10 December 2024

NCC Group plc
Preliminary audited results for the 16 months to 30 September 2024

Transforming gross margin and Adjusted EBITDA

NCC Group plc (LSE: NCC, "NCC Group" or "the Group"), a people-powered, tech-enabled global cyber security and software escrow business, reports its 16 months to 30 September 2024 ("2024", "the 16-month period"), following a change to the Group's financial year end.

Highlights

- Strategic execution is transforming the business, with improved gross margins and Adjusted EBITDA [1,2] margins
    - Group gross margin improved +2.0% pts to 41.4% in 12 months to 31 May 2024 and +6.5% pts to 42.2% in the four-month period to 30 September 2024
        - Cyber Security gross margin improved +2.4% pts to 34.2% in the 12 months to 31 May 2024 and 9.5% pts to 35.5% in the four-month period to 30 September 2024 compared to the four-month period to 30 September 2023 driven by continued efficiencies
        - Escode gross margin declined 1.6% pts to 69.8% in the 12 months to 31 May 2024 and 3.1% pts to 68.4% in the four-month period to 30 September 2024 due to investment in the sales team for future growth
    - Group Adjusted EBITDA [1,2] margin improved +1.3% pts to 13.0% in the 12 months to 31 May 2024 and +7.1% pts to 9.0% in the four-month period to 30 September 2024
    - Unaudited proforma 12 months trading to 30 September 2024 (including non-core disposals) shows similar improvements in Cyber Security gross margins and Group Adjusted EBITDA [1,2]
        - Cyber Security gross margin in H2 September 2024 improved +9.2% pts to 37.5%
        - Group Adjusted EBITDA [1,2] margin improved +5.5% pts to 15.1% (£49.7m)
- Cyber Security returned to constant currency [1] revenue growth of +6.0% in the six months ended 31 May 2024 (actual rates +4.7%) against the comparable prior period (six months to 31 May 2023). Cyber Security revenue at constant currency [1] declined for the 12 months ended 31 May 2024 by 2.2% (actual rates (4.5%)). The four-month period to 30 September 2024 experienced revenue growth of +7.6% at constant currency [1] (actual rates +6.0%)
- Escode has now delivered sustained revenue growth through seven quarters and the four-month period to September 2024
- The Group has a strong pipeline of opportunities, and management is pleased with the foundations put in place through strategic actions taken in the period. In line with the wider market, the Group has recently seen a lengthening of sales cycles, in particular across the Cyber business, compared to H2 to May 2024 and also the four-month period to September 2024. In spite of this, management expects to deliver profitable growth across both businesses in the current financial year to 30 September 2025, with flat to low single digit revenue growth and modest Group Adjusted EBITDA gains (after adjustment for the non-core disposals and share-based payments) and remains confident in delivering the Group's medium-term financial goals.

Audited period end results

Audited	16 months to 30 September 2024	12 months to 31 May 2023	Change at actual rates	Change at constant currency [1]
Revenue (£m) [1]	**429.5**	335.1	**28.2%**	**31.3%**
Cyber Security (£m)	**342.1**	270.8	**26.3%**	**29.3%**
Escode (£m)	**87.4**	64.3	**35.9%**	**39.8%**
Gross margin (%)	**41.6%**	39.4%	**+2.2% pts**	
Cyber Security (%)	**34.5%**	31.8%	**+2.7% pts**	
Escode (%)	**69.5%**	71.4%	**(1.9% pts)**	
Adjusted EBITDA (£m) (restated) [1, 2]	**51.6**	39.2	**+31.6%**	
Operating (loss)/profit	**(19.2)**	1.9	**n/a**	
Net debt excluding lease liabilities (£m) [1]	**(45.3)**	(49.6)	**+8.7%**	
Final dividend (pence)	**1.50p**	3.15p	**n/a**	

Unaudited results for the 12 months ended 31 May 2024 and 2023

Unaudited	12 months to 31 May 2024	12 months to 31 May 2023	Change at actual rates	Change at constant currency [1]
Revenue (£m) [1]	**324.4**	335.1	**(3.2%)**	**(0.8%)**
Cyber Security (£m)	**258.5**	270.8	**(4.5%)**	**(2.2%)**
Escode (£m)	**65.9**	64.3	**2.5%**	**5.4%**
Gross margin (%)	**41.4%**	39.4%	**+2.0% pts**	
Cyber Security (%)	**34.2%**	31.8%	**+2.4% pts**	
Escode (%)	**69.8%**	71.4%	**(1.6% pts)**	
Adjusted EBITDA (£m) (restated) [1, 2]	**42.1**	39.2	**+7.4%**	
Operating (loss)/profit	**(21.5)**	1.9	**n/a**	
Net debt excluding lease liabilities (£m) [1]	**(38.5)**	(49.6)	**+22.4%**	
12-month dividend (pence)	**3.15p**	3.15p	**-**	

Unaudited results for the four months ended 30 September 2024 and 2023

Unaudited	4 months to 30 September 2024	4 months to 30 September 2023	Change at actual rates	Change at constant currency [1]
Revenue (£m) [1]	**105.1**	100.3	**4.8%**	**6.6%**
Cyber Security (£m)	**83.6**	78.9	**6.0%**	**7.6%**
Escode (£m)	**21.5**	21.4	**0.5%**	**2.9%**
Gross margin (%)	**42.2%**	35.7%	**+6.5% pts**	
Cyber Security (%)	**35.5%**	26.0%	**+9.5% pts**	
Escode (%)	**68.4%**	71.5%	**(3.1% pts)**	
Adjusted EBITDA (£m) (restated) [1, 2]	**9.5**	1.9	**+400.0%**	
Operating profit/(loss)	**2.3**	(7.7)	**n/a**	

Unaudited results for the 12 months ended 30 September 2024 and 2023

Unaudited	12 months to 30 September 2024	12 months to 30 September 2023	Change at actual rates	Change at constant currency [1]
Revenue (£m) [1]	**329.2**	323.8	**+1.7%**	**+3.5%**
Cyber Security (£m)	**263.2**	258.4	**+1.9%**	**+3.7%**
Escode (£m)	**66.0**	65.4	**+0.9%**	**+2.8%**
Gross margin (%)	**43.6%**	38.9%	**+4.7% pts**	
Cyber Security (%)	**37.0%**	30.5%	**+6.5% pts**	
Escode (%)	**68.8%**	71.9%	**(3.1% pts)**	
Adjusted EBITDA (£m) (restated) [1, 2]	**49.7**	31.2	**+59.3%**	
Operating loss	**(11.5)**	(8.9)	**+29.2%**	
Net debt excluding lease liabilities (£m) [1]	**(45.3)**	(67.5)	**+32.9%**	

Footnotes:
1: Revenue at constant currency, Adjusted EBITDA and Net debt excluding lease liabilities are Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2. After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Mike Maddison, Chief Executive Officer, commented:

"We have made great progress over the past 18 months, transforming the business by focusing on client needs while building the Group's resilience. Our more focused Cyber Security business returned to growth in the second half to May 2024, with improved sources of recurring revenue with Managed Services performing well, and our Escode business building a track record of growth. We are pleased to see this strategic progress coming through in improved gross margin and Adjusted EBITDA – a key priority for the Group.

We continue to focus on our client-centric strategy and notwithstanding macroeconomic factors outside of our control, we expect to grow in the current financial year and remain confident in delivering our medium-term financial goals. An ever-increasing threat landscape, rapidly evolving technology such as AI, digital adoption and a rise in regulation across the world creates multiple growth drivers for both our Escode and Cyber businesses, and we continue to enhance our capabilities and improve our routes to market to ensure we are the go-to choice for organisations and governments as they build and enhance their cyber resilience."

Contact information

Investor enquiries:

Yvonne Harley — Tel: +44(0)7824 412405

Director of Investor Relations & Sustainability — Email: Investor_Relations@nccgroup.com

Media enquiries:

H/Advisors Maitland — Tel: +44(0)20 379 5151

Sam Cartwright/Genevieve Ryan — Email: NCCGroup-maitland@h-advisors.global

Presentation of results – live webcast and conference call details:

An in-person analyst and investor event hosted by Mike Maddison, CEO and Guy Ellis, CFO will take place at the London Stock Exchange,10 Paternoster Sq., London EC4M 7LS, at 9:00am GMT today, Tuesday 10 December 2024. To register your interest, please contact NCCGroup-maitland@h-advisors.global.

The event will also be streamed virtually via webcast and Zoom. Please register for the webcast via the link on the LSEG website (SparkLive Webcast). If you would like to ask a question, please join the Zoom registration via this link (SparkLive Zoom Registration).

A recording of the webcast will be made available on NCC's Plc website (https://www.nccgroupplc.com/) as soon as possible following the presentation.

About NCC Group plc

NCC Group is a people-powered, tech-enabled global cyber security and software escrow business.

Driven by a collective purpose to create a more secure digital future, c. 2,200 colleagues across Europe, North America, and Asia Pacific harness their collective insight, intelligence, and innovation to deliver cyber resilience solutions for both public and private sector clients globally.

With decades of experience and a rich heritage, NCC Group is committed to developing sustainable solutions that continue to meet client's current and future cyber security challenges.

Cautionary note regarding forward-looking statement

This announcement includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, assumptions, uncertainties, and other factors, which may cause the actual results, performance, or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules, Disclosure and Transparency Rules and applicable law, the Group undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring on or after the date such statements are published.

CEO review

Focusing on client needs while building the Group's resilience

I'd like to start my review of the past 18 months with a tribute to NCC Group's colleagues around the world. The depth of technical expertise in this business continues to be truly inspiring and I know it's valued by our clients too. As we continue to go through, significant change, against a backdrop of an ever-evolving macro political and economic environment, and the focus and determination to succeed of all our colleagues is really at the heart of our progress.

I'm pleased our strategy to transform the business to make it simpler and more agile is beginning to pay off. We are laser focused on our clients, helping to create a more secure digital future through the work we do across our cyber and software escrow businesses. Our clients trust NCC Group with their critical digital assets, and it's something we will never be complacent about.

As a result of greater commerciality within the organisation and our increasingly global ways of operating, we achieved the goals we set out in the financial framework at the start of the period, delivering greater value at improved price points for our clients. We delivered £10m of annualised savings, improved our net debt position by divesting non-core assets in our Dutch cyber business (with completion expected early in the new calendar year) and finished the 16-month financial year with a strong balance sheet – paving the way for future inorganic growth investment when the right opportunity presents itself.

Market economics

Reflecting on our overall growth in the past financial period we continue to focus on our client-centric strategy and notwithstanding macroeconomic factors outside of our control, we remain confident in delivering our medium-term financial goals. As a proof point of the early part of our transformation activities, our efforts to move from a group of disparate international businesses delivering locally to clients into a global operating model have driven efficiencies and importantly sustainable gross margin improvement.

The successful implementation of our office in Manila and our ability to attract and onboard fantastic talent there, has enabled us to expand our global capability and offer more options to our clients, and as a result, we are winning work we wouldn't have been able to bid on previously.

All of this is critical to create a more resilient business particularly given the lengthening of sales cycles we are currently experiencing, in line with the wider market.

Other market factors impacting revenue growth include:

- Clients are looking for higher levels of assurance during their procurement processes, which have greater scrutiny and oversight from within organisations. Equally, certain clients still require volume assurance activities, testing infrastructure and applications at the appropriate price points.
- As we move the balance of our business to higher value, longer term contracts such as those in Managed Services, there is typically a longer buying cycle than a standalone service such as testing, which is more transactional in nature.
- While spending has not stopped, we are seeing security leaders compete for budget with other spending priorities in their organisations and cyber security is not immune from the cost pressures experienced by other departments. Equally when business projects are suspended the security component is impacted so the economic cycle remains important in terms of demand drivers.

In the UK, for example, with a general election and then the narrative relating to the new government's budget, we have seen a relative cooling in buying activity, and a resulting pause in spend. In North America, Technology sector spending has not returned to the levels seen during or immediately after the Covid-19 pandemic, however while we are making progress into other verticals which are at a lower spending scale than the tech sector.

Market dynamics

In the past five years we have seen people continually look to technology to detect and respond to cyber threats, with an increasingly competitive market of providers for managed services. In talking to clients, it's becoming increasingly apparent that tech or AI-only fatigue is setting in, and what they want is a proven solution and access to experts – this we believe is an opportunity for NCC Group as we go forward into 2025.

As revealed in our Digital Dawn report, governments around the world are shifting responsibility for Cyber Security away from end users onto the providers of the technology, infrastructure and services that we all rely on. In particular, the US National Cybersecurity Strategy has given rise to the commitment from 183 companies, including tech giants Microsoft, AWS and Cisco, to build stronger security into their software from the start of development (secure-by-design).

In the UK, the government has announced a new Code of Practice for software vendors and an AI Cyber Security Code of Practice (in consultation), developed in conjunction with industry experts like NCC Group, that will help to ensure secure-by-design principles are embedded in software and AI from the outset.

Looking ahead, the EU's Cyber Resilience Act (CRA) is poised for adoption. The CRA will be more ambitious than the recent UK Product Security and Telecommunications Infrastructure Regime (PSTI), introducing Cyber Security requirements for a substantial portion of hardware and software sold within the EU. This includes risk assessments, vulnerability handling processes and incident reporting.

Countries in the EU are also implementing the Network and Information Security Directive (NIS2) into national laws, which will require more critical infrastructure sectors to comply with strengthened cyber security and incident reporting requirements. In addition, the US and Australia are taking similar approaches, underscoring the international commitment to safeguarding consumers from modern cyber risks.

What is key from all these developments is that whether you are manufacturing or producing technology, including emerging technologies such as AI, or owning and operating an increasing spectrum of critical infrastructure, governments have strengthened the cyber security requirements companies need to adhere to, making it crucial to review and update security programmes to future-proof investments.

Securing the digital future through our clients

In terms of how this plays out against our cyber proposition, while Technical Assurance demand changes with less demand for volume assurance, this is being replaced by requirements for specialist skills such as Regulatory Testing or AI assurance as well as growth in our other capabilities that we've strategically invested in to create a full cycle offering for clients. The stand-out is Managed Services, which we detailed at our Capital Markets event in June 2024, with Identity and Access Management (IDAM) and Operational Technology demand increasing. IDAM underpins digital transformation and early signals are positive – with the rail sector being a particularly strong sector for these services.

We continue to work with TikTok as their independent third-party security provider of ongoing managed security services for TikTok's security gateways, performing real-time monitoring to identify and respond to anomalous activity and helping to ensure the continuous integrity of its security controls operations. This again demonstrates how the Group can provide end-to-end capabilities across the whole of the cyber lifecycle.

We've also expanded our routes to market through our partner and alliance ecosystem, including SAFE Security, Cycognito and Microsoft, as well as securing a global partnership with global enterprise software company Splunk. This led to us being awarded the 2024 Splunk Global Services Market Partner of the Year award as well as the EMEA 2024 Regional Services Partner of the Year award for exceptional performance and commitment to the Splunk partnership.

Our software escrow business, which we rebranded to Escode earlier this period, is less impacted by the market economics affecting cyber. Contract sizes have always been much smaller, although we have focused on addressing the lack of historical pricing management, and while there is improvement in revenue as a result of this, the growth is also driven through increased verification services.

As outlined at the Escode Capital Markets event in April 2024, our Escode investment case is clear and as a leading global player in software escrow, the business is well positioned for growth. The growth levers include adding further value to our customer proposition, expanding into additional verticals (for example critical infrastructure) and geographies (Australia), increasing awareness and education, working with regulators to influence regulation globally and continuing to build out our product offering.

Business performance

Our statutory results compare a 16-month period to a 12-month period following our change in year end and further details of this performance can be found within the Financial Review.

If I turn to our recent trajectory and our unaudited four-month and 12-month periods to 30 September 2024, these show encouraging results and demonstrate Escode revenue momentum and a return to Cyber Security revenue growth. We have improved our Cyber gross margins while experiencing a reduction in Escode gross margins due to investment in the sales team for future growth. All of this has translated to improved Group Adjusted EBITDA margins, with the 12 months to 30 September 2024 obtaining mid teen group margin (+15.1%) in line with our medium-term ambitions set out 18 months ago.

Moving into the next phase of our transformation

We are clear on what we need to do in each of our divisions as we continue to simplify our business enabling us to deliver profitable growth and sustainable gross margin improvement.

Outlook

The Group has a strong pipeline of opportunities, and management is pleased with the foundations put in place through strategic actions taken in the period. In line with the wider market, the Group has recently seen a lengthening of sales cycles, in particular across the Cyber business, compared to H2 to May 2024 and also the four-month period to September 2024. In spite of this, management expects to deliver profitable growth across both businesses in the current financial year to 30 September 2025, with flat to low single digit revenue growth and modest Group Adjusted EBITDA gains (after adjustment for the non-core disposals and share-based payments) and remains confident in delivering the Group’s medium-term financial goals.

Financial review

Delivering on our financial framework

Highlights – financial framework
Reviewing our financial framework for the 16-month period to 30 September 2024 set out at the start of the period, it is encouraging to see that we continue to deliver.

