

Registered Number: 4196996

giffgaff Limited

Annual Report and Financial Statements

Year ended 31 December 2024

giffgaff Limited

Registered Number: 4196996

Contents	Page
Company information	1
Strategic report	2
Energy and carbon report	15
Directors' report	16
Statement of Directors' responsibilities	20
Independent Auditor's report to the members of giffgaff Limited	21
Profit and Loss Account	25
Balance Sheet	26
Statement of changes in equity	27
Notes to the financial statements	28 - 42

giffgaff Limited

Registered Number: 4196996

Company information

Directors

Ashley Schofield
Mark David Hardman

Secretary

VMED O2 Secretaries Limited

Registered Office

500 Brook Drive,
Reading,
United Kingdom,
RG2 6UU

Business Address

Belmont House
Belmont Road
Uxbridge
UB8 1HE

Independent Auditors

KPMG LLP
15 Canada Square,
London,
United Kingdom
E14 5GL

giffgaff Limited

Registered Number: 4196996

Strategic Report

giffgaff Limited (the 'Company'), is a wholly-owned subsidiary of VMED O2 UK Limited (VMED O2) (Virgin Media O2) (the 'group') and is one of the operating businesses of Virgin Media O2. giffgaff's immediate parent is Telefonica UK Limited ("TUK"), a mobile network operator trading under the O2 brand.

Principal activity

giffgaff is an online Mobile Virtual Network Operator (MVNO) which runs on the O2 network providing telecommunication services to the consumer mobile segment.

Our Purpose and Values

At giffgaff we set out to create mutually beneficial connections. Our brand values focus on offering flexibility, simplicity and good value to our members in a way that is truly sustainable. We are on a mission to become the UK's most recommended connectivity provider by focusing on developing new and exciting products which our members will love. We reward members when they recommend us, and we even pay them when they solve customer queries in our community. We encourage them to have a strong say in what our products and services contain, and they were instrumental in pushing us to become B Corp certified.

Our Strategy

As an online MVNO, giffgaff does not have any call centres. Instead giffgaff works with its' members to; source ideas and feedback, provide frontline service support through its peer-to-peer community help model and act as a driver of growth through the giffgaff member get member scheme. The model delivers high levels of recommendation (net promoter score) and a low-cost operating model that helps giffgaff give its members great value tariffs. Our lean and agile operating model has helped us to continue to pursue a growth agenda in a challenging economic environment.

We made significant progress during the period ended 31 December 2024 in the following areas:

- **B Corp Certification**

As a proud B Corporation, our success is defined not only by our commercial performance but also by our contribution to UK society. It's our commitment to balance people, planet and profit - acting for the common good and for the long term. It's how we will create a future where our planet is cared for, our members feel supported and included, and communities can flourish. As well as utilising the B Lab UK's Impact Assessment tool to drive improvements in our own operations, we have collaborated with fellow B Corporations as well as working closely with B Lab UK to find new ways to build awareness and understanding of our B Corp status amongst consumers.

- **Product expansion**

During the year, we focused on developing our new strategic product, broadband. Guided by the same member-first approach that drives our success in mobile, we listened to our members frustrations with their existing broadband services and set out to build something better. We invested in research to establish product market fit, engaged early with members, and built strong technical and operational foundations. The year concluded with the launch of small-scale member trials which was a key step towards giffgaff's long term growth and value creation.

We also continued to evolve our 18-month SIM only contract offering in response to member needs by reducing the price of our unlimited data tariff offering from £35 to £25. We maintained our no mid-contract price rise commitment, unlike many of our competitors. We provide certainty on price throughout the full length of a contract, and also give the flexibility for members to move up and down our tariff range every month to meet their needs.

Strategic Report (continued)**Our Strategy (continued)**

- **Our members and community**

Our members have always played a pivotal role in helping us deliver better mobile. We have continued to reward our members for their contribution to making giffgaff what it is today through our Payback scheme. In the reporting period we paid back over £1 million to our members through this scheme (or they opted to donate their reward to charity). Since inception, we have paid our members over £21 million through the Payback scheme. A great example of mutual benefit, the giffgaff way.

In addition to our vibrant member community, we have further strengthened our member insight capabilities through the growth of our Pioneers Insight platform. Over 1,000 members regularly participated in surveys, discussions and workshops during 2024, helping us stay close to their ideas, concerns and interests and to continue shaping our product and service offerings to meet their needs.

- **Our employees**

We believe engagement drives performance, which is why we measure it using Gallup's Q12 survey methodology. In 2024, our employee engagement score was 4.14 out of 5, up slightly from 4.10 in 2023. While this increase is modest, giffgaff continues to evolve, growing in size, becoming more diverse, and adapting to a flexible hybrid working model. Our Q12 engaged employee ratio improved significantly, rising to 10.40 (2023: 7.43) engaged employee to every 1 disengaged employee in 2024. We continue to work closely with Gallup on engagement and we have also introduced an employee listening strategy, providing more touchpoints to track and enhance engagement in a constantly evolving environment.

- **Our technology**

Technology remains central to our digital-first approach, with substantial in-house capability driving both operational efficiency and enhanced member experiences. 2024 marked a key strategic evolution as we began transitioning towards an event-driven architecture and fully adopting a Product Operating Model. These initiatives significantly enhance our data capabilities and operational agility, enabling more granular insights and faster, data-informed decisions. Key progress during the year included establishing the technical foundations for our new Broadband product, continuing the re-architecture of our core systems for greater flexibility and improved member journeys, and upholding rigorous security standards, evidenced by our maintained ISO27001 certification.

Our Responsible Business approach:***People***

Progressive policies and practices for internal employees include:

- Flexible working arrangements, which include hybrid working, job sharing initiatives, a working abroad policy and choosing your own bank holidays.
- Family leave policy that grants 39 weeks of paid maternity leave, 14 weeks of paid leave for paternity and adoption and up to 12 weeks for neonatal leave.
- Continuous training and development initiatives including reverse mentoring, boss to coach training, equity sequencing and professional qualifications policy.
- In 2024, we introduced sustainable travel policies, supporting our people to select low-carbon travel options, including salary sacrifice Cycle2Work and Electric Vehicle schemes.

Strategic Report (continued)**Our Responsible Business approach: (continued)*****People (continued)***

- Employees can take up to five days' paid volunteering leave every year, encouraging them to give back and connect with worthy causes. In 2024, our people delivered over 700 hours of volunteering - supporting a range of good causes including digital inclusion, conservation and early careers coaching.

Helping our members and other external stakeholders in the following ways:

- We have continued to grow our Pay Monthly contract offering, and have kept our promise to fix prices, with no mid-contract price rises. We give members flexibility to change their plans at any time and notify them when they could be on a better or cheaper tariff.
- Following a successful short-term campaign with The Big Issue, we announced a multi-year strategic partnership with them to tackle digital and financial exclusion. Our partnership will distribute refurbished giffgaff handsets and digital skills training to 900 Big Issue vendors across the UK, helping to improve their earnings potential and connecting them to essential services and support. The partnership will also support Big Issue Recruit, donating a further 400 refurbished handsets and digital skills training to support job seekers, helping them to overcome barriers to employment.
- We collaborated with WeAreHere and Ark Academies to host a marketing career insights event for young people from underserved communities in West London. The event was designed to help young people learn about the diversity of careers within Marketing and give them hands-on experience of engaging with and responding to creative briefs. The event was covered in Marketing Week.

Planet

We continued to have a positive impact on our planet, through the following initiatives:

- Secured validation of our near-term and net zero emissions reduction targets from the Science Based Targets initiative (SBTi). We are committed to achieving net zero GHG emissions across the value chain by 2040.
- As part of our ongoing commitment to circularity, 67% of all handsets sold by giffgaff in 2024 were refurbished.
- We continued our e-SIM roll out, connecting more of our customers via e-SIM and supporting our broader decarbonisation efforts.
- giffgaff and its media partner MG OMD continued to drive engagement with the Up to Good Collective Fund, inviting media partners to contribute a percentage of their media spend or value from their advertising campaigns to support UK-based nature recovery and climate projects. In 2024, the Up to Good Fund secured £0.1 million to support climate and nature, working in partnership with Ecologi to invest in projects focused on reforestation, habitat restoration, and carbon removal initiatives. The Fund forms a key pillar of giffgaff's Responsible Marketing Manifesto.
- We partnered with Pearl & Dean to launch the Wild Spaces campaign, enabling cinema-goers to play their part in supporting the restoration of the UK National Parks.

