group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Group related party transactions

As at 31 December 2024, the Group was owed £1,754,319 (2023: £779,034) by Channel Factory LLC, the ultimate parent undertaking. The balance is reflected within amounts owed by group undertakings and is interest free and repayable on demand.

As at 31 December 2024, the Group was owed £4,013,096 (2023: £557,921) by Channel Factory Asia-Pacific (Singapore), the other group undertaking with also 100% owned by Channel Factory LLC. The balance is reflected within amounts owed by group undertakings and is interest free and repayable on demand.

As at 31 December 2024, the Group was owed £194,590 (2023: £NIL) by Channel Factory Australia Pty, the other group undertaking with also 100% owned by Channel Factory LLC. The balance is reflected within amounts owed by group undertakings and is interest free and repayable on demand.

As at 31 December 2024, the Group owed £10,770,343 (2023: £4,330,558) to Channel Factory LLC, the ultimate parent undertaking. The balance is reflected within amounts owed to group undertakings and is interest free and repayable on demand.

24. Related party transactions (continued)

As at 31 December 2024, the Group owed £30,454 (2023: £10,945) to Channel Factory Asia-Pacific (Singapore), the other group undertaking with also 100% owned by Channel Factory LLC. The balance is reflected within amounts owed to group undertakings and is interest free and repayable on demand.

Company related party transactions

As at 31 December 2024, the Company was owed £357,142 (2023: £5,083,666) by Channel Factory Nordics AB, the other group undertaking with also 100% owned by Channel Factory LLC. The balance is reflected within amounts owed by group undertakings and is interest free and repayable on demand.

As at 31 December 2024, the Company owed £6,139,914 (2023: £4,445,830) to Channel Factory Nordics AB, the other group undertaking with also 100% owned by Channel Factory LLC. The balance is reflected within amounts owed to group undertakings and is interest free and repayable on demand.

As at 31 December 2024, the Company was owed £7,541,801 (2023: £Nil) by Channel Factory LLC, the ultimate parent undertaking. The balance is reflected within amounts owed by group undertakings and is interest free and repayable on demand.

As at 31 December 2024, the Company owed £4,034 (2023: £5,409) to Channel Factory LLC, the ultimate parent undertaking. The balance is reflected within amounts owed to group undertakings and is interest free and repayable on demand.

As at 31 December 2024, the Company owed £20,293 (2023: £Nil) to Channel Factory Asia-Pacific (Singapore), the other group undertaking with also 100% owned by Channel Factory LLC. The balance is reflected within amounts owed to group undertakings and is interest free and repayable on demand.

25. Controlling party

Channel Factory LLC holds 100% of the Ordinary A shares in the Company, which carry voting rights, and therefore is deemed to have significant control, and is the immediate and ultimate parent undertaking of the Company.

Channel Factory LLC is a Company registered in the United States, and its registered office address is 17700 Castleton Street Suite 406 City of Industry, CA 91748, USA.

Channel Factory LLC is the smallest and largest company to prepare consolidated accounts. These are not publicly available.

Tony Chen, the Director and shareholder of the Company, is deemed to be the ultimate controlling individual.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

26. Prior year amendment: restatement of comparative information

The consolidated balance sheet, statement of comprehensive income and statement of changes in equity have been restated for the year ended 31 December 2023 to correct an understatement of profits in the financial years ended 31 December 2023 and 31 December 2022.

The understatement arose due to the incorrect application of UK GAAP (FRS 102) relating to differences in accounting treatments on tax applied by certain subsidiaries, which followed local requirements that were inconsistent with the Group's applicable GAAP. As a result, certain liabilities and reserves items were incorrectly recognised in the consolidated financial statements.

The impact relating to the year ended 31 December 2022 has been recognised as an adjustment to opening retained earnings for comparative information in accordance with the requirements for the correction of prior-period errors.

The aggregate impact of the correction is:

- an increase in profit of £871,307 for the year ended 31 December 2023; and
- an increase in profit of £1,650,326 for the year ended 31 December 2022, 2021, 2020 and 2019.

A reconciliation of previously reported and restated amounts is provided below:

Consolidated Balance Sheet

	2023 Previously stated £	Adjustment £	2023 restated £
Creditors: amounts falling due after more than one year	3,199,141	(3,199,141)	-
Deferred tax	-	(677,508)	(677,508)
Profit and loss account	6,893,959	(2,521,633)	9,415,592

Consolidated Statement of Comprehensive Income

	2023 Previously stated £	Adjustment £	2023 restated £
Administrative expenses	24,028,089	(1,531,013)	22,497,076
Tax on profit	(1,087,759)	(659,706)	(1,747,465)
Profit for the financial year	3,160,334	871,307	4,031,641

Channel Factory Limited - Financial statements 31.12.2024

Final Audit Report 2025-12-01

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