The key points to note are as follows:

- **Sustainable revenue growth**
    - ***Returning Cyber Security to growth in second half of the unaudited period ended 31 May 2024 and in the unaudited four-month period ending 30 September 2024.*** Second half of the 12 months ended 31 May 2024 revenue was ahead of the comparative period on constant currency [1] by 6.0% (at actual rates 4.7%). Momentum continued during the four-month stub period, giving rise to constant currency growth of 7.6% (at actual rates 6.0%).
    - ***Accelerating growth in our recurring Managed Services*** – revenue momentum continued during the 12-month period ended 31 May 2024 and the four-month stub period, giving rise to constant current [1] growth in the four-month stub period of 45.0% (at actual rates 43.3%).
    - ***Maintaining momentum of growth in Escode*** – sustained growth through the past seven quarters and four-month period leading to +2.9% constant currency growth (+0.5% actual rates)

- **Improved gross margin**
    - ***Improved utilisation*** – Technical Assurance Services (TAS) and, Consulting and Implementation (C&I) average utilisation for all locations improved to c.66% for the four-month period ending 30 September 2024 contributing to Cyber Security gross margin improvement of 9.5% in the four-month stub period following low performance in H2 of the year ended 31 May 2023 of c.58%. Utilisation for the 12-month period to 31 May 2024 amounted to c.68%.
    - ***Globalised technical resource footprint*** – from a global delivery perspective the Group continues to invest in its Manila office

- **Efficient cost base**
    - ***Delivering efficiencies*** – Cyber Security gross margin improved from 31.8% for the year ended 31 May 2023 to 34.5% for the 16-month period ended 30 September 2024. Overheads have also been effectively managed after considering inflationary pressures.
    - ***Annualising Escode efficiencies delivered in FY23*** – our work carried out in FY23 enabled us to invest in our sales and support team to lay the foundations for further revenue growth, with the benefits beginning to come to fruition.

- **Balance sheet resilience**
    - ***Strong cash conversion*** [1] – strong historic cash conversion, with the 12 months to 30 September 2024 amounting to 96.6%
    - ***Reducing net debt*** [1] – net debt effectively managed to £45.3m, reduction of £4.3m. Following the non-core disposal announcement on 1 August 2024 of our European Crypto business for initial net proceeds of c.€74m (c.£66m), net debt will be cleared early in the new calendar year following standard regulatory approvals, this will facilitate organic and inorganic growth in the Group's Cyber Security business
    - **Maintaining dividend** – 12-month dividend maintained at 3.15p and final dividend for the four-month period proposed of 1.5p which is in line with the historic six-month interim period dividends previously paid.

Overview of financial performance

Change in year end

The following table summarises the Group's overall audited performance the Group for the 16-month period ended 30 September 2024 following our unaudited results for the 12 months to 31 May 2024 announced on the 1 August 2024.

Following the change in financial year end, contained within Appendix 1 to the consolidated financial statements are unaudited 12-month pro forma results for the period ending 30 September 2024 compared to the previous unaudited 12-month period ending 30 September 2023 to aid comparability of the new year end performance and importantly the current trajectory of the Group.

	16-month period ended 30 September 2024				Year ended 31 May 2023			
	Cyber Security £m	**Escode £m**	**Central and head office £m**	**Group £m**	Cyber Security £m	Escode £m	Central and head office £m	Group £m
Revenue	**342.1**	**87.4**	–	**429.5**	270.8	64.3	–	335.1
Cost of sales	**(224.1)**	**(26.7)**	–	**(250.8)**	(184.7)	(18.4)	–	(203.1)
Gross profit	**118.0**	**60.7**	–	**178.7**	86.1	45.9	–	132.0
Gross margin %	***34.5%***	***69.5%***	–	***41.6%***	*31.8%*	*71.4%*	–	*39.4%*
Administrative expenses	**(97.3)**	**(24.1)**	**(3.4)**	**(124.8)**	(70.7)	(14.7)	(5.2)	(90.6)
Share-based payments	**(0.1)**	**(0.2)**	**(2.0)**	**(2.3)**	(1.6)	(0.1)	(0.5)	(2.2)
Adjusted EBITDA [1, 2]	**20.6**	**36.4**	**(5.4)**	**51.6**	13.8	31.1	(5.7)	39.2
Depreciation and amortisation	**(10.9)**	**(0.6)**	**(5.3)**	**(16.8)**	(8.5)	(0.6)	(3.5)	(12.6)
Amortisation of acquired intangibles	**(1.4)**	**(7.1)**	**(4.0)**	**(12.5)**	(1.2)	(5.8)	*(3.0)*	(10.0)
Adjusted Operating profit [1, 2]	**8.3**	**28.7**	***(14.7)***	**22.3**	4.1	24.7	*(12.2)*	16.6
Individually Significant Items	**(41.4)**	**(0.1)**	–	**(41.5)**	(12.3)	(2.4)	–	(14.7)
Operating (loss)/profit	***(33.1)***	**28.6**	**(14.7)**	**(19.2)**	*(8.2)*	22.3	(12.2)	1.9
Operating margin %	***(9.7%)***	***32.7%***	**n/a**	***(4.5%)***	*(3.0%)*	*34.7%*	n/a	0.6%
Finance costs				**(8.3)**				(6.2)
Loss before taxation				**(27.5)**				(4.3)
Taxation				**(5.0)**				(0.3)
Loss after taxation				**(32.5)**				(4.6)
EPS								
Basic EPS				**(10.4p)**				(1.5p)
Adjusted basic EPS [1, 2]				**3.4p**				2.8p

Footnotes:

1: Adjusted EBITDA, Adjusted Operating profit and Adjusted basic EPS are Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2: After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

16-month period ended 30 September 2024 (audited)

On the basis we are comparing a 16-month period to a 12-month period. Revenue increased by 31.3% on a constant currency basis (Actual rates 28.2%), with Cyber Security Revenue increasing 29.3% on a constant currency basis (Actual rates: 26.3%) and Escode growing by 39.8% on a constant currency basis (Actual rates: 35.9%).

Encouragingly, when you directly compare our gross margins, we have improved since the second half of the year ended 31 May 2023 with gross margin percentage increasing to 41.6% (2023: 39.4%). The 2.2% pts gross margin (%) increase is due to improved utilisation and operational efficiencies within Cyber Security, alongside a change in the service mix whereby managed services are becoming a greater proportion of overall revenue at a higher margin. This is offset by a decline in Escode gross margin due to continued investment in the sales team for future growth.

Administrative expenses increased from £90.6m to £124.8m following the management of inflationary pressures with a decrease in non-client travel and training offset by strategic investments (including investment in our Manila office) and foreign exchange.

A loss before taxation of £27.5m for the period was recognised after incurring £41.5m of Individual Significant Items (including the North America Cyber Security impairment, fundamental re-organisation costs and the profit on disposal of non-core operations), this gave rise to a basic and diluted EPS of (10.4p) (2023: basic and diluted (1.5p)). Adjusted basic EPS [1] amounted to 3.4p (2023 restated [2]: 2.8p).

Net debt excluding lease liabilities [1] amount to £45.3m (2023: £49.6m). Our Balance Sheet remains strong following our refinancing in December 2022. Our facilities include a four-year £162.5m multi-currency revolving credit facility and additional £75m uncommitted accordion option.

The Board is proposing a final four-month dividend of 1.5p per ordinary share (2023: 3.15p). This is equivalent to the interim dividend previously paid albeit for the final 4-month period ending 30 September 2024 rather than six-months.

4-month pro forma results for the period ending 30 September 2024 (Unaudited)

The following table summarises the pro forma results of the period ending 30 September 2024

	4-month period ended 30 September 2024 (unaudited)				4-month period ended 30 September 2023 (unaudited)			
	Cyber Security £m	**Escode £m**	**Central and head office £m**	**Group £m**	Cyber Security £m	Escode £m	Central and head office £m	Group £m
Revenue	**83.6**	**21.5**	–	**105.1**	78.9	21.4	–	100.3
Cost of sales	**(53.9)**	**(6.8)**	–	**(60.7)**	(58.4)	(6.1)	–	(64.5)
Gross profit	**29.7**	**14.7**	–	**44.4**	20.5	15.3	–	35.8
Gross margin %	***35.5%***	***68.4%***	–	***42.2%***	*26.0%*	*71.5%*	–	*35.7%*
Administrative expenses	**(26.9)**	**(6.6)**	**(0.7)**	**(34.2)**	(26.0)	(7.2)	(0.2)	(33.4)
Share-based payments	**0.2**	–	**(0.9)**	**(0.7)**	-	(0.1)	(0.4)	(0.5)
Adjusted EBITDA [1, 2]	**3.0**	**8.1**	**(1.6)**	**9.5**	(5.5)	8.0	(0.6)	1.9
Depreciation and amortisation	**(2.4)**	**(0.2)**	**(1.6)**	**(4.2)**	(2.3)	(0.1)	(1.6)	(4.0)
Amortisation of acquired intangibles	**(0.4)**	**(1.6)**	**(1.0)**	**(3.0)**	(0.3)	(1.8)	(1.0)	(3.1)
Adjusted Operating profit [1, 2]	**0.2**	**6.3**	***(4.2)***	**2.3**	(8.1)	6.1	(3.2)	(5.2)
Individually Significant Items	–	–	–	–	(2.5)	-	–	(2.5)
Operating profit/(loss)	***0.2***	**6.3**	**(4.2)**	**2.3**	*(10.6)*	*6.1*	(3.2)	*(7.7)*
Operating margin %	***0.2%***	***29.3%***	**n/a**	***2.2%***	*(13.4%)*	*28.5%*	n/a	*(7.7%)*
Finance costs				**(2.1)**				*(1.9)*
Profit/(loss) before taxation				**0.2**				*(9.6)*

Revenue increased by 6.6% on a constant currency basis (Actual rates 4.8%), with Cyber Security Revenue increasing 7.6% on a constant currency basis (Actual rates: 6.0%) and Escode growing by 2.9% on a constant currency basis (Actual rates: 0.5%).

As you look at our revenue trajectory in Cyber Security for the final four months of the period compared to the similar prior period to 30 September 2023, we have experienced continued growth in our UK Managed Service performance whilst our North America rate of decline has eased to 5.7% on a constant currency basis (actual rates (8.4%)). Technical Assurance Services has declined by 3.6% on a constant currency basis [1] (Actual rates: 5.5%) with the recovery in demand still less consistent than expected against a backdrop of the current macro uncertainty within North America and UK.

Gross profit increased by 24.0% to £44.4m with gross margin percentage increasing to 42.2% (2023: 35.7%). The overall 6.5% pts gross margin increase is due to improved utilisation and operational efficiencies within Cyber Security, alongside a change in the service mix whereby managed services are becoming a greater proportion of overall revenue at a higher margin. This is offset by a decline in Escode gross margin due to continued investment in the sales team for future growth.

Adjusted EBITDA has improved by £7.6m when compared to the similar prior period driven by Cyber Security gross margin improvements noted above which have been slightly offset by 7.5% increase in administrative expenses (excluding share-based payments) driven by investment and inflationary pressures.

12-month pro forma results for the period ending 30 September 2024 (Unaudited)

The following table summarises the pro forma results for the 12-month period ending 30 September 2024:

	12-month period ended 30 September 2024 (unaudited)				12-month period ended 30 September 2023 (unaudited)			
	Cyber Security £m	**Escode £m**	**Central and head office £m**	**Group £m**	Cyber Security £m	Escode £m	Central and head office £m	Group £m
Revenue	**263.2**	**66.0**	–	**329.2**	258.4	65.4	–	323.8
Cost of sales	**(165.7)**	**(20.6)**	–	**(186.3)**	(179.6)	(18.4)	–	(198.0)
Gross profit	**97.5**	**45.4**	–	**142.9**	78.8	47.0	–	125.8
Gross margin %	***37.0%***	***68.8%***	–	***43.4%***	*30.5%*	*71.9%*	–	*38.9%*
Administrative expenses	**(71.3)**	**(16.9)**	**(3.2)**	**(91.4)**	(69.6)	(16.6)	(6.4)	(92.6)
Share-based payments	**(0.1)**	**(0.1)**	**(1.6)**	**(1.8)**	(1.2)	(0.1)	(0.7)	(2.0)
Adjusted EBITDA [1, 2]	**26.1**	**28.4**	**(4.8)**	**49.7**	8.0	30.3	(7.1)	31.2
Depreciation and amortisation	**(8.6)**	**(0.5)**	**(3.7)**	**(12.8)**	(8.4)	(0.5)	(3.6)	(12.5)
Amortisation of acquired intangibles	**(1.1)**	**(5.3)**	**(3.0)**	**(9.4)**	(1.1)	(5.6)	(2.9)	(9.6)
Adjusted Operating profit [1, 2]	**16.4**	**22.6**	***(11.5)***	**27.5**	(1.5)	24.2	(13.6)	9.1
Individually Significant Items	**(38.9)**	**(0.1)**	–	**(39.0)**	(15.6)	(2.4)	–	(18.0)
Operating (loss)/profit	***(22.5)***	***22.5***	**(11.5)**	**(11.5)**	*(17.1)*	*21.8*	(13.6)	*(8.9)*
Operating margin %	***(8.5%)***	***34.1%***	**n/a**	***(3.5%)***	*(6.6%)*	*33.3%*	n/a	*(2.7%)*
Finance costs				***(6.3)***				*(6.9)*
Loss before taxation				***(17.8)***				*(15.8)*
Taxation				***(7.3)***				*0.4*
Loss after taxation				***(25.1)***				*(15.4)*
EPS								
Basic EPS				**(8.1p)**				(5.0p)
Adjusted basic EPS [1, 2]				**5.2p**				0.6p

Revenue increased by 3.5% on a constant currency basis (Actual rates +1.7%), with Cyber Security Revenue increasing 3.7% on a constant currency basis (Actual rates: 1.9%) and Escode growing by 2.8% on a constant currency basis (Actual rates: 0.9%).

Turning to Cyber Security revenue trajectory during this 12-month pro forma period, UK & APAC grew by +15.1% at constant currency (Actual rates: +14.6%) driven by the TikTok contract, North America declined by 18.1% (Actual rates (21.0%)) whereas Europe grew by 11.8% (Actual rates: +9.6%). We have experienced continued growth in our UK Managed Service performance whilst North America's rate of decline has eased to (3.7%) on a constant currency basis (Actual rates (6.1%)) in the second half of this proforma period. Technical Assurance Services declined by (0.2%) on a constant currency basis [1] (Actual rates: (1.3%)) in the second half of this proforma period, with the recovery in demand still less consistent than expected against a backdrop of the current macro conditions within North America and UK.

Gross profit increased by 13.6% to £142.9m with gross margin percentage increasing to 43.4% (Sept 2023: 38.9%). The overall 4.5% pts gross margin (%) increase is due to improved utilisation and operational efficiencies within Cyber Security, alongside a change in the service mix whereby Managed Services is becoming a greater proportion of overall revenue at a higher margin. Cyber Security gross margin now equates to 37.0% compared to 30.5% as at 30 September 2023. This is offset by a decline in Escode gross margin by 3.1% pts due to continued investment in the sales team for future growth.

Adjusted Operating profit [1,2] has improved by £18.4m when compared to the similar 12-month proforma prior period driven by gross margin improvements noted above and well controlled overheads.

For the 12-month period ending 30 September 2024, our cash conversion [1] was 96.6% (May 2023 restated [2]: 108.7%).

Further analysis on our performance for the 12-month period ending 30 September 2024 can be found within the unaudited Appendix 1 of the financial statements.

Alternative Performance Measures (APMs)

Throughout this Financial Review, certain APMs are presented. The APMs used by the Group are not defined terms under IFRS and therefore may not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures. This presentation is also consistent with the way that financial performance is measured by management and reported to the Board, and the basis of financial measures for senior management's compensation scheme and provides supplementary information that assists the user in understanding the financial performance, position and trends of the Group.

We believe these APMs provide readers with important additional information on our business and this information is relevant for use by investors, securities analysts and other interested parties as supplemental measures of future potential performance. However, since statutory measures can differ significantly from the APMs and may be assessed differently by the reader, we encourage you to consider these figures together with statutory reporting measures noted. Specifically, we would note that APMs may not be comparable across different companies and that certain profit related APMs may exclude recurring business transactions (e.g. acquisition related costs) that impact financial performance and cash flows.

After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items within the period. The Group now only has one adjusted item 'Individually Significant Items'. Previous adjusted items of amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated.

The following tables reconciles how these changes have affected the historic measures of Adjusted EBITDA, Adjusted Operating profit, Adjusted profit for the period, Adjusted basic EPS and cash conversion, which includes Adjusted EBITDA:

Adjusted measure	**16-month period ended 30 September 2024**	Year ended 31 May 2023 (restated) [2]
Adjusted EBITDA – previously (£m)	**53.9**	41.4
Share based payments (£m)	**(2.3)**	(2.2)
Adjusted EBITDA – revised (£m)	**51.6**	39.2
Adjusted Operating profit – previously (£m)	**37.1**	28.8
Share based payments (£m)	**(2.3)**	(2.2)
Amortisation of acquired intangibles (£m)	**(12.5)**	(10.0)
Adjusted Operating profit – revised (£m)	**22.3**	16.6
Adjusted profit for the period – previously (£m)	**21.3**	18.9
Share based payments (£m)	**(2.3)**	(2.2)
Amortisation of acquired intangibles (£m)	**(12.5)**	(10.0)
Tax effect of above items (£m)	**4.1**	2.1
Adjusted profit for the period – revised (£m)	**10.6**	8.8
Adjusted basic EPS - previously (pence)	**6.8**	6.1
Effect of share-based payments (pence)	**(0.7)**	(0.7)
Effect amortisation of acquired intangibles (pence)	**(4.0)**	(3.3)
Tax effect of above items (pence)	**1.3**	0.7
Adjusted basic EPS – revised (pence)	**3.4**	2.8
Cash conversion – previously (%)	**71.2%**	102.9%
Effect of share-based payments (%)	**3.2%**	5.8%
Cash conversion – revised (%)	**74.4%**	108.7%

The Group now has the following APMs/non-statutory measures:

- Adjusted EBITDA (reconciled below)
- Adjusted Operating profit (reconciled below)
- Adjusted basic EPS (pence) (reconciled below)
- Adjusted profit for the period (reconciled below)
- Net debt excluding lease liabilities (reconciled below)
- Net debt (reconciled below)
- Cash conversion which includes Adjusted EBITDA (reconciled below)
- Constant currency revenue (reconciled below)

Apart from the changes noted above, the above APM's are consistent with those reported for the year ended 31 May 2023.

The Group also reports certain geographic regions and service capabilities on a constant currency basis to reflect the underlying performance considering constant foreign exchange rates period on period. This involves translating comparative numbers at current period rates for comparability to enable a growth factor to be calculated. As these measures are not statutory revenue numbers, management considers these to be APMs; see unaudited appendix 1 for further details.