Governance

- We further developed our cross-business B Corp improvement plan and appointed key workstream leads to ensure giffgaff maintains momentum and aligns with B Lab's expectations around continuous improvement.
- We have an Up to Good Board, which invites colleagues across our business to collaborate and contribute to giffgaff being a force for good.

giffgaff Limited

Registered Number: 4196996

Strategic Report (continued)**Our Responsible Business approach: (continued)****Governance (continued)**

- We published our 2023 impact report in line with our commitment to report on our social and environmental impact to all stakeholders.
- We commenced work on a new ESG plan to focus on Environment & Climate Change, Circularity, Digital & Financial Inclusion and Belonging.

Our recent awards

During 2024, giffgaff was delighted to receive several awards which reflect our commitment to value for money, customer satisfaction and sustainability. These included:

- Which? Recommended Provider 2024.
- USwitch Awards - Winner of best PAYG Network 2024, Highly commended in the Network of the year, Best Network for Data and Best SIM only value for money.
- Ad Net Zero Awards - Winner of Best Practice in Sustainable Advertising and Best Practice in Telecoms at the Campaign Ad Net Zero Awards
- Winner of Best Partnership with Purpose Award at the ALF Awards and Best Publisher-led Social Good Initiative or Campaign at the AOP Awards, for the Big Issue & giffgaff social impact partnership.

Our employees

Our people are our most valuable asset and their enthusiasm and commitment to giffgaff is what makes it possible for us to live up to our purpose. All our people are employed by TUK and as such we benefit from their support, including operating the same employee related policies and procedures. These policies and procedures are communicated to employees via Workplace (the Company's intranet) and all giffgaff employees have access to the policies through the VMED O2 intranet. Further details of the people engagement and relations can be found in the VMED O2 UK Limited consolidated Annual Report 2024, published on the website, <https://news.virginmediao2.co.uk/corporate-statements/>.

We are committed to improving our gender and ethnicity balance and ensuring that disabled employees can thrive at work. Our Diversity, Equity and Inclusion (DE&I) strategy includes some ambitious goals to be achieved by the end of 2027. These goals include, but are not limited to; an equal gender split across senior staff, to achieve 20% global majority across our overall employee population and to create an inclusive environment through training.

Diversity and inclusion, fair treatment of our people and high engagement within the working environment are especially important to us; 35.9% of our people are female, and 34.2% of our people are from a global majority background.

Our policies and line manager guidance ensures fair treatment of people with disabilities in relation to their recruitment, training and development and reasonable adjustments and considerations in relation to disabilities.

We have no tolerance for bribery and corruption. We don't offer or receive gifts, hospitality or other incentives which might influence a business decision. We are committed to acting professionally, fairly and with integrity and do not tolerate any form of bribery or corruption. Our anti-bribery and corruption approach is summarised in our Code of Conduct, which is essential for everyone working either for or on our behalf. As a wholly-owned subsidiary of VMED O2, a significant proportion of our policies and processes are cascaded from those of our parent entity.

Strategic Report (continued)**Our suppliers**

Being part of the VMED O2 Group affords benefits such as scale efficiencies in procurement and access to products and services. We benefit from the scale of the supplier base of our parent company but have also developed strong supplier relationships in the Small and Medium sized Entity (SME) environment and remain committed to sustainable procurement and supplier management throughout the value chain.

We aim to establish open, trusted and transparent relationships with our business partners and suppliers. We expect our suppliers to maintain the highest ethical and environmental standards, in accordance with our Code of Conduct which we have updated to reflect the latest best practice.

To ensure ethical sourcing we operate a range of supplier policies designed to:

- Uphold our business values within our supply chains.
- Ensure the health and safety of workers in our supply chains.
- Ensure the quality of products and services we buy.
- Protect the privacy of our customers and ensure data security.

These policies can be found here: <https://news.virginmediao2.co.uk/suppliers/>

Our standard payment terms range from 30 days to 180 days, determined by category of spend. For example, 180-day payment terms are standard for capital expenditure associated with platform development and other long term asset improvement costs; but where a supplier is deemed to be a UK registered SME, 30-day payment terms are available upon request.

We take a zero-tolerance approach to modern slavery and human trafficking in our operations and supply chains. Following government guidelines, we identify 'at risk' areas of our supply chain and engage with those suppliers to assess how they manage Modern slavery risk. This happens as part of our general management of human rights in the supply chain. A full explanation of our approach to managing Modern slavery risks can be found in our Modern Slavery Statement published annually on the giffgaff website, www.giffgaff.com.

Key Performance Indicators (KPI)

At the end of 2024, the key operating performance highlights of the Company are:

Revenue	giffgaff achieved revenue growth of 5% for the year ended 31 December 2024. Our revenue for the year was £605,864,000 (2023: £574,955,000).
Member numbers	For the core mobile business, these are members who are active during a period of one month. Members are treated as being active if they have used the network (at least five times) or have made a purchase (top-up) in the preceding one month. We added 100,274 (2023: 74,379) net members to the mobile business during the year ended 31 December 2024, taking the base to 4,118,333 members (2023: 4,018,059 closing base).
Net promoter score (NPS)	Net promoter score (NPS) relates to how likely members are to recommend giffgaff. The average NPS for 2024 was 51.2 (2023: 53.8). Whilst there has been a slight reduction in NPS, giffgaff continues to be one of the leading Mobile Network Operators in respect of overall customer satisfaction in 2024.

The Company's profit for the year ended 31 December 2024 was £64,096,000 (2023: £57,635,000). The increase in profit for the year is mainly due to an increase in revenue and finance income.

The net assets of the Company as at 31 December 2024 were £342,408,000 compared to £278,312,000 at 31 December 2023, the movement of which is due to £64,096,000 of profit for the year.

giffgaff Limited

Registered Number: 4196996

Strategic Report (continued)**Principal risks and uncertainties**

giffgaff has a risk management process that enables identification, analysis and reporting of risks relevant to the business. Mitigations are defined and implemented to bring the risk exposure in line with the business appetite for risk. The risk register is reviewed by the giffgaff Leadership Team and by giffgaff's ultimate shareholder, VMED O2, on a quarterly basis. giffgaff's Business Assurance function has access to risk management professionals internally as well as at VMED O2.

We follow a risk management model which helps us prioritise our risks and develop initiatives to combat them. This framework is aligned with best practice in Internal Control (COSO II Report and ISO31000: 2018 Principles and Guidelines for Risk Management) and supported by VMED O2 risk and assurance experts.

The framework is designed to identify, analyse, manage, monitor, and respond to significant risks and opportunities that could have an impact on our future success. The framework enables the management team to assign the most effective resources to respond quickly, whilst also encouraging the risk management process to be both Enterprise wide and cyclical in nature so that we are constantly drawing on experience and data to feed our identification process.

Our most significant financial risks are arising from financial instruments which include interest rate, credit risk and liquidity rate. Management of the Company's financial risks is achieved mostly through being part of the larger VMED O2, which operates group wide policies in each area and can hedge positions on a group basis.

