RLLMJ23 Bidco Limited

Annual report and consolidated financial statements

Registered number 15287921

30 September 2024

Contents

Directors' Report and Strategic Report

The directors present their report and the audited consolidated financial statements for the period ended 30 September 2024.

The RLLMJ23 Bidco Limited (the 'Company') was incorporated on 15 November 2023. On 30 April 2024, RLLMJ23 Topco Limited acquired Camelia Investment 1 Limited and its subsidiaries (the 'Civica Group') from Partners Group, through its subsidiary company RLLMJ23 Bidco Limited (the 'Company'). The Company therefore owns the Group of companies which comprise the Civica Group and is engaged in the principal activities noted below.

Principal activities

The principal activities of the Group are building the software to sustain and enhance public services globally, with our core focus in the United Kingdom, Ireland, Australia, New Zealand, South-East Asia and North America.

Strategic Report

Business model

Civica makes software that helps deliver critical services for citizens all around the world and supports accelerating digitisation and automation across the sector. From local government to central government, to education, to health and care, we are a global GovTech champion, helping to serve citizens. This is underpinned by specialist domain expertise, scale with an exceptional people-first culture.

Building on the foundation of our cloud software and applying local knowledge on a global scale, Civica delivers value to our customers through our business model. This comprises development, support and management of a broad range of software that delivers and improves core business activities and organisational efficiency. It includes sector-specific ('vertical') applications for individual markets and cross-sector ('horizontal') platforms for digital engagement, financial management, people and workforce management and governance, risk and compliance.

Our business model is supported by Civica's strong and purpose-driven culture, and we continue to invest in our people who are the key to delivering these capabilities. The Group combines deep domain expertise – with approximately one third of our team having direct experience of working in the public sector – with specialist technical capability including software design and implementation, digital technologies and data expertise.

Business review

The Company was incorporated on 15 November 2023 and purchased the Civica Group for £1,136,630,000 on 30 April 2024.

The Group presents its consolidated results for the 5-month period from 30 April 2024 to 30 September 2024. The Group continued to deliver a high performance across the financial period. This was driven by the capability of our software to deliver critical activities for the public sector and supported by our exceptional team, cloud technology and strong infrastructure.

Trading results

The Group delivered a very strong trading performance for the period with progress across core markets and continued strategic development, underpinned by balanced investment in our people, our products and our platform.

Our market-aligned growth strategy continues to focus on sales of innovative software functionality (including cloud migration) to new and existing customers, and supporting their digital transformation through new business, cross-sell and upsell opportunities – alongside our sustained emphasis on investing in our people,

Group turnover during the period to 30 September 2024 was £209.0 million, with operating profit before depreciation, amortisation and exceptional charges of £47.9 million.

The Group's activities are focused on common vertical markets in the UK and Ireland, Asia Pacific (APAC) and North America. UK and Ireland revenues were £156.7 million, driven by further increased contribution from the health

Directors' Report and Strategic Report *(continued)*

Business review *(continued)*

and care, democracy and engagement and social housing divisions. Revenues from Asia Pacific and North America made up approximately 25 per cent of Group turnover.

With a large and diverse customer base, cross selling of our products across markets and geographies remains a strategic focus.

The Group continues to closely manage exposure to the current inflationary pressures, including people costs and energy prices.

Complimentary acquisitions

Civica has a highly successful record of acquiring and integrating complementary businesses which add market breadth and depth and expand the Group's market presence and scale of opportunity in line with our clear focus. With proven processes and a consistent strategy, the Group has completed more than 35 acquisitions in the last 10 years.

Acquisitions are rapidly integrated to deliver greater value via combined capability and expertise including product cross-selling.

Acquisitions remain a strategic focus leading into 2025.

Growth outlook

Civica has a sustainable platform-based business model focused around core markets and capabilities. We maintained momentum in 2024 based on our clear software focus, strong commercial relationships with customers and the Group's ongoing strategic development, enhancing a centralised operating model to increase efficiency throughout the business.

While expanding the use of Civica software we have delivered strong progress in key areas including cloud, digital enablement, technology innovation and data. The experience of recent years has accelerated the focus on cloud and digital adoption, showing the speed with which it is possible to harness innovation. With a leading market position, Civica is strongly placed to respond to accelerating public sector digitisation and we remain committed to the further execution and evolution of our successful strategy. Our aim is to support the needs of our customers both to sustain and enhance services and transform digitally, and to achieve above-market growth for the Group.

We believe Civica is in a strong position to continue our momentum. With enhancements to our global platform and operating model, we expect to sustain our growth performance into 2025 and beyond.

Subsequent events

On 28 November 2024, the Group completed the acquisition of Loop Software Pty Ltd and their core product, Daymap through it's wholly owned subsidiary Civica Pty Limited. Total consideration paid was AUD $14,900,000.

Our people and our values

With our deep sector and software expertise and depth of leadership, we build durable long-term relationships based on a shared purpose and commitment.

Self-development, engagement, and recognition are key to our culture as we challenge everyone to own their learning journey, involve themselves in opportunities as they arise, and reward/recognise each other with the tools we have available.

We're passionate about what we do, and underpinning all of this is our aspiration to be a global GovTech champion, which is built into every aspect of Civica life, and supported by our:

- **Vision**: to be a global GovTech champion

- **Mission**: We make software that helps deliver critical services to citizens all around the world

Directors' Report and Strategic Report *(continued)*

Our people and our values *(continued)*

- **Purpose**: To serve citizens

Guided by our Civica Way framework, we continue to strategically invest in our global team. We aim to recruit diverse colleagues from all backgrounds who share our strong purpose and values – offering continual training and development for people to develop careers with us while empowering everyone to feel able to bring their true selves to work.

A leading employer

We work hard to ensure Civica remains a great place to work, with a leading brand to attract and retain diverse talent from across the globe. Re-accredited with Investors in People 'Gold' in 2022, we continuously invest in our people and business through sustained programmes for engagement, learning and development via our Civica Academy.

This dedicated focus on employee wellbeing, supporting diversity and effective leadership continues to be recognised. We maintained our position as one of the top companies in the 2023 global Financial Times Diversity Leaders list, named as a top ten UK-based IT and software business. We were also re-certified as a Great Place to Work in India 2023, for the third year running. Civica was also recognised in the Financial Times UK's Leading Management Consultants for the Public and Social Sector. We are a disability confident employer and signatory of the Business Disability Forum

In 2023, Civica was awarded the Armed Forces Covenant Employer Recognition Scheme (ERS) Silver Award to further cement our commitment to the Covenant and demonstrate that we go above and beyond to support those who serve, have served, or support serving family members in the Armed Forces.

Engagement, Health & Wellbeing of Employees

Civica recognises the benefits of a highly engaged workforce and during the period rolled out new tooling to gather regular, anonymous, feedback on what its like to work here. Peakon surveys are run on a quarterly basis and allow us to focus on solutions to drive engagement by company, territory and team. We use industry benchmarks to set goals for employee engagement.

Civica currently offer considerable health & wellbeing options for employees across the Group.

We provide access to employer funded medical benefits and income protection schemes. Supplemented by specific Employee Assistance Programs and targeted mental health support.

Internally we train and support a number of Mental Health 1st Aiders and drive awareness toward accredited external services.

Skills and career development

We encourage everyone to grow their skill set throughout their career and to reach their full potential. Through our global Civica Academy, we delivered targeted skills-based training across the Group. During the period we specifically focused on delivering line manager essentials, change management support and technical training across our product and software development teams.

During the period we introduced objectives and key results (OKR's) to achieve a tighter alignment between Group strategy and individual contribution. New tooling and processes were launched across the Group in support of this.

We also refreshed our talent identification process to identify current and future talent and delivered targeted and specific development opportunities to strengthen our internal talent pipeline.

During the period we also refreshed our global onboarding and launched a New Starters Corner to build engagement and networks amongst those joining Civica.

Directors' Report and Strategic Report *(continued)*

Our people and our values *(continued)*

Diversity, equity and inclusion at heart

At Civica, we encourage everyone to bring their true selves to work - helping people to feel included and welcome at Civica regardless of race, gender or sexuality.

We have a number of employee generated affinity groups who support targeted groups of colleagues, for example: women in leadership, armed services veterans and new parents. The affinity groups often have an executive sponsor who helps influence policy, improve processes, highlight opportunities to engage across Civica as well as champion the initiatives driven by the groups themselves. The initiatives cover a wide range of options including hosted talks, lunch and learn, fundraising opportunities or simply opportunity to connect through Whatsapp groups sharing a goal or hobby.

A signatory to the Tech Talent Charter since 2019, we're committed to inclusive recruitment and benchmarking our progress against industry best practice.

A summary of the gender diversity throughout Civica is as follows:

	As at 30 September 2024	
	Female	**Male**
Number of employees	2,226	2,608
Of which managers	287	539
Of which senior managers	32	52
Of which Group directors	0	5

Managers are defined as employees who have direct line management responsibility. Senior managers are defined as managers who are members of senior leadership teams.

Inform and engage

We pride ourselves on keeping our people informed and engaged, and deliver an intentional and consistent rhythm of Group, regional and divisional communications to bring our purpose and 'Civica story' to life.

During the period we strengthened our internal communication team resource and launched a number of new initiatives aligned to a Global cadence to ensure that we're sharing information in a consistent and timely manner. This included refreshing Viva Engage and our internal website, ensuring that every employee can access performance updates via all hands and newsletters, and creating content specifically targeted to networks within Civica such as Line Manager Digest.

We run an annual employee awards program which highlights and celebrates contributions made by exceptional individuals and teams.

Reward and recognition

Civica provides a highly competitive benefits package, including flexible elements which people can tailor to their needs such as extra holiday and cycle-to-work schemes. During the period we introduced a new job architecture to reflect the operating model and as a result were able to provide consistent data driven external benchmarking to support our annual pay review process. Civica continues to reflect the recommendations outlined by the Real Living Foundation which is above the statutory minimum wage. We have a number of internal recognition schemes, including our 'Praise' scheme which allows people to share their gratitude for colleagues online, and our Civica Special Thanks and Recognition (CSTAR) programme rewards employees who have gone the extra mile.

Directors' Report and Strategic Report *(continued)*

Our people and our values *(continued)*

Anti-corruption and human rights

We are fully committed to sound and fair business practices including zero tolerance on anti-corruption. Prevention, deterrence and detection of fraud or bribery is the responsibility of all, and the company encourages employees to report any suspicions in confidence.

Civica recognises that work is crucial to a person's dignity, well-being and development and as such we are committed to the creation of jobs and working conditions in which people can work in freedom, safety and dignity at a global level. We expect the same from all contractors, suppliers and other business partners across our global supply chain. We are committed to identifying and assessing any potential risks and eliminating the possibility of modern slavery and human trafficking occurring in our business.

We also pledge to provide a workplace environment where colleagues are recognised as the most valuable asset, treated with respect, dignity, and consideration. This commitment is built upon a framework of policies and procedures designed to ensure fairness throughout a colleague's employment lifecycle.

Civica embraces difference across all parts of the organisation. We will not tolerate any discriminatory practices in talent attraction, compensation, access to learning and development, promotion nor exit practices, based on gender (including gender reassignment and pregnancy), marital status, family status, religious belief, disability, age, racial grounds, sexual orientation or any other area which could give rise to discrimination.

Key performance indicators

Management use various key performance indicators (KPIs) to routinely monitor the Group's performance and development. KPIs are separately disclosed for the Group and Software as part of the ongoing strategy to focus on software related activities, with previous non-software related contracts reducing as they complete. Software is not reported in the financial statements as a segment or as a separate activity in turnover note 3, as the various elements of turnover disclosed all include software activity. The remaining elements of non-software activity do not meet the definition of discontinued operations under FRS101.

Management considers these KPIs to be key, as they are output performance indicators which can be applied consistently across the group, and their input drivers can be clearly understood by management. Those KPIs include:

- Turnover (Group);
- Net Revenue, which equates to total revenue less 3rd party cost of sales (Group);
- Adjusted Net Revenue which equates to total revenue less the unwind of IFRS 15 related fair value adjustments recognised on the acquisition of the Civica Group (see note 29), less 3rd party cost of sales (Group);
- Operating profit before depreciation, amortisation, exceptional charges (EBITDAE), as disclosed in the Consolidated Income Statement and note 3 to the financial statements (Group);
- Operating profit less the unwind of IFRS 15 related fair value adjustments recognised on the acquisition of the Civica Group (see note 29) before depreciation, amortisation, exceptional charges (Adjusted EBITDAE) (Group);
- Adjusted operating cash flow is before the unwind of IFRS 15 related fair value adjustments recognised on the acquisition of the Civica Group (see note 29), depreciation, amortisation, exceptional items, defined benefit pension scheme contributions, provision movements and taxation (Group); and
- Adjusted operating cash flow conversion as a percentage of Adjusted EBITDAE (Group).

Directors' Report and Strategic Report *(continued)*

Key performance indicators *(continued)*

These KPIs for the period ended 30 September 2024 and pro forma year ended 30 September 2024 were:

Some of the below KPIs are left blank ("N/A") to ensure like for like comparison with the period end results.