Adjusted EBITDA [1] and Adjusted Operating profit [1]

Following the changes noted above to the number of adjusting items, the revised calculation of Adjusted EBITDA [1] is set out below:

	16-month period ended 30 September 2024 £m	Year ended 31 May 2023 (restated) [2] £m
Operating (loss)/profit	**(19.2)**	1.9
Depreciation and amortisation	**16.8**	12.6
Amortisation of acquired intangibles (Note 8)	**12.5**	10.0
Individually Significant Items (Note 4)	**41.5**	14.7
Adjusted EBITDA [1]	**51.6**	39.2
Depreciation and amortisation and amortisation of acquired intangibles	**(29.3)**	(22.6)
Adjusted Operating profit – revised [1, 2]	**22.3**	16.6

Previously these adjusted measures would have been calculated as follows:

	16-month period ended 30 September 2024 £m	Year ended 31 May 2023 (restated) [2] £m
Operating (loss)/profit	**(19.2)**	1.9
Depreciation and amortisation	**16.8**	12.6
Amortisation of acquired intangibles	**12.5**	10.0
Individually Significant Items (Note 4)	**41.5**	14.7
Share-based payments	**2.3**	2.2
Adjusted EBITDA - previously [1, 2]	**53.9**	41.4
Depreciation and amortisation (excluding amortisation of acquired intangibles)	**(16.8)**	(12.6)
Adjusted Operating profit - previously [1, 2]	**37.1**	28.8

1: See above for an explanation of Alternative Performance Measures (APMs) and adjusting items. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2: After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review and above for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Revenue summary:

	16-month period ended 30 September 2024 £m	Year ended 31 May 2023 £m	% change at actual rates	16-month period ended 30 September 2024 £m	Constant Currency [1] Year ended 31 May 2023 £m	% change at constant currency [1]
Cyber Security revenue	**342.1**	270.8	26.3%	**342.1**	*264.5*	29.3%
Escode	**87.4**	64.3	*35.9%*	**87.4**	*62.5*	39.8%
Total revenue	**429.5**	335.1	*28.2%*	**429.5**	*327.0*	31.3%

	12-month period ended 31 May 2024 £m	Year ended 31 May 2023 £m	% change at actual rates	12-month period ended 31 May 2024 £m	Constant Currency [1] Year ended 31 May 2023 £m	% change at constant currency [1]
Cyber Security revenue	**258.5**	270.8	(4.5%)	**258.5**	*264.5*	(2.3%)
Escode	**65.9**	64.3	2.5%	**65.9**	*62.5*	5.4%
Total revenue	**324.4**	335.1	(3.2%)	**324.4**	*327.0*	(0.8%)

	4-month period ended 30 September 2024 £m	4-month period ended 30 September 2023 £m	% change at actual rates	4-month period ended 30 September 2024 £m	Constant Currency [1] 4-month period ended 30 September 2023 £m	% change at constant currency [1]
Cyber Security revenue	**83.6**	*78.9*	6.0%	**83.6**	*77.7*	7.6%
Escode	**21.5**	21.4	*0.5%*	**21.5**	*20.9*	2.9%
Total revenue	**105.1**	100.3	*4.8%*	**105.1**	98.6	6.6%

1: Revenue at constant currency is an unaudited Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Divisional performance

The following sections summarises the Group's divisional performance for the 16-month period ended 30 September 2024 following our unaudited results for the 12-month period to 31 May 2024 announced on the 1 August 2024. This section also includes the unaudited results for the remaining four months to 30 September 2024 compared to the previous unaudited four-month period ending 30 September 2023 to aid comparability and importantly the current trajectory of the Group.

Cyber Security

The Cyber Security division accounts for 79.7% of Group revenue (2023: 80.8%) and 66.0% of Group gross profit (2023: 65.2%).

Cyber Security revenue analysis – by originating region:

Audited	**16-month period ended 30 September 2024 £m**	Year ended 31 May 2023 £m	% change at actual rates	**16-month period ended 30 September 2024 £m**	Constant Currency [1] Year ended 31 May 2023 £m	% change at constant currency [1]
UK & APAC	**173.3**	118.4	46.4%	**173.3**	*117.8*	47.1%
North America	**90.7**	99.3	(8.7%)	**90.7**	*94.2*	(3.7%)
Europe	**78.1**	53.1	47.1%	**78.1**	*52.5*	48.8%
Total Cyber Security revenue	**342.1**	270.8	26.3%	**342.1**	*264.5*	29.3%

Unaudited	**12-month period ended 31 May 2024 £m**	Year ended 31 May 2023 £m	% change at actual rates	**12-month period ended 31 May 2024 £m**	Constant Currency [1] Year ended 31 May 2023 £m	% change at constant currency [1]
UK & APAC	**129.8**	118.4	9.6%	**129.8**	*117.8*	10.2%
North America	**69.0**	99.3	(30.5%)	**69.0**	*94.2*	(26.8%)
Europe	**59.7**	53.1	12.4%	**59.7**	*52.5*	13.7%
Total Cyber Security revenue	**258.5**	270.8	(4.5%)	**258.5**	*264.5*	(2.3%)

Unaudited	**4-month period ended 30 September 2024 £m**	4-month period ended 30 September 2023 £m	% change at actual rates	**4-month period ended 30 September 2024 £m**	Constant Currency [1] 4-month period ended 30 September 2023 £m	% change at constant currency [1]
UK & APAC	**43.5**	37.7	15.4%	**43.5**	*37.6*	15.7%
North America	**21.7**	23.7	(8.4%)	**21.7**	*23.0*	(5.7%)
Europe	**18.4**	17.5	5.1%	**18.4**	*17.1*	7.6%
Total Cyber Security revenue	**83.6**	78.9	6.0%	**83.6**	*77.7*	7.6%

1: Revenue at constant currency is an unaudited Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Cyber Security revenue analysis – by type of service and capability:

Audited	16-month period ended 30 September 2024 £m	Year ended 31 May 2023 £m	% change at actual rates	16-month period ended 30 September 2024 £m	Constant Currency [1] Year ended 31 May 2023 £m	% change at constant currency [1]
Technical Assurance Services (TAS)	**141.4**	142.9	*(1.0%)*	**141.4**	*138.7*	*1.9%*
Consulting and Implementation (C&I)	**55.2**	44.7	*23.5%*	**55.2**	*44.0*	*25.5%*
Managed Services (MS)	**91.8**	50.1	*83.2%*	**91.8**	*49.5*	*85.5%*
Digital Forensics and Incident Response (DFIR)	**20.6**	13.5	*52.6%*	**20.6**	*13.5*	*52.6%*
Other services	**33.1**	19.6	*68.9%*	**33.1**	*18.8*	*76.1%*
Total Cyber Security revenue	**342.1**	270.8	*26.3%*	**342.1**	*264.5*	*29.3%*

Unaudited	12-month period ended 31 May 2024 £m	Year ended 31 May 2023 £m	% change at actual rates	12-month period ended 31 May 2024 £m	Constant Currency [1] Year ended 31 May 2023 £m	% change at constant currency [1]
Technical Assurance Services (TAS)	**107.0**	142.9	*(25.1%)*	**107.0**	*138.7*	*(22.9%)*
Consulting and Implementation (C&I)	**42.8**	44.7	*(4.3%)*	**42.8**	*44.0*	*(2.7%)*
Managed Services (MS)	**67.3**	50.1	*34.3%*	**67.3**	*49.5*	*36.0%*
Digital Forensics and Incident Response (DFIR)	**16.4**	13.5	*21.5%*	**16.4**	*13.5*	*21.5%*
Other services	**25.0**	19.6	*27.6%*	**25.0**	*18.8*	*33.0%*
Total Cyber Security revenue	**258.5**	270.8	*(4.5%)*	**258.5**	*264.5*	*(2.3%)*

Unaudited	4-month period ended 30 September 2024 £m	4-month period ended 30 September 2023 £m	% change at actual rates	4-month period ended 30 September 2024 £m	Constant Currency [1] 4-month period ended 30 September 2023 £m	% change at constant currency [1]
Technical Assurance Services (TAS)	**34.4**	36.4	*(5.5%)*	**34.4**	*35.7*	*(3.6%)*
Consulting and Implementation (C&I)	**12.4**	13.1	*(5.3%)*	**12.4**	*13.0*	*(4.6%)*
Managed Services (MS)	**24.5**	17.1	*43.3%*	**24.5**	*16.9*	*45.0%*
Digital Forensics and Incident Response (DFIR)	**4.2**	5.5	*(23.6%)*	**4.2**	*5.5*	*(23.6%)*
Other services	**8.1**	6.8	*19.1%*	**8.1**	*6.6*	*22.7%*
Total Cyber Security revenue	**83.6**	*78.9*	*6.0%*	**83.6**	*77.7*	*7.6%*

Cyber Security revenue increased by +29.3% on a constant currency basis [1] and at +26.3% at actual rates when comparing the 16-month period to the year ended 31 May 2023. UK & APAC increased due to Managed Services, and North America decline has slowed since the decline in the unaudited 12 months period to 31 May 2024, while Technical Assurance Services declined with the recovery in demand still less consistent than expected within the UK and North America. In relation to the unaudited four-month period to 30 September 2024, C&I declined across all regions and the DFIR decline arose from the UK.

Managed Services revenue for the 16-month period 30 September 2024, now represents 26.8% of total Cyber Security revenue as compared to the year ended 31 May 2023 of 18.5%, demonstrating the change in service mix to more annual recurring revenues. Looking at other KPIs, our TAS and C&I average utilisation has improved to 66% in the second six-month period to 30 September 2024 (from 57% in the second six-month period to 30 September 2023), while we have 178 clients with sales orders > £250k, of which 73% take multiple capabilities. The number of recurring clients over £250k amounts to 133 in the second six-month period to 30 September 2024.

Cyber Security gross profit is analysed as follows:

Audited	**16-month period ended 30 September 2024 £m**	**16-month period ended 30 September 2024 % margin**	Year ended 31 May 2023 £m	Year ended 31 May 2023 % margin	% pts change
UK & APAC	**72.5**	***41.8%***	40.3	*34.0%*	*7.8% pts*
North America	**18.4**	***20.3%***	26.1	*26.3%*	*(6.0% pts)*
Europe	**27.1**	***34.7%***	19.7	*37.1%*	*(2.4% pts)*
Cyber Security gross profit and % margin	**118.0**	***34.5%***	86.1	*31.8%*	*2.7% pts*

Gross margins increased overall by +2.7% pts, driven by UK managed services within UK & APAC, this was offset by North America. In Europe, the margin decreased by 2.4% pts due to the recognition of historic one-off project cost compensation of £1.5m in H1 of the year ended 31 May 2023. Excluding this item, the margin would have remained flat.

Unaudited	**12-month period ended 31 May 2024 £m**	**12-month period ended 31 May 2024 % margin**	Year ended 31 May 2023 £m	Year ended 31 May 2023 % margin	% pts change
UK & APAC	**55.4**	***42.7%***	40.3	*34.0%*	*8.7% pts*
North America	**14.2**	***20.6%***	26.1	*26.3%*	*(5.7% pts)*
Europe	**18.7**	***31.3%***	19.7	*37.1%*	*(5.8% pts)*
Cyber Security gross profit and % margin	**88.3**	***34.2%***	86.1	*31.8%*	*2.4% pts*

Unaudited	**4-month period ended 30 September 2024 £m**	**4-month period ended 30 September 2024 % margin**	4-month period ended 30 September 2023 £m	4-month period ended 30 September 2023 % margin	% pts change
UK & APAC	**17.1**	***39.3%***	11.2	*29.7%*	*9.6% pts*
North America	**4.2**	***19.4%***	3.6	*15.2%*	*4.2% pts*
Europe	**8.4**	***45.7%***	5.7	*32.6%*	*13.1% pts*
Cyber Security gross profit and % margin	**29.7**	***35.5%***	20.5	*26.0%*	*9.5% pts*

Escode

The Escode division accounts for 20.3% of Group revenues (2023: 19.2%) and 34.0% of Group gross profit (2023: 34.8%).

Escode revenue analysis – by originating region:

Audited	**16-month period ended 30 September 2024 £m**	Year ended 31 May 2023 £m	% change at actual rates	**16-month period ended 30 September 2024 £m**	Constant Currency [1] Year ended 31 May 2023 £m	% change at constant currency [1]
UK	**36.5**	25.8	*41.5%*	**36.5**	*25.7*	*42.0%*
North America	**45.5**	34.5	*31.9%*	**45.5**	32.8	*38.7%*
Europe	**5.4**	4.0	*35.0%*	**5.4**	*4.0*	*35.0%*
Total Escode revenue	**87.4**	*64.3*	*35.9%*	**87.4**	*62.5*	*39.8%*

Unaudited	**12-month period to 31 May 2024 £m**	Year ended 31 May 2023 £m	% change at actual rates	**12-month period to 31 May 2024 £m**	Constant Currency [1] Year ended 31 May 2023 £m	% change at constant currency [1]
UK	**27.3**	25.8	*5.8%*	**27.3**	*25.7*	*6.2%*
North America	**34.4**	34.5	*(0.3%)*	**34.4**	32.8	*4.9%*
Europe	**4.2**	4.0	*5.0%*	**4.2**	*4.0*	*5.0%*
Total Escode revenue	**65.9**	64.3	*2.5%*	**65.9**	*62.5*	*5.4%*

Unaudited	**4-month period ended 30 September 2024 £m**	4-month period ended 30 September 2023 £m	% change at actual rates	**4-month period ended 30 September 2024 £m**	Constant Currency [1] 4-month period ended 30 September 2023 £m	% change at constant currency [1]
UK	**9.2**	8.5	*8.2%*	**9.2**	*8.5*	*8.2%*
North America	**11.1**	11.5	*(3.5%)*	**11.1**	11.1	*0.0%*
Europe	**1.2**	1.4	*(14.3%)*	**1.2**	*1.3*	*(7.7%)*
Total Escode revenue	**21.5**	21.4	*0.5%*	**21.5**	*20.9*	*2.9%*

Escode revenues analysed by service line:

Audited	16-month period ended 30 September 2024 £m	Year ended 31 May 2023 £m	% change at actual rates	16-month period ended 30 September 2024 £m	Constant Currency [1] Year ended 31 May 2023 £m	% change at constant currency [1]
Escrow contracts	**57.2**	42.8	*33.6%*	**57.2**	*41.5*	*37.8%*
Verification services	**30.2**	21.5	*40.5%*	**30.2**	*21.0*	*43.8%*
Total Escode revenue	**87.4**	64.3	*35.9%*	**87.4**	*62.5*	*39.8%*

Unaudited	12-month period to 31 May 2024 £m	Year ended 31 May 2023 £m	% change at actual rates	12-month period to 31 May 2024 £m	Constant Currency [1] Year ended 31 May 2023 £m	% change at constant currency [1]
Escrow contracts	**43.3**	42.8	*1.2%*	**43.3**	*41.5*	*4.3%*
Verification services	**22.6**	21.5	*5.1%*	**22.6**	*21.0*	*7.6%*
Total Escode revenue	**65.9**	64.3	*2.5%*	**65.9**	*62.5*	*5.4%*

Unaudited	4-month period ended 30 September 2024 £m	4-month period ended 30 September 2023 £m	% change at actual rates	4-month period ended 30 September 2024 £m	Constant Currency [1] 4-month period ended 30 September 2023 £m	% change at constant currency [1]
Escrow contracts	**13.9**	14.9	*(6.7%)*	**13.9**	*14.5*	*(4.1%)*
Verification services	**7.6**	6.5	*16.9%*	**7.6**	*6.4*	*18.8%*
Total Escode revenue	**21.5**	21.4	*0.5%*	**21.5**	*20.9*	*2.9%*

1: Revenue at constant currency is an unaudited Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Gross margin is analysed as follows:

Audited	16-month period ended 30 September 2024 £m	16-month period ended 30 September 2024 % margin	Year ended 31 May 2023 £m	Year ended 31 May 2023 % margin	% pts change
UK	**24.8**	***67.9%***	18.2	*70.5%*	*(2.6% pts)*
North America	**32.6**	***71.6%***	25.0	*72.5%*	*(0.9% pts)*
Europe	**3.3**	***61.1%***	2.7	*67.5%*	*(6.4% pts)*
Escode gross profit and % margin	**60.7**	***69.5%***	45.9	*71.4%*	*(1.9% pts)*

Unaudited	12-month period to 31 May 2024 £m	12-month period to 31 May 2024 % margin	Year ended 31 May 2023 £m	Year ended 31 May 2023 % margin	% pts change
UK	**18.6**	***68.1%***	18.2	*70.5%*	*(2.4% pts)*
North America	**24.8**	***72.1%***	25.0	*72.5%*	*(0.4% pts)*
Europe	**2.6**	***61.9%***	2.7	*67.5%*	*(5.6% pts)*
Escode gross profit and % margin	**46.0**	***69.8%***	45.9	*71.4%*	*(1.6% pts)*

Unaudited	**4-month period ended 30 September 2024 £m**	**4-month period ended 30 September 2024 % margin**	4-month period ended 30 September 2023 £m	4-month period ended 30 September 2023 % margin	% pts change
UK	**6.2**	***67.4%***	5.8	*68.2%*	*(0.8% pts)*
North America	**7.8**	***70.3%***	8.5	*73.9%*	*(3.6% pts)*
Europe	**0.7**	***58.3%***	1.0	*71.4%*	*(13.1% pts)*
Escode gross profit and % margin	**14.7**	***68.4%***	15.3	*71.5%*	*(3.1% pts)*

Individually Significant Items
During the period, the Group has incurred £41.5m in individually Significant Items (ISIs) (2023: £14.7m) as follows:

	16-month period ended 30 September 2024 £m	Year ended 31 May 2023 £m
North America Cyber Security goodwill impairment	**31.9**	9.8
Fundamental re-organisation costs	**9.4**	4.2
Transaction costs associated with disposal of Fox Crypto	**1.6**	-
Costs associated with strategic review of Escode business	**0.1**	3.0
NCC Group A/S goodwill impairment	**-**	3.0
IPM Escode business deferred income adjustment	**-**	(0.6)
Profit on disposal of non-core operations	**(1.5)**	(4.7)
Total ISIs	**41.5**	14.7

Individually Significant Items incurred during the period of £41.5m are represented mainly by an impairment in Goodwill of £31.9m (2023: £9.8m) for the North America Cyber security business due to its historical performance, as the recovery in demand is less consistent than expected, and £9.4m (2023: £4.2m) in relation to fundamental reorganisation costs as we continue to reshape the Group to implement the Group's strategy.