Significant risks are summarised below:

Risk	Why is this important?	How we manage it	Trend
Legal, Regulatory and Compliance	At giffgaff our members are at the heart of everything we do. Ensuring compliance with the regulations and laws that govern the markets we operate in, helps us continue to deliver positive member outcomes.	<p>Dedicated teams monitor the requirements that are applicable to us.</p> <p>Advisory specialists to mitigate risks in the most effective way possible.</p> <p>Any changes to regulation are communicated and acted upon to ensure ongoing compliance.</p> <p>The use of regular risk reviews, compliance monitoring and internal audit activities reinforce our operations.</p> <p>To ensure compliance with our legal and regulatory obligations giffgaff requires employees to undertake regular training.</p>	<p>Stable</p> <p>No material changes in regulatory position.</p>
Security & Privacy	Any breach of a system that prevents giffgaff from offering our agreed service to our members, or that prevents the business conducting its general business which results in a loss of revenue.	<p>Technological solutions exist which reduce the likelihood and impact of breaches occurring.</p> <p>giffgaff maintains and continually develops a suite of controls which identify potential issues and patches them.</p>	<p>Stable</p> <p>giffgaff takes a proactive stance to the monitoring of security and privacy risks in line with the current threat landscape.</p> <p>We continue to do this to protect our data assets.</p>

giffgaff Limited

Registered Number: 4196996

Strategic Report (continued)**Principal risks and uncertainties (continued)**

Risk	Why is this important?	How we manage it	Trend
Supply Chain	<p>giffgaff relies on several partners for certain aspects of our operations.</p> <p>As such, giffgaff considers the capability of these outsourced partners to deliver the services agreed in their contracts as a risk.</p>	<p>Partners are contractually obliged to adhere to the Terms and Conditions of the contract, including deliverables and service level agreements (SLAs).</p> <p>We conduct a robust due diligence process as defined in our Procurement Policy during onboarding, and period ongoing checks therein.</p> <p>We regularly engage with our suppliers through a relationship management framework.</p>	<p>Stable</p> <p>Economic and geopolitical disruption has stabilised however the risk remains present.</p>
Market Dynamics	<p>The risk of market competition removing giffgaff's differentiators leading to a mass loss of members & lack of new members.</p> <p>giffgaff places great importance on its brand equity and the integrity of the business.</p>	<p>Adapt and expand current offerings in the context of the current economic climate.</p> <p>Invest in giffgaff's key differentiators and forensically maximise the advantages of each.</p> <p>We remain close to the giffgaff community ensuring our members' evolving needs are heard and represented through the business.</p> <p>giffgaff's Senior Leadership and Marketing Team monitor a set of agreed metrics on a frequent and ongoing basis to ensure that we continue to outperform the market.</p>	<p>Stable</p> <p>Continued competition in the MVNO market and difficulties in the economic climate remain.</p>
People	<p>giffgaff has a strategy to attract, develop & retain a diverse talented team.</p> <p>This provides the required foundation to meet the organisations objectives, whilst also providing an Employee Value Proposition (EVP) which makes giffgaff a desirable organisation to work for.</p>	<p>The risks associated with attracting and retaining talent as the Company continues its' growth plans are primarily controlled via our strong EVP, our People team who run annual engagement surveys and our work with expert organisations who seek talent with the skillsets desired by giffgaff.</p>	<p>Stable</p> <p>Despite operating in a competitive and difficult market, giffgaff have continued to recruit and retain an engaged workforce.</p>

Strategic Report (continued)**Principal risks and uncertainties (continued)**

Risk	Why is this important?	How we manage it	Trend
Financial	<p>Planning for and managing adverse movements in financial variables, so that we continue to meet our financial commitments.</p> <p>We consider;</p> <ul style="list-style-type: none"> a. The economic environment and financial market conditions regarding interest rates, inflation, foreign exchange rates and taxes. b. Asset impairment. c. Counterparty risk. d. Changes in and compliance with accounting standards. e. Our cash generation and liquidity. f. Creating sustainable value for stakeholders. g. Fair value estimation of cash and cash equivalents. 	<p>The Company's principal credit risks are attributable to its' cash and cash equivalents and amounts due from group companies. The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.</p> <p>The Company's liquidity risk is managed through being a part of the larger VMED O2 Group. The VMED O2 Group's management of financial risks are disclosed in the VMED O2 UK Limited consolidated Annual Report for the year ended 31 December 2024, published on the website, https://news.virginmediao2.co.uk/corporate-statements/.</p> <p>The Company's interest rate risk arises primarily from the interest received on cash and cash equivalents and on the loan issued to the immediate parent Company, TUK.</p> <p>The Company's objectives when managing capital are to safeguard the Company's ability to continue to operate as a going concern, to maintain optimal capital structure commensurate with risk and return and to reduce the cost of capital.</p> <p>The Company's fair value of the cash and cash equivalents and amounts due from group companies is equal to the book carrying value due to the short-term or on demand maturity of these instruments.</p>	<p>Stable</p> <p>Key financial considerations remain, but stable position year-on-year.</p>

Regulators and government

Our three main Regulators are the Office of Communications (Ofcom), the Information Commissioner's Office (ICO) and the Financial Conduct Authority (FCA). We engage with all these regulators to foster a constructive relationship and support our business strategy.

We respond to formal requests for information and otherwise engage with Ofcom both directly through consultations and in correspondence to assist them in the development of the UK's mobile strategy.

giffgaff Limited

Registered Number: 4196996

Strategic Report (continued)**Regulators and government (continued)**

The ICO is the UK's independent body set up to uphold information rights through regulation and enforcement of legislation. We monitor relevant regulatory developments and take appropriate measures accordingly. We engage constructively with the ICO in relation to any enquiries we may receive from the regulator under relevant data protection law.

giffgaff is authorised by the FCA to act as a credit broker. We are committed to treating customers fairly and giving due regard to the FCA's objectives of protecting consumers, ensuring market integrity, and promoting effective competition.

Non-Financial and Sustainability Information statement

Further details of our Non-Financial and Sustainability Information, including climate related financial disclosures are disclosed at group level in VMED O2 UK Limited consolidated Annual Report for the year ended 31 December 2024, published on the website, <https://news.virginmediao2.co.uk/corporate-statements/>.

Task Force on Climate-Related Disclosures (TCFD)

Details of 'Task Force on Climate-Related Disclosures (TCFD)' during the financial year ended 31 December 2024 are included in the 2024 Consolidated Annual Report of VMED O2 UK Limited published on the website <https://news.virginmediao2.co.uk/>.

giffgaff Limited

Registered Number: 4196996

Strategic Report (continued)**giffgaff Limited– Section 172(1) Statement**

We understand the importance of regular constructive two-way discussions with our stakeholders on how we create value and the delivery of our strategy and success. This is balanced against the needs of the business as we face industry-wide and macroeconomic challenges.

This statement explains how the Board has acted in good faith in the interest of the shareholders, whilst having regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006. This includes our obligation to have regard to the long-term sustainability when taking principal decisions of strategic importance which are significant to any of our key stakeholders.

Introduction

In discharging our responsibilities, a governance framework has been put in place which includes procedures to support the assessment of those matters necessary for us to make informed decisions in our delivery of the long-term success and sustainability of the Company and the Group.

The Directors of the Company (which consists of the giffgaff CEO and members of the VMED O2 Senior Leadership Team) are supported by the Company's Leadership Team in discharging the statutory duties in the best interest of the Company and VMED O2. For administrative efficiencies, key stakeholder engagements are conducted at group level led by members of the VMED O2 Executive Management Team as Executive Sponsors (Executives). We find that this is the most efficient and effective approach and helps us achieve a greater positive impact on environmental, social and other issues that are relevant to our business. With the support of VMED O2, giffgaff has continued to balance profit, planet and people with our B Corp certification in mind. Certified B Corporations are companies verified by B Lab (a non-profit organisation) to meet high standards of social and environmental performance, transparency and accountability.

Some examples of how we considered matters of concern to our key stakeholders including the outcomes are detailed below:

Members

Our member base comprises of consumers. Member satisfaction is essential to our long-term success and putting our members first is, and will always be, a foundational strategic priority for the Company. The business remains increasingly focused on meeting and exceeding members needs as the household economic outlook continues to prove challenging.

Topic	How we engage and monitor	Outcomes
Providing high quality and reliable connectivity including product expansion.	How we engage: <ul style="list-style-type: none"> • giffgaff works with its members to source ideas and feedback and provide frontline service support through its community. • Pioneers insight platform which included member surveys, discussions and workshops. 	In 2024 we completed the IMS migration which enables VoLTE (Voice over LTE) and Wi-Fi calling allowing members to benefit from improved call quality.
Ensuring that our members are well served in every interaction with us.		We built the technical and operational foundations for our new strategic product, broadband and launched initial member trials.
Building a connection with members to make them feel valued through member schemes.	How we monitor: <ul style="list-style-type: none"> • Member insight from NPS • Member insight from giffgaff community forums and social media. • Insight gathered from research, surveys, panels and workshops for members 	We maintained our no mid-contract price rises and flexibility to move up and down our tariff range monthly.
Continued macroeconomic challenges for consumers and businesses		We paid back over £1 million to our members through payback schemes.
		Awarded winner of best PAYG Network 2024 by USwitch.

