

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document, or the action you should take, you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, as amended (“FSMA”) who specialises in advising on the acquisition of shares and other securities if you are resident in the UK or, if not, from another appropriately authorised independent financial adviser who specialises in advising on acquisitions of shares and other securities. The whole text of this document should be read. Investment in the Company is speculative and involves a high degree of risk.

This document constitutes an AIM admission document relating to AdvancedAdvT Limited (the “Company”) and has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as a prospectus pursuant to section 85 of FSMA. Accordingly, this document has not been drawn up in accordance with the Prospectus Regulation Rules and has not been nor will it be approved by, or filed with, the Financial Conduct Authority (the “FCA”) or any other authority which would be a competent authority for the purposes of Regulation (EU) 2017/1129 which forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “UK Prospectus Regulation”).

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.**

As of the date of this document, the Ordinary Shares of the Company are listed on the standard segment of the Official List of the FCA and are admitted to trading on the London Stock Exchange’s Main Market for listed securities. As the Company’s acquisition of the entire issued share capital in each of the Acquired Companies and Synaptic (the “Acquisitions”) constituted a “reverse takeover” under the Listing Rules, upon announcement of the Acquisitions on 8 June 2023, the standard listing of the Ordinary Shares on the Official List was suspended by the FCA.

Applications have been made (i) to the FCA to cancel the standard listing of the Ordinary Shares on the Official List; (ii) to the London Stock Exchange to cancel the admission to trading of the Ordinary Shares on the Main Market; and (iii) to the London Stock Exchange for the admission of the Ordinary Shares to trading on AIM. It is expected that Admission will become effective and that trading in the Ordinary Shares on AIM will commence at 8.00 a.m. on 10 January 2024. Dealings in the Ordinary Shares on the Main Market will be cancelled by no later than the Admission. The AIM Rules for Companies are less demanding than those of the Official List.

The Company and each of the Directors and the Proposed Directors, whose names appear on page 9 of this document, accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Prospective investors should read the entirety of this document and, in particular, the section entitled “Risk Factors” for a discussion of certain risks and other factors that should be considered in connection with any investment in Ordinary Shares. Prospective investors should be aware that an investment in Ordinary Shares involves a high degree of risk and that, if some or all of the risks described in the “Risk Factors” occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Ordinary Shares is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment. All statements regarding the Group’s business, financial position and prospects should be viewed in light of these risk factors.



## **AdvancedAdvT Limited**

*(Incorporated and registered in the British Virgin Islands with number 2040954)*

## **Admission to trading on AIM**

*Nominated Adviser & Broker*

**Singer Capital Markets Advisory LLP**



**This document has been prepared solely in connection with Admission.**

**The attention of investors is drawn to the risk factors set out in Part II of this document. Notwithstanding this, prospective investors should read the whole text of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of the risk factors set out in Part II of this document.**

Singer Capital Markets Advisory LLP ("**Singer Capital Markets**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as nominated adviser and sole broker in connection with Admission. Singer Capital Markets is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of Singer Capital Markets, or for advising any other person in connection with Admission. The responsibility of Singer Capital Markets, as the Company's nominated adviser and sole broker, is owed solely to the London Stock Exchange and is not owed to the Company or the Directors or any other person. No representation or warranty, express or implied, is made by Singer Capital Markets or any of its directors, officers, partners, employees, agents or advisers as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by Singer Capital Markets or any of its directors, officers, partners, employees, agents or advisers for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

**The Company is not offering any Ordinary Shares nor any other securities in connection with Admission. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares nor any other securities in any jurisdiction. The Ordinary Shares will not be generally made available or marketed to the public in the UK or any other jurisdiction in connection with Admission.**

Recipients of this document may not reproduce or distribute this document, in whole or in part, and may not disclose any of the contents of this document or use any information in it for any purpose other than considering an investment in Ordinary Shares. Recipients of this document agree to the foregoing by accepting delivery of this document. The distribution of this document outside the UK may be restricted by law. Persons outside the UK who come into possession of this document should inform themselves about the distribution of this document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdiction.

#### **NOTICE TO OVERSEAS INVESTORS**

This document does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer or invitation to purchase or subscribe for, any Ordinary Shares or any other securities in the Company to any person in any jurisdiction to whom or in which jurisdiction such offer or solicitation is unlawful and, in particular, is not for distribution in Australia, Canada, the Republic of South Africa or Japan. The Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, in the United States, or to or for the account or benefit of US Persons (as defined in Regulation S under the US Securities Act ("**Regulation S**")), except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act, and in accordance with applicable securities laws of any State or other jurisdiction of the United States.

Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Neither the SEC, any State securities commission in the United States, nor any other US regulatory authority has approved or disapproved of the Ordinary Shares or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The distribution of this document and the offer and sale of the Ordinary Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company to permit a public offering of the Ordinary Shares under the applicable securities laws of any jurisdiction. Other than in the United Kingdom, no action has been taken to permit possession or distribution of this document in any jurisdiction where action for that purpose may be required or doing so is restricted by applicable laws. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required by the Company to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For a description of these and certain further restrictions on transfers of the Ordinary Shares and the distribution of this document, see the section headed "Transfer Restrictions" in the Important Information section of this document.

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Group's website at [www.advancedadv.com](http://www.advancedadv.com).

## IMPORTANT INFORMATION

### 1. GENERAL

In deciding whether or not to invest in the Ordinary Shares, prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, any of the Directors, the Proposed Directors or Singer Capital Markets. Without prejudice to the Company's obligations under the AIM Rules, FSMA, the Prospectus Regulation Rules, neither the delivery of this document nor any purchase of Ordinary Shares made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time after its date.

The Company will update the information provided in this document by means of a supplement to it if a significant new factor, material mistake or inaccuracy arises or is noted relating to the information included in this document. Any supplementary admission document will be made public in accordance with the AIM Rules for Companies.

This document is being published by the Company solely for the purposes of Admission. Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares is prohibited.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this document comes are required by the Company to inform themselves about, and to observe any restrictions as to the sale of Ordinary Shares and the distribution of, this document under the laws and regulations of any territory, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document for that purpose. The Company do not accept any responsibility for any violation of any of these restrictions by any other person.

The Ordinary Shares have not been and will not be registered under the US Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered directly or indirectly, within, into or in the United States, Australia, Canada, the Republic of South Africa or Japan or to, or for the account or benefit of, US Persons (as defined in Regulation S) or any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan.

The Ordinary Shares have not been approved or disapproved by the SEC, any federal or state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

This document has been drawn up in accordance with the AIM Rules for Companies and it does not comprise a prospectus for the purposes of the Prospectus Regulation Rules in the United Kingdom. It has been drawn up in accordance with the requirements of the UK Prospectus Regulation only in so far as required by the AIM Rules for Companies and has not been delivered to the Registrar of Companies in England and Wales for registration. The reproduction, distribution or transmission of this document (either in whole or in part) without the prior written consent of the Company and Investec is prohibited.

## 2. INVESTMENT CONSIDERATIONS

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved, and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of Ordinary Shares and any income from Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment. Prospective Shareholders should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment.

Potential investors contemplating an investment in Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Group. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in Ordinary Shares.

If you are in any doubt about the contents of this document, you should consult your stockbroker or your financial or other professional adviser. Investment in the Company is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in the Company and who have sufficient resources to bear any losses which may result therefrom.

Potential investors should not treat the contents of this document or any subsequent communications from the Company as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

All holders of Depository Interests are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Deed Poll, which prospective investors should review.

This document should be read in its entirety before making any investment in the Company.

## 3. ENFORCEMENT OF JUDGMENTS

The Company is incorporated under the laws of the British Virgin Islands. It may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

## 4. DATA PROTECTION

The information that an investor provides to the Company or its agents by whatever means which relates to the investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the UK. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the investor with information about other products and services provided by the Company, or its affiliates, which may be of interest to the investor;

- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in England and Wales or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to investors; and
- transfer personal data outside of the UK to countries or territories which do not offer the same level of protection for the rights and freedoms of investors as the UK.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data are disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data investors will be deemed to have agreed to the processing of such personal data in the manner described above. Investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

## 5. FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements”. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “targets”, “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, “should”, “seek”, “plan”, “could”, or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Company’s objective, acquisition and financing strategies, returns of capital, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends, (ii) future deal flow and implementation of active management strategies, and (iii) trends in the software and services sector. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual performance, results of operations, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the Company’s actual performance, results of operations, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company’s ability to source acquisition opportunities and other transactions and to propose effective growth strategies for any company the Company acquires;
- changes in economic conditions generally (and specifically in the market in which any acquisition is made);
- changes in interest rates and currency fluctuations, as well as the success of the Company’s hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used);
- impairments in the value of the Group’s assets;
- legislative and/or regulatory changes, including changes in taxation regimes;



- the Company's ability to invest the cash on its balance sheet in an acquisition on a timely basis;
- the availability and cost of debt capital to finance any acquisition; and
- the issuance of additional equity securities to finance any acquisition.