Finance costs
Finance costs for the 16-month period were £8.3m (2023: £6.2m). Finance costs include lease financing costs of £1.7m (2023: £1.1m).

Taxation
The Group's effective statutory tax rate is (18.2%) (2023: (7.0)%). The change in tax rate from 2023 to 2024 is due to a number of factors including an increase in the UK corporate tax rate, the impact of non-deductible goodwill and intangible assets impairment and the derecognition of deferred tax assets in North America. The Group's adjusted tax rate is 24.3% (2023 restated: 15.4%). The increase in the adjusted tax rate from 2023 to 2024 is due predominantly to an increase in the UK statutory tax rate and increased tax losses not recognised as deferred tax assets.

(Loss)/earnings per share (EPS)	16-month period ended 30 September 2024 £m	Year ended 31 May 2023 (restated) [2] £m
Statutory		
Statutory loss for the period	**(32.5)**	(4.6)
Basic loss per share	**(10.4p)**	(1.5p)
Diluted loss per share	**(10.4p)**	(1.5p)
Adjusted [1]		
Adjusted profit for the period	**10.6**	7.3
Basic EPS	**3.4p**	2.8p
Diluted EPS	**3.4p**	2.8p
Weighted average number of shares (million)		
Basic	**311.7**	310.4
Diluted	**313.2**	311.2

Adjusted basic EPS [1] is reconciled as follows:

	16-month period ended 30 September 2024	Year ended 31 May 2023 (restated) [2]
Statutory loss for the period	**(32.5)**	(4.6)
Individually Significant items	**41.5**	14.7
Tax effect of Individually significant items	**(5.8)**	(2.8)
North America deferred tax Asset derecognition (adjusting item)	**7.4**	-
Adjusted profit for the period	**10.6**	7.3

1: Adjusted EPS is an Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2: After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review and appendix 1 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Reconciliation of net debt [1]

The table below summarises the Group's cash flow and net debt [1]:

	30 September 2024 £m	31 May 2023 £m
Operating cash inflow before movements in working capital	**48.5**	38.7
Movement in working capital and non-payables	**(10.1)**	3.9
Cash generated from operating activities before interest and taxation	**38.4**	42.6
Interest element of lease payments	**(1.7)**	(1.1)
Finance interest paid	**(6.0)**	(4.0)
Taxation paid	**(4.3)**	(5.4)
Net cash generated from operating activities	**26.4**	32.1
Purchase of property, plant and equipment	**(6.2)**	(3.9)
Software and development expenditure	**(2.6)**	(3.4)
Acquisition of trade and assets as part of a business combination	**(1.0)**	(1.0)
Sale proceeds from business disposals	**12.4**	2.0
Equity dividends paid	**(14.5)**	(14.5)
Repayment of lease liabilities (principal amount)	**(10.2)**	(6.1)
Acquisition of treasury shares	**(5.8)**	-
Purchase of shares	**-**	(0.5)
Proceeds from the issue of ordinary share capital	**0.3**	0.1
Net movement	**(1.2)**	4.8
Opening net debt (excluding lease liabilities) [1]	**(49.6)**	(52.4)
Non-cash movements (release of deferred issue costs)	**(0.6)**	(0.8)
Foreign exchange movement	**6.1**	(1.2)
Closing net debt excluding lease liabilities [1]	**(45.3)**	(49.6)
Lease liabilities	**(27.6)**	(30.0)
Closing net debt [1]	**(72.9)**	(79.6)

Net debt [1] can be reconciled as follows:

	30 September 2024 £m	31 May 2023 £m
Cash and cash equivalents	**29.8**	34.1
Bank overdraft	**(13.6)**	(1.8)
Borrowings (net of deferred issue costs)	**(61.5)**	(81.9)
Net debt excluding lease liabilities [1]	**(45.3)**	(49.6)
Lease liabilities	**(27.6)**	(30.0)
Net debt [1]	**(72.9)**	(79.6)

Reconciliation of net change in cash and cash equivalents to movement in net debt [1]

	30 September 2024 £m	31 May 2023 £m
Net decrease in cash and cash equivalents (inc. bank overdraft)	**(18.4)**	(41.5)
Change in net debt [1] resulting from cash flows (net of deferred issue costs)	**17.2**	44.8
Release of deferred issue costs	**(0.6)**	(1.0)
Issue costs related to borrowings (non-cash)	**-**	1.7
Effect of foreign currency on cash flows	**2.3**	0.6
Foreign currency translation differences on borrowings	**3.8**	(1.8)
Change in net debt [1] during the period	**4.3**	2.8
Net debt [1] at start of period excluding lease liabilities	**(49.6)**	(52.4)
Net debt [1] at end of period excluding lease liabilities	**(45.3)**	(49.6)
Lease liabilities	**(27.6)**	(30.0)
Net debt [1] at end of period	**(72.9)**	(79.6)

1: Net debt is an Alternative Performance Measures (APMs) and not an IFRS measure. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

The calculation of the cash conversion ratio [1] is set out below and is lower due to the summer period:

	30 September 2024 £m	31 May 2023 (restated) [2] £m	% change/ % pts
Operating cash flow before interest and taxation	**38.4**	42.6	(9.9%)
Adjusted EBITDA [1, 2]	**51.6**	39.2	31.6%
Cash conversion ratio [1, 2] (%)	**74.4%**	108.7%	(34.3% pts)

1: See Financial review for an explanation of Alternative Performance Measures (APMs) and adjusting items. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2: After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Cash capital expenditure during the period was £8.8m (2023: £7.3m), which includes tangible asset expenditure of £6.2m (2023: £3.9m) and capitalised software and development costs of £2.6m (2023: £3.4m). The increase in tangible capital expenditure includes the opening of our new Manila office.

Sale proceeds from disposals represent payment of contingent consideration in relation to the disposal of the Group's DDI business of £3.8m, the full payment of £8.2m for the DetACT business disposed in April 2024 and £0.4m for disposal of a 3.35% shareholding in an unlisted investment. Acquisition of trade and assets as part of a business combination of £1.0m relates to the final consideration payable in relation to the Adelard acquisition.

Dividends

During the period total dividends of £14.5m were paid in the period (2023: £14.5m). Additionally, a dividend of £9.8m was recognised but not yet paid as of the period end. The Board is proposing a final dividend of 1.5p per ordinary share. This is equivalent to the interim dividend previously paid albeit for the final 4-month period ending 30 September 2024.

The final dividend of 1.5p per ordinary share, which, together with the interim dividends of 3.15p and 1.5p per ordinary share paid on 4 October 2024 and 15 March 2024 respectively, makes a total dividend of 6.15p for the period ended 30 September 2024.

The final dividend will be paid on 4 April 2025, subject to approval at the AGM on 28 January 2025, to shareholders on the register at the close of business on 21 February 2025. The ex-dividend date is 20 February 2025.

Our FY25 framework

Looking forward to FY25, we have set a framework to measure ourselves against as follows:

- **Sustainable revenue growth**
  - Deliver underlying growth in Cyber Security
  - Increase Managed Services revenue as a proportion of total Cyber Security
  - Maintain momentum in Escode

- **Improved gross margin**
  - Maintain utilisation %
  - Smart pricing and margin investment decision making
  - Globalise technical resource footprint

- **Efficiency for growth**
  - Simplify operating model to generate efficiencies
  - Drive towards consistent profit conversion in every market
  - Eliminate stranded costs resulting from non-core disposals

- **Capital deployment supporting growth**
  - Strong cash conversion
  - Ensure appropriate liquidity and debt facilities
  - Maintain dividend
  - Accretive acquisition opportunities

Condensed consolidated income statement

for the 16 month period ended 30 September 2024

	Notes	**16 months period ended 30 September 2024 £m**	Year ended 31 May 2023 £m
Revenue	3	**429.5**	335.1
Cost of sales	3	**(250.8)**	(203.1)
Gross profit	3	**178.7**	132.0
Administrative expenses			
Individually Significant Items	4	**(41.5)**	(14.7)
Depreciation and amortisation		**(29.3)**	(22.6)
Other administrative expenses		**(127.1)**	(92.8)
Total administrative expenses		**(197.9)**	(130.1)
Operating (loss)/profit	3	**(19.2)**	1.9
Finance costs		**(8.3)**	(6.2)
Loss before taxation		**(27.5)**	(4.3)
Taxation	5	**(5.0)**	(0.3)
Loss for the period/year attributable to owners of the Company		**(32.5)**	(4.6)

Loss per ordinary share	7		
Basic EPS		**(10.4)p**	(1.5)p
Diluted EPS		**(10.4)p**	(1.5)p

Condensed consolidated statement of comprehensive income

for the 16 month period ended 30 September 2024

	16 months period ended 30 September 2024 £m	Year ended 2023 £m
Loss for the period/year attributable to the owners of the Company	**(32.5)**	(4.6)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss (net of tax)		
Foreign exchange translation differences	**(13.0)**	2.4
Total other comprehensive (loss)/income	**(13.0)**	2.4
Total comprehensive loss for the period/year (net of tax) attributable to the owners of the Company	**(45.5)**	(2.2)

Condensed consolidated balance sheet

at 30 September 2024

	Notes	**30 September 2024 £m**	31 May 2023 £m
Non-current assets			
Goodwill	8	**156.5**	255.8
Intangible assets	8	**89.2**	110.9
Property, plant and equipment		**11.6**	12.5
Right-of-use assets		**15.7**	18.6
Investments		**—**	0.3
Deferred tax asset		**0.6**	2.9
Total non-current assets		**273.6**	401.0
Current assets			
Inventories		**—**	0.8
Trade and other receivables		**32.2**	40.9
Contract assets		**20.1**	17.2
Contingent consideration receivable		**—**	3.8
Current tax receivable		**2.9**	3.6
Cash and cash equivalents		**29.8**	34.1
Assets classified as held for sale	9	**61.5**	—
Total current assets		**146.5**	100.4
Total assets		**420.1**	501.4
Current liabilities			
Trade and other payables		**46.8**	44.7
Bank overdraft		**13.6**	1.8
Lease liabilities		**5.7**	6.0
Current tax payable		**1.6**	4.2
Derivative financial instruments		**0.8**	0.6
Contingent consideration payable		**—**	1.0
Provisions		**1.4**	1.2
Contract liabilities – deferred revenue		**50.7**	51.6
Liabilities directly associated with assets classified as held for sale	9	**5.7**	—
Total current liabilities		**126.3**	111.1
Non-current liabilities			
Borrowings		**61.5**	81.9
Lease liabilities		**21.9**	24.0
Deferred tax liabilities		**0.5**	1.4
Provisions		**1.9**	1.5
Contract liabilities – deferred revenue		**2.8**	3.3
Total non-current liabilities		**88.6**	112.1
Total liabilities		**214.9**	223.2
Net assets		**205.2**	278.2
Equity			
Share capital		**3.1**	3.1
Share premium		**224.4**	224.1
Merger reserve		**42.3**	42.3
Currency translation reserve		**24.5**	37.5
Retained earnings		**(89.1)**	(28.8)
Total equity		**205.2**	278.2

These Financial Statements were approved and authorised for issue by the Board of Directors on 10 December 2024. They were signed on its behalf by:

Mike Maddison
Chief Executive Officer
10 December 2024

Guy Ellis
Chief Financial Officer
10 December 2024

Condensed consolidated cash flow statement

for the 16 month period ended 30 September 2024

	Notes	**16 months period ended 2024 £m**	Year ended 2023 £m
Cash flows from operating activities			
Loss for the year period/year		**(32.5)**	(4.6)
Adjustments for:			
Depreciation of property, plant and equipment		**5.4**	4.5
Depreciation of right-of-use assets		**8.1**	5.7
Amortisation of customer contracts and relationships	8	**12.5**	10.0
Amortisation of software and development costs	8	**3.3**	2.4
Impairment of goodwill	4	**31.9**	12.8
Impairment of non-current assets included in ISIs	4	**3.9**	—
Impairment of non-current assets included in administrative costs		**0.9**	1.1
Impairment reversal of non-current assets included in ISIs	4	**(0.8)**	—
Share-based payments		**2.3**	2.2
Lease financing costs		**1.7**	1.1
Other financing costs		**6.6**	5.1
Foreign exchange loss		**1.9**	0.6
Disposal of business – transaction costs		**—**	(0.1)
Non-cash impact from other Individually significant items		**—**	3.5
Profit on disposal of right-of-use assets		**(0.1)**	(0.7)
Profit on disposal of businesses	11	**(1.6)**	(4.7)
Profit on disposal of investment		**(0.1)**	—
Loss on disposal of fixed assets		**0.1**	—
Income tax expense/(credit)		**5.0**	(0.2)
Cash inflow for the year before changes in working capital		**48.5**	38.7
Decrease in trade and other receivables		**1.3**	15.0
(Increase)/decrease in contract assets		**(5.9)**	4.7
Decrease in inventories		**0.2**	0.1
Decrease in trade and other payables		**(11.9)**	(7.7)
Increase/(decrease) in contract liabilities		**5.5**	(7.4)
Increase/(decrease) in provisions		**0.7**	(0.8)
Cash generated from operating activities before interest and taxation		**38.4**	42.6
Interest element of lease payments		**(1.7)**	(1.1)
Other interest paid		**(6.0)**	(4.0)
Taxation paid		**(4.3)**	(5.4)
Net cash generated from operating activities		**26.4**	32.1
Cash flows from investing activities			
Acquisition of trade and assets as part of business combinations		**(1.0)**	(1.0)
Purchase of property, plant and equipment		**(6.2)**	(3.9)
Software, development and customer contracts expenditure		**(2.6)**	(3.4)
Sale proceeds of business disposals	11	**12.4**	2.0
Net cash generated from/(used in) in investing activities		**2.6**	(6.3)
Cash flows from financing activities			
Proceeds from the issue of ordinary share capital		**0.3**	0.1
Purchase of own shares		**—**	(0.5)
Acquisition of treasury shares		**(5.8)**	—
Principal element of lease payments		**(10.2)**	(6.1)
Drawdown of borrowings (net of deferred issue costs)		**57.8**	70.8
Issue costs related to borrowings		**—**	(1.5)
Repayment of borrowings		**(75.0)**	(115.6)
Equity dividends paid	6	**(14.5)**	(14.5)
Net cash used in financing activities		**(47.4)**	**(67.3)**
Net decrease in cash and cash equivalents (inc. bank overdraft)		**(18.4)**	(41.5)
Cash and cash equivalents (inc. bank overdraft) at beginning of period		**32.3**	73.2
Effect of foreign currency exchange rate changes		**2.3**	0.6
Cash and cash equivalents (inc. bank overdraft) at end of period/year		**16.2**	32.3

Condensed consolidated statement of changes in equity

for the 16 month period ended 30 September 2024

	Notes	Share capital £m	Share premium £m	Merger reserve £m	Currency translation reserve £m	Retained earnings £m	Total £m
Balance at 1 June 2022		3.1	224.0	42.3	35.1	(11.3)	293.2
Loss for the year		—	—	—	—	(4.6)	(4.6)
Foreign currency translation differences		—	—	—	2.4	—	2.4
Total comprehensive income/(loss) for the year		—	—	—	2.4	(4.6)	(2.2)
Transactions with owners recorded directly in equity							
Dividends to equity shareholders	6	—	—	—	—	(14.5)	(14.5)
Share-based payments		—	—	—	—	2.2	2.2
Tax on share-based payments		—	—	—	—	(0.1)	(0.1)
Purchase of own shares		—	—	—	—	(0.5)	(0.5)
Shares issued		—	0.1	—	—	—	0.1
Total contributions by and distributions to owners		—	0.1	—	—	(12.9)	(12.8)
Balance at 31 May 2023		3.1	224.1	42.3	37.5	(28.8)	278.2
Loss for the period		**—**	**—**	**—**	**—**	**(32.5)**	**(32.5)**
Foreign currency translation differences		**—**	**—**	**—**	**(13.0)**	**—**	**(13.0)**
Total comprehensive loss for the period		**—**	**—**	**—**	**(13.0)**	**(32.5)**	**(45.5)**
Transactions with owners recorded directly in equity							
Dividends to equity shareholders	6	**—**	**—**	**—**	**—**	**(24.3)**	**(24.3)**
Share-based payments		**—**	**—**	**—**	**—**	**2.3**	**2.3**
Acquisition of treasury shares		**—**	**—**	**—**	**—**	**(5.8)**	**(5.8)**
Shares issued		**—**	**0.3**	**—**	**—**	**—**	**0.3**
Total contributions by and distributions to owners		**—**	**0.3**	**—**	**—**	**(27.8)**	**(27.5)**
Balance at 30 September 2024		**3.1**	**224.4**	**42.3**	**24.5**	**(89.1)**	**205.2**

Notes to the consolidated Financial Statements
for the 16 month period ended 30 September 2024

1 Accounting policies

Basis of preparation

NCC Group plc (the 'Company') is a public company incorporated in the UK, with its registered office at XYZ Building, 2 Hardman Boulevard, Manchester M3 3AQ. The Group Financial Statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group'). The principal activity of the Group is the provision of independent advice and services to customers through the supply of cyber security and Software Resilience services.