Strategic Report (continued)

Suppliers

We rely on several partners for many aspects of our operations, in particular the provision of products and services to our members. The Directors and Leadership Team recognise that effective management of suppliers is important to the business reputation and long-term success of the Company. The Company leverages off the procurement processes of our ultimate parent, VMED O2.

Topic	How we engage and monitor	Outcomes
<p>Supply continuity and protecting service quality against a volatile geopolitical background.</p> <p>Working with our partners and the sector to tackle climate change.</p> <p>Strengthening, clarifying, and consolidating our supply chain standards and expectations of suppliers.</p>	<p>How we engage:</p> <ul style="list-style-type: none"> • We continue to ensure our suppliers adhere to VMED O2 Supplier Code of Conduct that is used by all entities in the group. • We maintain a dialogue with selected suppliers and our external procurement service providers to understand any potential exposure and impacts to our supply chains of external challenges, working in partnership to communicate on such issues as necessary. • To help meet our net zero carbon target we have integrated requirements into our procurement process to reduce the impact of the goods and services we procure. These requirements are designed to make supplier decarbonisation and climate protection an outcome of our engagement with major suppliers and to align suppliers to our declared ESG goals. We have identified the contributions made by individual suppliers to our carbon footprint and engaged with the most significant suppliers to seek to reduce their carbon impacts. • We continued assessing our 2024 supply chain emissions and we are continuing to engage our suppliers on emission reduction. <p>How we monitor:</p> <ul style="list-style-type: none"> • Operational Processes and Supply Chain is one of our principal risks on our risk register, and forms part of quarterly reporting to our Leadership Team • We continue to practice risk-based supply chain sustainability due diligence working independently, with our ultimate parents and with sector initiatives to ensure compliance with our standards and to develop sustainability in our supply chains. 	<p>Despite the volatile geopolitical background, our supply chains have proven to be resilient, and we have successfully maintained supply and customer service quality. Key to this success is willingness to work proactively with suppliers to address any issues that may impact quality or their ability to deliver as planned.</p> <p>We worked with leading sustainability resources within the sector to target and engage suppliers that make the greatest contribution to our carbon footprint, establishing emission baselines, and solution level emission reduction plans with them. Where possible we have ensured the reduction plans are underpinned by solution life cycle assessments.</p> <p>We identified no significant sustainability concerns in our supply chains in 2024.</p> <p>Management of our supply chain enabled progress in our journey to net zero emissions across our value chain.</p>

Strategic Report (continued)

People

Our people are core to the continuing success of our business and the wellbeing of our people is important to us.

Topic	How we engage and monitor	Outcomes
Employee retention and commitment. Diversity, Equity and Inclusion (DE&I). Wellbeing, health and safety	How we engage: <ul style="list-style-type: none"> • DE&I cultural calendar and updates in the Company's weekly meeting. • Workplace, an interactive social platform enabling two-way communication. How we monitor: <ul style="list-style-type: none"> • Annual Gallup Q12 engagement survey to understand the views and perceptions of employees. • Annual employee performance reviews. 	<p>Continued to increase awareness of the Company's DE&I strategy.</p> <p>Our Q12 employee engagement score increased to 4:14 out of 5 and we saw an improvement on our engaged employee ratio rising to 10.40 (2023: 7.43) engaged employee to every 1 disengaged employee.</p> <p>2024 annual salary review was a flat rate increase across all eligible employees. Furthermore, we continued to reward employees based on both company and personal performance metrics.</p> <p>In collaboration with VMED O2 we launched new policies to reinforce our zero-tolerance stance on discrimination, bullying and harassment.</p>

Regulators

Our regulators direct how we deliver on our business strategy and provide services to our members at affordable prices in a competitive market whilst considering the wider economic challenges impacting businesses and members.

Topic	How we engage and monitor	Outcomes
Monitor relevant regulatory developments and take appropriate measures.	How we engage: <ul style="list-style-type: none"> • We respond and engage with Ofcom both directly through consultations and in correspondence to assist them in the development of the UK's mobile strategy. • We engage constructively with the ICO in relation to any enquiries we may receive from the regulator under relevant data protection law. • We respond and engage constructively with the FCA in relation to any enquiries arising from our routine returns or any other relevant matter. How we monitor: <ul style="list-style-type: none"> • Dedicated teams monitor the requirements that are applicable to us. Any changes to regulation are communicated and acted upon to ensure ongoing compliance. • The use of regular risk reviews, compliance monitoring and internal audit activities reinforce our operations. 	<p>Ongoing engagement and discussions with Ofcom on a range of issues affecting the mobile industry.</p>

giffgaff Limited

Registered Number: 4196996

Strategic Report (continued)***Other measures taken***

Regular updates are provided by the Company to the VMED O2 Board and the Executive Management Team (including the Directors of the Company) to help them understand the interests and views of VMED O2's key stakeholders and other relevant factors, which ensures that the Directors and Leadership team can take them into account when making decisions and can comply with their section 172 duty to promote the success of the Company.

At the beginning of 2024, the Leadership Team considered and set Company objectives, with associated key results (that would indicate the fulfilment of an objective) ("OKRs"). These covered: (i) hitting in year financial and member growth targets; (ii) member experience by extending the giffgaff product portfolio and offerings; (iii) maintaining regulatory compliance; and (iv) increasing future platform technology capability to enhance service for members and were therefore closely aligned with the Section 172 duties. The Company OKRs were shared with all giffgaff people and constantly reviewed by the Company's Leadership Team throughout the year, who shared companywide progress updates monthly.

To further ensure compliance with their Section 172 duties (and appropriate governance more generally) the Directors and the Leadership Team follow an electronic contract approval mechanism. This requires all commercial arrangements to be explicitly approved by the Leadership Team, with the Section 172 requirements explicitly flagged during the approval process to the relevant Director or Leadership Team member (who by giving their approval, indicate that they are acting in accordance with the duties).

Additionally, bi-monthly Assurance Forum meetings and quarterly Risk Forum meetings are held with the Leadership Team to provide oversight of key risks and issues relating to the long-term success of the Company. This provides the Chief Executive Officer and his Leadership Team the clear facts to allow them to fulfil their Section 172 duties and take strategic decisions with full knowledge of the business health and risks. During the year the Company has also continued to enhance its risk management framework, giving clearer and more comprehensive risk management insight to the Leadership Team and to the Company's shareholder.

Conclusion

All the above measures ensured that Section 172 duties have been met and that strategic decisions happened with full oversight of the Directors and the Leadership Team, enabling the Company and its people to remain true to the Company's purpose.

The Strategic Report was approved by the Board on 26 June 2025.

By Order of the Board



Vivienne Aziba
for and on behalf of VMED O2 Secretaries Limited
Company Secretary

Energy and Carbon Report

We are pleased to report on our Energy and Carbon Report for the financial year ending 31 December 2024.

The scope of the report includes our office and business travel. The calculation approach is based on invoicing. Emissions factors have been taken from the Department of Business, Energy and Industrial Strategy (BEIS) 2024 Conversion Factors.

Emissions	2024 (tCO ₂ e)	2023 (tCO ₂ e)
Scope 1 - Direct emissions from activities owned or controlled by the Company.		
This is low impact and fuel used is primarily for Company lease vehicles.		
Static combustion – Gas for heating	29.8	31.8 ¹
Mobile combustion – Fleet fuel	-	-
Total	29.8	31.8¹
Scope 2 - Indirect emissions into the atmosphere associated with purchased electricity, heat, steam and cooling		
Electricity Consumed at our office		
Total Electricity Consumption (Location based)	20.1	21.0
Renewable Energy Purchase	20.1	21.0
Scope 3 a consequence of an indirect source (e.g. business travel by vehicles not owned by the Company)		
Business travel (business mileage).		
Air Travel	9.0	3.0
Land travel	23.0	10.0
Total	32.0	13.0
Methodology for scope data	GHG Protocol	GHG Protocol
Intensity Ratio using the UK Gov BEIS emissions factors Kg carbon dioxide equivalent per £m revenue (scope 1 and 2)	49.2 kgCO ₂ e/£m revenue	55.3 kgCO ₂ e/£m revenue ¹
Carbon offsets (tCO₂e)	Zero	Zero

¹ Restated due to incorrect recording of measurement units for office gas consumption.