Prospective investors should carefully review the "Risk Factors" section of this document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this section constitutes a qualification of the working capital statement contained in paragraph 13 of Part VII of this document.

Forward-looking statements contained in this document apply only as at the date of this document. Subject to any obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation Rules and the Market Abuse Regulation, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

## **6. MARKET AND FINANCIAL INFORMATION**

The data, statistics and information and other statements in this document regarding the markets in which the Group operates, or the Group's position therein, are based on the Group's records or are taken or derived from statistical data and information derived from the sources described in this document. In relation to these sources, such information has been accurately reproduced from the published information and, so far as the Directors and the Proposed Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

## **7. PRESENTATION OF FINANCIAL INFORMATION**

The historical financial information of the Group for the three years ended 30 June 2023 and for the six months ended 31 December 2023, which are incorporated by reference into Part IV and forms part of this document, have been prepared in accordance with IFRS. The historical financial information of the Acquired Group and Synaptic for the year ended 31 December 2022 and the interim unaudited financial statements of the Acquired Group and Synaptic for the six months ended 30 June 2023, which are set out in Part V of this document, have been prepared in accordance with IFRS.

Certain non-financial measures such as EBITDA (earnings before interest, tax, depreciation and amortisation) has been included in the financial information contained in this document as the Directors believe these present important alternative measures with which to assess the Group's performance. These measures should not be considered as an alternative to revenue and operating profit, which are IFRS measures, or other measures of performance under IFRS. In addition, the Company's calculation of EBITDA may be different from the calculation used by other companies and therefore, comparability may be limited.

## **8. CURRENCY PRESENTATION**

Unless otherwise indicated, all references in this document to "pounds sterling", "£" or "p" are to the lawful currency of the UK; all references to "\$", "US\$" or "US dollars" are to the lawful currency of the US; and all references to "€" or "euro" are to the lawful currency of the Eurozone countries.

## **9. ROUNDING**

Certain data contained in this document, including financial information, have been subject to rounding adjustments. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. In certain statistical and operating tables contained in this document, the sum of numbers in a column or a row may not conform to the total figure given for that column or row. Percentages in tables and elsewhere in this document may have been rounded and accordingly may not add up to 100%.

## **10. NO INCORPORATION OF WEBSITE**

The contents of the Company's website, [www.advancedadv.com](http://www.advancedadv.com) (or any other website) do not form part of this document.

## **11. DEFINITIONS AND REFERENCES**

A list of defined terms used in this document is set out at pages 11 to 14.

All times referred to in this document are, unless otherwise stated, references to London time.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

## **12. GOVERNING LAW**

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

## **13. TRANSFER RESTRICTIONS**

### Persons outside the United States

Each person who acquires Ordinary Shares outside the United States, by accepting delivery of this document and the Ordinary Shares, will be deemed to have represented, agreed and acknowledged each of the following matters:

- (a) The Ordinary Shares have not been, nor will they be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;
- (b) It is located outside the United States and is not a US Person (as defined in Regulation S) and is acquiring such Ordinary Shares in an "offshore transaction" and not for the account or benefit of a US Person as defined in and pursuant to the requirements of Regulation S;
- (c) The Ordinary Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;
- (d) It is not an affiliate of the Company as defined in Rule 405 under the US Securities Act or a person acting on behalf of such an affiliate; and
- (e) The Company, its affiliates and others will rely upon truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of Ordinary Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

### Other overseas territories

Investors in jurisdictions other than the United States, Australia, Canada, the Republic of South Africa and Japan should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to purchase Ordinary Shares.

### For the attention of persons in the British Virgin Islands

No Ordinary Shares or other securities are being offered to the public or to any person in the BVI for purchase or subscription by or on behalf of the Company. The Ordinary Shares may be offered to companies incorporated or re-registered under the BVI Business Companies Act, 2004 (as amended) and limited partnerships formed or registered under the Partnerships Act, 1994 (as amended) and/or the Limited Partnership Act, 2017 (as amended) but only where the offer will be made to, and received by, the relevant BVI entity entirely outside of the BVI or is otherwise permitted under the laws of the British Virgin Islands.

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## **DIRECTORS, SECRETARY AND ADVISERS**

<b>Directors and Proposed Directors</b>	<p>Vin Murria OBE (Executive Chairperson)  Gavin Hugill (Chief Financial Officer)  Karen Chandler (Chief Operating Officer)  Mark Brangstrup Watts (Non-Executive Director)  Paul Gibson (Non-Executive Director)  Barbara Firth (Non-Executive Director and Senior Independent Director)</p>
<b>Principal place of business</b>	<p>11 Buckingham Street  London  WC2N 6DF  United Kingdom</p>
<b>Registered Office</b>	<p>Commerce House  Wickhams Cay 1  P.O. Box 3140, Road Town  VG1110  Tortola  British Virgin Islands</p>
<b>Company website</b>	<a href="http://www.advancedadvt.com">www.advancedadvt.com</a>
<b>Company Secretary</b>	Antoinette Vanderpuije
<b>Assistant Company Secretary</b>	<p>Conyers Corporate Services (BVI) Limited  Commerce House  Wickhams Cay 1  P.O. Box 3140, Road Town  VG1110  Tortola  British Virgin Islands</p>
<b>Nominated Adviser and Broker following Admission</b>	<p>Singer Capital Markets Advisory LLP  One Bartholomew Lane  London EC2N 2AX</p>
<b>English legal advisers to the Company</b>	<p>Cooley (UK) LLP  22 Bishopsgate  London EC2N 4BQ</p>
<b>BVI legal advisers to the Company</b>	<p>Conyers Dill &amp; Pearman  Commerce House  Wickhams Cay 1  P.O. Box 3140, Road Town  VG1110  Tortola  British Virgin Islands</p>
<b>Legal advisers to Singer Capital Markets</b>	<p>Brown Rudnick LLP  8 Clifford Street  London W1S 2LQ  United Kingdom</p>
<b>Auditor</b>	<p>Baker Tilly Channel Islands Limited  First floor, Kensington Chambers  46-50 Kensington Place  St Helier  Jersey  JE4 0ZE</p>

<b>Reporting accountants</b>	MHA 2 London Wall Place London EC2Y 5AU
<b>Registrar</b>	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
<b>Depository</b>	Link Market Services Trustees Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
<b>Registered Agent</b>	Conyers Trust Company (BVI) Limited Commerce House Wickhams Cay 1 P.O. Box 3140, Road Town VG1110 Tortola British Virgin Islands

## DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

<b>“Acquisitions”</b>	the acquisition of the Acquired Companies and Synaptic
<b>“Acquired Companies”</b>	means (i) CHKS, (ii) IBSS, (iii) Retain, (iv) Retain International Software (USA) LLC and (v) WFM
<b>“Acquired Group”</b>	each of the Acquired Companies and their wholly-owned subsidiaries and <b>“member(s) of the Acquired Group”</b> shall be construed accordingly
<b>“Admission”</b>	the admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
<b>“Advanced Computer Software”</b>	Advanced Computer Software Group Limited, previously named Advanced Computer Software Group Plc and Advanced Computer Software Plc
<b>“AIM”</b>	AIM, the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	together, the AIM Rules for Companies and the AIM Rules for Nominated Advisers
<b>“AIM Rules for Companies”</b>	the AIM Rules for Companies issued by the London Stock Exchange governing admission to and the operation of AIM, as amended or re-issued from time to time
<b>“AIM Rules for Nominated Advisers”</b>	the AIM Rules for Nominated Advisers issued by the London Stock Exchange setting out the eligibility, ongoing responsibilities and certain disciplinary matters in relation to nominated advisers, as amended or re-issued from time to time
<b>“Amended Articles”</b>	the amended and restated memorandum and articles of association of the Company, as approved by the Board and the holders of Sponsor Shares, which will be filed with, and become effective on the approval by, the Registrar of Corporate Affairs of the British Virgin Islands on or around the date of Admission
<b>“Articles”</b>	the memorandum and articles of association of the Company from time to time
<b>“Audit and Risk Committee”</b>	the audit and risk committee of the Board
<b>“Board” or “Directors”</b>	the board of directors of the Company from time to time
<b>“Business Day”</b>	a day (other than a Saturday or Sunday) on which banks are open for non-automated commercial business in the City of London
<b>“BVI”</b>	the British Virgin Islands
<b>“BVI Companies Act”</b>	the BVI Business Companies Act, 2004 (as amended)
<b>“Cancellation”</b>	the cancellation of the Ordinary Shares from standard listing on the Official List and trading on the Main Market
<b>“certificated” or “in certificated form”</b>	the description of a share or other security which is not in uncertificated form (that is, not in CREST)
<b>“CHKS”</b>	CHKS Limited
<b>“Company”</b>	AdvancedAdvT Limited
<b>“CREST”</b>	the computerised settlement system used to facilitate the transfer of title to or interests in securities in uncertificated form, operated by Euroclear
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended

<b>“Deed Poll”</b>	the deed poll dated 25 November 2020 entered into by the Depository pursuant to which the Depository issued the Depository Interests. Details of the Deed Poll is set out in paragraph 19 of Part VII of this document
<b>“Depository”</b>	Link Market Services Trustees Limited
<b>“Depository Interests”</b>	the dematerialised depository interests to be issued by the Depository representing Ordinary Shares which may be held and transferred through the CREST system
<b>“Directors”</b>	the directors of the Company from time to time, but whose names as at the date of this document appear on page 9 of this document
<b>“Disclosure Guidance and Transparency Rules” or “DTRs”</b>	the Disclosure Guidance and Transparency Rules published by the FCA
<b>“Disposal”</b>	the disposal of Synaptic, details of which is set out in paragraph headed “5. Business overview of the Acquisitions” in Part I of this document.
<b>“Executive Directors”</b>	the executive directors of the Company at the date of this document, being Vin Murria OBE, Gavin Hugill and Karen Chandler
<b>“EU”</b>	the European Union
<b>“Euroclear”</b>	Euroclear UK and International Limited, the operator (as defined in the CREST Regulations) of CREST
<b>“FCA”</b>	the UK Financial Conduct Authority
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended
<b>“Group”</b>	the Company and its subsidiaries from time to time and <b>“Group Company”</b> and <b>“member of the Group”</b> shall be construed accordingly
<b>“HMRC”</b>	HM Revenue & Customs
<b>“IBSS”</b>	IB Software and Solutions (Ireland) Limited, previously named Capita IB Solutions (Ireland) Limited
<b>“Incentive Articles”</b>	the articles of association of IncentiveCo
<b>“Incentive Shares”</b>	the redeemable A1 ordinary shares with a par value of £0.01 each and the redeemable A2 ordinary shares with a par value of £0.01 each of IncentiveCo
<b>“Incentive Value”</b>	20 per cent. of the excess of the total equity value of the Company and other shareholder returns over and above its aggregate paid up share capital
<b>“IncentiveCo”</b>	MAC I (BVI) Limited, a direct subsidiary of the Company
<b>“IFRS” or “IFRSs”</b>	UK-adopted international accounting standards
<b>“Listing Rules”</b>	the listing rules made by the FCA under Part VI of the FSMA
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Long Term Incentive Plan” or “LTIP”</b>	the long term incentive plan of the Company, further details of which are set out in paragraphs 9 and 10 of Part I of this document
<b>“M&amp;C Saatchi”</b>	M&C Saatchi plc
<b>“Market Abuse Regulation” or “UK MAR”</b>	the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018

<b>“Marwyn”</b>	Marwyn Investment Management and entities owned or controlled by it, or under common ownership or control with it, from time to time, including Marwyn Capital
<b>“Marwyn Capital”</b>	Marwyn Capital LLP, which is authorised and regulated by the FCA
<b>“Marwyn Funds”</b>	Marwyn Value Investors Limited, Marwyn Value Investors LP and MVI II LP, each of which are managed by Marwyn Investment Management and any other vehicle managed or advised by Marwyn
<b>“Marwyn Investment Management”</b>	Marwyn Investment Management LLP, which is authorised and regulated by the FCA
<b>“Marwyn Shareholder”</b>	collectively, Marwyn Investment Management, the Marwyn Funds and, where referenced in respect of: (i) as the holder of the Sponsor Share, Ordinary Shares or Ordinary Warrants, means MVI II LP and Marwyn Value Investors LP ; and (ii) the holder of the Incentive Shares, means MVI II LP’s and Marwyn Value Investors LP’s indirect beneficial interest in the Incentive Shares by virtue of its interest in MLTI
<b>“MHA”</b>	MHA MacIntyre Hudson
<b>“MLTI”</b>	Marwyn Long Term Incentive LP
<b>“MVI II LP”</b>	Marwyn Value Investors II LP, MVI II Co-Invest LP, MVI II DCI I LP and its co-investment vehicles from time to time, in which the investors in MVI II LP have the right to make further investments in connection with any investment MVI II LP is considering making or a wholly owned investment entity of them
<b>“Official List”</b>	the official list maintained by the FCA
<b>“Ordinary Shares”</b>	ordinary shares of no par value of the Company, and/or, as the context requires, Depository Interests representing such ordinary shares
<b>“Ordinary Warrants”</b>	the warrants to subscribe for Ordinary Shares issued pursuant to the Warrant Instrument
<b>“Overseas Shareholder”</b>	a Shareholder in a territory other than the UK
<b>“PDMRs”</b>	a person discharging managerial responsibilities, as defined in Article 3(1)(25) of UK MAR
<b>“Preferred Return”</b>	preferred return of at least 7.5 per cent. per annum on a compounded basis on the capital the Shareholders have invested from their date of investment or 4 December 2020 (for the initial capital invested prior to the Company’s initial public offering) through to the date of exercise (with dividends and returns of capital being treated as a reduction in the amount invested at the relevant time)
<b>“Proposed Directors”</b>	Paul Gibson and Barbara Firth, who will be appointed as Directors with effect from Admission
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>“QCA”</b>	the Quoted Companies Alliance
<b>“QCA Code”</b>	The QCA Corporate Governance Code published by the QCA in 2018, as amended from time to time
<b>“Registrar”</b>	Link Market Services (Guernsey) Limited
<b>“Remuneration Committee”</b>	the remuneration committee of the Board

<b>“Retain”</b>	Retain International Software Limited, previously named Capita Retain Limited
<b>“Disposal SPA”</b>	the sale and purchase entered into by ADV Holding Group Limited, a subsidiary of the Company, on 21 November 2023 in relation to the Disposal, details of which is set out in paragraph 11.9 of Part VII of this document
<b>“SDRT”</b>	UK stamp duty reserve tax
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“Share Purchase Agreement”</b>	the share purchase agreement entered into by the Company on 8 June 2023 in relation to the Acquisitions, details of which is set out in paragraph 11.5 of Part VII of this document
<b>“Singer Capital Markets”</b>	Singer Capital Markets Advisory LLP, a limited liability partnership incorporated in England and Wales with registered number OC364131 and having its registered office at One, Bartholomew Lane, London EC2N 2AX
<b>“Sponsor Shares”</b>	the sponsor shares of no par value of the Company
<b>“Synaptic”</b>	Synaptic Software Ltd
<b>“subsidiary”</b>	has the same meaning as in the BVI Companies Act
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers published by the UK Panel on Takeovers and Mergers from time to time
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Prospectus Regulation”</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018
<b>“uncertificated” or “in uncertificated form”</b>	a share or shares recorded on the register of members as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“US” or “United States”</b>	the United States of America
<b>“US Securities Act”</b>	the United States Securities Act of 1933, as amended
<b>“VAT”</b>	UK value added tax
<b>“Warrant Instrument”</b>	the instrument constituting the Ordinary Warrants executed by the Company on 27 November 2020, summary details of the terms of which are set out in paragraph 11.1 of Part VII of this document
<b>“WFM”</b>	Workforce Management Software Limited, previously named Capita Workforce Management Limited

Note: Any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension of it. Words importing the singular include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.