The condensed financial statements have been prepared on the historical cost basis, except for consideration payable on acquisitions that is measured at fair value at the date of the acquisition. The condensed financial statements are presented in Sterling (£m) because that is the currency of the principal economic environment in which the Company operates. The financial information is derived from the Group's consolidated financial statements for the period ended 30 September 2024, which have been prepared on the going concern basis in accordance with UK-adopted international accounting standards ("UK-adopted IFRS"). The financial information set out above does not constitute the Company's statutory accounts for the 16-months period ended 30 September 2024 and the year ended 31 May 2023.

The financial information for the year ended 31 May 2023 is derived from the statutory accounts for the year ended 31 May 2023 which have been delivered to the registrar of companies. The previous auditor, KPMG LLP, has reported on the 31 May 2023 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The statutory accounts for the period ended 30 September 2024 have been reported on by the Company's auditors, PricewaterhouseCoopers LLP., and will be delivered to the registrar of companies in due course. The auditors have reported on those statutory accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the company's published consolidated financial statements for the year ended 31 May 2023, which were prepared in accordance with IFRSs as adopted for use in the UK. They do not contain all the information required for full financial statements.

Climate change

The Directors have reviewed the potential impact of climate change and the Task Force on Climate-related Financial Disclosures (TCFD) on the consolidated Financial Statements. Our overall exposure to physical and transitional climate change is considered low in the short to medium term due to the nature of the business and cyber assurance industry.

Going concern

At the time of approving the Financial Statements, the Board of Directors is required to formally assess that the business has adequate resources to continue in operational existence and as such can continue to adopt the "going concern" basis of accounting. To support this assessment, the Board is required to consider the Group's current financial position, its strategy, the market outlook, and its principal risks.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review and Financial Review. The Group's financial position, cash and borrowing facilities are also described within these sections.

The Financial Statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow and covenant compliance forecasts for 12 months from the date of approval of the Financial Statements which indicate that, taking account of severe but plausible downsides on the operations of the Group and its financial resources, the Group will have sufficient funds to meet its liabilities as they fall due for that period.

The going concern period is required to cover a period of at least 12 months from the date of approval of the Financial Statements and the Directors still consider this 12 month period to be an appropriate assessment period due to the Group's financial position and trading performance and that its borrowing facilities do not expire until December 2026. The Directors have considered whether there are any significant events beyond the 12 month period which would suggest this period should be longer but have not identified any such conditions or events.

The Group is financed primarily by a £162.5m multi-currency revolving credit facility maturing in December 2026. Under these banking arrangements, the Group can also request (seeking bank approval) an additional accordion facility to increase the total size of the revolving credit facility by up to £75m. This accordion facility has not been considered in the Group's going concern assessment as it requires bank approval and is therefore uncommitted as at the date of approval of these consolidated Financial Statements. As of 30 September 2024, net debt (excluding lease liabilities)[1] amounted to £45.3m which comprised cash and cash equivalents of £29.8m, a bank overdraft of £13.6m and a drawn revolving credit facility of £61.5m, leaving £101.0m of undrawn facilities, excluding the uncommitted accordion facility of £75.0m. The Group's day-to-day working capital requirements are met through existing cash resources, the revolving credit facility and receipts from its continuing business activities. The Group is required to comply with financial covenants for leverage (net debt to Adjusted EBITDA)[1] and interest cover (Adjusted EBITDA[1] to interest charge) that are tested bi-annually on 31 May and 30 November each year (following the change in the Group's financial year end, these covenants will be tested bi-annually on 31 March and 30 September each year going forward).

As of 30 September 2024, leverage amounted to 1.0x and net interest cover amounted to 8.8x compared to a maximum of 3.0x and a minimum of 3.5x respectively. The terms and ratios are specifically defined in the Group's banking documents (in line with normal commercial practice) and are materially similar to amounts noted in these Financial Statements with the exceptions being net debt excludes IFRS 16 lease liabilities and Adjusted EBITDA [1] . The Group was in compliance with the terms of all its facilities during the period, including the financial covenants on 30 September 2024, and, based on forecasts, expects to remain in compliance over the going concern period. In addition, the Group has not sought or is not planning to seek any waivers to its financial covenants noted above.

Management has prepared a base case model derived from the FY25 board-approved budget. In addition, management has produced forecasts that reflect severe yet plausible downside scenarios, taking into account the principal risks faced by the Group, including the loss of key customers and further reductions in the North America 'TAS' business. These forecasts, which have been reviewed by the Directors, lead them to believe that the Group can operate within its available committed banking facilities and meet its liabilities as they fall due during this period. The assumptions underpinning these forecasts (and severe yet plausible downside scenarios) are set out in more detail in the Viability Statement on page 39.

Having reviewed the current trading performance, forecasts, debt servicing requirements, total facilities and risks, as well as factoring in the expected proceeds from the sale of Fox Crypto B.V. (see Note 9), the Directors are confident that the Group will have sufficient funds to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these consolidated Financial Statements. This period is referred to as the going concern period. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the Group's consolidated Financial Statements for the period ended 30 September 2024.

From a Company perspective, the Company places reliance on other Group trading entities for financial support. The Company controls these Group entities and therefore has the ability to direct the financial activities of the Group. Having reviewed the current trading performance, forecasts, debt servicing requirements, total facilities and risks, the Directors are confident that the Company and the Group will have sufficient funds to continue to meet their liabilities as they fall due for a period of at least 12 months from the date of approval of these consolidated Financial Statements, which is determined as the going concern period. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the Group's Financial Statements for the period ended 30 September 2024.

There are no post-Balance Sheet events which the Directors believe will negatively impact the going concern assessment.

1 Revenue at constant currency, Adjusted EBITDA and net debt excluding lease liabilities are Alternative Performance Measures (APMs) and not IFRS measures. See appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Individually Significant Items (ISI)

Individually Significant Items are identified as those items or projects that based on their size and nature and/or incidence are assessed to warrant separate disclosure to provide supplementary information to support the understanding of the Group's financial performance. Where a project spans a reporting period(s) the total project size and nature are considered in totality. ISIs typically comprise costs/profits/losses on material acquisitions/disposals/business exits, fundamental reorganisation/restructuring programmes and other significant one-off events (including material impairments). ISIs are considered to require separate presentation in the notes to the Financial Statements in order to fairly present the financial performance of the Group. See Note 4 for further information.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements requires management to exercise judgement in applying the Group's accounting policies. Different judgements would have the potential to change the reported outcome of an accounting transaction or Balance Sheet. It also requires the use of estimates that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with changes recognised in the period in which the estimates are revised and in any future periods affected. The table below shows the area of critical accounting judgement and estimation that the Directors consider material and that could reasonable change significantly in the next year.

Accounting area	Accounting judgement?	Accounting estimate?
Carrying value of Goodwill	No	Yes

2.1 Critical accounting judgements

No critical accounting judgements have been made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated Financial Statements.

2.2 Key sources of estimation uncertainty

Information about estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next financial year is addressed below.

While every effort is made to ensure that such estimates and assumptions are reasonable, by their nature they are uncertain, and as such changes in estimates and assumptions may have a material impact. Estimates and assumptions used in the preparation of the Financial Statements are continually reviewed and revised as necessary as at each reporting date.

The Directors have considered the impact of climate change on the following estimation uncertainties. Due to nature of the climate change impact on the Group, no material impact has been identified.

Carrying value of goodwill

The Group has significant balances relating to goodwill as at 30 September 2024 as a result of acquisitions of businesses in previous years. The carrying value of goodwill at 30 September 2024 is £156.5m (31 May 2023: £255.8m). Goodwill balances are tested annually for impairment. The Group allocated goodwill to cash-generating units (CGUs) which represent the lowest level of asset groupings that generate separately identifiable cash inflows that are not dependent on other CGUs.

Impairment of goodwill - North America Cyber Security

For the period ended 30 September 2024, tests for impairment are based on the calculation of a fair value less costs to sell (FVLCTS) which has been used to establish the recoverable amount of the CGU. The FVLCTS valuation for of each standalone CGU has been calculated by determining sustainable earnings, which are based on the Adjusted EBITDA [1], and applying a reasonable market multiple on the calculated sustainable earnings. The sustainable earnings figures used in this calculation include a key assumption regarding a sustainable gross margin percentage for the business. Reasonable changes in the key assumptions used to determine the sustainable earnings can materially impact the outcomes of the impairment reviews and the impairment charges recognised.

An analysis of the Group's goodwill, the methodology used to test for impairment and sensitivity analysis relating to the sustainable earnings are set out in note 8.

Reallocation of goodwill – Europe Cyber Security
During June 2024, as part of the expected disposal of the Fox Crypto BV entity, the Group re-organised its reporting structure to separate out the Fox Crypto BV entity from the Europe Cyber Security CGU. On this basis the Europe Cyber Security goodwill has been reallocated between the newly created Fox Crypto CGU and the remaining Europe Cyber Security CGU. Goodwill has been reallocated based on adjusted relative values of the two CGUs, whereby the value of each CGU is based on FVLCTS. Goodwill allocated to the Fox Crypto CGU has been re-classified to asset held for sale (see note 9).

See note 8 for sensitivity analysis in regard to the reallocation of goodwill between Fox Crypto and Europe Cyber Security.

1: Revenue at constant currency, Adjusted EBITDA, and Net debt excluding lease liabilities are Alternative Performance Measures (APMs) rather than IFRS measures. For an explanation of APMs and adjusting items, including a reference to the reconciliation with statutory information, please see Appendix 2.

3 Segmental information
The Group is organised into the following two (2023: two) reportable segments: Cyber Security and Escode. The two reporting segments provide distinct types of service. Within each of the reporting segments the operating segments provide a homogeneous group of services. These operating segments are deemed to hold similar economic characteristics. The operating segments are grouped into the reporting segments on the basis of how they are reported to the Chief Operating Decision Maker (CODM) for the purposes of IFRS 8 'Operating Segments', which is considered to be the Board of Directors of NCC Group plc.

Operating segments are aggregated into the two reportable segments based on the types and delivery methods of services they provide, common management structures, and their relatively homogeneous commercial and strategic market environments. Performance is measured based on reporting segment profit, with interest and tax not allocated to business segments. There are no intra-segment sales.

	Cyber Security	**Escode**	**Central and head office**	**Group**
Segmental analysis for the period ended 30 September 2024	**£m**	**£m**	**£m**	**£m**
Revenue	**342.1**	**87.4**	**–**	**429.5**
Cost of sales	**(224.1)**	**(26.7)**	**–**	**(250.8)**
Gross profit	**118.0**	**60.7**	**–**	**178.7**
Gross margin %	***34.5%***	***69.5%***	**–**	***41.6%***
Administrative expenses	**(97.3)**	**(24.1)**	**(3.4)**	**(124.8)**
Share-based payments	**(0.1)**	**(0.2)**	**(2.0)**	**(2.3)**
Depreciation and amortisation	**(10.9)**	**(0.6)**	**(5.3)**	**(16.8)**
Amortisation of acquired intangibles	**(1.4)**	**(7.1)**	**(4.0)**	**(12.5)**
Individually Significant Items (Note 4)	**(41.4)**	**(0.1)**	**–**	**(41.5)**
Operating (loss)/profit	**(33.1)**	**28.6**	**(14.7)**	**(19.2)**
Finance costs				**(8.3)**
Loss before taxation				**(27.5)**
Taxation				**(5.0)**
Loss for the period				**(32.5)**

	Cyber Security	**Escode**	**Central and Head office**	**Group**
Segmental analysis for the year ended 31 May 2023	**£m**	**£m**	**£m**	**£m**
Revenue	270.8	64.3	–	335.1
Cost of sales	(184.7)	(18.4)	–	(203.1)
Gross profit	86.1	45.9	–	132.0
Gross margin %	31.8%	71.4%	—	39.4%
Administrative expenses	(70.7)	(14.7)	(5.2)	(90.6)
Share-based payments	(1.6)	(0.1)	(0.5)	(2.2)
Depreciation and amortisation	(8.5)	(0.6)	(3.5)	(12.6)
Amortisation of acquired intangibles	(1.2)	(5.8)	(3.0)	(10.0)
Individually Significant Items (Note 4)	(12.3)	(2.4)	—	(14.7)
Operating (loss)/profit	(8.2)	22.3	(12.2)	1.9
Finance costs				(6.2)
Loss before taxation				(4.3)
Taxation				(0.3)
Loss for the year				(4.6)

Revenue is disaggregated by primary geographical market, by category and by timing of revenue recognition as follows:

	Cyber Security £m	Escode £m	2024 Total £m	Cyber Security £m	Escode £m	2023 Total £m
Revenue by originating country						
UK	**158.9**	**36.5**	**195.4**	106.6	25.8	132.4
APAC	**14.4**	**—**	**14.4**	11.8	—	11.8
North America	**90.7**	**45.5**	**136.2**	99.3	34.5	133.8
Europe	**78.1**	**5.4**	**83.5**	53.1	4.0	57.1
Total revenue	**342.1**	**87.4**	**429.5**	270.8	64.3	335.1

	Cyber Security £m	Escode £m	2024 Total £m	Cyber Security £m	Escode £m	2023 Total £m
Revenue by category						
Services	**337.5**	**87.4**	**424.9**	267.1	64.3	331.4
Products	**4.6**	**-**	**4.6**	3.7	—	3.7
Total revenue	**342.1**	**87.4**	**429.5**	270.8	64.3	335.1

	Cyber Security £m	Escode £m	2024 Total £m	Cyber Security £m	Escode £m	2023 Total £m
Timing of revenue recognition						
Services and products transferred over time	**322.1**	**57.9**	**380.0**	252.9	42.8	295.7
Services and products transferred at a point in time	**20.0**	**29.5**	**49.5**	17.9	21.5	39.4
Total revenue	**342.1**	**87.4**	**429.5**	270.8	64.3	335.1

As part of the Group's ongoing transformation and the implementation of its new strategy, Cyber Security revenue is now analysed in greater detail by service type and capability. This change in analysis enables the Group to better focus on existing customers, as well as on simplifying operations and the core services provided. The analysis is as follows:

	2024 £m	Restated* 2023 £m
Technical Assurance Services (TAS)	**141.4**	142.9
Consulting and Implementation (C&I)	**55.2**	44.7
Managed Services (MS)	**91.8**	50.1
Digital Forensics and Incident Response (DFIR)	**20.6**	13.5
Other services	**33.1**	19.6
Total Cyber Security revenue	**342.1**	270.8

*TAS, C&I and DFIR were formerly included within Global Professional Services (GPS as defined within the FY23 Annual Report) and Global Managed Services (GMS as defined within the FY23 Annual Report) is now reported as MS. Revenue is recognised on these capabilities as follows:

- TAS, C&I and DFIR consulting revenues are recognised on an input method over time
- MS revenues (including recurring revenue elements of DFIR) are bifurcated according to their separate performance obligations. The recognition policy is consistent with that disclosed for GMS in the FY23 Annual Report

Escode revenues analysed by service line:

	2024 £m	2023 £m
Escrow contracts	**57.2**	42.8
Verification services	**30.2**	21.5
Total Escode revenue	**87.4**	64.3

1 Revenue at constant currency, Adjusted EBITDA and net debt excluding lease liabilities are Alternative Performance Measures (APMs) and not IFRS measures. See appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

4 Individually Significant Items (ISI)

The Group separately identifies items as Individually Significant Items. Each of these is considered by the Directors to be sufficiently unusual in terms of nature or scale so as not to form part of the underlying performance of the business. They are therefore separately identified and excluded from adjusted results (as explained in appendix 2).

	Reference	**2024 £m**	2023 £m
North America Cyber Security goodwill impairment	a	**31.9**	9.8
Fundamental re-organisation costs	b	**9.4**	4.2
Transaction costs associated with disposal of Fox Crypto	c	**1.6**	-
Costs associated with strategic review of Escode business	d	**0.1**	3.0
NCC Group A/S goodwill impairment	e	**-**	3.0
IPM Escode business deferred revenue adjustment	f	**-**	(0.6)
Profit on disposal of non-core operations	g	**(1.5)**	(4.7)
Total ISIs		**41.5**	14.7

(a) North America Cyber Security goodwill impairment

Following the impairment review of goodwill as at 31 May 2024, an impairment of £31.9m (2023: £9.8m) has been recognised in North America Cyber Security. For further details, please refer to Note 8.

(b) Fundamental re-organisation costs

In order to implement the next chapter of the Group's strategy to enhance future growth, certain strategic actions are required including reshaping the Group's global delivery and operational model. This reshaping is considered a fundamental reorganisation and restructuring programme that will span reporting periods, and the total project size and nature are considered in totality. The programme commencement was accelerated following the Group experiencing specific market conditions that validated the rationale of the next chapter of the Group's strategy. The programme has three planned phases as follows:

- Phase 1 (March–April 2023) – initial reduction in global delivery and operational headcount; c.7% reduction of the Group's global headcount.
- Phase 2 (June–September 2023) – a further reduction in global delivery, operational and corporate functions headcount prior to opening our offshore operations and delivery centre in Manila.
- Phase 3 (October 2023–December 2025) – finalisation of the Group's operating model.

Costs of £9.4m (2023: £4.2m) and a cash outflow of £6.0m (2023: £3.4m) have been incurred in relation to the implementation of this re-organisation. These cash outflows consist of severance payments, associated taxes, and professional fees for advisory and legal services.

The reorganisation costs include £3.4m related to property rationalisation. This comprises £3.5m (2023: £Nil) in property closure impairment charges and £0.4m (2023: £Nil) in fixed asset impairment charges, both relating to non-current assets. Additionally, £0.7m (2023: £Nil) relates to non-rental provision costs.

Offsetting these costs are £0.8m (2023: £Nil) in non-current asset impairment reversals and £0.4m (2023: £Nil) in provision reversals. These costs and reversals reflect the impact of a reduction in the Group's global headcount, leading to decreased office utilisation and a re-evaluation of the global property portfolio.