We purchased 97,072 kWh (2023: 97,089 kWh) of electricity for consumption (renewable) in our own or controlled sources. The renewable energy has a zero-emission factor using the market approach.

Our energy supplier is Total Gas and Power and is a Green 3-year flex tariff with 100% certified renewable electricity.

During 2024, we continued to recycle office waste where possible. Reusable coffee cups are offered to all members of staff and strongly encouraged, and food waste is recycled or donated to the food bank.

giffgaff Limited

Registered Number: 4196996

Directors' report

The Directors of the Company present their report for the Company, which has been prepared in accordance with the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008.

In accordance with Section 414C (11) of the Companies Act 2006 the Directors have chosen to set out in the Strategic Report certain information which fulfils the requirement of the Directors' Report.

Directors and secretary

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

A Schofield
M D Hardman

The Secretary who held office during the year was VMED O2 Secretaries Limited.

Directors' liability insurance and indemnity

In accordance with the Company's articles of association the Directors shall be indemnified out of the Company's assets to the extent permissible by UK Company Law. This indemnity was in force during the financial year and at the date of approval of the financial statements.

Corporate Governance

The giffgaff Board, which was comprised of the Chief Executive Officer of giffgaff and the Finance Director - Finance Operations of VMED O2, are responsible for the overall conduct of the business and its long-term success.

The Board is assisted in its function by the Executive Committee (comprising of giffgaff's Chief Executive Officer and Chief Financial Officer). Aiding the Executive Committee is the giffgaff Leadership Team consisting of the Chief Marketing Officer, Chief Product & Commerce Officer, Chief Operating and Technical Officer, General Counsel and People Director. Priorities for the Leadership Team include maintaining our growth performance, ensuring our product offering remains relevant to our members and growing the business responsibly in an evolving regulatory environment.

As part of the wider Group governance framework the Chief Executive Officer of giffgaff is accountable to the Executive Management Team of VMED O2.

Stakeholder Statement

Details of how we have fostered business relationships with key stakeholders and the effect on principal decisions can be found in Section 172(1) Statement on pages 11 to 14.

giffgaff Limited

Registered Number: 4196996

Directors' report (continued)**UK employee engagement statement**

The Company does not have any employees in its own right; the Company's employees are employed by Telefonica UK Limited which operates solely in the UK and employees are based in the UK except for a handful which are seconded to other Group companies from time to time. As part of the Group governance framework the Board has delegated its duties in respect of the employees to the VMED O2 Executive Management Team.

The Company is committed to employment policies that follow good practice based on equal opportunities for all, and recognise diversity, including fair treatment of people with disabilities in relation to their recruitment, training, and development. The Company supports the health and wellbeing of its employees and, specifically, is committed to making improvements to the issue of mental health in the workplace as well as providing a range of occupational health and support services to employees.

These policies contain guidance for line managers and employees including recruitment processes and additional arrangements which can be made as required due to any disability.

Further disclosure in relation to the employees can be found on pages 5 of the Strategic Report.

Results and Dividends

The Company's profit for the period, after tax amounted to £64,096,000 (2023: £57,635,000). The Company did not pay a dividend for the year ended 31 December 2024 (2023: £nil).

Financial risk management objectives, policies and exposure

Details of the Company's approach to financial and business risk management are set out in the Strategic Report.

Important events since the end of the financial year

In April 2025 we publicly announced our broadband product, kicking off with a trialist recruitment campaign. The ambition is to build better broadband together with our members and the wider public, so we set a target of recruiting 500 product trialists. We supported our announcement with consumer research and a joining bonus for our eligible trialists. Trialist feedback will help guide the broadband products we launch to the public later in 2025.

Capital structure and rights attached to shares

The details of the Company's capital structure including the rights attached to shares are detailed in note 20 of the financial statements.

giffgaff Limited

Registered Number: 4196996

Directors' report (continued)**Going concern**

The financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the reasons below.

The Company prepares detailed annual budgets and forecasts as part of its own planning processes, which show continued strong financial performance. In these forecasts the Company does not anticipate that an unexpected fall in volumes and/or prices will result in sustained losses that have a material impact on its' ability to continue in operation. In the current financial period, the Company had net assets of £342,408,000 (2023: £278,312,000) and made a profit of £64,096,000 (2023: £57,635,000). The financial position of the Company is described on page 6 of the strategic report. In addition, the principal risks and uncertainties section of the financial statements on pages 8 to 10 includes the Company's objectives, policies, and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk, liquidity risk and interest rate risk. The Directors believe that the Company is well placed to manage its financing and business risks successfully.

In addition, the Company is operationally and financially integrated with the wider VMED O2 Group, so for the purposes of making this going concern assessment the Directors have made suitable enquiries and obtained the necessary assurances, including a letter of support from VMED O2 UK Limited, that sufficient resources would be made available to the Company if required to meet any liabilities as they fall due. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Forecasts and projections which consider reasonably possible downsides in trading performance, have been prepared for the VMED O2 Group as a whole and these showed that cash on hand, together with cash from operations and the revolving credit facility, are expected to be sufficient for the group and hence the Company's cash requirements through to at least 12 months from the approval of these financial statements.

When taking into account its own financial position, the VMED O2 Group forecasts and projections and after making enquiries, the Directors have a reasonable expectation that the Company has adequate support and resources to continue in operational existence for the foreseeable future. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

Political donations

The Company made no political donation during the year ended 31 December 2024 (2023: £nil).

Research and Development

Details of our Research and Development during the year ended 31 December 2024 are included in VMED O2 UK Limited Consolidated Annual Report and Financial Statements for the year end 31 December 2024 published on the website <https://news.virginmediao2.co.uk/>.

Statement as to disclosure to auditors

So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

giffgaff Limited

Registered Number: 4196996

Directors' report
Auditor

KPMG LLP will be reappointed under section 487(2) of the Companies Act 2006.

The Directors' report was approved by the Board on 26 June 2025.

By Order of the Board



Vivienne Aziba
for and on behalf of VMED O2 Secretaries Limited
Company Secretary

giffgaff Limited

Registered Number: 4196996

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Under Company law, 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 of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmation

In the case of each director in office at the date the directors' report is approved:

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

The Statement of Directors' responsibilities was approved by the Board on 26 June 2025.

By Order of the Board



Vivienne Aziba
for and on behalf of VMED O2 Secretaries Limited
Company Secretary

Independent Auditor's report to the members of giffgaff Limited

Opinion

We have audited the financial statements of giffgaff Limited ("the Company") for the year ended 31 December 2024 which comprise the Statement of Comprehensive income, the Balance sheet, the Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

Independent Auditor's report to the members of giffgaff Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management, directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the straight forward recognition of revenue and the low value nature of the individual revenue transaction.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries with unexpected credits to Revenue, unexpected postings to Cash, unexpected posters of journals, postings containing key words and post close journal entries posted by Management.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and others management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: data protection laws reflecting the growing amount of personal data held and competition and markets regulation, anti-bribery, employment law, recognizing the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's report to the members of giffgaff Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 18, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's report to the members of giffgaff Limited (continued)

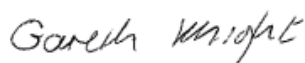
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Gareth Knight (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
United Kingdom
E14 5GL

30 June 2025

giffgaff Limited

Registered Number: 4196996

**Profit and Loss Account
For the year ended 31 December 2024**

	Note	2024 £000	2023 £000
Revenue	3	605,864	574,955
Cost of sales		(480,196)	(458,971)
Gross profit		125,668	115,984
Administrative expenses		(94,913)	(87,559)
Operating profit		30,755	28,425
Financial income	8	32,850	29,814
Financial costs	9	(98)	(114)
Profit before taxation	4	63,507	58,125
Taxation credit / (charge)	10	589	(490)
Profit for the year		64,096	57,635
Total comprehensive income for the year		64,096	57,635

The accompanying notes on pages 28 to 42 are an integral part of these financial statements.