## ADMISSION STATISTICS

Number of Existing Ordinary Shares	133,200,000
Number of Ordinary Shares in issue on Admission	133,200,000
Market capitalisation of the Company on Admission*	£109.22 million
ISIN number	VGG0103J1075
SEDOL number	BMYLGW6
AIM TIDM	ADVT
LEI number	254900WYO35S1T334A28

\*based on the mid-market price of 82 pence per Ordinary Shares on 7 June 2023, being the last business day before trading was suspended in the Ordinary Shares

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	8 January 2024
Admission effective and dealings commence in the Ordinary Shares on AIM	8.00 a.m. on 10 January 2024

*All references are to London, UK times. Each of the times and dates in the table above and mentioned elsewhere in this document are indicative only and may be subject to change without notice at the absolute discretion of the Company and Singer Capital Markets.*

## PART I

### INFORMATION ON THE GROUP

#### 1. Introduction and History

The Company was incorporated on 31 July 2020 in accordance with the laws of the British Virgin Islands with an indefinite life and is domiciled in the United Kingdom (i.e. the Company is a tax resident in the United Kingdom by virtue of being centrally managed and controlled in the United Kingdom). The Company has a UK establishment, with UK establishment number BR022830. The Company was admitted to trading on the standard listing segment of the Official List of the London Stock Exchange on 4 December 2020.

The Company was established to evaluate and make acquisitions. Its objective is to generate attractive long-term returns for shareholders and to enhance value by supporting sustainable organic growth, acquisitions and other performance improvements within the acquired companies.

On 5 January 2022, the Company made an investment in M&C Saatchi in contemplation of a proposed merger, purchasing 12 million ordinary shares in M&C Saatchi for a price of £2 per share. Vin Murria OBE, owned 15,237,985 ordinary shares in M&C Saatchi and was at the time a non-executive director on its board. This resulted in the combined holdings of Vin Murria OBE and the Company representing approximately 22.3 per cent. of the issued share capital of M&C Saatchi. On 17 May 2022, the Company announced its firm intention to make an offer for M&C Saatchi by way of a contractual offer.

On 14 June 2022, the Company published the final offer document in respect of the final offer for the issued and to be issued share capital of M&C Saatchi not already owned by the Company. After a prolonged process, the Company announced on 30 September 2022 that it had not received sufficient acceptances and the final offer lapsed.

On 8 June 2023, the Company announced the conditional agreement to acquire the Acquired Companies and Synaptic from Capita plc for a combined enterprise value of approximately £33 million in cash. In addition to organic growth, the Board believes that the Acquisitions will create a platform to develop the Company by exploring growth opportunities in synergistic sectors and by targeted investment and M&A activities. Further details on the Acquired Group and Synaptic are set out in paragraph 5 below. On 31 July 2023, the Acquisitions had completed.

On 21 November 2023, ADV Holding Group Limited, a subsidiary of the Company, entered into an agreement for the sale of Synaptic to Fintel IQ Limited in order to enable the business to have a more strategically aligned owner. The Disposal is conditional upon, *inter alia*, the approval of the change of ownership by the FCA and further details are set out in paragraph headed “5. Business overview of the Acquisitions” in Part I and paragraph headed “11.9. Disposal SPA” in Part VII of this document.

The Directors and the Proposed Directors are Vin Murria, Gavin Hugill, Karen Chandler, Mark Brangstrup Watts, Paul Gibson and Barbara Firth. Barbara Firth will be appointed the Senior Independent Director of the Company upon Admission. Whilst in the early stages of executing its strategy, the Company chose not to appoint a CEO and Vin Murria will be Executive Chairperson until a CEO is appointed.

#### 2. The Market Opportunity

##### *The use of AI and Digitalisation of Business Processes*

Across all sectors, businesses have increasingly embraced or are embracing Artificial Intelligence (“AI”) and digitalisation to optimise their insight, processes, operations, and engagement. Implementing these technologies and developing a digital transformation strategy is vital for businesses pursuing growth, efficiency, and long-term success. Sectors and businesses with the highest level of AI and digitalisation tools have significant opportunity for productivity growth.

While the potential of digital transformation and use of AI and digitalisation tools is now recognised, the adoption of new AI and digital strategies by businesses and consumers was, until recently, somewhat limited by various barriers, including companies’ willingness to invest in and embrace these technologies. However, the global restrictions imposed by the Covid-19 pandemic have shattered these barriers and compelled businesses to become more agile, resulting in a remarkable acceleration of digital transformation. Despite cost-cutting measures implemented due to the

pandemic, organisations have increased their spending on digital transformation as they rapidly adapt their business models. Harnessing technology has led to the reshaping of multiple aspects of business operations, from internal processes and workflows to customer interactions and business models.

The Directors believe that the current macroeconomic environment presents a substantial investment opportunity in companies well-positioned to harness the structural changes arising from this unprecedented acceleration of AI and digitalisation. These structural changes have profoundly impacted the way people live, work, and consume, as well as how businesses operate, engage with customers, and conduct sales. Consequently, businesses embracing digital transformation, offering AI and digital solutions, software, and services that enable and support its strategy are expected to experience sustained demand for their products.

#### *The Software & Digital Opportunity*

The Acquired Group will create an initial platform on which the Company can build both organically and through further acquisitions. The Directors believe that its business solutions and human capital management platform will provide the Group with a strong foundation to capitalise on the anticipated market growth and increasing digital transformation and AI trends, whilst also expanding its presence across adjacent markets, geographic boundaries and digital sectors.

### **3. Business Strategy and Execution**

#### *Strategy*

The Group's strategy is centred around backing sectors characterised by long term digitisation trends, that are in early stages of adoption and set to transform the workplace for professionals for the next few decades. Embracing a long-term perspective, the aim is to build a lasting and thriving business. This thinking shapes how investment is deployed on both M&A and within the platform businesses, in order to develop relationships with clients and partners and with a strategy centred around business and digital transformation and continuous improvement.

This strategy revolves around evaluating high-quality businesses in the pipeline, based on a set of key characteristics. These characteristics align with the management team's vision and will enable businesses to consistently generate long-term value. The Company seeks businesses with:

- high recurring revenue streams and good forward visibility;
- sticky customer retention;
- mission critical products and services;
- sectors with high barriers to entry;
- opportunities for both organic and inorganic growth;
- strong cash generation; and
- highly fragmented industries with opportunities for consolidation.

The Directors believe that the acquisitions embody these characteristics and offer opportunities to expand the product offerings to deliver against their existing and future client needs and an opportunity to build on digitisation trends.

The Company will continue in its pursuit of opportunities where a blend of management expertise, enhanced operational performance, increased investment capital, and a targeted approach to acquisitions can enable growth and value creation for stakeholders. Growth opportunities may manifest within the existing acquired businesses or potential target businesses and their core markets, new territories and adjacent sectors.

#### *Target Company Scenarios*

The Company will consider a broad range of M&A opportunities, including:

- Acquisitions of private companies
- Public offers for, and mergers with, existing listed businesses
- Spinouts/de-mergers from listed companies
- Acquisitions in partnership with existing financial sponsors and/or lenders

It is important to note that there will likely be significant competition for further acquisition opportunities. This competition may originate from strategic buyers, sovereign wealth funds, special purpose acquisition companies, and public and private investment funds. Many of these competitors have established themselves with extensive experience in identifying and completing acquisitions and possess greater technical, financial, and human resources compared to the Company. As a result, the business may incur costs, such as due diligence and financing, for an acquisition or investment opportunity that it may not be able to successfully conclude.

#### *Use of Public Markets*

The Directors believe that public markets provide the Group with rapid access to capital, fuelling innovation and expansion. Public status enhances credibility for all stakeholders and has the benefit of attracting M&A prospects and partners. The Directors further believe this synergy empowers the Group's software and service companies to scale, innovate, and solidify their industry presence allowing them to create value and take advantage of the opportunity presented.

## **4. The Company's Competitive Strengths**

#### *Management's track record*

A majority of the Directors and the Proposed Directors have significant experience executing transactions using listed acquisition vehicles on the London Stock Exchange and have successfully completed a vast array of M&A transactions on and off London's capital markets.

The management team boasts substantial experience in the software and services sector, having invested in and operated a range of high-performing businesses. The team have successfully driven operational excellence within these enterprises, leading to consistent organic growth. Moreover, it has a proven track record of targeted and accretive mergers and acquisitions in the software sector. This expertise, combined with the recent acquisition, positions the Company well to build a robust platform for future growth, both organically and through strategic acquisitions, in the rapidly evolving digital landscape.

#### *Capital Markets and Financing Resources*

Committed Acquisition Capital: As of 31 December 2023, subsequent to the completion of the Acquisitions, the Company has approximately £78.7 million of cash available to fund further acquisitions, investment and working capital. Following the completion of the Disposal, the Company is expected to have received a net £3.5 million of cash consideration. Depending on the size of the target being acquired, market conditions and cash reserves, the Company will adopt the most appropriate financing arrangement to facilitate future acquisitions and may be in a position to complete any future acquisition without requiring any further acquisition financing or a further equity capital raise.