It is expected that costs will also be incurred for the year ending 30 September 2025 and the Group will have to exercise judgement in assessing whether the restructuring items should be classified as ISI, this will involve taking into account the nature of the item, cause of occurrence and scale of the impact of those items on the reported performance, resultant benefits and after considering the original reorganisation programme principles and plans.

(c) Transaction costs associated with the disposal of Fox Crypto

On 1 August 2024, the Group announced the disposal of Fox Crypto B.V. for initial expected gross consideration of €77.3m to CR Group Nordic AB. As at 30 September 2024, the disposal was yet to be finalised, with completion expected in early FY25.

As of 30 September 2024, transaction costs of £1.6m were incurred (2023: £nil), which meet the Group's policy for ISIs as they relate to the disposal of a non-core operation. The expected gain on this disposal will be included within ISIs for the year ending 30 September 2025.

(d) Costs associated with strategic review of Escode business

During February 2023, the Group announced its ongoing strategic review of Escode business and of other core and non-core assets. During the period ended 30 September 2024, a number of additional professional fees totalling £0.1m (2023: £3.0m) have been incurred, mainly in respect of advisory services. Such costs meet the Group's policy for ISIs as they have been incurred as part of the wider re-structuring/re-organisation activities that are ongoing within the Group. The Group has now stopped the strategic review of the Escode business.

(e) NCC Group A/S goodwill impairment

On 1 June 2022, the Group made the decision to re-organise its Danish business (NCC Group A/S) which had previously been a part of the EU Assurance CGU. Following that re-organisation, the cash inflows associated with the Danish business are separately identifiable and therefore the carrying value of the CGU assets were assessed separately for impairment at 31 May 2023. The charge of £nil (2023: £3.0) represented the impairment of goodwill associated with the Danish business following completion of that review. Such costs met the Group's policy for ISIs as this is a significant one-off event.

(f) IPM Software Resilience business deferred revenue adjustment

This represents an adjustment to the opening deferred revenue balance in respect of the IPM acquisition in June 2021. During FY24, opening deferred revenue balances on verification tests totalling £nil (2023: £0.6m) have been identified for which the work has not been performed and the statute of limitations has now expired. As the period of hindsight for adjusting goodwill has now expired management has released these amounts to the income statement. Given the nature of this release which would typically have been adjusted to goodwill it is considered to meet the definition of an individually significant item and has been classified as such.

(g) Profit on disposal of non-core operations

On 30 April 2024, the Group disposed of its DetACT business for cash consideration of £8.2m. The profit of £1.6m (2023: £nil) is directly attributable to the disposal of the DetACT business. Please see Note 11 for further details.

On 31 December 2022, the Group disposed of its DDI business for a total consideration of £5.8m, consisting of a cash payment of £2.0m and contingent consideration of £3.8m. This disposal resulted in a profit of £nil (2023: £4.7m), directly attributable to the DDI business sale. Further details are available in Note 11. The Group classified these proceeds under ISIs due to the material profit on disposal. During the period, the £3.8m contingent consideration identified in 2023 was received, and a £0.1m reclassification (2023: £nil) related to the final tranche payment was recorded.

5 Taxation

Reconciliation of taxation

	2024 £m	2023 £m
Loss before taxation	**(27.5)**	(4.3)
Current tax using the UK effective corporation tax rate of 25.0% (2023: 20%)	**(6.9)**	(0.9)
Effects of:		
Items not deductible/(taxable) for tax purposes	**5.0**	2.6
Adjustment to tax charge in respect of prior periods	**0.6**	(1.1)
Impact of prior year US R&D tax credits	**(2.0)**	(1.4)
Impact of current year US R&D tax credits	**0.3**	(0.3)
Differences between overseas tax rates	**(0.6)**	1.0
Movements in temporary differences not recognised	**8.6**	0.6
Movement in tax rate	**—**	(0.2)
Total tax expense	**5.0**	0.3

During the period, a deferred tax asset of £7.1m was generated in North America, which has not been recognised. This reflects an assessment of the recoverability of the Group's North American deferred tax assets, based on latest available forecasts and expectations of future taxable profits in the region. The decision to not to recognise these assets was made in accordance with IAS 12 *Income Taxes*, which requires that deferred tax assets be recognised only to the extent it is probable that sufficient taxable profits will be available to utilise the deductible temporary differences. As of 30 September 2024, the criteria for recognition were not met.

As this derecognition relates to the historical performance of our North American Cyber Security Business, where the recovery in demand has been less consistent than expected, it is directly tied to the goodwill impairment of £31.9m at 31 May 2024 (taken to ISIs, see note 4). The Group has included this adjustment as an adjusted item within the taxation line in the income statement. For reconciliation to statutory measures, please see page 21.

The UK government introduced legislation in the Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. The legislation was substantively enacted on 24 May 2021 and therefore UK deferred tax balances as at balance sheet date are generally measured at a rate of 25%.

Tax uncertainties

The tax expense reported for the current year and prior year is affected by certain positions taken by management where there may be uncertainty. The most significant source of uncertainty arises from claims for US R&D tax credits relating to the current and previous periods. Uncertainty relates to the interpretation of US legislation applicable to periods where the statute of limitations has not expired. As at 30 September 2024, the gross cumulative amount of US R&D tax credits amounts to £9.5m (2023: £10.4m) of which a cumulative tax benefit has been recognised of £6.7m (2023: £6.2m). The unrecognised benefit is £2.8m (2023: £4.2m).

6 Dividends

	2024 £m	2023 £m
Dividends paid and recognised in the period/year	**14.5**	14.5
Dividends recognised but not paid in the period/year	**9.8**	-
Dividends per share paid and recognised in the period/year	**4.65p**	4.65p
Dividends per share recognised but not paid in the period/year	**3.15p**	-
Dividends per share proposed but not recognised in the period/year	**1.5p**	3.15p

The interim dividend of £9.8m which was approved during the period ended 30 September 2024 was paid on 1 October 2024, and therefore included within non-trade payables.

The proposed final dividend for the period ended 30 September 2024 of 1.5p per ordinary share was recommended by the Board on 5 December 2024 and will be paid on 4 April 2025, to shareholders on the register at the close of business on 21 February 2025. The ex-dividend date is 20 February 2025. The dividend will be recommended to shareholders at the AGM on 28 January 2025. The dividend has not been included as a liability as at 30 September 2024. The payment of this dividend will not have any tax consequences for the Group.

7 Loss per ordinary share

	2024 **£m**	2023 £m
Loss for the period/year attributable to owners of the Company	**(32.5)**	(4.6)

	Number of shares **m**	Number of shares m
Weighted average number of shares in issue	**313.3**	311.1
Less: weighted average holdings by Group ESOT	**(1.6)**	(0.7)
Basic weighted average number of shares in issue	**311.7**	310.4
Dilutive effect of share options	**1.5**	0.8
Diluted weighted average shares in issue	**313.2**	311.2

For the purposes of calculating the dilutive effect of share options, the average market value is based on quoted market prices for the period during which the options are outstanding. Given the Group reported a loss for the period, the diluted EPS does not include the dilutive effect of share options.

	2024 **Pence**	2023 Pence
Loss per ordinary share		
Basic	**(10.4)**	(1.5)
Diluted	**(10.4)**	(1.5)

8 Goodwill and intangible assets

	Goodwill £m	Software £m	Development costs £m	Customer contracts and relationships £m	Intangibles sub-total £m	Total £m
Cost:						
At 1 June 2022	322.1	18.7	12.9	176.8	208.4	530.5
Additions	—	2.5	0.9	—	3.4	3.4
Disposals	(1.0)	—	—	—	—	(1.0)
Effects of movements in exchange rates	3.5	—	—	2.4	2.4	5.9
At 31 May 2023	324.6	21.2	13.8	179.2	214.2	538.8
Additions	**—**	**1.4**	**1.0**	**0.2**	**2.6**	**2.6**
Disposals	**(5.9)**	**(0.6)**	**(9.9)**	**—**	**(10.5)**	**(16.4)**
Assets classified as held for sale	**(51.9)**	**—**	**(2.5)**	**—**	**(2.5)**	**(54.4)**
Effects of movements in exchange rates	**(9.6)**	**(0.2)**	**(0.1)**	**(9.4)**	**(9.7)**	**(19.3)**
At 30 September 2024	**257.2**	**21.8**	**2.3**	**170.0**	**194.1**	**451.3**
Accumulated amortisation and impairment:						
At 1 June 2022	(56.0)	(12.7)	(9.8)	(67.3)	(89.8)	(145.8)
Charge for year	—	(1.2)	(1.2)	(10.0)	(12.4)	(12.4)
Impairment	(12.8)	(0.6)	—	—	(0.6)	(13.4)
Effects of movements in exchange rates	—	—	(0.1)	(0.4)	(0.5)	(0.5)
At 31 May 2023	(68.8)	(14.5)	(11.1)	(77.7)	(103.3)	(172.1)
Charge for year	**—**	**(2.0)**	**(1.3)**	**(12.5)**	**(15.8)**	**(15.8)**
Impairment	**(31.9)**	**—**	**—**	**—**	**—**	**(31.9)**
Disposals	**—**	**—**	**8.8**	**—**	**8.8**	**8.8**
Assets classified as held for sale	**—**	**—**	**2.4**	**—**	**2.4**	**2.4**
Effects of movements in exchange rates	**—**	**—**	**0.1**	**2.9**	**3.0**	**3.0**
At 30 September 2024	**(100.7)**	**(16.5)**	**(1.1)**	**(87.3)**	**(104.9)**	**(205.6)**
Net book value:						
At 31 May 2023	255.8	6.7	2.7	101.5	110.9	366.7
At 30 September 2024	**156.5**	**5.3**	**1.2**	**82.7**	**89.2**	**245.7**

The impairment of software of £nil (2023: £0.6m) relates to a specific asset under development which was no longer deemed to be economically viable and therefore development was ceased.

Cash generating units (CGUs)

Goodwill and intangible assets are allocated to CGUs in order to be assessed for potential impairment. CGUs are defined by accounting standards as the lowest level of asset groupings that generate separately identifiable cash inflows that are not dependent on other CGUs.

The CGUs presented are consistent with the year ended 31 May 2023, with the exception of the re-organisation of the Europe Cyber Security CGU. Please see further discussion below.

The CGUs and the allocation of goodwill to those CGUs are shown below:

Cash generating units	**Goodwill 2024 £m**	Goodwill 2023 £m
UK Escode	**22.8**	22.9
North America Escode	**80.1**	87.2
Europe Escode	**7.1**	7.4
Total Escode	**110.0**	117.5
UK and APAC Cyber Security	**44.3**	44.3
North America Cyber Security	—	31.6
Europe Cyber Security	**2.2**	62.4
Total Cyber Security	**46.5**	138.3
Total Group	**156.5**	255.8

Impairment review

Goodwill is tested for impairment annually at the level of the CGU to which it is allocated. An impairment review was carried out as at 31 May 2023 and 31 May 2024. Following the Group's change in year end reporting date, the Group has carried out a further review as at 30 September 2024 which is expected to be applied consistently as the date for the annual impairment review going forward. The recoverable amount of all CGUs was measured on a fair value less costs to sell basis.

Capitalised development and software costs are included in the CGU asset bases when performing the impairment review. Capitalised development projects and software intangible assets are also considered, on an asset-by-asset basis, for impairment where there are indicators of impairment.

Fair value less costs to sell

The methodology described below has been applied consistently for the impairment reviews carried out as at 31 May 2024 and 30 September 2024.

The recoverable amount of all CGUs has been determined on a fair value less costs to sell basis for the purposes of the impairment review.

The valuation under FVLCTS is expected to exceed the valuation under VIU because uncommitted restructurings and resulting operating efficiencies are not considered within in a VIU valuation in line with the requirements of IAS 36.

The FVLCTS valuation for of each standalone CGU has been calculated by determining sustainable earnings, which are based on the Adjusted EBITDA [1], and applying a reasonable market multiple on the calculated sustainable earnings. Estimated sustainable earnings has been determined taking into account board approved forecast which consider past performance. The sustainable earnings used include expectations based on a market participant view of sustainable performance of the business based on market volatility and uncertainty as at the balance sheet date. The sustainable earnings input is a level 3 measurement; level 3 measurements are inputs which are normally unobservable to market participants.

The Group incurs certain overhead costs in respect of support services provided centrally to the CGUs. Such support services include Finance, Human Resources, Legal, Information Technology and additional central management support in respect of stewardship and governance. In calculating sustainable earnings these overhead costs have been allocated to the CGUs based on the extent to which each CGU has benefitted from the services provided. Commonly this is driven by time spent by the relevant central department in supporting the CGU, informed by headcount or where possible specific cost allocations have been made.

The Adjusted EBITDA[1] multiple used in the calculations is based on an independent third-party assessment of the implied enterprise value of each CGU based on a population of comparable companies as at the balance sheet date. The estimated cost to sell was based on other recent transactions that the Group has undertaken.

Impairment

The Board has assessed the recoverable amount of the North America Cyber Security CGU based on its FVLCTS as at 31 May 2024 as described above. Based on that assessment, the carrying amount of this CGU exceeded its recoverable amount and therefore an impairment loss of £31.9m has been recognised reducing the value of goodwill allocated to this CGU to £nil.

This impairment relates to our North American Cyber Security Business, as the recovery in demand is less consistent than expected.

This amount has been recognised as an individually significant item (see Note 4). The impairment charge recognised has resulted in a reduction in the carrying value of goodwill only.

Sensitivity analysis - impairment

The key inputs used in the FVLCTS calculation are the Adjusted EBITDA[1] used and the multiple applied to those sustainable earnings. Specifically, the key assumption to the Adjusted EBITDA[1] for the North America Cyber Security CGU is considered to be the expected gross margin percentage that has been used to calculate sustainable earnings.

The table below shows the sensitivity of headroom to reasonably possible changes in the key assumptions, by reflecting the additional impairment that would be required from a decrease in gross margin of 0.5 percentage points. This additional impairment would be after the £31.9m impairment in the North America Cyber Security CGU during May 2024. As goodwill has been impaired to £Nil, any further impairment would be applied to other assets allocated to the CGU.

CGU	**Decrease in gross margin of 0.5 percentage points £m**
North America Cyber Security	**2.9**

As the goodwill in the North America Cyber Security CGU was fully impaired as at 31 May 2024, no further sensitivity analysis is provided as at 30 September 2024.

With the exception of the North American Cyber Security CGU, the Board has not identified reasonably possible changes in the key assumptions that would cause the carrying values of the other CGUs to exceed their respective recoverable amounts.

Goodwill reallocation

During June 2024, as part of the expected disposal of the Fox Crypto BV entity, the Group re-organised its reporting structure to separate out the Fox Crypto BV entity from the Europe Cyber Security CGU. On this basis the Europe Cyber Security goodwill has been reallocated between the newly created Fox Crypto CGU and the remaining Europe Cyber Security CGU.

Goodwill has been reallocated based on relative values of the two CGUs, but having made adjustment to reflect that the Fox Crypto CGU is less asset intensive than the remaining Europe Cyber Security CGU.

The value of each CGU is based on FVLCTS. For the Fox Crypto CGU the FVLCTS is based on the expected consideration to be received on disposal (see note 9) of this business less estimated selling costs. For the remaining Europe Cyber Security CGU the fair value has been calculated using a methodology consistent with that used in the goodwill impairment review and described above.

Based on this assessment, goodwill of £51.9m has been reallocated to the Fox Crypto CGU, leaving £2.2m as reallocated to the EU Cyber Security CGU. Goodwill reallocated to the Fox Crypto CGU has been re-classified to asset held for sale (see note 9).

Sensitivity analysis – goodwill reallocation
The key inputs used in the FVLCTS calculation for the Europe Cyber Security CGU are the Adjusted EBITDA[1] used and the multiple applied to those sustainable earnings. Specifically, the key assumption to the Adjusted EBITDA[1] for the Europe Cyber Security CGU is considered to be the forecast revenue that has been used to calculate sustainable earnings.

The table below shows the sensitivity of the goodwill reallocation to reasonably possible changes in the key assumptions, by reflecting the additional goodwill that would be allocated to the Europe Cyber Security CGU from an increase in revenue of 5% with no increased costs. This additional goodwill would be after the allocation of £2.2m of goodwill to the Europe Cyber Security CGU.

CGU	**5% increase in revenue £m**
Europe Cyber Security	**13.3**

1: Revenue at constant currency, Adjusted EBITDA and Net debt excluding lease liabilities are Alternative Performance Measures (APMs) and not IFRS measures. See appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

9 Assets and liabilities held for sale

On 1 August 2024, the Group announced the disposal of Fox Crypto B.V. for an initial expected gross consideration of €77.3m to CR Group Nordic AB. As at 30 September 2024, the disposal was yet to be finalised; however, the transaction is expected to complete in January 2025.

On this basis, as at 30 September 2024, the sale of this business was considered highly probable and therefore the following assets and liabilities were reclassified as held for sale as at 30 September 2024:

	30 September 2024 £m
Assets classified as held for sale:	
Goodwill	**51.9**
Intangible fixed assets	**0.1**
Right-of-use assets	**0.4**
Property, plant and equipment	**1.1**
Inventories	**0.6**
Trade and other receivables	**4.3**
Contract assets	**3.1**
Total assets classified as held for sale	**61.5**
Liabilities associated with assets classified as held for sale:	
Trade and other payables	**(1.4)**
Deferred revenue	**(3.1)**
Lease liabilities	**(0.4)**
Provisions	**(0.8)**
Total liabilities associated with assets classified as held for sale	**(5.7)**

10 Loans and borrowings

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Non-current				
Variable rate:				
Revolving credit facility	**(61.5)**	(81.9)	**—**	—
Total loans and borrowings (excluding lease liabilities)	**(61.5)**	(81.9)	**—**	—

Current				
Cash	**29.8**	34.1	**9.8**	15.0
Bank overdraft	**(13.6)**	(1.8)	**—**	—
Net (debt)/cash (excluding lease liabilities) [1]	**(45.3)**	(49.6)	**9.8**	15.0
Non-current				
Lease liabilities	**(21.9)**	(24.0)	**—**	—
Current				
Lease liabilities	**(5.7)**	(6.0)	**—**	—
Net (debt)/cash [1]	**(72.9)**	(79.6)	**9.8**	15.0

Lease liabilities of £0.4m classified as held for sale in Note 9 have been excluded from the net debt calculation.