£000	Period ended 30 September 2024 Group	Pro forma year ended 30 September 2024 Group
Turnover	209,022	N/A
Net Revenue	183,015	N/A
Adjusted Net Revenue	200,924	472,519
EBITDAE	47,417	N/A
Adjusted EBITDAE	65,326	146,783
As a % of Adjusted Net Revenue	32.5%	31.1%
Adjusted Operating cash flow	69,003	157,023
Adjusted Operating cash flow as a % of Adjusted EBITDAE	106%	107%

The business also monitors a series of non-financial KPIs that underpin our approach to driving the business forward. These include net promoter score (customer and employee) and customer satisfaction metrics. There are also a number of operational performance indicators that are tracked within the business to ensure that the operations of the group are monitored and managed effectively, with action plans to drive continuous improvement.

Non-Financial and Sustainability Information

Climate-related Financial Disclosures (CFD)

Governance and Risk Management

Civica's climate-related governance is overseen and managed by the Environmental Social Governance (ESG) Working Group, chaired by the Head of ESG. In 2024, the group was restructured to unite stakeholders responsible for ESG initiatives across Civica's global operations. Stakeholder groups include ESG Strategy, Operations & Purchasing, People, Engagement, Compliance, Health Safety & Wellbeing, and ESG Metrics. The working group delivers our ESG Strategy, our ESG objectives and targets, whilst involved stakeholders are responsible for environmental operations, policy, and our ISO 14001 environmental management systems. The group meets formally on a quarterly basis, with ad hoc ESG calls between stakeholders throughout the year. Our Head of ESG is responsible for identifying and assessing climate-related risks and opportunities on an annual basis, while our principal risks are raised to Board level for management review and decision making.

Our Compliance & Improvement team oversees Civica's risk management process, whilst our Head of ESG raises and assesses physical and transitionary climate risks. Climate-related risks and opportunities are categorised at a group level, while the risks and opportunities are reviewed on an annual basis for relevance, updates, or any new additions. The magnitude of risks and opportunities is determined via Civica's risk framework impact matrix, whilst risks are also prioritised on the basis of magnitude. Climate-related risks are integrated into Civica's overall risk management process by means of the risk processes' formal schedule. This schedule involves those responsible for environmental and climate risks reviewing risks captured in OneTrust (our privacy, security, and data governance platform) monthly with the compliance risk manager. The climate-related risks and opportunities are included in the risk framework under the 'environmental' category, part of compliance and functional groups. Quarterly, a Board risk report is produced highlighting risk performance and alignment to principal risks.

Directors' Report and Strategic Report *(continued)*

Climate-related Financial Disclosures (CFD) *(continued)*

Strategy

Civica has identified two transitionary risks, one transitionary opportunity, and three physical climate risks. Most climate-related risks are classified in the short and/or medium term. Civica's primary transitionary risk is reputational risk due to increasing stakeholder expectations regarding business environmental activity (assessed as a short/medium term risk). However, this has also been identified as an opportunity for the business, with improved talent retention and business opportunities stemming from positive environmental initiatives. No principal risks were identified in climate-related risk assessments.

Civica Climate-related Risk & Opportunity Time Frames:

Short - Within 5 years

Medium - 5-15 years

Long - >15 years

Civica's primary transitionary risk relating to stakeholder expectations for climate commitments has already had steps taken to address over recent years. This includes Civica's net zero target for 2040. The scope of this target was reviewed and updated in 2024 to ensure alignment with external expectations, including those of our colleagues, investors, and customers. We have developed an ESG Strategy and conducted a materiality assessment to ensure that internal and external stakeholder priorities are addressed. Meanwhile, Civica is updating our approach to sustainability reporting, with plans to produce an annual ESG report to communicate Civica's ESG progress to both internal and external stakeholders.

Civica is working to reduce our carbon emissions and has developed a net zero roadmap/milestones in commitment to our 2040 net zero target. By reducing our Scope 1 and Scope 2 property emissions, we are simultaneously reducing our exposure to one of our identified transition risks - increasing energy and carbon prices. We have installed on-site renewable electricity generation at one of our owned properties and are evaluating further initiatives to reduce our reliance on purchased energy. Furthermore, we use energy brokers to attain reasonable market rates, and we also informally consider carbon pricing when evaluating energy efficiency measures.

For physical climate risk, scenario analysis was conducted under a range of warming trajectories. These included warming from pre-industrial levels by 2100 of <2°C (SSP 1-1.9 / RCP 2.6), between 2-3°C (SSP 2-4.4 / RCP 4.5), and >4°C (SSP 5-8.5 / RCP 8.5). These scenarios were selected to provide coverage across low, medium, and high carbon climate scenarios. Based on the risks identified under the various scenarios, we do not consider there to be any significant material impacts in the immediate/near term, however, with impacts from climate change constantly evolving, we will continue to monitor and evaluate these risks and resultant impacts on an ongoing basis.

Metrics and Targets

As discussed previously, Civica's primary climate-related target is to become a net zero organisation by 2040, covering our global operations. This target relates primarily to Civica's identified transition risks, including reputational risk, and rising energy/carbon costs. Our key performance indicators related to this target are our global Scope 1, Scope 2, and Scope 3 carbon emissions, which are monitored at both a country and a group level. They are assessed in absolute tCO_2e, relative to our baseline year emissions. Scope 1 emissions include natural gas, company cars, and refrigerants, while Scope 2 incorporates electricity consumption from both the grid and electric vehicles. Our Scope 3 emissions include purchased goods and services, business travel and commuting, electricity transmission and distribution, water, and waste. KPI calculations are in line with GHG Protocol guidelines. Civica also reports on environmental data including energy consumption in line with SECR requirements.

Environmental policy

Civica is aware that operating its business has a potential impact on the environment. We believe that it is important to work with our customers, suppliers, partners and employees to follow sound sustainability practices to prevent pollution, reduce the negative and enhance the positive environmental and social impacts of our business activities.

Directors’ Report and Strategic Report *(continued)*

Streamlined Energy and Carbon Reporting (SECR)

In accordance with the UK Streamlined Energy and Carbon Reporting (“SECR”) requirements outlined in the Companies Act (2006) for large quoted and unlisted companies, the Group is required to report on its Greenhouse Gas (“GHG”) emissions.

This SECR report contains details on annual GHG emissions, total energy consumption covering our offices, transport assets, and energy efficiency and environmental management actions implemented during the reporting period. This report contains our SECR disclosure for the period ended 30th September 2024.

Methodology

Scope of analysis and data collection

Over 2023/24 we have collected primary data for our buildings and vehicle activities including: electricity consumption (kWh), natural gas consumption (kWh), company car mileage, hire cars & grey fleet mileage. All primary data used within this report is from 1st October 2023 – 30th September 2024.

Calculation Methodology

We have used the Greenhouse Gas Protocol Corporate Reporting Standard (GHG Protocol) methodology for compiling this GHG data and have calculated our GHG emissions in accordance with the UK Government’s reporting guidelines for Company Reporting. To ensure consistency in our reporting we are reporting all GHG emissions in units of CO_2e (carbon dioxide equivalent) and have used 2024 GHG Conversion Factors for Company Reporting, published annually by Defra and DESNZ.

GHG Emissions Scopes

The following reporting scopes (as outlined by the Greenhouse Gas Protocol) are included within this disclosure:

- **Scope 1 emissions:** direct emissions from sources which CUKL owns or controls. This includes natural gas consumption in our offices, and the use of company cars.
- **Scope 2 emissions:** indirect emissions relating to the generation of purchased electricity that is consumed by CUKL, either at our sites or in company owned EVs.
- **Scope 3 emissions:** indirect emissions relating to the transmission and distribution of purchased electricity, the use of hire vehicles, and employee-owned vehicles (“Grey Fleet”).

Energy Consumption

The table below displays our annual energy consumption for electricity, natural gas, and business travel (company owned fleet, hire cars & grey fleet mileage) for the 23/24 reporting year. As per SECR reporting requirements this information is presented in kilowatt hours (kWh).

Emissions Source	**GHG Scope (GHG Protocol)**	**Year ended 30 September 2023**	**Year ended 30 September 2024**	**% Change on Previous Yr**
Electricity	Scopes 2 & 3	1,488,316	1,271,775	-14.5%
Company Cars- EVs	Scope 2	1,282	1,017	-20.7%
Natural Gas	Scope 1	539,122	651,620	20.9%
Company Cars	Scope 1	375,229	331,343	-11.7%
Grey Fleet & Hire Cars	Scope 3	1,421,048	940,761	-33.8%
Total Energy Consumption (kWh)		**3,824,997**	**3,196,516**	**-16.4%**

**Energy and emissions figures for the year ended 30 September 2023 have been restated following improved accuracy in the data collection methodology for company cars*

Directors' Report and Strategic Report *(continued)*

Streamlined Energy and Carbon Reporting (SECR) *(continued)*

GHG Emissions Reporting

In accordance with the SECR Emissions Reporting requirements outlined in the Companies Act for large companies our GHG disclosure for the 23/24 reporting year is listed below. Results have been split by Scope as outlined by the GHG Protocol calculation methodology.

GHG Emissions Scope	Reporting Units	Year ended 30 September 2023	Year ended 30 September 2024	% Change on Previous Yr
Scope 1	tonnes CO_2e	190.92	198.69	4.1%
Scope 2	tonnes CO_2e	308.46	263.55	-14.6%
Scope 3	tonnes CO_2e	372.76	250.31	-32.8%
Total GHG Emissions	**tonnes CO_2e**	**872.14**	**712.55**	**-18.3%**
GHG Emissions Intensity 1	tonnes CO_2e/£M turnover	2.67	1.51	-43.4%
GHG Emissions Intensity 2	tonnes CO_2e/employee	0.29	0.30	3.4%

**Energy and emissions figures for the year ended 30 September 2023 have been restated following improved accuracy in the data collection methodology for company cars*

**Year ended 30 September 2024 results are based on pro forma, Adjusted Net Revenue, Group results (see page 8, KPIs)*

Total GHG Emissions for Scopes 1, 2 and 3 for the reporting period 1st October 2023 – 30th September 2024 are 712.56 tonnes CO_2e. Of our total GHG emissions Scope 1 accounts for 28%, Scope 2 for 37% and Scope 3 for 35%. GHG Emissions CO2e Intensity per £m turnover is 1.76 tonnes CO_2e, and per employee is 0.30 tonnes CO_2e (34.1% lower and 3.4% higher than prior year respectively).

Energy Efficiency & Environmental Management

During the reporting year Civica has been focusing upon further improving our current environmental and carbon management programmes. Internally, we have undertaken several initiatives to reduce our carbon footprint and foster sustainable practices in our operations, our employees, and with our customers including:

- **Solar Panel Installation:** Solar panels have been installed on the roof of our Dudley office. This provides Civica with on-site generation of renewable electricity for use in our office, while also allowing us to export fully renewable electricity back to the energy grid, contributing to grid decarbonisation. We are currently exploring additional opportunities for further on-site renewables.
- **Production Machinery Upgrades:** We have recently concluded a £1.25m program of installation of new, more efficient production machinery at our most energy intensive site.
- **LED Installations:** Our LED light installation program has continued, with installations at our Leeds office, and ongoing investigations for further installation.
- **Out-of-Hours Operations Reduction:** In an effort to limit utility consumption, we have implemented more efficient scheduling of maintenance and cleaning regimes, thus reducing power usage out of hours.
- **Refurbishments:** During refurbishments, our teams ensure environmental considerations are a priority, identifying environmentally friendly solutions both in terms of the fit-out of the office and the disposal of waste generated during works. These measures included the recycling of carpet, the selection of environmentally friendly building materials, and the installation of LED lighting with PIR sensors as standard.
- **Days of Difference:** Our "Days of Difference" program allows our employees to contribute 3 days of their work time to charity or community causes which could be environmental or conservation based. Activities that Civica

Directors' Report and Strategic Report *(continued)*

Streamlined Energy and Carbon Reporting (SECR) (continued)

colleagues have engaged in during our 2024 financial year include litter picking, weeding and planting, assistance with allotments and sharing of locally grown produce.

- **Hybrid approach to working:** We continue a hybrid approach to working for all our staff, which reduces travel emissions through reduced commuting.
- **Responsible purchasing:** In 2024 we expanded our supplier questionnaire to include more questions on environmental topics, allowing us to more effectively ascertain and evaluate the environmental credentials of our potential suppliers. The environmental impact of our supply chain is important to us, and as a result we prefer to work with suppliers who can demonstrate they are taking active steps to address their impacts. For example, we work with a number of suppliers who provide carbon offsets as part of our paper purchasing.
- **Working with customers:** Developing innovative software-based services that reduce property/power requirements, help customers take more sustainable choices, applications which remove paper, and underpinned by energy efficiency cloud-based services.
- **ISO 14001:** We continue to align with all environmental legislation that relates to the company through ISO audits, with ISO 14001 non-conformances raised at the time of annual audit. At our most recent audits, no environmental non-conformances were raised by our external auditors.