The Directors believe that the combination of the management's track record and cash resources position the Company extremely well to execute its growth strategy.

## **5. Business overview of the Acquisitions**

On 31 July 2023, the Company completed the acquisition of five software businesses from Capita plc for a combined enterprise value of approximately £33 million in cash. In the year ended 31 December 2022, the five software businesses generated a total revenue of approximately £35 million, with approximately 74% of the revenue being recurring or from Software-as-a-Service (SaaS).

Synaptic, one of the five software businesses, is an end-to-end research led SaaS technology solution platform with a full suite of independent data, compliance, risk, suitability and research tools to the UK financial advice market. The Board has concluded that it would be better for Synaptic to have a more strategically aligned owner and on 21 November 2023 agreed to its conditional Disposal.

The Disposal is conditional upon (i) FCA having approved the Disposal under section 189(4)(a) of FSMA, and (ii) the buyer not having given notice to terminate the Disposal SPA. Further details of the Disposal SPA are set in the paragraph headed "11.9. Disposal SPA" in Part VII of this document.

The Acquired Group operates across two fundamental business transformational areas: business solutions and human capital management. Through these core specialisms, the Group delivers innovative software solutions and a platform that enables businesses and organisations to succeed in today's dynamic landscape whilst providing an enabler for digital transformation.

- **Business Solutions (IBSS):** provision of financial management software solutions and services. Innovative software solutions allows organisations to achieve their financial and e-Business strategies by driving transformational changes. Its solutions can be hosted in both the private and public cloud and are trusted by more than 150 public, health and private organisations in the UK and Ireland. The use of AI and digitalisation are expected to be highly valuable to these markets.
- **Healthcare Compliance (CHKS):** one of the leading providers of healthcare intelligence compliance and benchmarking software to address the governance, risk and compliance needs of its healthcare customers. Its UK based tech-enabled solutions of accreditation, benchmarking and coding services play a role in transforming healthcare services, knowledge sharing and best practice to the healthcare industry globally.
- **Human Capital Management (Retain):** an industry leading global resource planning and talent management software and service provider. Its solutions integrate with leading enterprise resource planning systems and are trusted by some of the largest global consultancies to deliver effective management and allocation of resources; optimise utilisation and productivity, and enable efficient cost management, financial and staff planning tasks.
- **Human Capital Management (WFM):** a workforce management software provider, with well-established UK presence and embedded relationships across 300+ clients. Its ability to handle highly complex payroll calculations delivering a gross number through its comprehensive time and attendance and access control solutions provide real-time employee tracking with tangible efficiency benefits.

## 6. Summary financial information

The financial summary of the Acquired Companies and Synaptic set out below has been extracted from the interim unaudited financial statements set out in Section C of Part V of this document and the pro forma financial information set out in Part VI of this document.

	<b>Acquired Companies and Synaptic</b>		
	<b>6 months ended 30 June 2023</b>	<b>6 months ended 30 June 2022</b>	<b>12 months ended 31 December 2022</b>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited*</i>
Revenue	17,405	18,132	34,927
EBITDA	2,764	2,167	4,598
Profit from operations	1,039	627	2,242
Cash and cash equivalents	15,039	5,802	8,869
Net Assets	10,091	13,747	14,656

\* Note: the aggregated results for the Acquired Companies and Synaptic have not been audited, rather the historical financial information of each of the five companies has been audited and those results are set out in Part V of this document.

The Company has entered into a contract to dispose of Synaptic conditional upon FCA approval. Synaptic contributed revenue of £1,197,000 in the six month period to 30 June 2023 (6 months to 30 June 2022: £1,227,000, year to 31 December 2022: £2,487,000), and an EBITDA loss of £278,000 in the six month period to 30 June 2023 (6 months to 30 June 2022: EBITDA loss of £497,000, year December 2022: EBITDA loss of £661,000).

In the twelve months ended 31 December 2022, the Acquired Group reported revenues of £32.4 million and an EBITDA of £5.2 million.

## 7. Current trading and future prospects

In the short period following the Acquisitions, the Group has undertaken a comprehensive assessment of each of the Acquired Companies and Synaptic and their market opportunities. The Group identified avenues for deploying financial and operational resources and investments to enhance the organic growth of the Group.

The Company has agreed to dispose of Synaptic, conditional upon FCA approval, for a cash enterprise value of £3.5 million.

Our business solutions and healthcare compliance segments, IBSS and CHKS, have strategically realigned to place a heightened emphasis on the customer and their evolving needs and to deliver value-driven software and digital solutions. This pivot has helped secure a multitude of new compliance clients while performing consistently with our projections.

Within the human capital management operations, Retain and WFM, the Group successfully onboarded several new customers onto its SaaS platform. Additionally, the Company has also begun investing in new product offerings, roadmap features and functionality.

As anticipated, the Group is observing positive digitalisation trends across both business solutions and healthcare compliance operations. The recently launched automated clinical coding solution has been adopted by the Group's first customer, with a pipeline of further opportunities being built. Moreover, there is an increasing demand for digital services and solutions out of the Ireland-based operations.

Similarly, human capital management operations are experiencing positive digitalisation trends. New and existing clients are embracing the cloud-based resourcing SaaS platform, enabling simplification and best practice processes, alongside the uptake of AI functionality in our resource suitability engine introduced in the latest releases.

The Company has begun investing in system enhancements to bolster its growth strategy. Under the agreement with Capita plc for the acquired businesses, the Group engaged in a transitional services arrangement. The Company is currently advancing well-defined plans and executing actions to transition these services and systems onto the Group's new platforms.

M&A continues to be a core part of the Group's strategy and there has been a notable increase in inbound opportunities. The Board will continue to evaluate these against its acquisition criteria and desired characteristics.

Overall, the Group's performance for the six months ended 31 December 2023 aligned with the Board's expectations. The interim results for the six months ended 31 December 2023 are expected to be published in March 2024.

As of 31 December 2023, the Group held £78.7 million in cash, exclusive of the proceeds from the Disposal. The cash held includes £1.8 million interest income generated during the six months ended 31 December 2023.

The Company's target markets offer substantial growth potential. Forecasts indicate that the Business Solutions, Human Capital Management, and Digital Transformation markets are anticipated to experience double-digit growth rates extending through 2030.

The global ERP Software market size has been valued at USD 53.77 billion in 2022, fuelled by an increasing need for digitisation and automation, is expected to surpass USD 123.42 billion by 2030, registering a compound annual growth rate (CAGR) of 11.1% during the forecast period (2023-2030).

The global human resource management market is expected to grow to USD 56.15 billion by 2030, representing a CAGR of 12.8% from 2022 to 2030. The resource management software market has a growing need to facilitate automation and the allocation task for project planners, create predictive project scenarios, and analyse resource demand and capacity leading to expected CAGR growth of +12% for period (2023-2030).

According to the International Data Corporation (IDC) Worldwide Digital Transformation Spending Guide, Digital Transformation spending is forecast to reach \$3.4 trillion in 2026 with a five-year CAGR of 16.3%. Western Europe will be the second largest region, behind the USA, with nearly a quarter of all digital transformation spending. Back-Office Support and Infrastructure is expected to account for more than 15% of all expenditure, whilst automation-based claims processing is expected to have a five-year CAGR of 31%.



## **8. Reasons for Admission**

The Board believes that Admission is an important step in the Group's continuing development.

The Board believes that AIM provides a more suitable regulatory environment for a business of the Company's size and structure. AIM will offer the Company greater flexibility with regard to corporate transactions, and should therefore enable the Company to agree and execute certain transactions more quickly and cost effectively than a company on the Official List. Admission will provide the Company with continuing access to the equity capital markets should it be appropriate to obtain equity funding in the future, either as consideration for acquisition opportunities or, in the longer-term given its current, significant cash reserves, for cash to existing and new investors.

## **9. Compensation Strategy**

The Company has put in place the Long Term Incentive Plan to ensure an alignment with all Shareholders, and which reflects the high competition for the best executive management, often against private equity firms offering these executives carried interest structures. Further details on the Company's Long Term Incentive Plan can be found in paragraph 10 below.