1 Revenue at constant currency, Adjusted EBITDA and net debt excluding lease liabilities are Alternative Performance Measures (APMs) and not IFRS measures. See appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

In December 2022, the Group entered into a four year £162.5m multi-currency revolving credit facility replacing the previous £100m multi-currency revolving credit facility and the remaining $46.7m of the original $70m term loan that was maturing in June 2024. Key terms of the facility are:

- £162.5m multi-currency revolving credit facility maturing in December 2026
- Additional £75m uncommitted accordion option, subject to bank approval
- Increase to leverage covenant from 2.5x to 3.0x with an additional acquisition spike to 3.5x for the first 12 months of any acquisition
- The bank margin is lower and payable on a ratchet mechanism, with a margin payable above SONIA and SOFR in the range of 1.00% to 2.25% depending on the level of the Group's leverage. The weighted average interest rate is 6.21% for the period ended 30 September 2024 (2023: 5.92%)
- The new facility was considered an extinguishment of the previous RCF and Term Loan Facility Agreement and therefore remaining arrangement fees of £0.6m were charged to the Income Statement during the year ended 31 May 2023. As at 31 May 2023, new arrangement fees of £1.7m will be amortised over the new four-year term to December 2026. Arrangement fees of £0.6m (2023: £0.4m) have been charged to the Income Statement in the period ended 30 September 2024
- Certain subsidiaries of the Group act as guarantors to the new facility to provide coverage based on aggregate adjusted EBITDA [1] and gross assets

As at 30 September 2024, the Group had committed bank facilities of £162.5m (2023: £162.5m), of which £62.4m (2023: £83.4m) had been drawn, leaving £100.1m (2023: £79.1m) of undrawn facilities. Unamortised arrangement fees of £0.9m (2023: £1.5m) have been offset against the amounts drawn down, resulting in a carrying value of borrowings at 30 September 2024 of £61.5m (2023: £81.9m). The fair value of borrowings is not materially different to its amortised cost.

1 Revenue at constant currency, Adjusted EBITDA and net debt excluding lease liabilities are Alternative Performance Measures (APMs) and not IFRS measures. See appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Note 11 Disposals

Current year disposal of DetACT business

On 30 April 2024, the Group completed the planned disposal of its DetACT business for a total cash consideration of £8.2m. The assets and liabilities included as part of the disposal were as follows:

	2024
	£m
Attributable goodwill	**(5.9)**
Intangible fixed assets	**(1.4)**
Trade and other receivables	**(1.5)**
Trade and other payables	**0.1**
Deferred revenue	**2.8**
Deferred tax liability	**0.3**
Net assets disposed of	**(5.6)**
Consideration	**8.2**
Transaction costs	**(1.0)**
Gain on disposal – recognised as an individual significant item (Note 4)	**1.6**
Satisfied by:	
Cash and cash equivalents	**8.2**
Total consideration	**8.2**

Prior period disposal of DDI business

On 31 December 2022, the Group completed the planned disposal of its DDI business for consideration of £5.8m. Of this amount, £3.8m, is contingent on the novation of certain customer contracts, which has now been settled in full. The assets and liabilities included as part of the disposal were as follows:

	2023
	£m
Attributable goodwill	(1.0)
Trade and other receivables	(1.2)
Trade and other payables	1.2
Net assets disposed of	(1.0)
Consideration	5.8
Transaction costs	(0.1)
Gain on disposal	4.7
Satisfied by:	
Cash and cash equivalents	2.0
Contingent consideration	3.8
Consideration	5.8

Appendix 1 – Unaudited 12-months pro-forma results

The following sections (pages [•] to [•]) highlights the Group's overall performance for the unaudited 12 month period ending 30 September 2024 ("2024"), compared to the previous unaudited 12 month period ending 30 September 2023 ("2023").

The following table summarises the Group's unaudited overall performance by division:

	2024						2023					
	Cyber Security	**Escode**	**Central and head office**	**Group – continuing**	**Crypto and DetACT**	**Total Group**	Cyber Security	Escode	Central and head office	Group – continuing	Crypto and DetACT	Total Group
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m	£m
Revenue	**239.2**	**66.0**	**-**	**305.2**	**24.0**	**329.2**	238.9	65.4	-	304.3	19.5	323.8
Cost of sales	**(150.7)**	**(20.6)**	**-**	**(171.3)**	**(15.0)**	**(186.3)**	(167.1)	(18.4)	-	(185.5)	(12.5)	(198.0)
Gross profit	**88.5**	**45.4**	**-**	**133.9**	**9.0**	**142.9**	71.8	47.0	-	118.8	7.0	125.8
Gross margin %	**37.0%**	**68.8%**	**-**	**43.9%**	**37.5%**	**43.4%**	30.1%	71.9%	-	39.0%	35.9%	38.9%
Administrative expenses	**(69.9)**	**(16.9)**	**(3.2)**	**(90.0)**	**(1.4)**	**(91.4)**	(68.8)	(16.6)	(6.4)	(91.8)	(0.8)	(92.6)
Share-based payments	**(0.1)**	**(0.1)**	**(1.6)**	**(1.8)**	**-**	**(1.8)**	(1.1)	(0.1)	(0.7)	(1.9)	(0.1)	(2.0)
Adjusted EBITDA [1, 2]	**18.5**	**28.4**	**(4.8)**	**42.1**	**7.6**	**49.7**	1.9	30.3	(7.1)	25.1	6.1	31.2
Depreciation and amortisation	**(8.5)**	**(0.5)**	**(3.7)**	**(12.7)**	**(0.1)**	**(12.8)**	(8.2)	(0.5)	(3.6)	(12.3)	(0.2)	(12.5)
Amortisation of acquired intangibles	**(1.1)**	**(5.3)**	**(3.0)**	**(9.4)**	**-**	**(9.4)**	(1.1)	(5.6)	(2.9)	(9.6)	-	(9.6)
Adjusted operating profit [1, 2]	**8.9**	**22.6**	**(11.5)**	**20.0**	**7.5**	**27.5**	(7.4)	24.2	(13.6)	3.2	5.9	9.1
Individually Significant Items	**(38.9)**	**(0.1)**	**-**	**(39.0)**	**-**	**(39.0)**	(15.6)	(2.4)	-	(18.0)	-	(18.0)
Operating (loss)/profit	**(30.0)**	**22.5**	**(11.5)**	**(19.0)**	**7.5**	**(11.5)**	(23.0)	21.8	(13.6)	(14.8)	5.9	(8.9)
Finance costs				**(6.1)**	**(0.2)**	**(6.3)**				(6.9)	-	(6.9)
Loss before taxation				**(25.1)**	**7.3**	**(17.8)**				(21.7)	5.9	(15.8)
Taxation				**(5.4)**	**(1.9)**	**(7.3)**				1.9	(1.5)	0.4
Loss after taxation				**(30.5)**	**5.4**	**(25.1)**				(19.8)	4.4	(15.4)
Earnings per share												
- Basic				**(9.8p)**	**1.7p**	**(8.1p)**				(6.4p)	1.4p	**(5.0p)**
-Adjusted basic				**3.5p**	**1.7p**	**5.2p**				(0.8p)	1.4p	**0.6p**

Footnotes:

1 Adjusted EBITDA and Adjusted operating profit are Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2 After reconsidering FRC best practice guidance around the disclosure of adjusting items and APMs, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item, "Individual Significant Items". Previous adjusted items of Amortisation of acquisition intangibles and share-based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. See unaudited appendix 2 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

The following tables reconciles how these changes have affected the historic measures of Adjusted EBITDA and Adjusted operating profit:

	2024						2023					
	Cyber Security £m	**Escode £m**	**Central and head office £m**	**Group – continuing £m**	**Crypto and DetACT £m**	**Total Group £m**	Cyber Security £m	Escode £m	Central and head office £m	Group – continuing £m	Crypto and DetACT £m	Total Group £m
Adjusted EBITDA – previously	**18.6**	**28.5**	**(3.2)**	**43.9**	**7.6**	**51.5**	**3.0**	**30.4**	**(6.4)**	**27.0**	**6.2**	**33.2**
Share-based payments	(0.1)	(0.1)	(1.6)	(1.8)	-	(1.8)	(1.1)	(0.1)	(0.7)	(1.9)	(0.1)	(2.0)
Adjusted EBITDA – revised	**18.5**	**28.4**	**(4.8)**	**42.1**	7.6	49.7	**1.9**	**30.3**	**(7.1)**	**25.1**	**6.1**	**31.2**
Adjusted operating profit – previously	**10.1**	**28.0**	**(6.9)**	**31.2**	**7.5**	**38.7**	**(5.2)**	**29.9**	**(10.0)**	**14.7**	***6.0***	**20.7**
Share-based payments	(0.1)	(0.1)	(1.6)	(1.8)	-	(1.8)	(1.1)	(0.1)	(0.7)	(1.9)	*(0.1)*	(2.0)
Amortisation of acquired intangibles	(1.1)	(5.3)	(3.0)	(9.4)	-	(9.4)	(1.1)	(5.6)	(2.9)	(9.6)	-	(9.6)
Adjusted operating profit – revised	**8.9**	**22.6**	**(11.5)**	**20.0**	**7.5**	**27.5**	**(7.4)**	**24.2**	**(13.6)**	**3.2**	***5.9***	**9.1**

Unaudited revenue summary:

	2024 £m	2023 £m	% change at actual rates	**2024 £m**	Constant currency [1] 2023 £m	% change at constant currency [1]
Cyber Security revenue (excluding Crypto and DetACT)	**239.2**	238.9	0.1%	**239.2**	234.7	1.9%
Crypto and DetACT	**24.0**	19.5	23.1%	**24.0**	19.1	25.7%
Total Cyber Security revenue	**263.2**	258.4	1.9%	**263.2**	253.8	3.7%
Escode	**66.0**	65.4	0.9%	**66.0**	64.2	2.8%
Total revenue	**329.2**	323.8	1.7%	**329.2**	318.0	3.5%

1 Revenue growth at constant currency is an Alternative Performance Measure (APM) and not an IFRS measure. See unaudited appendix 2 for an explanation of APMs, including a reconciliation to statutory information.

Unaudited divisional performance – Cyber Security:

Cyber Security unaudited revenue analysis – by originating country:

	2024 £m	2023 £m	% change at actual rates	**2024 £m**	Constant currency [1] 2023 £m	% change at constant currency [1]
UK and APAC	**135.5**	118.2	14.6%	**135.5**	*117.7*	15.1%
North America	**67.0**	84.8	(21.0%)	**67.0**	*81.8*	(18.1%)
Europe	**60.7**	55.4	9.6%	**60.7**	*54.3*	11.8%
Total Cyber Security revenue	**263.2**	258.4	1.9%	**263.2**	*253.8*	3.7%

1 Revenue growth at constant currency is an Alternative Performance Measure (APM) and not an IFRS measure. See unaudited appendix 2 for an explanation of APMs, including a reconciliation to statutory information

From a total Cyber Security revenue trajectory perspective, the following tables compare half on half (being the half-year results relating to the 12 months ending 30 September 2024 and the 12 months ending 30 September 2023) performance:

	H1 2024 £m	H1 2023 £m	% change at actual rates	**H1 2024 £m**	Constant currency [1] H1 2023 £m	% change at constant currency [1]
UK and APAC	**69.1**	62.3	10.9%	**69.1**	62.9	9.9%
North America	**33.4**	49.0	(31.8%)	**33.4**	46.9	(28.8%)
Europe	**31.4**	27.6	13.8%	**31.4**	26.2	19.8%
Total Cyber Security revenue	**133.9**	138.9	(3.6%)	**133.9**	136.0	(1.5%)

	H2 2024 £m	H2 2023 £m	% change at actual rates	**H2 2024 £m**	Constant currency [1] H2 2023 £m	% change at constant currency [1]
UK and APAC	**66.4**	55.9	18.8%	**66.4**	54.8	21.2%
North America	**33.6**	35.8	(6.1%)	**33.6**	34.9	(3.7%)
Europe	**29.3**	27.8	5.4%	**29.3**	28.1	4.3%
Total Cyber Security revenue	**129.3**	119.5	8.2%	**129.3**	117.8	9.7%

The following table shows the current trajectory of revenue during the 12 month period:

	H2 2024 £m	H1 2024 £m	% change at actual rates
UK and APAC	**66.4**	69.1	(3.9%)
North America	**33.6**	33.4	0.6%
Europe	**29.3**	31.4	(6.7%)
Total Cyber Security revenue	**129.3**	133.9	(3.4%)

Following the implementation of our new strategy, Cyber Security revenue is now analysed in more detail by type of service and capability. This is summarised by the following unaudited revenue analysis:

	2024 £m	2023 £m	% change at actual rates	**2024 £m**	Constant currency [1] 2023 £m	% change at constant currency [1]
Technical Assurance Services (TAS)	**105.6**	126.9	*(16.8%)*	**105.6**	*124.2*	*(15.0%)*
Consulting and Implementation (C&I)	**42.2**	44.2	*(4.5%)*	**42.2**	*43.7*	*(3.4%)*
Managed Services (MS)	**74.5**	51.5	*44.7%*	**74.5**	*50.8*	*46.7%*
Digital Forensics and Incident Response (DFIR)	**15.1**	15.1	-	**15.1**	*14.9*	*1.3%*
Other services	**25.8**	20.7	*24.6%*	**25.8**	*20.2*	*27.7%*
Total Cyber Security revenue	**263.2**	258.4	1.9%	**263.2**	*253.8*	3.7%

1 Revenue growth at constant currency is an Alternative Performance Measure (APM) and not an IFRS measure. See unaudited appendix 2 for an explanation of APMs, including a reconciliation to statutory information

From a total Cyber Security revenue trajectory perspective in relation to types of services, the following tables compare half on half (being the half-year results relating to the 12 months ended 30 September 2024 and the 12 months to 30 September 2023) performance:

	H1 2024 £m	H1 2023 £m	% change at actual rates	**H1 2024 £m**	Constant currency [1] H1 2023 £m	% change at constant currency [1]
Technical Assurance Services (TAS)	**52.9**	73.4	*(27.9%)*	**52.9**	*71.5*	*(26.0%)*
Consulting and Implementation (C&I)	**22.7**	23.4	*(3.0%)*	**22.7**	*23.0*	*(1.3%)*
Managed Services (MS)	**36.9**	24.7	*49.4%*	**36.9**	*24.3*	*51.9%*
Digital Forensics and Incident Response (DFIR)	**7.7**	6.9	*11.6%*	**7.7**	*6.8*	*13.2%*
Other services	**13.7**	10.5	*30.5%*	**13.7**	*10.4*	*31.7%*
Total Cyber Security revenue	**133.9**	138.9	*(3.6%)*	**133.9**	*136.0*	*(1.5%)*

	H2 2024 £m	H2 2023 £m	% change at actual rates	**H2 2024 £m**	Constant currency [1] H2 2023 £m	% change at constant currency [1]
Technical Assurance Services (TAS)	**52.8**	53.5	*(1.3%)*	**52.8**	*52.9*	*(0.2%)*
Consulting and Implementation (C&I)	**19.5**	20.8	*(6.3%)*	**19.5**	*20.7*	*(5.8%)*
Managed Services (MS)	**37.5**	26.8	*39.9%*	**37.5**	*26.5*	*41.5%*
Digital Forensics and Incident Response (DFIR)	**7.4**	8.2	*(9.8%)*	**7.4**	*8.0*	*(7.5%)*
Other services	**12.1**	10.2	*18.6%*	**12.1**	*9.8*	*23.5%*
Total Cyber Security revenue	**129.3**	119.5	*8.2%*	**129.3**	*117.9*	*9.7%*

	H2 2024 £m	H1 2024 £m	% change at actual rates
Technical Assurance Services (TAS)	***52.8***	*52.9*	*(0.2%)*
Consulting and Implementation (C&I)	***19.5***	*22.7*	*(14.1%)*
Managed Services (MS)	***37.5***	*36.9*	*1.6%*
Digital Forensics and Incident Response (DFIR)	***7.4***	*7.7*	*(3.9%)*
Other services	***12.1***	*13.7*	*(11.7%)*
Total Cyber Security revenue	***129.3***	*133.9*	*(3.4%)*

Cyber Security unaudited gross profit is analysed as follows:

	2024 £m	2024 % margin	2023 £m	2023 % margin	% pts change
UK and APAC	**61.3**	***45.2%***	40.6	*34.3%*	*10.9% pts*
North America	**14.8**	***22.1%***	20.0	*23.6%*	*(1.5% pts)*
Europe	**21.4**	***35.3%***	18.2	*32.9%*	*2.4% pts*
Cyber Security gross profit and % margin	**97.5**	***37.0%***	78.8	*30.5%*	*6.5% pts*

Europe gross profit excluding Crypto and DetACT would have amounted to 33.8% compared to the prior year of 31.2%.