Corporate governance

The Civica Group is majority owned by funds managed and/or advised Blackstone, and is controlled by a Board comprising Blackstone nominated non-executive directors and Civica management.

The Group continues to operate a strong framework of corporate governance across the business to ensure the successful delivery of business outcomes in line with our strategy and priorities, management of risk and focus on delivery of excellent service to our customers. This framework is managed through the following components.

Group Board

The Board is responsible for the overall strategy of the Group and the effective management of risk and performance. It meets monthly to review business performance from a strategic, financial and operational perspective and to ensure that risks are appropriately managed, including major bids and investments. The performance review is closely aligned to the key priorities in respect of financial performance, products and services, people, customer service and operational efficiency. Business planning is conducted on an annual basis, again in line with the strategy and key priorities, and is approved by the Board. The Board had an effective balance of executive (5) and non-executive (2) directors during the period.

Audit Committee

The purpose of the Audit Committee is to review the financial statements and controls of the Group on behalf of the Group Board. The committee is responsible for being assured that the principles and policies comply with best practice and accounting standards. The committee will also consult with the external auditors reviewing key risk areas, seeking to satisfy itself that the internal control and compliance environment is adequate and effective, and recommending to the group board the appointment and remuneration of the external auditors.

The Audit Committee is chaired by the Group's non-executive chairman and comprises the chief executive officer and Group Board members from Blackstone. The chief financial officer is invited to attend but is not a member of the audit committee.

Remuneration Committee

The function of the Remuneration Committee is to provide oversight of the terms and conditions and remuneration of senior employees on behalf of the Group Board.

The Remuneration Committee is chaired by the Group's non-executive chairman, and in addition comprises the chief executive officer and Group Board members from Blackstone.

Directors' Report and Strategic Report *(continued)*

Corporate governance *(continued)*

Executive Management Board

The Executive Management Board consists of the chief executive and chief financial officers, the executive directors for the operating divisions and the chief officers for people, marketing, business development, product strategy, technology and infrastructure. It meets on a monthly basis to discuss strategic issues and the effective management of people and culture, opportunity, risk and business improvement.

Monthly business reviews

Each unit within the Group is subject to a monthly business review by Executive Management Board members to assess the financial and operational performance and business risks, review the financial projections and review working capital management and cash flow performance. Financial and operational key performance indicators in each unit are aligned to the key priorities of the Group as highlighted above. Specific business risks are identified and mitigated through this process.

Commercial, legal and project management controls

All acquisition, capital investment and business development activity is controlled through a methodical process of qualification, review and approval, which is dependent upon both value and complexity to ensure appropriate management of business risk and effective use of business resources.

Operational processes

As Civica continues to grow organically and through acquisition, we constantly review operational processes across the Group to support effective product and service development and efficient delivery to customers as well as our internal administration. This is enhanced by a sustained cross-company improvement programme to strengthen our operating platform and to drive consistent best practice globally. This is underpinned by a wide range of management accreditations including ISO 9001 (quality), ISO 14001 (environmental), OHSAS 18001 (Health & Safety), ISO 22301 (Business Continuity), ISO 20000 (IT service management) and ISO 27001 (information security).

Principal risks and uncertainties

The Board is responsible for the Group's approach to assessing risk and accepts that in creating value for Civica, the Group must take on and accept some risk. The executive directors are responsible for implementing the Board's policies on risk and control and monitoring compliance with these policies across the Group. This system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

As with all other entities providing specialist software and systems, digital solutions and associated services primarily to the public sector, the main risks and uncertainties facing the Group surround the level of public sector funding available in future periods, the risks of technological advancement and the threat of competition.

The Group's primary and material financial risk management objectives and policies concern the Group's external borrowings (see notes 18 and 20), the level of operating cash flow (see the cash flow statement) required to be generated to repay interest at the interest rates given in note 27, leverage ratio, and the amount of headroom achieved above and beyond the minimum leverage required.

The Board monitored all of the above primary financial risks within the Group's risk management objectives and policies at least monthly and continues to do so.

The group manages operating cashflow as a key performance indicator across all businesses within the Group. As a result of strong cash management and business growth, the business has been steadily deleveraging and increasing headroom against its bank borrowings, which are described in note 18.

Specifically addressing some of the key risk areas:

Interest rate risk

The company regularly reviews its exposure to fluctuations in underlying interest rate movements which underpin the company's borrowings, and ensures appropriate actions are undertaken to mitigate this risk. As part of this review, an interest cap was put in place for the majority of the borrowings of the Group, to minimise any impact of variable interest rates rising above forecast levels.

Directors' Report and Strategic Report *(continued)*

Principal risks and uncertainties *(continued)*

Liquidity risk

The company regularly reviews its exposure to risks which may affect the liquidity of the Group, to ensure that appropriate cash and working capital facilities are in place to enable the ongoing operation of the business. In terms of the Group's cash balances, these are held in standard instant access bank accounts in the geographies in which the

group operates, with regular reviews undertaken to ensure adequate working capital is available to each of the businesses in those geographies. Any surplus funds are periodically repatriated to the Group so that the Group can manage the overall liquidity of the business effectively. The group refinanced its debt facilities at the end of August 2023. This resulted in the previous facilities being fully repaid and new facilities issued, maturing in 2030. The group has access to a revolving credit facility, none of which was drawn at 30 September 2024, and can be called at any time. The revolving credit facility forms part of the Group's debt facility as described in note 20. There is also an additional CAR facility of up to £300m of which 10% can be drawn down for working capital purposes.

Market risk

The Group operates a portfolio of businesses across a number of geographies, and therefore has some exposure to foreign exchange risk. Approximately 25 per cent of the Group's revenues are outside of the UK, primarily in Australia and Singapore. The Board regularly reviews this risk and ensures plans are in place to effectively manage it, including:

- Delivering the software and services locally, with locally paid resources so that costs of delivery are in the same currency as revenues;
- Denominating some of the Group's borrowing facilities in local currency, to provide a natural cash flow hedge.

Credit risk

The Group offers standard market credit terms to customers, typically 30 days, and regularly assesses the credit risk of new and existing customers to the Group.

The Group operates predominantly in the public sector, where customers are seen as very low risk of default, and this is further mitigated by payment from customers being a key requirement of continuing to be licensed to use our business-critical software applications.

Cyber security risk

The Group operates globally at the intersection of technology and public service and is exposed to information security and cyber threats. The Group's approach to cyber security is designed to address constantly evolving threats while ensuring the resilience and availability of our services. Grounded in internationally recognised standards such as ISO 27001 and supported by the Group's Cyber Essentials accreditation, the Group has robust policies and practices to manage risks effectively.

Future developments

The Group continues to increase its global profile and is valued for its combination of people, technology and business process expertise. With a sustainable business and well-developed strategy, we believe the Group is extremely well placed as a strong and stable partner for our customers as they continue to respond to rapid and significant change.

Dividends

The directors do not recommend the payment of a dividend on ordinary shares. Dividends of £43,528,000 on preference shares were accrued during the period.

Directors' Report and Strategic Report *(continued)*

Directors

The directors who held office were as follows:

Executive directors:

Lee Perkins	Chief Executive Officer	Appointed on 30 April 2024
Martin Franks	Chief Financial Officer	Appointed on 30 April 2024
Larry Ben-Sadoun	Blackstone representative	Appointed on 29 November 2023
Miguel García Gómez	Blackstone representative	Appointed on 17 November 2023
Jonathan Murphy	Blackstone representative	Appointed on 17 November 2023
Wenda Adriaanse	Blackstone representative	Appointed on 15 November 2023 Resigned on 17 November 2023
Intertrust UK Limited		Appointed on 15 November 2023 Resigned on 17 November 2023

Non-executive directors:

Mark Gruzin	Non-Executive Chairman	Appointed on 23 September 2024
Craig Hayman	Non-Executive Director	Appointed on 1 June 2024

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Lee Perkins – Chief Executive Officer

Lee joined the Group in October 2022, becoming Chief Executive Officer in November 2022. He has experience of operating international software businesses at scale, notably in his role as Group COO at Sage where he led the cloud transformation, global portfolio management, and go-to-market workstreams. Lee has also served as North East Regional Chair of the CBI and held a number of executive positions in the technology sector over the past two decades including CEO M247 (formerly Metronet Group), UK MD at Sage and UK MD at Tech Data (now TD Synnex).

Martin Franks – Chief Financial Officer

Martin joined Civica in January 2022. Martin has over 25 years of experience with international B2B technology businesses including 3 successful private equity cycles. Before joining Civica, he was CFO of Foundry, a developer of software for the media and entertainment industries. He started his career as a Chartered Accountant with PwC and has a degree in French and German from Cambridge University.

Mark Gruzin – Non-Executive Chairman

Mark Gruzin currently serves as Non-Executive Chairman of the Board at Civica. Mark has held leadership roles over several decades in the technology software industry. He also serves on multiple private equity owned software company boards. Mark was Chief Executive Officer and a member of the board of directors for Frontline Education, a SaaS Technology company serving the K12 US education community. Mark also held executive leadership roles at Blackboard, IBM and MRO Software and has served the public sector with technology solutions in the areas of government and education.

Miguel García Gómez – Blackstone representative

Miguel García Gómez is a Managing Director in the Private Equity Group, based in London. Mr. García Gómez focuses on investments in the Leisure, Consumer and Technology sectors in Europe, as well as investments across sectors in Spain.

Since joining Blackstone in 2014, Mr. García Gómez has been involved in the execution of Blackstone's investments in Center Parcs, Tangerine, Cerdia, Cirsa, The NEC, Bourne Leisure, Civica and Ambassador Theatre Group. He currently serves on the board of Cirsa, Civica, and The NEC.

Mr. García Gómez received a MSc with a Major in Finance from HEC Paris and a MSc and BSc in Civil Engineering from the Universidad Politécnica de Madrid.

Directors' Report and Strategic Report *(continued)*

Directors (continued)

Jonathan Murphy – Blackstone representative

Jonathan Murphy joined Blackstone in 2021 and is a Senior Managing Director in the Private Equity Group, based in London. Mr. Murphy focuses on investments in the Technology and Financial Technology industries and sits on the boards of Civica, Dynamo Software and Paysafe.

Before joining Blackstone, Mr. Murphy spent over eight years at Francisco Partners, a US based private equity fund that focuses on investments in the technology industry. Prior to this, Mr. Murphy worked at CPPIB in the Direct Investment Group and Morgan Stanley in the Investment Banking Division.

Mr. Murphy received a Bachelor of Commerce from University College Dublin where he graduated with First Class Honors.

Larry Ben Sadoun – Blackstone representative

Larry Ben Sadoun is a Principal in the Private Equity Group based in London and focuses on investments in the Technology and Financial Technology & Services industries. Since joining Blackstone in 2017, Mr. Ben Sadoun has been involved in Blackstone's investments in Civica, Desotec, Luminor, Armacell, and Stow Group (fka Averys). Mr. Ben Sadoun currently serves as a Director of Civica. Mr. Ben Sadoun graduated from Ecole Centrale Paris (France) with a Master's degree in Engineering and received a Master of Finance from the Massachusetts Institute of Technology (MIT).

Craig Hayman – Non-Executive Director

Craig Hayman is an operating advisor to software companies. He works closely with boards and management teams on transformations that deliver value for shareholders, customers, employees and the communities where they operate.

Mr Hayman has a proven track record initiating, accelerating and delivering value transformations in partnership with management teams and boards. He has over 25 years' experience in the software sector operating in public, private and private equity owned companies. He is the chair of Stockholm based HVD Group and previously Operating Managing Director at Vista Equity Partners, CEO of FTSE 50 industrial software company AVEVA, COO of NASDAQ software company PTC and President of eBay's enterprise software business. He holds a BSc in Computer Science and Electronics from the University of London.

About Blackstone

Blackstone is the world's largest alternative asset manager. The firm seeks to deliver compelling returns for institutional and individual investors by strengthening the companies in which it invests. The firm holds over USD 1 trillion in assets under management that include global investment strategies focused on real estate, private equity, infrastructure, life sciences, growth equity, credit, real assets, secondaries and hedge funds. The Blackstone investment approach is based on a disciplined due diligence process that measures risk while identifying catalysts for increased value and work to identify, invest in and enhance the value of businesses. For more information, please visit www.blackstone.com

Directors’ Report and Strategic Report *(continued)*

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors’ report confirm that, so far as they are each aware, there is no relevant audit information of which the company’s auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company’s auditor is aware of that information.

Directors’ duty to promote the success of the Group

The directors have had regard to the following matters set out in section 172(1) of The Companies Act 2006 when performing their duties:

1. the likely consequences of any decision in the long term,
2. the interests of the company's employees,
3. the need to foster the company's business relationships with suppliers, customers and others,
4. the impact of the company's operations on the community and the environment,
5. the desirability of the company maintaining a reputation for high standards of business conduct, and
6. the need to act fairly as between members of the company.