All results were derived from continuing operations.

giffgaff Limited

Registered Number: 4196996

**Balance Sheet
As at 31 December 2024**

	Note	2024 £000	2023 £000
Fixed assets			
Property, plant and equipment	11	8,850	10,236
Intangible assets	13	21,033	17,221
Right-of-use assets	12	3,023	3,628
		32,906	31,085
Current assets			
Inventories	14	5,572	7,914
Trade and other receivables	15	538,922	512,231
Cash and cash equivalents		596	762
		545,090	520,907
Creditors: amounts falling due within one year	16	(230,445)	(267,112)
Net current assets		314,645	253,795
Total assets less current liabilities		347,551	284,880
Creditors: amounts falling due after more than a year	17	(3,900)	(5,170)
Provision for liabilities	19	(1,243)	(1,398)
		(5,143)	(6,568)
Net assets		342,408	278,312
Equity			
Share capital	20	-	-
Retained earnings		342,408	278,312
Total Equity		342,408	278,312

The accompanying notes on pages 28 to 42 are an integral part of these financial statements.

The financial statements on pages 25 to 42 were approved and authorised for issue by the Board of Directors on 26 June 2025 and were signed on its behalf by:



Ashley Schofield
Director

giffgaff Limited

Registered Number: 4196996

**Statement of changes in equity
For the year ended 31 December 2024**

	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2023	-	220,677	220,677
Profit and total comprehensive income for the year	-	57,635	57,635
At 31 December 2023	-	278,312	278,312
Profit and total comprehensive income for the year	-	64,096	64,096
At 31 December 2024	-	342,408	342,408

The accompanying notes on pages 28 to 42 are an integral part of these financial statements.

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements**1. Accounting policies****General information**

The principal activity of giffgaff Limited (the "Company") is that of a mobile virtual network operator running on the VMED O2 network, providing telecommunication services to the consumer mobile segment. The Company is incorporated in England and Wales and is domiciled in the United Kingdom. giffgaff Limited is a private Company limited by shares registered in England and Wales under the number 4196996. The registered address is 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

Basis of preparation

A summary of the principal accounting policies is set out below. All accounting policies have been applied consistently, unless noted below.

These financial statements have been prepared on a going concern basis and under the historical cost basis in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirement of International Accounting Standards in conformity with the requirements of the Company Act 2006 and has set out below where advantage of the FRS 101 disclosures exemptions has been taken.

The Company's ultimate parent undertaking, VMED O2 UK Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of VMED O2 UK Limited are prepared in accordance with the UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliation for share capital, property, plant and equipment and intangible assets;
- Disclosure in respect of related party transactions with fellow Group undertakings;
- Disclosure in respect of capital management;
- The effects of new but not yet effective IFRSs.
- Certain disclosures required under IFRS 15 Revenue from Contracts with Customers, including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations

As the consolidated financial statements of VMED O2 UK Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in the respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures requirement by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company's financial statements are presented in Pound Sterling ('GBP') and all values are rounded to the nearest thousand GBP (£000) except where otherwise indicated.

Going concern

The Directors believe that the Company is well placed to manage its business risk successfully and have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further details of our going concern statement can be found in the directors' report on pages 16 to 19.

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements (continued)**1. Accounting policies (continued)****Presentation of financial information**

Operating items in the statement of comprehensive income are derived from the primary operations of the Company as a telecommunications provider. Items in the statement of comprehensive income recognised below operating profit represent activities that are not directly attributable to the Company's primary operations.

Revenue

Revenue, which excludes value added tax and other sales taxes, comprises mobile service revenue and hardware revenue (each described in more detail below).

Mobile service revenue

Mobile service revenue includes revenue earned for usage of the TUK wireless network for voice, text message and data transmission by the Company's members, as well as outbound roaming and interconnect revenue.

Revenue for pre-pay members is recorded as deferred revenue prior to commencement of services and is recognised as the pre-pay services are rendered. Outbound roaming revenue, earned from the Company's members roaming outside their domestic coverage area, is recognised based upon usage. Interconnect revenue, earned from other telecommunications operators whose customers terminate calls on giffgaff numbers, is recognised based upon usage.

Hardware revenue

Hardware revenue principally consists of revenue from the sale of handsets. The revenue and related expenses associated with the sale of wireless handsets are recognised when the products are delivered and accepted by the member.

Handsets bought over time are funded by third party loans, brokered by the Company. The revenue related to these handsets is recognised when the products are delivered and accepted by the member.

Subscriber acquisition and loyalty programme cost

Member acquisition and retention costs are recognised as an expense for the period in which they are incurred. Advertising, promotion, sponsoring, communication and brand marketing costs are also expensed as incurred.

Cost of sales

Cost of sales principally includes the costs of acquiring, retaining and servicing members, hardware costs and the cost recharged by our immediate parent for using the VMED O2 network.

Administrative expenses

Administrative expenses principally include staff costs, IT and system support costs, commissions and marketing costs comprising of advertising, promotion, sponsorship and communication. These costs are expensed as incurred.

Notes to the financial statements (continued)**1. Accounting policies (continued)****Employee benefits**Pension obligations

The Company does not have any contractual employees. Since September 2015 the Company's employees are seconded from TUK (previously seconded from Telefonica Digital Limited), an associate Company within the Telefonica Group, which participates in the TUK Pension Plan ("Telefonica PP"), a scheme sponsored by TUK that provides benefits for the majority of UK employees within TUK.

During the reporting year, the Telefonica PP had both defined benefit and defined contribution plans. Only the defined contributions schemes of the Telefonica PP remain open to new participants. The assets of the Telefonica PP are held independently of the Company's finances.

In TUK's capacity as a participating employer of the defined contribution section of the Telefonica PP, TUK pays contributions into the plan on behalf of employees of the Company. The ultimate benefit the employee will receive upon retirement is dependent on the contributions made during the employee's service period as well as the performance of the investments in each employee's individual account. After an employee's service period has ended, TUK has no further obligation to contribute to a defined contribution plan. The contributions are recharged to the Company and are recognised as employee benefit expenses when they are due. Further disclosures on the Telefonica PP can be found in the financial statements of Telefonica UK Limited.

Share based compensation

The Company's share-based compensation expense relates to (i) charges for share-based incentive awards associated with ordinary shares of Telefonica held by certain employees of the Company and (ii) charges for incentive awards associated with the performance of VMED O2, under VMED O2's long-term incentive plan, held by certain employees of the Company. All the outstanding share-based incentive awards from Telefonica vested during 2024. Share-based compensation expense allocated to the Company by Telefonica is included within administrative expenses in the Statement of Comprehensive Income. Long-term incentive payment amounts for each respective plan is calculated as a percentage of base salary and is linked to the performance of VMED O2 over three years. The amount paid will depend on the achievement of Adjusted EBITDA and Adjusted EBITDA less Capex performance measures in each of the three years and is intended to be settled by converting the amount into shares of Liberty Global and Telefonica at the end of the three-year period. All outstanding incentive awards for the Joint Venture long-term incentive plan will vest during 2025 and 2026. The total share-based compensation expense is included within administrative expenses in our Statement of Comprehensive Income.

Taxation

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. Deferred income tax is provided in full, using the statement of financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred income tax and current tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements (continued)**1. Accounting policies (continued)****Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is provided on property, plant and equipment from the date they are brought into use over their estimated useful lives on a straight-line basis. The lives assigned to property, plant and equipment is 2 to 11 years.

The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each statement of financial position date. No depreciation is provided on freehold land or assets in the course of construction.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Intangible assets**Software**

Software development costs are capitalised when it meets the criteria set out in the accounting standard for capitalisation which includes: the technical feasibility of completing the asset so that it will be available for use or sale; an intention to complete the asset and use or sell it; an ability to use or sell the asset; future economic benefit is expected; adequate technical, financial and other resources are available; and an ability to reliably measure expenditure. Software development costs are directly associated with the production of identifiable unique software products controlled by the Company, including portal related assets which are expected to generate economic benefits over a period of more than one year, are recognised as intangible assets.