From a total Cyber Security gross profit trajectory perspective, the following tables compare half on half (being the half-year results relating to the 12 months ended 30 September 2024 and the 12 months to 30 September 2023) performance:

	H1 2024 £m	H1 2024 % margin	H1 2023 £m	H1 2023 % margin	% pts change
UK and APAC	**31.4**	***45.4%***	23.0	*36.9%*	*8.5% pts*
North America	**7.4**	***22.2%***	12.0	*24.5%*	*(2.3% pts)*
Europe	**10.2**	***32.5%***	10.0	*36.2%*	*(3.7% pts)*
Cyber Security gross profit and % margin	**49.0**	***36.6%***	45.0	*32.4%*	*4.2% pts*

	H2 2024 £m	H2 2024 % margin	H2 2023 £m	H2 2023 % margin	% pts change
UK and APAC	**29.9**	***45.0%***	17.5	*31.3%*	*13.7% pts*
North America	**7.4**	***22.0%***	7.9	*22.1%*	*(0.1% pts)*
Europe	**11.2**	***38.2%***	8.4	*30.2%*	*8.0% pts*
Cyber Security gross profit and % margin	**48.5**	***37.5%***	33.8	*28.3%*	*9.2% pts*

	H2 2024 £m	H2 2024 % margin	H1 2024 £m	H1 2024 % margin	% pts change
UK and APAC	**29.9**	***45.0%***	31.4	*45.4%*	*(0.4% pts)*
North America	**7.4**	***22.0%***	7.4	*22.2%*	*(0.2% pts)*
Europe	**11.2**	***38.2%***	10.2	*32.5%*	*5.7% pts*
Cyber Security gross profit and % margin	**48.5**	***37.5%***	49.0	*36.6%*	*0.9% pts*

Unaudited divisional performance – Escode:
Escode unaudited revenue analysis – by originating country:

	2024 £m	2023 £m	% change at actual rates	2024 £m	Constant currency [1] 2023 £m	% change at constant currency [1]
UK	**28.0**	26.5	*5.7%*	**28.0**	*26.5*	*5.7%*
North America	**33.9**	34.7	*(2.3%)*	**33.9**	*33.5*	*1.2%*
Europe	**4.1**	4.2	*(2.4%)*	**4.1**	*4.2*	*(2.4%)*
Total Escode revenue	**66.0**	65.4	*0.9%*	**66.0**	*64.2*	*2.8%*

1 Revenue growth at constant currency is an Alternative Performance Measure (APM) and not an IFRS measure. See unaudited appendix 2 for an explanation of APMs, including a reconciliation to statutory information

Escode unaudited revenues analysed by service line:

	2024 £m	2023 £m	% change at actual rates	**2024 £m**	Constant currency [1] 2023 £m	% change at constant currency [1]
Escrow contracts	**43.0**	43.6	*1.4%*	**43.0**	*43.4*	*(0.9%)*
Verification services	**23.0**	21.8	*5.5%*	**23.0**	*20.8*	*10.6%*
Total Escode revenue	**66.0**	65.4	*0.9%*	**66.0**	*64.2*	*2.8%*

1: Revenue growth at constant currency is an Alternative Performance Measure (APM) and not an IFRS measure. See unaudited appendix 2 for an explanation of APMs, including a reconciliation to statutory information

From a Escode revenue trajectory perspective, the following tables compare half on half (being the half-year results relating to the 12 months ended 30 September 2024 and the 12 months to 30 September 2023) performance:

	H1 2024 £m	H1 2023 £m	% change at actual rates	**H1 2024 £m**	Constant currency [1] H1 2023 £m	% change at constant currency [1]
UK	**14.0**	12.6	*11.1%*	**14.0**	*12.8*	*9.4%*
North America	**16.8**	17.4	*(3.4%)*	**16.8**	*17.3*	*(2.9%)*
Europe	**2.1**	2.2	*(4.5%)*	**2.1**	*2.2*	*(4.5%)*
Total Escode revenue	**32.9**	32.2	*2.2%*	**32.9**	*32.3*	*1.9%*

	H2 2024 £m	H2 2023 £m	% change at actual rates	**H2 2024 £m**	Constant currency [1] H2 2023 £m	% change at constant currency [1]
UK	**13.9**	13.9	*0.0%*	**13.9**	*13.7*	*1.5%*
North America	**17.2**	17.3	*(0.6%)*	**17.2**	*16.3*	*5.5%*
Europe	**2.0**	2.0	*(0.0%)*	**2.0**	*2.0*	*0.0%*
Total Escode revenue	**33.1**	33.2	*(0.3%)*	**33.1**	*32.0*	*3.4%*

	H2 2024 £m	H1 2024 £m	% change at actual rates	**H2 2024 £m**	Constant currency [1] H1 2024 £m	% change at constant currency [1]
UK	**13.9**	14.0	*(0.7%)*	**13.9**	*12.6*	*10.3%*
North America	**17.2**	16.8	*2.4%*	**17.2**	*16.6*	*3.6%*
Europe	**2.0**	2.1	*(4.8%)*	**2.0**	*2.1*	*(4.8%)*
Total Escode revenue	**33.1**	32.9	*0.6%*	**33.1**	*31.3*	*5.8%*

	H1 2024 £m	H1 2023 £m	% change at actual rates	**H1 2024 £m**	Constant currency [1] H1 2023 £m	% change at constant currency [1]
Escrow contracts	**22.0**	21.7	*1.4%*	**22.0**	*22.4*	*(1.8%)*
Verification services	**10.9**	10.5	*3.8%*	**10.9**	*9.8*	*11.2%*
Total Escode revenue	**32.9**	32.2	*2.2%*	**32.9**	*32.2*	*2.2%*

	H2 2024 £m	H2 2023 £m	% change at actual rates	**H2 2024 £m**	Constant currency [1] H2 2023 £m	% change at constant currency [1]
Escrow contracts	**21.0**	21.9	*(4.1%)*	**21.0**	*21.0*	*0.0%*
Verification services	**12.1**	11.3	*7.1%*	**12.1**	*11.0*	*10.0%*
Total Escode revenue	**33.1**	33.2	*(0.3%)*	**33.1**	*32.0*	*3.4%*

	H2 2024 £m	H1 2024 £m	% change at actual rates	**H2 2024 £m**	Constant currency [1] H1 2024 £m	% change at constant currency [1]
Escrow contracts	**21.0**	22.0	*(4.5%)*	***21.0***	*21.1*	*(0.5%)*
Verification services	**12.1**	10.9	*11.0%*	***12.1***	*10.3*	*17.5%*
Total Escode revenue	**33.1**	32.9	*0.6%*	***33.1***	*31.4*	*5.4%*

Escode unaudited gross profit is analysed as follows:

	2024 £m	**2024 % margin**	2023 £m	2023 % margin	% pts change
UK	**19.0**	***67.9%***	18.3	*69.1%*	*(1.2% pts)*
North America	**24.1**	***71.1%***	25.8	*74.4%*	*(3.3% pts)*
Europe	**2.3**	***56.1%***	2.9	*69.0%*	*(12.9% pts)*
Escode gross profit and % margin	**45.4**	***68.8%***	47.0	*71.9%*	*(3.1% pts)*

From a Escode gross profit trajectory perspective, the following tables compare half on half (being the half-year results relating to the 12 months ended 30 September 2024 and the 12 months to 30 September 2023) performance:

	H1 2024 £m	**H1 2024 % margin**	H1 2023 £m	H1 2023 % margin	% pts change
UK	**9.5**	***67.9%***	9.2	*73.0%*	*(5.1% pts)*
North America	**11.7**	***69.6%***	12.8	*73.6%*	*(4.0% pts)*
Europe	**1.2**	***57.1%***	1.4	*63.6%*	*(6.5% pts)*
Escode gross profit and % margin	**22.4**	***68.1%***	23.4	72.7%	*(4.6% pts)*

	H2 2024 £m	**H2 2024 % margin**	H2 2023 £m	H2 2023 % margin	% pts change
UK	**9.5**	***68.3%***	9.1	*65.5%*	*2.8% pts*
North America	**12.3**	***71.5%***	13.0	*75.1%*	*(3.6% pts)*
Europe	**1.2**	***60.0%***	1.5	*75.0%*	*(15.0% pts)*
Escode gross profit and % margin	**23.0**	***69.5%***	23.6	71.1%	*(1.6% pts)*

	H2 2024 £m	**H2 2024 % margin**	H1 2024 £m	H1 2024 % margin	% pts change
UK	**9.5**	***68.3%***	9.5	*67.9%*	*0.4% pts*
North America	**12.3**	***71.5%***	11.7	*69.6%*	*1.9% pts*
Europe	**1.2**	***60.0%***	1.2	*57.1%*	*2.9% pts*
Escode gross profit and % margin	**23.0**	***69.5%***	22.4	68.1%	*1.4% pts*

The unaudited Consolidated Balance Sheet position as at 30 September 2023 compared to the audited Balance Sheet position as at 30 September 2024:

	30 September 2024 £m	Unaudited 30 September 2023 £m
Non-current assets		
Goodwill	**156.5**	257.9
Intangible assets	**89.2**	109.4
Property, plant and equipment	**11.6**	12.6
Right-of-use assets	**15.7**	18.0
Investments	**-**	0.3
Deferred tax asset	**0.6**	2.9
Total non-current assets	**273.6**	401.1
Current assets		
Inventories	**-**	0.8
Trade and other receivables	**32.2**	58.9
Contract assets	**20.1**	20.5
Contingent consideration receivable	**-**	1.8
Current tax receivable	**2.9**	3.6
Cash and cash equivalents	**29.8**	13.6
Assets classified as held for sale	**61.5**	-
Total current assets	**146.5**	99.2
Total assets	**420.1**	500.3
Current liabilities		
Trade and other payables	**46.8**	47.1
Bank overdraft	**13.6**	3.1
Lease liabilities	**5.7**	6.1
Current tax payable	**1.6**	1.5
Derivative financial instruments	**0.8**	0.1
Provisions	**1.4**	1.6
Contract liabilities – deferred revenue	**50.7**	62.6
Liabilities directly associated with assets classified as held for sale	**5.7**	-
Total current liabilities	**126.3**	122.1
Non-current liabilities		
Borrowings	**61.5**	78.0
Lease liabilities	**21.9**	22.8
Deferred tax liabilities	**0.5**	1.4
Provisions	**1.9**	1.4
Contract liabilities – deferred revenue	**2.8**	4.2
Total non-current liabilities	**88.6**	107.8
Total liabilities	**214.9**	229.9
Net assets	**205.2**	270.4
Equity		
Share capital	**3.1**	3.1
Share premium	**224.4**	224.1
Merger reserve	**42.3**	42.3
Currency translation reserve	**24.5**	39.9
Retained earnings	**(89.1)**	(39.0)
Total equity attributable to equity holders of the Parent	**205.2**	270.4

The unaudited Cash Flow Statement for the 12 month period ended 30 September 2024:

Consolidated cash flow statement

for the 12 month period ended 30 September 2024

	12 months period ended 30 September 2024 £m
Cash flows from operating activities	
Loss for the period/year	**(25.1)**
Adjustments for:	
Depreciation of property, plant and equipment	**4.3**
Depreciation of right-of-use assets	**6.6**
Amortisation of customer contracts and relationships	**9.4**
Amortisation of software and development costs	**2.6**
Impairment of goodwill	**31.9**
Impairment of non-current assets included in ISIs	**3.7**
Share-based payments	**1.8**
Lease financing costs	**1.6**
Other financing costs	**6.3**
Foreign exchange loss	**1.9**
Profit on disposal of right-of-use assets	**(0.1)**
Profit on disposal of businesses	**(1.6)**
Profit on disposal of investment	**(0.1)**
Loss on disposal of fixed assets	**0.1**
Income tax expense	**7.3**
Cash inflow for the year before changes in working capital	**50.6**
Decrease in trade and other receivables	**19.3**
Increase in contract assets	**(3.4)**
Decrease in inventories	**0.2**
Decrease in trade and other payables	**(19.3)**
Increase in provisions	**0.6**
Cash generated from operating activities before interest and taxation	**48.0**
Interest element of lease payments	**(1.6)**
Other interest paid	**(5.9)**
Taxation paid	**(2.1)**
Net cash generated from operating activities	**38.4**
Cash flows from investing activities	
Purchase of property, plant and equipment	**(4.3)**
Software, development and customer contracts expenditure	**(1.3)**
Sale proceeds of business disposals	**10.4**
Net cash generated from/(used in) in investing activities	**4.8**
Cash flows from financing activities	
Proceeds from the issue of ordinary share capital	**0.3**
Acquisition of treasury shares	**(5.8)**
Principal element of lease payments	**(7.9)**
Drawdown of borrowings (net of deferred issue costs)	**38.8**
Repayment of borrowings	**(51.3)**
Equity dividends paid	**(14.5)**
Net cash used in financing activities	**(40.4)**
Net decrease in cash and cash equivalents (inc. bank overdraft)	**2.8**
Cash and cash equivalents (inc. bank overdraft) at beginning of period	**10.5**
Effect of foreign currency exchange rate changes	**2.9**
Cash and cash equivalents (inc. bank overdraft) at end of year	**16.2**

Appendix 2 – Alternative Performance Measures (APMs) and adjusting items

The consolidated Financial Statements include APMs as well as statutory measures. These APMs used by the Group are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, Generally Accepted Accounting Practice (GAAP) measures. All APMs relate to the current year results and comparative periods where provided.

This presentation is also consistent with the way that financial performance is measured by management and reported to the Board, and the basis of financial measures for senior management's compensation schemes and provides supplementary information that assists the user in understanding the financial performance, position and trends of the Group. At all times, the Group aims to ensure that the Annual Report and Accounts gives a fair, balanced and understandable view of the Group's performance, cash flows and financial position. IAS 1 'Presentation of Financial Statements' requires the separate presentation of items that are material in nature or scale in order to allow the user of the Financial Statements to understand underlying business performance.

We believe these APMs provide readers with important additional information on our business and this information is relevant for use by investors, securities analysts and other interested parties as supplemental measures of future potential performance. However, since statutory measures can differ significantly from the APMs and may be assessed differently by the reader we encourage you to consider these figures together with statutory reporting measures noted. Specifically, we would note that APMs may not be comparable across different companies and that certain profit related APMs may exclude recurring business transactions (e.g. acquisition related costs and certain share-based payment charges) that impact financial performance and cash flows.

As the Group manages internally its performance at an Adjusted operating profit level (before Individually Significant Items, amortisation of acquired intangibles and share-based payments), which management believes represents the underlying trading of the business. This information is still disclosed as an APM within this Annual Report. This APM is reconciled to statutory operating profit, together with the consequently Adjusted basic EPS (before amortisation of acquisition intangibles, share-based payments and Individually Significant Items and tax effect thereon) to statutory basic EPS. Please see page [x] of the Financial Review section.

The Group has the following APMs/non-statutory measures:

Income statement measures:

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition, purpose and considerations made by the Directors
Constant currency revenue growth rates	Revenue growth rates at actual rates of currency exchange	Retranslation of comparative numbers at current year exchange rates to provide constant currency	The Group reports certain geographic regions and service capabilities on a constant currency basis to reflect the underlying performance considering constant foreign exchange rates year on year. This involves retranslating comparative numbers at current year rates for comparability to enable a growth factor to be calculated.
Adjusted operating profit	Operating profit or loss	Operating profit or loss before Individually Significant Items *(Previously: Operating profit or loss before amortisation of acquired intangibles, share-based payments and Individually Significant Items)*	Represents operating profit before Individually Significant Items (the only adjusting item). This measure is to allow the user to understand the Group's underlying financial performance as measured by management. Individually Significant Items are items that are considered unusual by nature or scale and are of such significance that separate disclosure is relevant to understanding the Group's financial performance and therefore requires separate presentation in the Financial Statements in order to fairly present the financial performance of the Group.
Adjusted profit for the period	Loss for the period	Loss for the period before Individually Significant Items and associated tax effects and adjusted tax items.	Represents loss for the period before Individually Significant Items and their associated tax effect and adjusted tax items. This measure is to allow the user to calculate the Group's adjusted earnings per share.
Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA)	Operating profit or loss	Operating profit or loss, before adjusting item, depreciation and amortisation, finance costs and taxation *(Previously: before amortisation of acquired intangibles, share-based payments, Individually Significant Items and the tax effect thereon)*	Represents operating profit before adjusting item, depreciation and amortisation to assist in the understanding of the Group's performance. Adjusted EBITDA is disclosed as this is a measure widely used by various stakeholders and used by the Group to measure the cash conversion ratio.

Adjusted basic EPS	Statutory basic EPS	Statutory basic EPS before Individually Significant Items and their associated tax effect and adjusted tax items. *(Previously: before amortisation of acquired intangibles, share-based payments, Individually Significant Items and the tax effect thereon)*	Represents basic EPS before Individually Significant Items and their associated tax effect and adjusted tax items. This measure is to allow the user to understand the Group's underlying financial performance as measured by management, reported to the Board and used as a financial measure in senior management's compensation schemes.

Balance Sheet measures:

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition, purpose and considerations made by the Directors
Net debt excluding lease liabilities	Total borrowings (excluding lease liabilities) offset by cash and cash equivalents		Represents total borrowings (excluding lease liabilities) offset by cash and cash equivalents. It is a useful measure of the progress in generating cash, strengthening of the Group Balance Sheet position, overall net indebtedness and gearing on a like-for-like basis. Net debt, when compared to available borrowing facilities, also gives an indication of available financial resources to fund potential future business investment decisions and/or potential acquisitions.
Net debt	Total borrowings (including lease liabilities) offset by cash and cash equivalents		Represents total borrowings (including lease liabilities) offset by cash and cash equivalents. It is a useful measure of the progress in generating cash, strengthening of the Group Balance Sheet position, overall net indebtedness and gearing including lease liabilities. Net debt, when compared to available borrowing facilities, also gives an indication of available financial resources to fund potential future business investment decisions and/or potential acquisitions.

Cash flow measures:

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition, purpose and considerations made by the Directors
Cash conversion ratio	Ratio % of net cash flow from operating activities before interest and tax divided by operating profit	Ratio % of net cash flow from operating activities before interest and tax divided by Adjusted EBITDA	The cash conversion ratio is a measure of how effectively operating profit is converted into cash and effectively highlights both non-cash accounting items within operating profit and also movements in working capital. It is calculated as net cash flow from operating activities before interest and taxation (as disclosed on the face of the Cash Flow Statement) divided by adjusted EBITDA. The cash conversion ratio is a measure widely used by various stakeholders and hence is disclosed to show the quality of cash generation and also to allow comparison to other similar companies.

Please see the Financial Review for full reconciliations.