In promoting the success of Civica, the directors have regard to the Group’s stakeholders, including customers, employees, communities, suppliers, shareholders and investors, with focus on our core values. The ‘business review’ and ‘our people and our values’ sections of this report on pages 1 to 5 set out how Civica engages with stakeholders to ensure business decisions result in long-term sustainable growth and support our strong and purpose-driven culture.

Our ‘Climate-related Financial Disclosures (CFD)’ and ‘environmental policy’ on pages 8 to 11 further highlights how the Group remains aware of the potential impact our operations may have, and the steps taken to enhance the environmental and social effects of the business. The Group maintains high standards of business conduct through the effective corporate governance framework described on pages 12 and 13. This is underpinned by strong operational processes, policies and accreditations to drive consistent best practice across the Group.

Wates Principles

The Group complies with the corporate governance arrangements set out in the six Wates Principles as follows:

Purpose and leadership

The directors develop and promote the Group’s purpose with a clear strategy, underpinned by the values and culture set out in the ‘business model’, ‘business review’ and ‘our people and our values’ sections of the strategic report on pages 3 to 7.

Board composition

The Group board comprised 5 executive and 2 non-executive directors during the year, with an effective combination of skills and experience. This is further described under the ‘corporate governance’ section on pages 12 and 13, and the composition of the board along with the background and experience of the directors is set out on pages 15 and 16.

Director responsibilities

To ensure effectiveness and accountability, the Group’s governance structure includes various committees and an executive management board, each with clear purposes and responsibilities. These are detailed on pages 12 and 13.

Opportunity and risk

Civica’s success is built on sustainable long-term growth. The board promote this through identifying opportunities, such as those set out in the ‘business review’ on pages 1 and 2, whilst maintaining effective risk management controls described on pages 13 and 14.

Directors' Report and Strategic Report *(continued)*

Wates Principles *(continued)*

Remuneration

Committee, chaired by the Group's non-executive chairman, is responsible for providing oversight of the terms and conditions and remuneration of senior employees, to ensure it is appropriate and aligned to the sustainable success of the Group.

Stakeholder relationships and engagement

Engagement with stakeholders is integral to Civica's approach. The 'business review' and 'our people and our values' sections of this report on pages 3 to 7 set out how Civica engages with stakeholders to ensure business decisions result in long-term sustainable growth and to and create social value.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic Report.

The Directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Martin Franks
Director

South Bank Central
30 Stamford Street
London
SE1 9LQ

06 March 2025

Statement of directors' responsibilities in respect of the Strategic Report, The Director's Report and the consolidated financial statements

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

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its 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 Group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of RLLMJ23 Bidco Limited

Opinion

We have audited the financial statements of RLLMJ23 Bidco Group Limited ("the Company") for the year ended 30 September 2024 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 3.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements 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 Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. 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 Group or the Company or to cease their operations, and as they have concluded that the Group and 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 their 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 Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period. The risks that the Directors considered most likely to adversely affect the Group's and Company's available financial resources and/or metrics relevant to debt covenants over this period were:

- decrease in EBITDA;
- decrease in operation cash conversion rates; and
- increase in interest base rate.

We also considered less predictable but realistic second order impacts, such as increased exceptional costs, inflationary pressures which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively. Our procedures also included:

- Critically assessing assumptions in base case and downside scenarios relevant to liquidity and/or covenant metrics, in particular in relation to revenue growth assumptions to historical trends in severe economic situations and overlaying knowledge of the entity' plans based on approved budgets and our knowledge of the entity and the sector in which it operates.
- We also compared past budgets to actual results to assess the directors' track record of budgeting accurately.

Independent Auditor's Report to the Members of RLLMJ23 Bidco Limited *(continued)*

- We inspected the confirmation from the lender of the level of committed financing, undrawn financing, and the associated covenant requirements.
- We considered whether the going concern disclosure in note 3 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and, dependencies, and related sensitivities.
- We assessed the completeness of the going concern disclosure.

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 Group or 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 Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

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, legal officer and inspection of key papers provided to those charged with governance as to the high-level policies and procedures to prevent and detect fraud, including the Group’s channel for “whistleblowing” and process for engaging management to identify fraud risks specific to their business units, as well as whether they have knowledge of any actual, suspected, or alleged fraud;
- Using analytical procedures to identify any unusual or unexpected relationships;
- Reading Board minutes; and
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff.

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 and the risk of fraudulent revenue recognition, in particular the risk that revenue is not recognised in the correct accounting period when revenue is recognised from the sale of goods or delivery of service on point in time recognition basis.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying and testing journal entries based on risk criteria and comparing the identified entries supporting documentation. These included those posted to unusual or unexpected account combinations with revenue, cash and borrowings;
- Sample testing invoices relating to the period prior to 30 September 2043 to determine whether income is recognised in the correct accounting period; and
- Assessing significant accounting estimates for bias.

Independent Auditor's Report to the Members of RLLMJ23 Bidco Limited *(continued)*

Identifying and responding to risks of material misstatement due to non-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 other members of management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other members of management the policies and procedures regarding compliance with laws and regulations.

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 Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), pensions 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 statements items.

Secondly, the Group 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. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, and certain aspects of company legislation, recognising the nature of the Group's activities. 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.

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 these 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.

Independent Auditor's Report to the Members of RLLMJ23 Bidco Limited *(continued)*

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 19, 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 Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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.

Rob Andrews

Rob Andrews **(Senior Statutory Auditor)**
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill
Queensway
Birmingham
B46GH
07 March 2025

Consolidated Income Statement

For the period from 15 November 2023 to 30 September 2024	**Note**	**2024** **£000**
Turnover	5	209,022
Cost of sales		(98,491)
Gross profit		**110,531**
Sales and marketing expenses		(19,469)
Administrative expenses		(116,905)
Other operating expenses		
Operating profit before amortisation and exceptional charges		**44,084**
Exceptional charges	6	(41,687)
Amortisation	6,12	(28,240)
Group operating loss	6	**(25,843)**
Impairment losses on other assets	6,12	(51,000)
Finance income	9	3,485
Finance costs	10	(44,417)
Loss on fair value of financial instruments		(476)
Loss before taxation		**(118,251)**
Tax	11	12,457
Loss for the period		**(105,794)**

All turnover and results are derived from continuing activities.

The notes on pages 31 to 66 form part of the financial statements.

Consolidated Statement of Comprehensive Income

For the period from 15 November 2023 to 30 September 2024

	Note	2024 £000
Loss for the period		**(105,794)**
Items that will not be reclassified to the Income Statement:		
Remeasurement of the net defined benefit pension liability	25	(90)
Deferred tax on other comprehensive income	23	-
Items that may be reclassified subsequently to the Income Statement:		
Foreign exchange differences on translation of foreign operations		(3,827)
Other comprehensive income for the period, net of income tax		**(3,917)**
Total comprehensive income for the period		**(109,711)**

The notes on pages 31 to 66 form part of the financial statements.

Consolidated Statement of Financial Position
At 30 September 2024

	Note	2024 £000
Non-current assets		
Goodwill	12	863,591
Other intangible assets	12	1,157,069
Property, plant and equipment	13	11,622
Right-of-use assets	14	8,396
Trade and other receivables	16	3,589
Deferred tax assets	23	37,365
Retirement benefit obligations	25	944
		2,082,576
Current assets		
Inventories		1,624
Trade and other receivables	16	161,086
Cash and bank balances		62,747
Derivative financial instruments		52
		225,509
Total assets		**2,308,085**
Current liabilities		
Trade and other payables	17	(195,502)
Current tax liabilities	11	(1)
Lease liabilities	19	(3,956)
Provisions	24	(6,000)
		(205,459)
Non-current liabilities		
Borrowings	18	(819,215)
Trade and other payables	17	(19,141)
Lease liabilities	19	(11,931)
Provisions	24	(7,038)
Deferred tax liabilities	23	(297,458)
		(1,154,783)
Total liabilities		**(1,360,242)**
Net assets		**947,843**
Equity		
Share capital	26	10,576
Share premium		1,046,978
Foreign currency translation reserve		(3,827)
Retained earnings		(105,884)
Total equity		**947,843**

The notes on pages 31 to 66 form part of the financial statements.

These financial statements were approved by the board of directors and authorised for issue on 06 March 2025. They were signed on its behalf by:

South Bank Central
30 Stamford Street
London
SE1 9LQ
Company registered number: 15287921

Martin Franks *Director*

Company Statement of Financial Position
At 30 September 2024

	Note	2024 £000
Non-current assets		
Investments in subsidiaries	15	625,677
Current assets		
Trade and other receivables	16	557,155
Cash and cash equivalents		1,490
		558,645
Total assets		**1,184,322**
Current liabilities		
Trade and other payables	17	(20,026)
Total liabilities		**(20,026)**
Net assets		**1,164,296**
Equity		
Share capital	26	10,576
Share premium		1,046,978
Retained earnings		106,742
Total equity		**1,164,296**

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own of Income Statement and Statement of Other Comprehensive Income. The Company's profit for the period amounted to £106,742,000.

The notes on pages 31 to 66 form part of the financial statements.

These financial statements were approved by the board of directors and authorised for issue on 06 March 2025. They were signed on its behalf by:

Martin Franks
Director

South Bank Central
30 Stamford Street
London
SE1 9LQ
Company registered number: 15287921

Consolidated Statement of Changes in Equity

	Note	Share capital £000	Share premium £000	Foreign currency translation reserve £000	Retained earnings £000	Total equity £000
Balance at 15 November 2023		**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period						
Loss for the period		-	-	-	(105,794)	(105,794)
Other comprehensive income		-	-	(3,827)	(90)	(3,917)
Total comprehensive income for the period		**-**	**-**	**(3,827)**	**(105,884)**	**(109,711)**
Issuance of ordinary share capital		10,576	1,046,978	-	-	1,057,554
Balance at 30 September 2024		**10,576**	**1,046,978**	**(3,827)**	**(105,884)**	**947,843**

The notes on pages 31 to 66 form part of the financial statements.

Company Statement of Changes in Equity

	Note	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 15 November 2023		**-**	**-**	**-**	**-**
Total comprehensive income for the period					
Profit for the period		-	-	106,742	106,742
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**-**	**-**	**106,742**	**106,742**
Issuance of ordinary share capital		10,576	1,046,978	-	1,057,554
Balance at 30 September 2024		**10,576**	**1,046,978**	**106,742**	**1,164,296**

The notes on pages 31 to 66 form part of the financial statements.

Consolidated Cash Flow Statement
for the period ended 30 September 2024

	Note	2024 £000
Cash flows from operating activities		
Loss for the period		**(105,794)**
Adjustments for:		
Depreciation and amortisation	12, 13	31,545
Impairment on intangible assets	12	51,000
Impairment on right of use assets	14	88
Gain on disposal of property, plant and equipment		(152)
Finance income	9	(3,425)
Finance expense	10	44,417
Net interest income on net defined benefit liabilities	24	(60)
Loss on fair value of financial instruments		476
Exceptional acquisition costs	29	35,286
Taxation	11	(12,457)
Operating cash flows before movements in working capital		**40,924**
Increase in inventories		(1,624)
Decrease in trade and other receivables		28,030
Increase in trade and other creditors		21,195
Decrease in provisions	24	(451)
Pension contributions in excess of service cost	25	(97)
Cash generated by operations		**87,977**
Income taxes paid		(5,014)
Net cash from operating activities		**82,963**
Cash flows from investing activities		
Purchase of property, plant and equipment		(1,291)
Proceeds from disposal of property, plant and equipment		187
Acquisition of subsidiaries	29	(1,085,247)
Acquisition related costs paid	29	(35,286)
Capitalised development expenditure	12	(3,679)
Net cash from investing activities		**(1,125,316)**
Cash flows from financing activities		
Proceeds from the issue of ordinary share capital		1,057,554
Proceeds from loans and borrowings		100,000
Interest paid		(49,174)
Income from financial instruments		282
Interest received		1,401
Lease liabilities paid		(2,258)
Payment of facility fees		(2,250)
Net cash from financing activities		**1,105,555**
Net increase in cash and cash equivalents		63,202
Cash and cash equivalents at the beginning of the period		-
Effect of foreign exchange on cash balances		(455)
Cash and cash equivalents at the end of the period		**62,747**

1. General information

RLLMJ23 Bidco Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom on 15 November 2023 and registered in England and Wales. The principal activities of the parent company and its subsidiaries (the "Group") are building the software to sustain and enhance public services globally, with our core focus in the United Kingdom, Ireland, Australia, New Zealand, South-East Asia and North America.

These consolidated financial statements have been prepared in accordance with the UK-adopted International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and The Companies Act 2006. The term "IFRS" also encompasses all the International Accounting Standards ("IAS") and all interpretations published by the International Financial Reporting Interpretations Committee ("IFRIC"), the former Standing Interpretations Committee ("SIC").

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Group operates. All amounts in the financial statements have been rounded to the nearest £1,000 unless otherwise stated. The Company has elected to prepare its parent company financial statements in accordance with FRS 101.