The general principles of the Company's compensation strategy are to be:

- Proportionate: the compensation for the individual should be proportionate to the role and risk being taken by the participant and reflect the participants' value to delivering outstanding, sustainable shareholder returns;
- Transparent: the compensation structure and its associated terms should be transparent to investors and the impact of the scheme clearly communicated to investors on an ongoing basis;
- Performance Based: minimum performance criteria should be based on all equity issuance over the lifetime of the relevant measurement period, subject to minimum preferred returns and based only on a share of equity profits generated; and
- Drive Sustainable Value Creation: incentive arrangements should be structured to encourage the creation of sustainable returns over the long term through long term vesting and a lengthy performance measurement period.

## **10. Share Incentive Arrangements**

The Long Term Incentive Plan will only reward the participants if shareholder value is created. Vin Murria OBE, Karen Chandler, Gavin Hugill and MLTI (in which Mark Brangstrup Watts and Antoinette Vanderpuije have an indirect beneficial interests) are currently the only participants of the Long Term Incentive Plan, but it is the expectation that the LTIP will ultimately include senior executives of the acquired companies. These awards cannot include the reduction of any of the base terms detailed below and may include additional customary terms including, but not limited to, additional service and performance criteria as well as lock up, malus and claw back provisions. This ensures alignment of the interests of management and Marwyn directly with those of Shareholders.

The base terms of the Company's Long Term Incentive Plan are:

- Pursuant to the terms of the Long Term Incentive Plan, participants are given the rights to subscribe for certain number of Incentive Shares. Subject to Preferred Return and one of the vesting conditions being met, the holders of Incentive Shares can redeem their Incentive Shares for Ordinary Shares at the Company. Details of the redemption and exchange are set out below.
- The Long Term Incentive Plan is performance based and enables the participants to receive a profit share of up to a maximum value of 20 per cent. of equity profits generated for shareholders, based on the long term performance of the Company's shares;
- The value of the profit share is calculated on the growth in equity value generated for shareholders, subject to a minimum annual preferred return of 7.5 per cent. and taking into account the performance of all equity issued, including share consideration, and adjusted for dividends and capital returns for the period from their date of investment or 4 December 2020 (for the initial capital invested prior to the Company's initial public offering) through to the point of exercise; and

- Participants may exercise their rights under the LTIP only between the third and seventh anniversary of the Acquisitions or otherwise on an Exit or Distribution.

The Long Term Incentive Plan is structured as set out below.

#### *Incentive Shares*

MLTI has subscribed for redeemable A2 ordinary shares of £0.01 each in IncentiveCo and each of Gavin Hugill, Karen Chandler and Vin Murria OBE have subscribed for redeemable A1 ordinary shares of £0.01 each in IncentiveCo (together, the “**Incentive Shares**”). Mark Brangstrup Watts indirectly owns Incentive Shares by virtue of his indirect interest in MLTI. At the date of this document, MLTI, Gavin Hugill, Karen Chandler and Vin Murria OBE hold Incentive Shares entitling them in aggregate to 100 per cent. of the Incentive Value.

Future senior members of management that may be employed by the Company may be offered the right to acquire further Incentive Shares.

The issue of Incentive Shares to members of senior management subsequent to the date of this document will be dilutive to the interests of existing management holders of Incentive Shares (but not MTLI), however the Incentive Value of the LTIP in aggregate will not increase.

#### *Preferred Return*

The incentive arrangements are subject to the Shareholders achieving a preferred return of at least 7.5 per cent. per annum on a compounded basis on the capital they have invested from their date of investment or 4 December 2020 (for the initial capital invested prior to the Company’s initial public offering) through to the date of exercise (with dividends and returns of capital being treated as a reduction in the amount invested at the relevant time) (the “**Preferred Return**”).

#### *Incentive Value*

Subject to a number of provisions detailed below, if the Preferred Return and at least one of the vesting conditions have been met, the holders of the Incentive Shares can give notice to redeem their Incentive Shares for Ordinary Shares for an aggregate value equivalent to 20 per cent. of the “Growth”, where Growth means the excess of the total equity value of the Company and other shareholder returns over and above its aggregate paid up share capital (20 per cent. of the Growth being the “**Incentive Value**”).

Of that Incentive Value, 15 per cent. of the Growth will be shared between management holders of the Incentive Shares and 5 per cent. of the Growth will accrue to MLTI.

Save where vesting is as a result of an in-specie distribution, or as a result of aggregate cash dividends and cash capital returns to the Shareholders being greater than or equal to aggregate subscription proceeds received by the Company, the total equity value of the Company is based on the live takeover offer, sale price or merger value, or, absent such an exit event, the market value of the Company based on the preceding 30 day volume weighted average price of the Ordinary Shares (excluding any trades made by persons discharging managerial responsibility or persons closely associated with them). Where vesting is as a result of an in-specie distribution or as a result of aggregate cash dividends and cash capital returns to the Company’s Shareholders being greater than or equal to aggregate subscription proceeds received by the Company, the total equity value of the Company is based on the post-distribution market value.

Shareholder returns take account of prior dividends and other capital returns to shareholders. The value of the Incentive Shares is reduced to the extent that their value would otherwise prevent Shareholders from achieving the Preferred Return.

#### *Redemption / Exercise*

Unless otherwise determined and subject to the redemption conditions having been met, the Company and the holders of the Incentive Shares have the right to exchange each Incentive Share for Ordinary Shares, which will be dilutive to the interests of the holders of Ordinary Shares. However, if the Company has sufficient cash resources and the Company so determines, the Incentive Shares may instead be redeemed for cash. It is currently expected that in the ordinary course Incentive Shares will be exchanged for Ordinary Shares. However, the Company retains the right to redeem the Incentive Shares for cash instead. Circumstances where the Company may exercise this right include, but are not limited to, where the Company is not authorised to issue additional Ordinary Shares or on the winding-up or takeover of the Company.

Any holder of Incentive Shares who exercises their Incentive Shares prior to other holders is entitled to their proportion of the Incentive Value to the date that they exercise but no more. Their proportion is determined by the number of Incentive Shares they hold relative to the total number of issued shares of the same class.

#### *Vesting conditions*

The Incentive Shares are subject to certain vesting conditions, at least one of which must be (and continue to be) satisfied in order for a holder of Incentive Shares to exercise its exchange or redemption right. The vesting conditions for the Incentive Shares are as follows:

- (i) it is later than the third anniversary of the Acquisitions;
- (ii) a sale of all or substantially all of the revenue or net assets of the business of IncentiveCo in combination with the distribution of the net proceeds of that sale to the Company and then to its Shareholders;
- (iii) a sale of all of the issued ordinary shares of IncentiveCo or a merger of IncentiveCo in combination with the distribution of the net proceeds of that sale or merger to the Company's Shareholders;
- (iv) where by corporate action or otherwise, the Company effects an in-specie distribution of all or substantially all of the assets of the Group to the Company's Shareholders;
- (v) aggregate cash dividends and cash capital returns to the Company's Shareholders are greater than or equal to aggregate subscription proceeds received by the Company;
- (vi) a winding up of the IncentiveCo; or
- (vii) a sale, merger or change of control of the Company.

Notwithstanding the above, if any of the vesting conditions described at (ii) to (vii) above is satisfied before the third anniversary of the Acquisitions, the Incentive Shares will be treated as having vested in full.

#### *Compulsory redemption*

If the Preferred Return is not satisfied on the seventh anniversary of the date of the initial acquisition, the Incentive Shares must be sold to the Company or, at its election, redeemed by IncentiveCo, in both cases at a price per Incentive Share equal to 1 pence, unless and to the extent that the Remuneration Committee determines otherwise.

#### *Leaver, lock-in and clawback provisions*

In addition to the vesting conditions above, members of the management who have subscribed for Incentive Shares have agreed to lock-in periods, leaver provisions, and clawback provisions, in relation to the Incentive Shares they have acquired. It is expected similar provisions would be required from future members of senior management who may acquire Incentive Shares.