Software development costs are initially recognised as intangible assets under construction. These assets are not amortised while classified as assets in the course of construction. Only once they are available for use, they will be reclassified to the appropriate category of intangible assets and amortised over their estimated useful lives of between 2 and 6 years on a straight-line basis. The assets' useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Inventories

Inventories comprise SIM cards and handsets and are stated at the lower of cost and net realisable value on a first in, first out basis, after provisions for obsolescence. Cost comprises costs of purchase and costs incurred in bringing inventory to its current location and condition.

Financial assets

The Company's financial assets consist of cash and cash equivalents, accrued income, intra-group receivables and other receivables.

Financial assets are recognised on the date the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Notes to the financial statements (continued)**1. Accounting policies (continued)****Financial assets (continued)**

At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The Company assesses the expected credit losses associated with its financial assets carried at amortised cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Trade and other payables

Trade payables and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade payables and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Leases

The Company acts as a lessee on an office building. The Company has elected not to apply the general requirements to short-term leases and leases of low-value assets. The Company has also elected not to recognise non-lease components separately from lease components for those classes of assets in which non-lease components are not significant with respect to the total value of arrangement.

Right of use assets are initially recognised at the initial measurement of lease liabilities plus any lease payments made at or before the commencement date; less any lease incentives received; plus any initial direct costs incurred and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right of use assets are subsequently measured using the cost model by charging depreciation to profit and loss over the term of the lease and adjusting for any remeasurement of the lease liability or impairment of the asset.

Notes to the financial statements (continued)**1. Accounting policies (continued)****Lease (continued)**

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease if it can be readily determined, or the incremental borrowing rate of interest required to finance the expected payments during the lease term. Lease payments included in initial measurement comprise fixed payments, less any incentives receivable; variable lease payments that depend on an index or rate; amounts expected to be paid under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments for penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The lease term is based on the non-cancellable period; plus periods covered by options to extend the lease, where such options depend only on the Company and where exercise is assessed to be reasonably certain, taking into account the specific situation of the lease.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. Interest is charged to profit and loss.

2. Critical accounting estimates and judgements

The preparation of financial statements is in accordance with UK-adopted International Accounting Standards but makes amendments where necessary in order to comply with the Companies Act 2006 which requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise judgement in the process of applying the Company's accounting policies. A significant change in the facts and circumstances on which these estimates are based could have a material impact on the Company's earnings and financial position. There are no estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Revenue

Significant revenue streams are detailed below:

	2024	2023
	£000	£000
Mobile service revenue	499,264	492,209
Handsets revenue	106,600	82,746
Total revenue	605,864	574,955

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements (continued)**4. Profit before taxation**

The following items have been included in arriving at the profit before taxation:

	2024	2023
	£000	£000
Staff costs (note 5)	19,423	17,806
Depreciation and amortisation (note 11, 12, 13)	9,009	7,201
Marketing and commissions	48,274	46,036
IT and system support	9,058	8,863
Inventories:		
Cost of inventories recognised as an expense (included in cost of sales)	83,132	73,094

5. Employees

The Company does not have contractual employees in its' own right. All employees are seconded from TUK, who incur the employee costs and recharge these to the Company on a monthly basis.

	2024	2023
	No.	No.
Monthly average number of full-time employee equivalents (including executive Directors)		
Member Operations	238	209
Administration	26	25
Total employees	264	234

The benefits expense incurred in respect of these employees was:

	2024	2023
	£000	£000
Wages and salaries	13,328	13,156
Social security costs	2,508	2,167
Cost of defined contribution scheme	2,711	2,185
Long term incentive schemes	876	298
Total employee benefits expense	19,423	17,806

6. Key management and Directors' compensation

As disclosed in note 5, the Company does not have contractual employees in its own right. All employees are seconded from TUK, who incur the employee costs and recharge these to the Company monthly. The emoluments of the key management and the Directors were therefore all paid by TUK. During the year ended 31 December 2024, the services provided by one out of the two directors of the Company is not considered to represent a significant amount of their time and is considered to be incidental, consequently no disclosure has been made in respect of the emoluments of this director during this period. This one director provided services to entities throughout the whole VMED O2 Group. Therefore, key management is defined as one Director and the giffgaff Leadership Team.

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements (continued)**6. Key management and Directors' compensation (continued)**

The Company's employees and directors participated in employee incentive share schemes operated by Telefonica and VMED O2 (see note 1 for further details).

During the current year, no directors accrued retirement benefits under a defined benefit pension plan (2023: None). One disclosed director (2023: One) accrued retirement benefits under a defined contribution pension plan during the year. One disclosed director was entitled to receive gains in respect of qualifying service under long-term incentive plans (2023: One).

Key management compensation for services to the Company for the period were as follows:

	2024	2023
	£000	£000
Salaries and short-term employee benefits	1,516	1,482
Post-employment benefits	94	93
Key Management gains on long term incentive plans (a)	69	12
Total key management compensation	1,679	1,587

- (a) Aggregate amounts paid under long term incentive plans include charges for awards associated with ordinary shares of Telefonica S.A. In addition to the amounts in the table above, a payable of £0.5m related to the VMED O2 long term incentive plan is due to key management with vesting expected during 2025. See note 1 for further information.

The remuneration of the Director paid for by the Company for the year ended 31 December was as follows:

	2024	2023
	£000	£000
Directors' emoluments in respect of qualifying services	350	335
Company contributions to defined contribution pension schemes	10	9
Directors' gains on long term incentive plans	69	12
Total Directors' remuneration	429	356

7. Auditors' remuneration

The aggregate fees paid to auditors during the year for audit and other services are analysed below:

	2024	2023
	£000	£000
Audit services:		
UK statutory audit fees	121	100
PSD2 exemption assurance reporting services	-	2
Total auditors' remuneration	121	102

The fees relating to services for PSD2 were paid to TUK SUD Limited, these services were exempted from assurance reporting.

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements (continued)**8. Finance income**

	2024	2023
	£000	£000
Financial income:		
Interest income on Loan to parent company	10,217	9,933
Interest income on Loan to other group company	22,621	19,870
Other interest income	12	11
Total financial income	32,850	29,814

9. Finance costs

	2024	2023
	£000	£000
Financial costs:		
Lease interest	(98)	(114)
Total financial costs	(98)	(114)

10. Taxation

	2024	2023
	£000	£000
Deferred tax - current year	(24)	226
Deferred tax – adjustments in respect of prior year	(565)	264
Taxation (credit)/ charge	(589)	490

	2024	2023
	£000	£000
Profit before taxation	63,507	58,125
Profit before taxation multiplied by rate of corporation tax in the UK of 25% (2023: 23.5%)	15,877	13,659
Effects of:		
Expenses not deductible for tax purposes	245	113
Income not taxable	(18)	(23)
Adjustments in respect of prior year	(565)	264
Effect of change in tax rate	-	13
Group relief not paid for	(16,128)	(13,536)
Total taxation (credit)/ charge	(589)	490

The UK corporate income tax rate increased from 19.0% to 25.0% from 1 April 2023. The statutory tax rate for the year ended 31 December 2024 is 25% (2023: blended rate of 23.5%).