2. Adoption of new and revised Standard

2.1. New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

IFRS 17 *Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)*	The Group does not have any contracts that meet the definition of an insurance contract under IFRS 17.
Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements—Disclosure of Accounting Policies*	The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'.
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.
Amendments to IAS 12 Income Taxes—International Tax Reform — Pillar Two Model Rules	The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.
Amendments to IAS 8 *Accounting Polices, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates*	The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

2.2. New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

IFRS 18	*Presentation and Disclosure in Financial Statements*

Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

3. Accounting Policies

3.1. Basis of accounting

The Group presents its consolidated income statement and statement of other comprehensive income using a classification method based on the function of expense, as it provides relevant information to its investors.

The consolidated financial statements of the Group have been prepared on the historical cost basis except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Further details on the accounting policies adopted are set out below.

Going concern

The Financial Reporting Council (FRC) issued *"Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risk"* in 2016, and the directors have considered this when preparing these financial statements.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for this financial period based on the going concern assessment work performed.

The financial statements have been prepared on the going concern basis, notwithstanding the Group has made a loss of £105.8m in the period to 30 September 2024 and as at that date had net assets of £947.9m, which the directors believe to be appropriate for the following reasons.

The Group meets its day-to-day working capital requirements through cash generated from the business, with facilities of up to £80m available for short-term bank borrowing if required. Financing from its shareholders and borrowings from external banks have been utilised to fund acquisitions.

As at 30 September 2024, the Group had net current assets of £20.0m and the Group generated positive operating cash from operating activities of £83.0m for the period then ended.

The directors have prepared cash flow forecasts for a twenty-one-month period, commencing in January 2025. The going concern assessment indicates that, in both the base case and stress test scenario case, considering severe but plausible downside scenarios, the Company will be able to meet its future liabilities as they fall due within the going concern period, but will have to access the RCF facility during this period if the possible downsides occur.

The forecasts include revenue projections for the recurring revenue and non - recurring revenue. Given most of the revenue is on a recurring nature it is therefore possible to predict accurately for the assessment period. The non-recurring revenue is harder to predict but is much smaller in proportion to recurring revenue.

Management's base scenario is based on board approved cashflow forecasts for the 2025 period and extrapolated for the 2026 period to September 2026. Reasonable assumptions have been made relating to capital expenditure, fixed asset disposals, development expenditure and pension costs. No acquisitions are forecast in this period.

The severe but plausible downside scenario includes a reduction in cash conversion of 16%, reduction in EBIT of 10% and an increase in debt servicing costs of 0.5%. The result of the model is that, even if all these elements were to occur, the Group could still meet all of its future liabilities as they arise with the use of the RCF facility. This is not projected to exceed £17,000,000 of the available RCF and working capital facilities of £80,000,000. In addition, management would be able to mitigate some of the expenditure by reduction of controllable costs, if the cashflow is challenged.

Blackstone acquired the Group in April 2024 and have committed to the continued trading entities of the Group based on the existing business plan for the duration of the gong concern period.

Consequently, the directors have prepared the financial statements for the period ended 30 September 2024 on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings as prepared to 30 September 2024. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated income statement account from the date that control commences. Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The parent company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- The size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intra-group balances, transactions, revenues and expenses and unrealised gains and losses resulting from intra-group transactions are fully eliminated.

The Company owns 100% shares of all its subsidiaries, therefore, it does not account for non-controlling interests in the consolidated financial statements.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement. In the Company’s financial statements, investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the entity. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the group in exchange for control of the acquiree. Acquisition-related costs resulting from transactions accounted for as business combinations are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date.

At the acquisition date, the Group recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- the fair value of contingent consideration at the acquisition date (see below); plus
- the amount of any non-controlling interests in the acquiree; plus
- the fair value of the equity instruments issued; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Revenue recognition

The Group has prepared in line with IFRS 15 for this financial period and as such there is now a full disclosure of the revenue recognised based on the five tests

i. Identify the contract

ii. Identify the separate performance obligations

iii. Determine the transaction price

iv. Allocate the transaction price to performance obligations

v. Recognise revenue when each performance obligation is satisfied

The turnover of the Group is comprised of the sale of licences, support, hosting, maintenance and training services, consulting contracts, hardware and managed services.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services. The Group enters into contracts that can include various combinations of products and services and recognises revenue from contracts with customers for delivering software licenses and rendering services.

The Group identifies distinct promised services from these contracts and allocates revenue in accordance with their performance obligations. The Group accounts separately for the service if it is distinct, whereby the promise to transfer the services is separately identifiable from other promises in the contract, and a customer can benefit from the service either on its own or together with other resources that are readily available to the customer.

Determining whether services and products are considered distinct performance obligations that are accounted for separately versus together may require judgement. The accounting policy affects the treatment for the different revenue streams of the group, which have been defined as follows:

Licence fee income

The Group recognises revenue from contracts with customers for delivering software licenses and rendering services.

The provision of software licence is assessed to whether they are a “right to access” or “right-to-use” the underlying software. For licences that provide a right to access software, generally the case for licences related to the Group’s software as a service (‘SaaS’) offerings, revenue is recognised over time based on the time elapsed. For licences that provide a continued right to use software with no further implementation, generally the case for contract renewals, revenue is recognised at the time of renewal/’go live’ date.

Multi-year contracts are unbundled to assess the enforceable rights and obligations of the parties under the contact, to establish the contract term, and to identify material rights. Where a material right is considered to reflect a separate performance obligation under IFRS 15, the Group allocates revenue in accordance with the performance obligations of that contract.

The Group allocates the transaction price to each performance obligation (or distinct service). To allocate the transaction price to each performance obligations on a relative stand-alone selling price basis, the stand-alone selling price at contract inception of the distinct service underlying each performance obligation in the contract is determined and the transaction price is allocated in proportion to these stand-alone selling prices.

This is because the Group has in effect provided a right to use the intellectual property as that intellectual property exists (in terms of form and functionality) at the point in time at which the licence is granted to the customer. The provision of software licences is therefore akin to a sale of a good and the consideration allocated to the enforceable period of the contract. A contract liability is recognised for revenues relating to the future material rights of customers to retain access to licensed software over the licence term and is released and revenue recognised as customers exercise those rights and the performance obligation is satisfied.

Support and maintenance contract income and other services

Revenue from the provision of support, hosting and maintenance contracts is recognised over the period to which the contracted service relates.

Revenue from the provision of training and consultancy services is recognised when the services have been performed.

Hardware sales are recognised on delivery. Hardware maintenance revenues are recognised evenly over the period to which they relate. Revenue from the delivery of managed services contracts is recognised over the life of the contract on a long-term contract accounting basis.

Sales commissions

Sales commissions paid to sales representative on the sale of new licences constitute an incremental cost to obtain a contract that would not have been incurred if the licence had not been sold. Where the Company expect to be able to recover those costs over the life of the licence term, those sales commissions have been initially recognised as an asset when incurred and released to the income statement over 5 years.

Foreign currency

The Group's consolidated financial statements are presented in pound sterling which is also the Company's functional currency. Each entity in the Group determines its own functional currency and the financial statements of each entity are measured using their functional currency.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences are not provided for differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Intangibles and non-current assets

Goodwill

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) expected to benefit from the synergies of the combination.

Goodwill for all acquisitions relates to anticipated future growth opportunities and synergies, including the value of the workforce.

Each cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. The Group performs the annual impairment testing as at 30 September each year.

Research and development.

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses. The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss over the estimated useful lives of intangible assets, on a straight-line basis, with no residual value. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer and brand intangibles 10 to 20 years
- software (own use) 4 to 5 years
- software development 1 to 20 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether property, plant and equipment should be impaired.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- buildings 50 years

- computer equipment and fixtures and fittings 3 to 7 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Impairment of property, plant and equipment and intangible assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of the reporting period that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to the CGUs that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Leases

The Group as lessee

The Group predominantly engages in leases for land and buildings, or commercial and motor vehicles.

The Group has adopted IFRS 16 and has assessed whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets with a present value lease liability of under £5,000 (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the period presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line ‘Other operating expenses’ in the income statement.

Financial instruments

Financial assets and financial liabilities are recognised in the Group’s balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All trade receivables and contract assets are measured at amortised cost subsequent to initial recognition.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the trade receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received, and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Employee benefits

Defined contribution pension plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, which can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and judgements that affect the reported values of assets and liabilities, profits and losses, and associated disclosures. Estimates and judgements are continually evaluated based on historical experience and other factors such as expected future events. Actual values may differ to management estimates, and those estimates may be revised in the future either positively or negatively depending upon actual outcomes or changes in expectations.

Key assumptions and other sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year are as follows:

Critical judgements in applying the group's accounting policies

Revenue recognition

Accounting judgements are applied to the recognition of revenue, in particular the identification of performance obligations in certain multi-element contracts and selection of the most appropriate revenue model where contracts are long term in nature.

In both of these cases a range of acceptable outcomes are possible. Therefore, it is important that the approach and methodologies adopted are appropriate and consistently applied.

Business combinations

Fair values of identifiable intangible assets recognised in business combinations relate to customer contracts and relationships at the date of each acquisition, as disclosed in note 29.

The key assumptions to calculate the fair values are the existence and value of customer intangibles, rates of customer attrition, and the weighted average cost of capital.

In addition, judgement is involved in determining the useful life of intangible assets acquired, particularly customer intangibles whereby useful economic life is based on management's judgement on the future likelihood and length of acquired contract renewals after the contracted term ends.

Impairment of intangible assets

For impairment testing purposes, goodwill arising in a business combination is allocated to the acquirer's CGUs that are expected to benefit from the synergies of the business combination in which goodwill arose. This is irrespective of whether other assets or liabilities of the acquiree are assigned to those units. IAS 36 does not prescribe any specific method of allocating goodwill to CGUs. Depending on the facts and circumstances, different methods of allocating goodwill to each benefiting CGU may be appropriate. Management have made a key accounting judgement to allocate the goodwill arising from the business combination to the CGUs based on the relative fair value of the CGUs at acquisition date.

Key sources of estimation uncertainty

Impairment of intangible assets

An impairment review has been performed to determine whether the value in use of the intangible assets held exceed their carrying value at the date of the preparation of these financial statements. In order to prepare this review judgements have to made regarding the future EBITDA and cashflows of the group for the future five-year trading period and the terminal value. The key assumptions to prepare the value in use calculations are the weighted average cost of capital and the growth rate for the enterprise.

Pension assumptions

The Company makes assumptions regarding variables used in calculating the defined benefit pension scheme valuations and disclosures. These assumptions are made in conjunction with advice from independent actuaries and are disclosed in note 25.

5. Revenue

	2024
	£000
By nature:	
Sale of goods	37,524
Rendering of services	171,498
Total revenue	**209,022**
By activity:	
Owned software and related equipment	1,522
Third party software and services	36,002
Implementation and consulting services	43,777
Recurring support and managed services	127,721
Total revenue	**209,022**
By geographical market:	
United Kingdom	156,706
Australasia and Far East	44,666
North America	7,650
Total revenue	**209,022**

6. Expenses and auditor's remuneration

Included in profit/loss are the following;	2024 £000
Depreciation and other amounts written off owned property, plant and equipment	2,079
Depreciation of right of use assets	1,226
Amortisation of intangible assets	28,240
Amounts written off goodwill and intangible assets	51,000
Exceptional costs – included in administrative expenses	41,687
Loss on fair value of financial instruments	476
Loss allowance on trade receivables	298

During the period the Group incurred exceptional costs of which £35,286,000 were directly attributable to the acquisition of the Civica Group. £1,910,000 related to the strategic reorganisation of the Group's operations and property portfolio and £228,000 of aborted acquisition costs. The Group incurred restructuring and executive transition costs totalling £4,263,000.

A loss in fair value of £476,000 was recognised in the period in respect of the fair value of an interest rate cap with a maturity date of 30 September 2025

Auditor's remuneration:

	2024 £000
Audit of these financial statements	230
Amounts receivable by the company's auditor and its associates in respect of:	
Audit of financial statements of subsidiaries of the company	523
Other Assurance services	-
	753

7. Staff numbers and costs

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

	2024 **£000**
Technical	4,304
Sales and marketing	289
Administration	372
	4,965

The aggregate payroll costs of these persons were as follows:

Wages and salaries	87,488
Social security costs	7,683
Contributions to defined contribution plans	6,218
	101,389

8. Directors' remuneration

	2024 **£000**
Directors' remuneration	**4,311**

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £2,867,671 including Company pension contributions made to a money purchase scheme on their behalf of £7,833.

	Number of directors 2024
Retirement benefits are accruing to the following number of directors under:	
Money purchase schemes	1
Defined benefit schemes	-

Some of the directors (Blackstone representatives) are employees of Blackstone and are also directors of other Blackstone portfolio companies. These directors' services to Civica Group do not occupy a significant amount of their overall time and, as such, the directors do not consider that they have received any remuneration for their incidental services as directors to the company and the group during the period ended 30 September 2024. Civica Group has not paid any remuneration to these directors.

Transactions with key management personnel are disclosed in note 28.