Vin Murria OBE, Karen Chandler and Gavin Hugill have agreed that their Incentive Shares will vest on a straight-line basis over 3 years from 31 July 2023 being the date of the Acquisitions, save on an exit event when the Incentive Shares will vest in full. If either is deemed a good leaver, he or she will keep their vested Incentive Shares, but otherwise they will lose all of the Incentive Shares upon departure from the Group. The Ordinary Shares received upon exercise of the Incentive Shares and/or the remaining Incentive Shares held by Vin Murria OBE, Karen Chandler or Gavin Hugill may be clawed back if the holder commits: (i) gross misconduct, (ii) fraud (iii) a criminal act, or (iv) a material breach of any post termination covenants or restrictions in the holder's contract with the Company (if applicable), in each case as determined by the Board in its absolute discretion; or if the Company materially restates the audited consolidated accounts of the Group (excluding for any reason of change in accounting practice or accounting standards) and the Remuneration Committee (acting in good faith) concludes that, had such audited consolidated accounts been correct at the time of exchange of such Incentive Shares, such holder would not have received the full payment to which he or she was owed (or the full number of Ordinary Shares he or she was issued). In such circumstances, it is also possible for the Remuneration Committee to require such holder to pay to the Company or IncentiveCo an amount equal to any cash received by him or her in exchange for some or all of his or her Incentive Shares together with the net proceeds of the sale of any securities received by him or her (i.e. through a distribution in specie) less any tax paid or payable.

All members of management who have subscribed for the Incentive Shares at the date of this Admission Document have agreed that if they exchange some or all of their Incentive Shares for an allotment of Ordinary Shares, they shall not be permitted to enter into any agreement to give effect to any transfer of the Ordinary Shares so allotted at any time during the period of 12 months and one day following the date of such allotment save in certain limited circumstances.

## **11. Sustainability and Environmental, Social and Governance performance**

The Board places great emphasis on the environmental, social and corporate governance responsibilities faced by the Company. We understand that fostering a sustainable future is not only a moral imperative but also a key driver of long-term value creation. We are intending to minimize our environmental footprint, promote diversity and inclusion, and maintain the highest levels of ethical conduct. Through transparent governance and continuous engagement with our stakeholders, we will aim to achieve sustainable growth that benefits not only our shareholders but also the communities we serve and the planet we share.

## **12. Directors**

The Directors and the Proposed Directors are Vin Murria, Gavin Hugill, Karen Chandler, Mark Brangstrup Watts, Paul Gibson and Barbara Firth. Barbara Firth will be the Senior Independent Director of the Company upon Admission.

The Directors' significant management expertise and extensive experience completing acquisitions in multiple jurisdictions is expected to enable the Company to identify, evaluate and consummate further acquisitions.

The Directors and the Proposed Directors believe that their track records demonstrate their respective abilities to source, structure and complete acquisitions, return value to investors and introduce and complete operational improvements to companies. Additionally, the Company believes that the Directors' and the Proposed Directors' experience in driving operational improvements and organic growth will benefit the Company following any future acquisitions and create value for shareholders.

The Company was established to evaluate and make acquisitions, and during the period before the Acquisitions the Directors decided to limit corporate overheads where possible, including the costs of appointing additional Board members. Whilst still in the early stages of executing its strategy, the Company chose not to appoint a CEO. Having made the Acquisitions, the Board anticipates that it will identify a suitable candidate for the CEO role during 2024 and believes that the executive team has the necessary capabilities to execute the Company's strategy during the intervening period. Until such time as an appropriate candidate is appointed as CEO, Vin Murria will be Executive Chairperson. In the event that Vin Murria is appointed as the CEO of the Company, the Board would appoint a non-executive chairperson.

The acquired businesses within the Group operate with their own dedicated senior leadership team, entrusted with the responsibility of overseeing and executing their strategies.

### *Vin Murria OBE (Executive Chairperson)*

Vin Murria OBE is an experienced executive and has operated and/or advised public companies for over 30 years. Vin was the founder and Chief Executive Officer of Advanced Computer Software from 2008 until 2015 where she built the business organically and through acquisition from an initial cash shell to its eventual £1.1 billion sale to Vista Equity Partners, delivering shareholder return of almost 1,100 per cent. Under Vin's leadership Advanced Computer Software expanded into adjacent complimentary verticals and completed 15 further acquisitions, growing adjusted EBITDA on a pro forma basis to £48.5 million in 2014. The business was named Tech Company of the Year (2014) having grown to be the 3<sup>rd</sup> largest UK headquartered software business. Prior to Advanced Computer Software, Vin was founder and Chief Executive Officer of Computer Software Group plc from 2002 until 2007, completing a number of acquisitions, including a merger with IRIS Software, and subsequently exiting the business after the sale to Hellman and Friedman at a £500 million valuation. Prior to this Vin was the COO of Kewill Systems Plc (now known as BluJay Solutions, part of e2open).

Vin has completed over 90 acquisitions and disposals of technology and digital services businesses totalling approximately £3 billion in transaction value.

Vin is also presently a non-executive director of Softcat plc, a leading provider of technology solutions and services and Bunzl plc, the international distribution and services group. She was awarded an OBE in 2018 for services to the digital economy and was previously a non-executive director of a number of companies including Sophos Group plc and Zoopla Group plc as well as a senior advisor at NM Rothschild and both an advisor and investor at HG Capital.

Vin was named Asian Woman of the Year (2010), CISCO's Woman of the Year (2012) and Tech Entrepreneur of the Year (2012).

*Gavin Hugill (Chief Financial Officer)*

Gavin has developed a strong track record, holding senior positions in private equity and publicly listed businesses. Notably, he recently held senior finance and commercial transformational roles that contributed to the successful secondary buyout of Advanced Computer Software.

He played a key role in transforming Advanced Computer Software into a £2 billion enterprise value business, using a mixture of operational play books from Vista equity and leveraging best-in-class processes and integration strategies.

He benefits from over 25 years of experience in the technology and digital services sector, working on over 35 acquisitions and was involved in Vista Funds' sale of 50% of the issued share capital of Advanced Computer Software to BC Partners in 2019, the takeover offer of Advanced Computer Software by Vista Funds in 2015 and the acquisition by Advanced Computer Software of the issued share capital of COA Solutions in 2009.

*Karen Chandler (Chief Operating Officer)*

Karen has held CFO and company secretary roles since 2006 including both companies quoted on AIM and companies with a premium listing on the London Stock Exchange as well as several private companies. She is currently Finance Director of The Cardiff Property Plc which has a premium listing on the London Stock Exchange. She was CFO of a debt backed joint venture between Centrica and EIG, sold to The UK Green Investment Bank and funds managed by Black Rock for over £400 million. Karen started her career with KPMG where she qualified as a chartered accountant and spent 12 years primarily specialising in transaction services working on a wide variety of cross border transactions.

*Mark Brangstrup Watts (Non-Executive Director)*

Mark has many years of experience deploying private equity investment strategies in the public markets. Mark brings his background in strategic consultancy to the management team having been responsible for strategic development projects for a range of international companies including Ford Motor Company (US), Cummins (Japan) and 3M (Europe).

Previously Mark has served as a director of the following companies: Managing Partner of Marwyn Capital and Marwyn Investment Management from December 2001 to November 2022, a non-executive director of Zegona Communications Plc from January 2015 to May 2020, BCA Marketplace Limited from July 2014 to December 2017, Advanced Computer Software from October 2006 to September 2012, Entertainment One from June 2009 to July 2013, Silverdell Plc from March 2006 to December 2013, Inspicio Holdings Limited from October 2005 to February 2008 and Talarius Limited September 2005 to February 2007 amongst others.

Mark is currently founder and CEO of Whaivu Holdings Limited and non-executive director at Wearexalt LLC.

*Paul Gibson (Non-Executive Director)*

Paul Gibson has had a highly successful career in the TMT sector, most recently as an Operating Partner in MXC Capital Ltd focusing on maximising shareholder value and subsequently securing exits for MXC Capital Ltd's portfolio of software focused businesses. Paul is currently a non-executive director for Myzone Holdings Limited, Dianomi plc and XCD HR Limited and was previously a non-executive director of Tax Computer Systems plc, Castleton Technology plc and Sagacity Solutions Ltd. Prior to MXC Capital Ltd, Paul was Chief Operating Officer of Advanced Computer Software plc prior to its acquisition by Vista Equity Partners for £1.1 billion. In his five years at Advanced Computer Software, Paul oversaw a period of exceptional value creation and transformation, with responsibility for driving both organic and acquisitive growth. Previously, Paul held a number of senior roles in both financial and operational capacities, latterly as Finance



Director of Redac Limited, the Alchemy backed turnaround that was subsequently sold to Advanced Computer Software for £110 million. The foundations of Paul's career were built at Unigate, GrandMet (now Diageo) and Oracle.

*Barbara Firth (Non-Executive Director and Senior Independent Director)*

Barbara Firth has decades of experience in financial and operational management working in private equity-backed and publicly listed companies. Most recently she was non-executive director at finnCap Group plc until its merger with Cenkos in September 2023.