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements (continued)**11. Property, Plant and Equipment**

	Plant and Equipment £000	Assets in the course of construction £000	Total £000
Cost			
At 31 December 2023	23,381	3,966	27,347
Additions	-	1,927	1,927
Reclassifications	5,386	(5,386)	-
Disposals	(698)	-	(698)
At 31 December 2024	28,069	507	28,576
Accumulated depreciation and impairment			
At 31 December 2023	17,111	-	17,111
Charge for the year	3,313	-	3,313
Disposals	(698)	-	(698)
At 31 December 2024	19,726	-	19,726
Net book amount			
At 31 December 2024	8,343	507	8,850
At 31 December 2023	6,270	3,966	10,236

12. Right of use assets

	Land and buildings £000	Asset Restoration Provision £000	Total £000
Cost			
At 1 January 2024	5,940	625	6,565
Addition	-	-	-
At 31 December 2024	5,940	625	6,565
Accumulated depreciation			
At 1 January 2024	2,700	237	2,937
Charge for the year	540	65	605
At 31 December 2024	3,240	302	3,542
Net book amount			
At 31 December 2024	2,700	323	3,023
At 31 December 2023	3,240	388	3,628

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements (continued)**13. Intangible Assets**

	Software £000	Intangible assets in construction £000	Total £000
Cost			
At 1 January 2024	48,098	1,066	49,164
Additions	-	8,903	8,903
Reclassifications	7,607	(7,607)	-
Disposals	-	-	-
At 31 December 2024	55,705	2,362	58,067
Accumulated amortisation and impairment			
At 1 January 2024	31,943	-	31,943
Charge for the year	5,091	-	5,091
At 31 December 2024	37,034	-	37,034
Net book amount			
At 31 December 2024	18,671	2,362	21,033
At 31 December 2023	16,155	1,066	17,221

14. Inventories

	2024 £000	2023 £000
Handsets held for resale	4,964	7,000
SIM cards	608	914
Inventories	5,572	7,914

15. Trade and other receivables

	2024 £000	2023 £000
Prepayments	4,314	2,324
Other debtors	1,830	1,831
Accrued revenue	2,868	5,215
Amounts owed by immediate parent	166,903	167,459
Amounts owed by other group companies	363,007	335,402
Trade and other receivables	538,922	512,231

On 17 December 2020 a loan was issued to the Company's immediate parent, Telefonica UK Limited, for £165,000,000. The terms of the facility allow for further advances up to a total value of £200,000,000 subject to agreement between both parties. The loan is repayable upon the demand of the Company at any time. Interest is payable on the loan at the rate of 100 basis points plus 3 month LIBOR (until May 2024 and then transitioned to 3 month SONIA for remaining year). The balance included within amounts owed by immediate parent as at 31 December 2024 was £165,000,000 (2023: £165,000,000) plus interest accrued and not repaid of £1,627,457 (2023: £1,748,278).

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements (continued)**15. Trade and other receivables (continued)**

On 1 June 2021 an agreement was put in place between the Company and VMED O2 UK Holdco 4 Limited, a subsidiary of VMED O2 UK Limited. This agreement stipulated that the Company's excess cash would be swept into VMED O2 UK Holdco 4 Limited's investment account on a monthly basis. The principal amount and accrued interest are repayable 9 years after the effective date or at any time prior to the repayment date. Interest is payable on the loan at the rate of Virgin Media's quarterly WACD plus 12.5 basis points. The balance included within the amounts owed by other group companies as at 31 December 2024 was £340,386,932 (2023: £315,532,518) plus interest accrued in the year of £22,620,364 (2023: £19,869,926).

All other amounts owed by group companies (including the immediate parent) relate to trading activities. These amounts are unsecured, interest free and repayable on demand.

At the end of the year ended 31 December 2024, the Company had no provisions relating to amounts owed by other group companies (2023: nil). This assessment is undertaken each financial year through an examination of the financial position of the related party.

16. Creditors: amount falling due within one year

	2024	2023
	£000	£000
Amounts owed to group companies	160,553	198,638
Other taxation and social security	26,998	25,195
Accrued expenses	9,010	10,064
Deferred income	33,048	32,396
Lease liabilities	681	664
Provision	155	155
Creditors: amount falling due within one year	230,445	267,112

Amounts owed to group companies relate to trading activities (including group tax relief). These amounts are unsecured, interest free and repayable on demand. The total future revenue of £33,048,000 as at 31 December 2024 for performance obligations not yet delivered to customers is expected to be recognised within 12 months of the year end.

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

	2024	2023
	£000	£000
Deferred tax (note 18)	1,182	1,771
Lease liability	2,718	3,399
Creditors: amounts falling due after more than one year	3,900	5,170

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements (continued)**18. Deferred tax**

Deferred tax is calculated on temporary differences under the liability method using a tax rate of 25% (2023: 25%). The movement on the deferred tax asset/ (liability) is as shown below:

	£000
At 1 January 2024	(1,771)
Prior year credit to statement of comprehensive income	565
Current year credit to statement of comprehensive income	24
At 31 December 2024	(1,182)

Deferred tax assets/(liabilities)	Accelerated tax depreciation £'000	Other £'000	Total £'000
At 1 January 2024	(1,391)	(380)	(1,771)
Prior year credit/ (charge) to statement of comprehensive income	604	(39)	565
Current year credit to statement of comprehensive income	24	-	24
At 31 December 2024	(763)	(419)	(1,182)

The UK corporate income tax rate increased from 19.0% to 25.0% from 1 April 2023. The effect of the increased tax rate on our deferred tax balances is reflected in our statement of financial position at 31 December 2024.

19. Provisions

A breakdown of the Company's current and non-current provisions is as follows:

	Asset retirement obligation £000	Lease Incentive £000	Total £000
Current	-	155	155
Non-current	625	618	1,243
	625	773	1,398

	Asset retirement obligation £000	Lease Incentive £000	Total £000
At 1 January 2024	625	928	1,553
Charge for the year	-	(155)	(155)
At 31 December 2024	625	773	1,398

giffgaff Limited

Registered Number: 4196996

Notes to the financial statements (continued)**19. Provisions (continued)****Asset Retirement Obligation**

The Company is required to restore the lease premises of its office to its original condition at the end of its lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of the right of use asset and are amortised over the shorter of the term of the lease and the useful life of the asset.

Lease Incentive

The Company's lease accommodation includes partial fit-out costs provided by the lessor as a lease incentive. The assets obtained by the Company have been recognised as furniture and equipment at fair value and are depreciated over the shorter of their useful life and the lease term. The lease incentive is unwound to the statement of comprehensive income on a straight-line basis over the lease term. The remaining value will be taken in equal instalments for the term of the lease.

Lease liabilities

	Lease liabilities £000
At 1 January 2024	4,063
Lease payments	(762)
Interest applied	98
At 31 December 2024	3,399

Maturity of lease liabilities

	2024 £000	2023 £000
Within one year	681	664
Later than one year but not later than five years	2,718	2,832
Later than five years	-	567
Total lease liabilities	3,399	4,063

20. Share capital

	Number of shares	2024 £	Number of shares	2023 £
Called up, allotted and fully paid				
Ordinary shares of £1 each	1	1	1	1

The Company has one class of issued share capital, comprising ordinary shares of £1. Subject to the Company's articles of association, and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding up of the Company and an entitlement to receive any dividend declared on ordinary shares.

Notes to the financial statements (continued)**21. Guarantees**

Fellow group undertakings are party to a senior secured credit facility with a syndicate of banks. As at 31 December 2024, this comprised term facilities that amounted to £7,235 million (2023 - £8,030 million) of which £nil was undrawn (2023 - £17 million) and revolving credit facilities of £1,378 million (2023 - £1,432 million), which were undrawn as at 31 December 2024 and 2023. Borrowings under the facilities are secured against the assets of certain members of the group.

In addition, a fellow group undertaking has issued senior secured notes which, subject to certain exceptions, share the same guarantees and security which have been granted in favour of the senior secured credit facility. The amount outstanding under the senior secured notes at 31 December 2024 amounted to £8,846 million (2023 - £8,067 million). Borrowings under the notes are secured against the assets of certain members of the group.

Furthermore, a fellow group undertaking has issued senior notes for which certain fellow group undertakings, have guaranteed the notes on a senior subordinated basis. The amount outstanding under the senior notes as at 31 December 2024 amounted to approximately £1,152 million (2023 - £1,158 million).

The company is a member of the group, which manages its liquidity at the consolidated group level. As such, while the company is not itself a guarantor of the credit facilities, senior secured notes and senior notes discussed above, any action to enforce the guarantees and security given by fellow group undertakings could impact upon the company as a part of that group.

The company has joint and several liabilities under a group VAT registration.

22. Parent Company and controlling party

The immediate parent company is Telefonica UK Limited, a company incorporated in England and Wales.

The smallest and largest groups of which the Company is a member and into which the Company's accounts were consolidated at 31 December 2024 are VMED O2 UK Holdings Limited and VMED O2 UK Limited, respectively. The Company's ultimate parent undertaking and controlling party at 31 December 2024 was VMED O2 UK Limited.

Copies of VMED O2 UK Limited accounts referred to above which include the results of the Company are available at 500 Brook Drive, Reading, United Kingdom, RG2 6UU and published on their website <https://news.virginmediao2.co.uk/corporate-statements/>.