9. Finance income

	2024 **£000**
Bank and other interest receivable	1,401
Exchange differences on loans	2,024
Net interest income on net defined benefit liabilities (see note 25)	60
	3,485

10. Finance costs

	2024 **£000**
Interest payable on financial liabilities	43,902
Interest on lease liabilities	515
	44,417

11. Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity:

	2024 **£000**
Current tax	
UK corporation tax on income for the period	5,840
Overseas tax on income for the period	1,234
Total current tax	7,074
Deferred tax (see note 23)	
Origination and reversal of timing differences	(19,531)
Total deferred tax	(19,531)
Total tax	**(12,457)**

The standard rate of corporation tax applied to reported profit is 25 per cent. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

11. Taxation (continued)

The group has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

	2024		
	Current tax £000	**Deferred tax £000**	**Total tax £000**
Recognised in the income statement	7,074	(19,531)	(12,457)
Total tax	**7,074**	**(19,531)**	**(12,457)**

Analysis of current tax recognised in profit and loss

	2024 £000
UK corporation tax	5,840
Foreign tax	1,234
Total current tax recognised in profit and loss	**7,074**

Reconciliation of effective tax rate

	2024 £000
Loss for the period	(105,794)
Total tax (charge)/credit recognised in profit and loss	12,457
Loss excluding taxation	(118,251)
Tax using the UK corporation tax rate of 25%	(29,563)
Non-deductible expenses	9,792
Goodwill impairment	7,095
Change in recognition of deferred tax	(41)
Effect of corporation tax rates in foreign jurisdictions	(18)
Other differences	278
Total tax credit included in profit or loss	**(12,457)**

From 1 April 2023, the corporation tax rate increased from 19% to 25%. The deferred tax assets and liabilities at 30 September 2024 have been calculated using the appropriate tax rate based on when the underlying balance is expected to crystallise.

12. Intangible assets and goodwill

Group	Goodwill £000	Customer intangibles £000	Software (own use) £000	Software development £000	Brands £000	Total £000
Cost						
At 15 November 2023	-	-	-	-	-	-
Acquisitions through business combinations	891,971	1,007,613	4,313	117,027	75,297	2,096,221
Additions – internally developed	-	-	-	3,679	-	3,679
At end of the period	891,971	1,007,613	4,313	120,706	75,297	2,099,900
Accumulated amortisation and impairment						
At 15 November 2023	-	-	-	-	-	-
Amortisation for the period	-	(20,991)	(1,717)	(3,963)	(1,569)	(28,240)
Disposal	-	-	-	-	-	-
Impairment loss	(28,380)	(22,620)	-	-	-	(51,000)
Effect of movements in foreign exchange	-	-	-	-	-	-
At end of the period	(28,380)	(43,611)	(1,717)	(3,963)	(1,569)	(79,240)
Net book value						
At 30 September 2024	**863,591**	**964,002**	**2,596**	**116,743**	**73,728**	**2,020,660**

Amortisation charge

The amortisation charge is recognised in the administrative expenses line in the income statement.

Goodwill

Management has concluded that the Group has four CGUs. The carrying amount of goodwill as at September 2024 has been allocated to CGUs as follows:

	2024 £000
Local government	535,723
Health	230,948
Education	96,920
Central government	-
	863,591

The recoverable amount of all CGUs is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period and a post-tax discount rate of 10.60 per cent per annum. Cash flows beyond the five-year period are extrapolated using a terminal value. The growth rate does not exceed the long-term average growth rate for the sector in which the CGU operates. The key assumptions for all CGUs were the growth rates within the five-year financial budgets based on past experience adjusted for market trends, and the pre-tax discount rates.

12. **Intangible assets and goodwill** (continued)

The values of the inputs used in the impairment assessment are outlined below:

	Long-term growth rate	**Discount rate**
Local government	2%	10.6%
Health	2%	10.6%
Education	2%	10.6%
Central government	2%	10.6%

Following the completion of an impairment assessment an impairment loss of £28.38m of goodwill and £22.62m of intangible assets were recognised during the period relating to Central Government and the Education CGUs.

Education has recognised an impairment of goodwill of £10m to reduce the carrying value to the value in use determined in the impairment model.

Central Government has impaired intangible assets by £22.62m; and goodwill by £18.38m, totalling £51m for the Group.

The impairment model is highly sensitive to any changes in the underlying assumptions regarding WACC rates and growth factor. A sensitivity analysis has been performed on this CGU to see the effect of minor increases/ decrease in these assumptions.

From the table below it is clear that the carrying value of the Education CGU of £172m, remains sensitive to impairment should the key assumptions move adversely by minor amounts.

	Headroom	**Discount rate**	**Terminal growth rate**	**Reduction in headroom from a 0.5% increase in the discount rate**	**Reduction in headroom from a 0.5% decrease in the terminal growth rate**
	£000	**%**	**%**	**£000**	**£000**
Education	0	10.60	2.00	(10,000)	(7,000)

13. Property, plant and equipment

Group	**Freehold land and buildings**	**Leasehold improvements**	**Computer equipment, fixtures and fittings**	**Total**
	£000	**£000**	**£000**	**£000**
Cost				
At 15 November 2023	-	-	-	-
Acquisitions through business combinations	4,542	357	7,611	12,510
Additions	-	69	1,222	1,291
Disposals	-	-	(35)	(35)
Effect of movements in foreign exchange	-	-	(71)	(71)
At end of the period	4,542	426	8,727	13,695
Accumulated depreciation and impairment				
At 15 November 2023	-	-	-	-
Depreciation charge for the period	(65)	(81)	(1,933)	(2,079)
Disposals	-	-	-	-
Impairment loss	-	-	-	-
Effect of movements in foreign exchange	-	-	6	6
At end of the period	(65)	(81)	(1,927)	(2,073)
Net book value				
At 30 September 2024	**4,477**	**345**	**6,800**	**11,622**

14. Right-of-use assets

Group

	Buildings £000	Motor Vehicles & Equipment £000	Total £000
Cost			
At 15 November 2023	-	-	-
Acquisitions through business combinations	9,554	257	9,811
Additions	-	43	43
Disposals	-	(4)	(4)
Effect of movements in foreign exchange	(144)	-	(144)
At end of the period	9,410	296	9,706
Accumulated depreciation and impairment			
At 15 November 2023	-	-	-
Depreciation charge for the period	1,178	48	1,226
Disposals	-	(4)	(4)
Impairment loss	88	-	88
Effect of movements in foreign exchange	-	-	-
At end of the period	1,266	44	1,310
Net book value			
At 30 September 2024	**8,144**	**252**	**8,396**

The Group leases several assets including buildings, motor vehicles and equipment. The average lease term is eight years.

Amounts recognised in profit and loss	**2024 £000**
Depreciation expense on right-of-use assets	1,226
Interest expense on lease liabilities	515
Expense relating to leases of low value assets	13

For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones), the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

15. Fixed asset investments

Company	Shares in subsidiary undertakings £000
Cost and net book value	
At start and end of period	**625,677**

Shares in subsidiary undertakings (which are included in these Group accounts) at the year-end are as follows:

Company	Country of incorporation	Principal activities	Class and % of shares held
Active companies:			
Camelia Investment 1 Limited	United Kingdom	Holding company	Ordinary 100%
Camelia Investment 2 Limited	United Kingdom	Holding company	Ordinary 100%
Camelia Investment 3 Limited *	United Kingdom	Holding company	Ordinary 100%
Camelia Bidco Limited *	United Kingdom	Holding company	Ordinary 100%
Chambertin (Holdings) Limited *	United Kingdom	Holding company	Ordinary 100%
Civica Group Limited *	United Kingdom	Holding company	Ordinary 100%
Civica Holdings Limited *	United Kingdom	Holding company	Ordinary 100%
Civica UK Limited *	United Kingdom	Trading **	Ordinary 100%
Civica Pty Limited *	Australia	Trading **	Ordinary 100%
Civica BPO Pty Limited *	Australia	Trading **	Ordinary 100%
Civica Education Pty Ltd *	Australia	Trading **	Ordinary 100%
Civica Pte Limited *	Singapore	Trading **	Ordinary 100%
Civica North America Inc. *	USA	Trading **	Ordinary 100%
Civica Technologies Limited *	United Kingdom	Holding company	Ordinary 100%
Asidua Holdings Limited *	Northern Ireland	Holding company	Ordinary 100%
Civica Election Services Limited*	United Kingdom	Trading **	Ordinary 100%
Shaw & Sons Limited *	United Kingdom	Trading **	Ordinary 100%
Civica NI Limited *	Northern Ireland	Trading **	Ordinary 100%
Civica Ireland Limited *	Republic of Ireland	Trading **	Ordinary 100%
Civica Solutions Canada, Inc*	Canada	Trading **	Ordinary 100%
Radius Pension Trustees Limited *	United Kingdom	Active	Ordinary 100%

Company	Country of incorporation	Principal activities	Class and % of shares held
Dormant companies:			
Agylia Care Limited *	United Kingdom	Inactive	Ordinary 100%
Agylia Group Limited *	United Kingdom	Inactive	Ordinary 100%
Calibrand Limited *	United Kingdom	Inactive	Ordinary 100%
Caliqual Limited *	United Kingdom	Inactive	Ordinary 100%
Carval computing Limited	United Kingdom	Inactive	Ordinary 100%
Chameleon Information Management Services Limited *	United Kingdom	Inactive	Ordinary 100%
Civica Financial Systems Limited *	United Kingdom	Inactive	Ordinary 100%
Civica HR Solutions Limited *	United Kingdom	Inactive	Ordinary 100%
Civica Services Limited *	United Kingdom	Inactive	Ordinary 100%
Civica Trustees Limited *	United Kingdom	Inactive	Ordinary 100%
Electoral Reform (Market Research) Limited *	United Kingdom	Inactive	Ordinary 100%
Electoral Services Limited *	United Kingdom	Inactive	Ordinary 100%
Flex Software Limited *	United Kingdom	Inactive	Ordinary 100%
Fretwell-Downing Hospitality Holdings Limited *	United Kingdom	Inactive	Ordinary 100%
Fretwell-Downing Hospitality Limited *	United Kingdom	Inactive	Ordinary 100%
Horcrux Holdings Limited*	United Kingdom	Inactive	Ordinary 100%
Malinko Health & Care Technologies Limited *	United Kingdom	Inactive	Ordinary 100%
Parago Software Limited *	United Kingdom	Inactive	Ordinary 100%
Point Progress Limited*	United Kingdom	Inactive	Ordinary 100%
Shaw & Sons (Holdings) Limited *	United Kingdom	Inactive	Ordinary 100%
Shaw & Sons Group Limited *	United Kingdom	Inactive	Ordinary 100%
Sudiar Limited *	United Kingdom	Inactive	Ordinary 100%
Tecsys Limited *	United Kingdom	Inactive	Ordinary 100%

15. Fixed asset investments (continued)

Company	**Country of incorporation**	**Principal activities**	**Class and % of shares held**
The Technology Forge Holdings Limited*	United Kingdom	Inactive	Ordinary 100%
The Technology Forge Limited*	United Kingdom	Inactive	Ordinary 100%
Thelma-EU Limited *	United Kingdom	Inactive	Ordinary 100%
Zedcore Systems Limited	United Kingdom	Inactive	Ordinary 100%
Arborsafe Australia Consulting Pty Limited *	Australia	Inactive	Ordinary 100%
Arborsafe Australia Pty Limited *	Australia	Inactive	Ordinary 100%
Arborsafe Holdings Pty Limited *	Australia	Inactive	Ordinary 100%
Arborsafe Technology Holdings Pty Limited *	Australia	Inactive	Ordinary 100%
Civica Solutions Pty Ltd *	Australia	Inactive	Ordinary 100%
LinkSafe Group Pty Ltd	Australia	Inactive	Ordinary 100%
LinkSafe IP Pty Ltd	Australia	Inactive	Ordinary 100%
Medical I.T. Pty Limited *	Australia	Inactive	Ordinary 100%
iCasework Inc. *	USA	Inactive	Ordinary 100%
Ntropy Data Inc *	USA	Inactive	Ordinary 100%
Parago Software Inc *	USA	Inactive	Ordinary 100%

* Interests held indirectly

** All trading companies' principal activities are in line with those of the Group, being the provision of business-critical software and digital solutions, primarily to the public sector and regulated markets in the United Kingdom, Australasia, South-East Asia and North America.

Registered office addresses

United Kingdom: South Bank Central, 30 Stamford Street, London, SE1 9LQ.
Northern Ireland: 10 Weavers Court, Belfast, BT12 5GH.
Republic of Ireland: 5th Floor, Beaux Lane House, Mercer Street Lower, Dublin 2
Scotland: 105 West George Street, Glasgow, Strathclyde, G2 1PB.
Australia: Ground Floor 277 William Street Melbourne VIC 3000.
Singapore: 6 Harper Road, Leong Huat Building, 04-08, Singapore 369674.
USA: 52 Hillside Court, Englewood, Ohio 45322, USA.
India: Notus Pride (1st Floor), Sarabhai Campus, Bhailal Amin Marg, Vadodara - 390007, India.
Canada: 1-109 James Avenue, Winnipeg, Manitoba, R3B 0N6, Canada

Subsidiary audit exemptions

The following subsidiaries took advantage of the exemption from audit of their individual financial statements under Section 479A of the Companies Act 2006:

Camelia Investment 1 Limited (Company Number 10969863)

Camelia Investment 2 Limited (Company Number 10970308)

Camelia Investment 3 Limited (Company Number 10970818)

Chambertin (Holdings) Limited (Company Number 08515929)

Civica Group Limited (Company Number 04968437)

Civica Holdings Limited (Company Number 02131240)

Civica NI Limited (Company Number NI043987)

Asidua Holdings Limited (Company Number NI063714)

Civica Technologies Limited (Company Number 02925594)

Shaw & Sons Limited (Company Number 00176653)

As a condition of that exemption, the Company has guaranteed the liabilities of these subsidiaries as at 30 September 2024.

16. Trade and other receivables

	Group 2024 £000	Company 2024 £000
Current		
Trade receivables	52,455	-
Loss allowance	(298)	-
Net trade receivables	**52,157**	**-**
Contract assets	59,690	-
Prepayments and other debtors	41,436	2,651
Corporation tax	7,803	-
Amounts due from group undertakings	-	554,504
	161,086	**557,155**

	Group 2024 £000	Company 2024 £000
Non-Current		
Trade receivables	3,589	-
Loss allowance	-	-
Net trade receivables	**3,589**	**-**

Trade receivables

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables.

The group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Included in the Group's trade receivable balance are debtors with a carrying amount of £14,978,000 million which were past due at the reporting date against which a provision of £298,000 is held.

Ageing of past but not impaired trade receivables are as follows:

	2024 £000
0-30 days	41,066
31-60 days	7,873
61-90 days	3,812
More than 90 days	2,995
	55,746

The group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The contractual amounts outstanding on trade receivables that were written off during the period but are still subject to enforcement activities was £298,000.

Company
Recoverability of amounts due from group undertakings is reviewed annually and the intention of the Company not to recall it within less than one year is communicated to the relevant group undertaking. No interest is accrued, and the fair value is not materially different to the book value.

17. Trade and other payables

	Group 2024 £000	Company 2024 £000
Current		
Trade payables	10,626	-
Taxation and social security	15,565	-
Accruals and other payables	45,211	77
Contract liabilities	124,100	-
Amounts owed to group undertakings	-	19,949
	195,502	**20,026**
Non-current		
Trade payables	2,724	-
Contract liabilities	16,417	-
	19,141	**-**

18. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings.

	Group 2024 £000	Company 2024 £000
Secured borrowings at amortised cost		
Bank loans	**(819,215)**	-
Amount due for settlement:		
After five years		
Bank loans	(819,215)	-
	(819,215)	**-**

Secured bank loans

Included as a deduction against bank loans are £32,332,000 of costs attributable to the raising of bank loans. The costs are being amortised over the duration of the loans.

The Group's bank loans are secured by way of a fixed and floating charge over the assets of the Group. Bank loans are denominated in Sterling, with the exception of £23,401,000 included within the balance above which is denominated in Australian Dollars and translated to Sterling at the year-end rate. Bank loans attract interest rates at SONIA (for Sterling denominated debt) or BBSW (for Australian Dollar denominated debt) plus a margin of 6.25%. All bank loans are repayable at maturity, by August 2030.

19. Lease liabilities

	2024 £000
Amount due for settlement:	
Between one and five years	11,457
After five years	2,570
On demand or within one year	5,192
Less: future finance charges	(3,332)
Present value of lease obligations	**15,887**
Analysed as	
Amounts due for settlement within one year	3,956
Amount due for settlement after one year	11,931
	15,887

20. Analysis of changes in net debt

	At 15 November 2023 £000	Financing cash flow £000	Acquisition of subsidiaries £000	Other changes £000	At 30 September 2024 £000
Bank loans	-	-	(817,826)	(1,389)	**(819,215)**
Gross debt	-	-	(817,826)	(1,389)	**(819,215)**
Cash at bank and in hand	-	1,490	51,383	9,874	**62,747**
Net debt	-	1,490	(766,443)	8,485	**(756,468)**

21. Derivative financial instruments

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings.

	Group 2024 £000	Company 2024 £000
Derivatives measured at fair value through profit and loss		
Interest rate cap		
	52	**-**

21. Derivative financial instruments (continued)

The interest rate cap has a maturity date of 30 September 2025 and is used to limit the interest rate payable on a notional value of £526,000,000 to 5.055%.

22. Contract balances

Contract liabilities

	2024 **£000**
Amounts falling due within one year:	
Material rights of customers to future software access and maintenance services	124,100
Amounts falling due after more than one year:	
Material rights of customers to future software access and maintenance services	16,417
Total contract liabilities	**140,517**

The provision of software licence is assessed to whether they are a "right to access" or "right-to-use" the underlying software. For licences that provide a right to access software, generally the case for licences related to the Group's software as a service ('SaaS') offerings, revenue is recognised over time based on the time elapsed. For licences that provide a continued right to use software with no further implementation, generally the case for contract renewals, revenue is recognised at the time of renewal/'go live' date.

Multi-year contracts are unbundled to assess the enforceable rights and obligations of the parties under the contact, to establish the contract term, and to identify material rights. Where a material right is considered to reflect a separate performance obligation under IFRS 15, the Group allocates revenue in accordance with the performance obligations of that contract.

A contract liability is recognised for revenues relating to the future material rights of customers to retain access to licensed software over the licence term and is released and revenue recognised as customers exercise those rights and the performance obligation is satisfied.

The costs incurred to obtain contracts with customers have been capitalised during the period resulting in a £19,794,000 prepayment at 30 September 2024, with £618,000 being recognised in the Income Statement.

23. Deferred tax assets and liabilities

A summary of the movements in deferred tax is as follows:

	Total £000
Arising on acquisition	(279,622)
Credit to profit or loss	19,531
At 30 September 2024	**(260,091)**

Deferred tax assets and liabilities are attributable to the following:

	Asset £000	**Liability £000**	**Net £000**
Accelerated capital allowances	1,754	(347)	1,407
Arising on business combinations	-	(21,778)	(21,778)
Employee benefits	-	(236)	(236)
Other short term temporary differences	11,028	(18,764)	(7,736)
Corporate Interest Restriction	35,179	-	35,179
Intangibles	-	(269,567)	(269,567)
Tax losses	2,640	-	2,640
At 30 September 2024	**50,601**	**(310,692)**	**(260,091)**

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

The group has tax losses arising in the UK of £2,832,000 that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group, and they have arisen in subsidiaries that have no ability to use these losses in the foreseeable future.

The other deferred tax assets primarily relate to differences in the tax and accounting treatment of employee remuneration and fair value provisions arising on consolidation.

Company

The company has no deferred tax assets or liabilities, either recognised or unrecognised.

24. Provisions

	2024 £000
Property related provisions	7,038
Other	6,000
	13,038
Current	6,000
Non-current	7,038
	13,038

	Property related provisions £000	Other £000	Total £000
At 15 November 2023	-	-	-
Acquisition through business combinations	7,489	6,000	13,489
Additional provision in the period	-	-	-
Utilisation of provision	(308)	-	(308)
Unwinding of discount	-	-	-
Adjustment for change in discount rate	-	-	-
Effect of foreign exchange	(143)	-	(143)
At 30 September 2024	**7,038**	**6,000**	**13,038**

The Group recognised property provisions including dilapidation commitments, and future costs associated with properties no longer in use. Other provisions include amounts relating to project liabilities.

Company

The Company has no provisions.

25. Retirement benefit obligations

Defined benefit plans

The Group operates a defined benefit scheme, the Radius Group Pension Scheme ("the Radius Scheme"), and is a participating employer in two other defined benefit pension schemes, The Sanderson Group Retirement Benefit Scheme ("the Group Scheme") and The Pension and Life Assurance Plan of Sanderson Systems Limited ("the Systems Scheme"). The schemes were acquired on the acquisition of the Civica Group. The schemes are funded by the Group, based on the pension funds' actuarial measurement frameworks.

Radius Scheme

The Radius Scheme is a self-administered pension scheme which provides retirement benefits to current and former employees. Prior to 1 October 2001, the scheme provided benefits on both a defined contribution and defined benefit basis. The defined benefit section was closed to members, with the exception of long service staff in January 1995. With effect from 1 October 2001 all future benefits for all staff have accrued on a defined contribution basis. The scheme is closed to new members, but certain employees continue to have deferred benefits accrued. The Group makes funding contributions to the scheme based on a separate actuarial valuation for funding purposes.

At 30 September 2024, the weighted-average duration of the defined benefit obligation was 11 years.

The latest actuarial valuation was at 5 April 2021.

Group Scheme and Systems Scheme

The Group Scheme and Systems Scheme are sectionalised, and the assets and liabilities attributable to the Group are ring-fenced. The Group has no accountability for the other participating employers' assets and liabilities.

The employers are required to make contributions at a level that is set to rectify any past service deficit, as the schemes are both closed to new members and future accrual. The funding arrangements have been agreed as a fixed percentage.

25. Retirement benefit obligations (continued)

The latest actuarial valuation of the Group Scheme was at 31 March 2023, and the Systems Scheme was at 31 October 2023.

At 30 September 2024, the weighted-average duration of the defined benefit obligation related to The Group Scheme was 13 years and the Systems Scheme was 12 years.

The Group includes the assets and liabilities of these arrangements in the consolidated balance sheet. Current service costs, curtailment and settlement gains and losses, and net interest on the net defined benefit liability are included in the profit and loss account in the year to which they relate. Actuarial gains and losses are recognised in other comprehensive income. The information disclosed below represents the combined balances of the three plans of the Group. The Group expects to pay £330,000 in contributions to these defined benefit plans in the year ending 30 September 2025.

Net pension liability

	2024 **£000**
Defined benefit obligation	(17,462)
Plan assets	18,406
Net pension asset	**944**

Movements in present value of defined benefit obligation

	2024 **£000**
At 15 November 2023	-
Acquisition through business combinations	(16,663)
Insured annuities adjustment	(14)
Interest expense	(896)
Remeasurement: actuarial gains/(losses)	(1,063)
Benefits paid	1,174
At 30 September 2024	**(17,462)**

Movements in fair value of plan assets

	2024 **£000**
At 15 November 2023	-
Acquisition through business combinations	17,540
Insured annuities adjustment	-
Interest income	956
Remeasurement: return on plan assets less interest income	987
Administrative expenses	(70)
Contributions by employer	167
Benefits paid	(1,174)
At 30 September 2024	**18,406**

Expense recognised in the profit and loss account

	2024 **£000**
Net interest on net defined benefit liability	60
Administrative expenses	(44)
Total income recognised in profit or loss	**16**

The total recognised in the statement of other comprehensive income is a remeasurement loss of £90,000.

25. Retirement benefit obligations (continued)

Pension assets are all unquoted.

The fair value of the plan assets and the return on those assets were as follows:

	2024 Fair value £000
Equities	765
Fixed income bonds	10,646
Cash	675
Property	133
Guaranteed annuity rates	2,659
Other	3,528
	18,406
Actual return on plan assets	**987**

The Trustees are responsible for continuous review of the invested funds to ensure appropriate investment strategy, risk management, and alignment with the long-term funding target of each scheme, whilst ensuring compliance with the Pension Regulators new funding code.
Investments are continually reviewed against targets, with investments in lower risk categories such as, diversified funds, return credit funds, matching credit funds, LDI funds and cash.

It is noted that the Radius scheme is in a net surplus position. The Group has assessed the recoverability of the surplus and note that there are no restrictions in the scheme membership rules and therefore the surplus has been recognised in full on the Consolidated Statement of Financial Position.

Principal actuarial assumptions at the year-end and the range of values (expressed as weighted averages) applied to the schemes in relation to the defined benefit obligation were as follows:

Scheme	**Discount rate**	**Inflation rate (RPI)**	**Inflation rate (CPI)**	**Salary increases**	**Future pension increases**
The Systems Scheme	5.10%	3.00%	2.70%	N/A	2.70%
The Group Scheme	5.10%	3.00%	2.70%	N/A	2.70%
Radius	5.00%	3.10%	2.70%	2.70%	2.70%

Mortality

The mortality assumption has been derived from standard UK tables based on expected Plan experience in line with the assumptions adopted by the Trustees for their Statutory Funding Valuation with scheme specific adjustments, and are defined by scheme as follows:

Scheme	**Mortality base table**	**Future improvements**
The Systems Scheme	114% of S3PMA (males), 104% of S3PFA_M (females)	Continuous Mortality Investigation (“CMI”) 2021 with a long-term rate of improvement of 1.25% p.a. (SK = 7.5, A=0%, W20 = W21 = 0%)
The Group Scheme	100% of S3PMA (males), 100% of S3PFA (females)	CMI 2022 with a long-term rate of improvement of 1. 5% p.a. (SK = 7.0, A=0.25%, W20 = W21 = 10%, W22 = 35%)
Radius	104% of S3PMA (males), 104% of S3PFA_M (females)	CMI 2021 with a long-term rate of improvement of 1.25% p.a. (SK = 7.5, A=0%, W20 = W21 = 0%)

25. Retirement benefit obligations (continued)

In valuing the liabilities of the pension funds at 30 September 2024, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year-old to live for a number of years as follows:

	Current pensioner aged 65 (Male)	Current pensioner aged 65 (Female)	Future retiree upon reaching 65 (Male)	Future retiree upon reaching 65 (Female)
The Systems Scheme	21.9	24.5	22.2	25.7
The Group Scheme	21.6	24.2	23.2	25.9
Radius	21.9	23.7	23.3	25.2

Risks and sensitivities

The Group is exposed to actuarial risks including inflation risk, interest rate risk and market risk. A sensitivity analysis has been performed on the principal assumptions used to measure plan liabilities at the year end and is detailed in the table below:

	Change in assumption	Decrease/(increase) to plan liabilities
		£000
Discount rate	Decrease by 0.5ppts	(720)
	Increase by 0.5ppts	1,115
Inflation assumption	Decrease by 0.25ppts	320
	Increase by 0.25ppts	158
Assumed life expectancy at age 65 (rate of mortality)	Decrease by 1 year	(225)

These sensitivities are based on the relevant assumptions at 30 September 2024 and are applied to obligations at the end of the reporting period.

The sensitivity analyses provided are hypothetical only and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced because the Group's actual exposure will change in line with market changes. In addition, the effect of a change in a particular assumption has been determined based on reasonably possible changes to the respective assumptions, while holding all other assumptions constant. The changes in plan liabilities are estimates of the impact of changes in assumptions and are not a prediction of future events or anticipated increases or decreases.

GMP equalisation

On 26 October 2018, the High Court issued a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgement arise in relation to many other defined benefit pension schemes, including the three that Civica Group operates or participates in. The Group has included an estimate for the potential additional liabilities relating to the Group's schemes.

On 20 November 2020, the High Court handed down a further judgement on the Guaranteed Minimum Pension (GMP) equalisation case in relation to the Lloyds banking group pension schemes. This latest judgement confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgement arise in relation to many other defined benefit pension schemes. The schemes have experienced a small number of historical transfers out which will be subject to adjustment as a result of this second ruling. At this stage the trustees are not yet in a position to obtain a reliable estimate of the impact of the backdated benefits and related interest. Therefore, no provision has been made within these financial statements. A provision will be recognised as a past service cost within the financial statements when a reliable estimate is determined.

25. Retirement benefit obligations (continued)

Virgin Media case

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Company and pension Trustees are currently considering the implications of the case for the three pension schemes currently recognised by the Civica Group (see Page 59 for details). The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

Defined contribution plans

The Group operates a number of defined contribution pension plans. The total expense relating to these plans in the current period was £6,210,000.

26. Capital and reserves

Share capital

	Ordinary shares	Total
Issued during the period	10,575,523	**10,575,523**
On issue at end of the period – fully paid	10,575,523	**10,575,523**

		2024 £000
Allotted, called up and fully paid		
10,575,523	A ordinary shares of £1.00 each	10,576
Total classified in shareholders' funds		**10,576**
Total allotted, called up and fully paid share capital		**10,576**

Share class rights

Ordinary shares

The holders of the A ordinary shares have full voting rights.

Reserves

Reserves of the Group represent the following:

Share premium

The excess of consideration received for shares issued above their nominal value net of transaction costs.

Foreign currency translation reserve

Foreign exchange differences arising from the translation of the consolidated financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Profit and loss

Cumulative total comprehensive income net of distributions to shareholders.

27. Financial instruments

The principal financial instruments held, other than derivative financial instruments, are trade and other receivables, cash and bank balances, trade and other payables, bonds and borrowings. The table below summarises such financial assets and liabilities by category. The carrying amounts of the financial instruments are as follows:

30 September 2024	Carrying value				
	Assets at amortised cost	FVTPL	FVTOCI	Liabilities at amortised cost	Fair Value
	£000	£000	£000	£000	£000
Assets					
Trade and other receivables [1]	58,397	-	-	-	58,397
Cash and bank balances	62,747	-	-	-	62,747
Derivative financial instruments	-	52	-	-	52
Liabilities					
Trade and other payables	-	-	-	(10,628)	(10,628)
Loans and borrowings	-	-	-	(819,215)	(819,215)
Lease liabilities	-	-	-	(15,887)	(15,887)
Other non-current liabilities	-	-	-	(2,724)	(2,724)

[1] Trade and other receivables in the balance sheet include prepayments, contract assets and corporation tax, which are not financial assets and hence excluded from the tables above.

[2] Trade and other payables in the balance sheet include progress billings, corporation tax, social security and other taxes and certain accruals which are not financial liabilities and hence excluded from the tables above.

Fair value measurement

The Group's interest rate cap is measured at fair value at the end of each reporting period.

Loans and borrowings and preference shares are measured at amortised cost in the balance sheet. The fair value of borrowings was determined using the discounted cash flow valuation technique. The fair value of these instruments is estimated using future cash flows based on contractual interest rates and the foreign exchange rates discounted by the market interest rate and adjusted for counter party credit risk.

Interest risk

The company regularly reviews its exposure to fluctuations in underlying interest rate movements which underpin the company's borrowings, and ensures appropriate actions are undertaken to mitigate this risk. As part of this review, an interest cap was put in place for most of the borrowings of the Group, to minimise any impact of variable interest rates rising above forecast levels.

The Group is exposed to increases in interest rates as bank loans attract interest at variable interest rates, notably SONIA (for Sterling denominated debt) plus a fixed margin of between 5% and 5.75% depending on leverage.

The following table demonstrates the sensitivity on the Group's profit before tax at 30 September 2024 to a reasonably possible change in interest rates, with all other variables held constant, based on year-end balances and rates.

The sensitivity analyses provided are hypothetical only and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced because the Group's actual exposure to market rates changes as the Group's portfolio of debt and cash changes. In addition, the effect of a change in a particular market variable on fair values or cash flows is calculated without considering interrelationships between the various market rates or mitigating actions that would be taken by the Group. The changes in valuations are estimates of the impact of changes in market variables and are not a prediction of future events or anticipated gains or losses.

27. Financial instruments (continued)

	Movement in basis points	30 September 2024 £000
Interest rate sensitivity	**+100**	**(3,548)**

Credit risk

The Group offers standard market credit terms to customers, typically 30 days, and regularly assesses the credit risk of new and existing customers to the Group.

The Group operates predominantly in the public sector, where customers are seen as a very low risk of default, and this is further mitigated by payment from customers being a key requirement of continuing to be licensed to use our business-critical software applications.

The following table is a summary of the Group's maximum exposure to credit risk:

	30 September 2024 £000
Total trade and other receivables	164,675
Cash and cash equivalents	62,747
Derivative financial assets	52
Total	**227,474**

Liquidity risk

The company regularly reviews its exposure to risks which may affect the liquidity of the Group, to ensure that appropriate cash and working capital facilities are in place to enable the ongoing operation of the business. In terms of the Group's cash balances, these are held in standard instant access bank accounts in the geographies in which the group operates, with regular reviews undertaken to ensure adequate working capital is available to each of the businesses in those geographies. Any surplus funds are periodically repatriated to the Group so that the Group can manage the overall liquidity of the business effectively. The group refinanced its debt facilities at the end of August 2023. This resulted in the previous facilities being fully repaid and new facilities issued, maturing in 2030. The group has access to a revolving credit facility, of which £50m is undrawn, and can be called at any time. The revolving credit facility forms part of the Group's debt facility as described in note 18. There is also an additional CAR facility of up to £300m of which 10% can be drawn down for working capital purposes.

Foreign currency risk

The Group operates a portfolio of businesses across a number of geographies, and therefore has some exposure to foreign exchange risk. Approximately 25 per cent of the Group's revenues are outside of the UK, primarily in Australia and Singapore. The Board regularly reviews this risk and ensures plans are in place to effectively manage it, including:

- Delivering the software and services locally, with locally paid resources so that costs of delivery are in the same currency as revenues;
- Denominating some of the Group's borrowing facilities in local currency, to provide a natural cash flow hedge.

27. Financial instruments (continued)

The following table is a summary of the Group's net foreign currency-denominated monetary assets/(liabilities):

	30 September 2024 £000
US Dollar	650
Canadian Dollar	2,106
Australian Dollar	(21,186)
Indian Rupee	3,322
Total	**(15,108)**

Foreign currency sensitivity analysis

Presented below is the sensitivity of the Group's foreign currency exposure to reasonably possible changes in foreign currency rates based on the Group's historical experience and the current economic outlook. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items (including derivative instruments) in US dollars, Australian dollars, Canadian dollars and Indian rupees.

If the pound sterling strengthens or weakens by +/- 10% the effect on profit and loss would be +£1,373,000/-£1,678,000.

***28.* Related parties**

Group

Transactions with key management personnel

Total compensation of key management personnel in the period amounted to £4,926,300. At 30 September 2024, management personnel own 0% of the issued share capital of the Company.

Other related party transactions

At 30 September 2024, 100% of the issued share capital of the Company is held by funds owned or managed by Blackstone, a company registered in the United States of America and listed on the New York Stock Exchange.

Company

During the period, preference share dividends of £43,529,000 due from Camelia Investment 1 Limited were accrued. This balance remains outstanding at 30 September 2024.

29. Acquisition of subsidiaries

On 30 April 2024, through RLLMJ23 Bidco Limited, RLLMJ23 Topco Limited (the Group's ultimate parent) acquired 100 per cent of the issued share capital of Camelia Investments 1 Limited, obtaining control of Camelia Investments 1 Limited and its subsidiaries (together the "Civica Group" or "Civica"). The Civica Group is an international software business group. It is a privately owned group of companies headquartered in London, UK and with regional head offices in Australia, Singapore and North America. The acquisition qualifies as a business as defined in IFRS 3.

The primary reason for the business combination is the acquisition of a new portfolio company for the controlling party, Blackstone, with the purpose to grow the Group's operations in new and existing markets.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below. Goodwill of £891,971,000 arises from anticipated profitability and future operating synergies from the acquisition.

In the post-acquisition period, Civica has contributed £209,022,000 to revenue and £118,251,000 to loss before tax. If the acquisition of Civica had been completed on the first day of the financial year, Group Adjusted Revenue for the year would have been £527,107,000 (see page 8, KPIs) which excludes the impact of the unwind of IFRS 15 related adjustments recognised on the acquisition of the Civica Group. The disclosure of Group profit had the acquisition of Civica been completed on the first day of the financial year is impracticable as the information required for the financial statements is not readily available.

29. Acquisition of subsidiaries (continued)

The following table sets out the estimated book values of the identifiable assets acquired and their fair value to the Group.

Non-current assets	**Book Values**	**Fair value adjustments**	**Fair value recognised on acquisition**
	£000	**£000**	**£000**
Acquired intangible assets	-	1,204,246	1,204,246
Property, plant and equipment	12,510	-	12,510
Right-of-use assets	9,811	-	9,811
Derivative financial assets	810	-	810
Deferred tax asset	9,701	25,693	35,394
Net pension asset	877	-	877
Current assets			
Cash and cash equivalents	51,428	(45)	51,383
Trade and other receivables	121,431	(2,337)	119,094
Corporation tax	-	8,589	8,589
Contract assets	71,762	(5,954)	65,808
Current liabilities			
Provisions	(2,892)	(10,597)	(13,489)
Lease liabilities	(17,587)	-	(17,587)
Deferred tax liability	-	(315,016)	(315,016)
Contract liabilities	(213,062)	92,376	(120,686)
Trade and other payables	(80,370)	2,227	(78,143)
Interest bearing loans and borrowings	(718,942)	-	(718,942)
Net assets acquired			244,659
Goodwill			891,971
Consideration			
Fair value of cash consideration			1,136,630

The initial accounting for the acquisition of Civica has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations in respect of intangible assets (brands, customer contracts and relationships, purchased and internally generated software, non-competes and order backlogs) and other purchase price allocation adjustment calculations have been prepared by an external valuer.

A fair value adjustment of £92,376,000 was recognised in line with IFRS 15 to value contract liabilities equal to the future costs to deliver the performance obligations. The unwind of this fair value adjustment has reduced license fee revenue recognised in the period by £17,909,000.

Estimated goodwill of £891,971,000 million arising from the acquisition reflects the value associated with the skills and talent of Civica's workforce, new customer relationships, the value of the brand beyond its useful economic life, and future technology. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition-related costs amount to £35,286,000, have been expensed under administrative expenses in the Consolidated Income Statement.

30. Subsequent events

On 28 November 2024, the Group completed the acquisition of Loop Software Pty Ltd and their core product, Daymap through its wholly owned subsidiary Civica Pty Limited. Total consideration paid was AUD $14,900,000.