Barbara's previous roles included Chief Financial Officer and Chief Operating Officer at Advanced Computer Software Group plc, where she worked closely with Vin Murria, until the sale to Vista in 2015; Chief Financial Officer at Computer Software Group until the merger with Iris in 2007; and Head of UK Finance for Robert's Pharmaceuticals Inc until its merger with Shire Pharmaceuticals in 2002.

### **13. Corporate governance**

The Board is responsible for leading and controlling the Company and has overall authority for the management and conduct of its business, strategy and development. The Board is also responsible for ensuring the maintenance of a sound system of internal controls and risk management (including financial, operational and compliance controls) and for reviewing the overall effectiveness of systems in place as well as for the approval of any changes to the capital, corporate and/or management structure of the Company.

AIM-quoted companies are required to adopt a recognised corporate governance code with effect from their admission to trading on AIM, however, there is no set corporate governance regime prescribed by the London Stock Exchange. The QCA has published the QCA Code, a set of corporate governance guidelines, which include a code of best practice, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters. The Directors and the Proposed Directors acknowledge the importance of high standards of corporate governance and intend, given the Company's size and the constitution of the Board, to adopt and comply with the QCA Code following Admission.

Upon Admission, two new non-executive Directors will be appointed to the Board and one of them will be the Senior Independent Director of the Company. In addition, the Board will establish the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee upon Admission, with formally delegated duties and responsibilities as described below.

#### ***Audit and Risk Committee***

The Audit and Risk Committee will be responsible for reviewing a wide range of matters, including half-year and annual results before their submission to the Board, and for monitoring the controls that are in force to ensure the integrity of the financial information reported to Shareholders.

A set of Group policies has been created addressing key matters for governance, including but not limited to anti-bribery and anti-corruption policy.

The Audit and Risk Committee shall comprise of at least two independent non-executive Directors as members, and at least a majority of the members shall be independent non-executive Directors. At least one of the members shall have recent and relevant financial experience and competence in accounting and/or auditing. The committee will meet at least three times a year in the context of the Group's interim and annual financial statements at both the planning and completion stages, and will also advise the Board on the appointment of external auditors, and their remuneration for both audit and non-audit work. The committee will also discuss the nature, scope and results of the audit with the external auditors.

Upon Admission, the Audit and Risk Committee will comprise Paul Gibson as chair and Barbara Firth and Mark Brangstrup Watts as members. Further details concerning the Audit and Risk Committee and its proposed role appear below under Principle 4 of the Company's Corporate Governance Statement.

#### ***Remuneration Committee***

The Remuneration Committee will review the performance of the Directors and make recommendations to the Board on matters relating to their remuneration and terms of service, and



to ensure remuneration is aligned to the implementation of the Company's strategy and effective risk management, taking into account the views of Shareholders and will also be assisted by executive pay consultants if and when required. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to the Long Term Incentive Scheme or any other equity incentive plans in operation from time to time.

The Remuneration Committee shall comprise at least two members, all of whom shall be independent non-executive Directors. The committee will meet at least twice a year. Upon Admission, the Remuneration Committee will comprise Barbara Firth as chair and Paul Gibson as member.

#### ***Nomination Committee***

The Nomination Committee will regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any changes and keep under review the leadership needs of the Company.

The Nomination Committee shall comprise of at least three members, a majority of which shall be independent non-executive Directors. Upon Admission, the Nomination Committee will comprise Barbara Firth as chair and Vin Murria OBE and Paul Gibson as members.

#### ***Corporate Governance Statement***

The Company is managed under the direction and supervision of the Board. Among other things, the Board sets the vision and strategy for the Company in order to effectively implement the Company's business model which is described below.

Good corporate governance seeks to create shareholder value by improving performance while reducing or mitigating those risks the Company faces as it seeks to create sustainable growth over the medium to long-term.

To these ends, and in line with the obligation contained in the AIM Rules for Companies requiring all companies to adopt and comply with a recognised corporate governance code, the Board will adopt the QCA Code upon Admission. It was decided that the QCA Code was more appropriate for the Company's size and stage of development than the more prescriptive Financial Reporting Council's UK Corporate Governance Code. The narrative that follows sets out, in broad terms, how the Company will comply with the QCA Code upon Admission and how it proposes to comply in the future and the Board will also provide annual updates to Shareholders following Admission.

#### ***Principle 1: Establish a strategy and business model which promote long-term value for shareholders***

The Group designs, develops, sells and supports high-end products and solutions for use in a wide range of applications within the private and public sectors. Their products are designed to be compliant with industry specifications and support many of today's leading operating systems. The Group's products are sold worldwide, but with the majority of focus within Europe and North America.

The Group's business model is designed to promote long-term profitable growth and cash generation.

The Company's strategy has a strong focus on organic growth, through expanding existing customer accounts and accessing similar customers from the sectors in which it operates. In addition, it seeks to expand market share and product reach through accretive, strategically valuable acquisitions.

The Company believes that floating on AIM is of long-term value to Shareholders, offering access to capital markets to exploit underlying, structural growth trends believed by the Directors to be inherent in the sectors in which it operates. In addition, it provides the level of transparency its corporate customers expect and will assist with the reward and retention of employees, within a regulatory environment fit for its size and stage of development.

#### ***Principle 2: Seek to understand and meet shareholder needs and expectations***

The Company is committed to listening and communicating openly with Shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts

and investors think about the Company, and in turn, helping these audiences understand its business, is a key part of driving performance and therefore dialogue with the market will be sought actively. This will be done through institutional investor roadshows, investor briefings, attending and presenting at investor conferences and meeting with independent investment analysts and financial journalists alongside the Group's regular reporting.

The Directors will actively seek to build a relationship with institutional Shareholders. The Executive Directors will make presentations to institutional Shareholders and analysts from time-to-time, in part to listen to their feedback and have a direct conversation on any areas of concern. The Board as a whole will be kept informed of the views and concerns of major Shareholders by briefings from the Executive Directors. Any significant investment reports from analysts will be circulated to the Board. The executive chairperson will also be available to meet with major Shareholders if required to discuss issues of importance to them.

The Annual General Meeting ("**AGM**") will be one forum for dialogue with Shareholders and the Board each year. The notice of AGM will be sent to Shareholders at least seven days before the AGM. The chairperson and all Board committees, together with all other Directors, will routinely attend the AGM and be available to answer questions raised by Shareholders. For each vote taken, the number of proxy votes received for, against and withheld will be announced at the meeting. The results of the AGM will subsequently be announced to the London Stock Exchange and published on the Company's website.

***Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success***

Engaging with all stakeholders strengthens relationships and also helps better business decision making and delivery against forecasts and commitments. The Board will be regularly updated on wider stakeholder engagement matters in order to stay abreast of stakeholder insights into the issues that matter most to them and the business, and to enable the Board to understand and consider these issues in their decision-making. Some examples of stakeholders aside from Shareholders are employees, customers and suppliers. The Board will therefore closely monitor and review the results of the Company's engagement with those groups to ensure alignment of interests.

***Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation***

*Financial Controls*

The Audit and Risk Committee will comprise Paul Gibson (committee chair), Mark Brangstrup Watts and Barbara Firth. The Audit and Risk Committee will meet as often as required and at least three times a year. The Audit and Risk Committee's main functions will include reviewing the effectiveness of internal control systems and risk assessment in conjunction with monitoring the integrity of the financial statements of the Company and Group, including its annual and interim reports and any other formal announcement relating to financial performance. The Audit and Risk Committee will be responsible for overseeing the Company's relationship with the external auditors, including making recommendations to the Board on the appointment of the external auditors and their remuneration. The Audit and Risk Committee will consider the nature, scope and results of the auditors' work and reviews, and will develop and implement policies on the supply of non-audit services that are provided by the external auditors where appropriate.

The Audit and Risk Committee will focus particularly on compliance with legal requirements, international financial accounting standards and the AIM Rules for Companies, and also ensure that an effective system of internal financial and non-financial controls is maintained. Ultimate responsibility for reviewing and approving the annual report and accounts will remain with the Board. The identity of the chair of the Audit and Risk Committee will be reviewed on an annual basis and the membership of the Audit and Risk Committee and its terms of reference kept under regular review. The Audit and Risk Committee members will have no links with the Company's external auditors.

*Standards and policies*

The Board is committed to maintaining appropriate standards for all the Group's business activities and ensuring these standards are set out in written policies where appropriate. The Board acknowledges that the Group's domestic and international operations may give rise to possible claims of bribery and corruption. In consideration of the UK Bribery Act 2010, the Board will review

the perceived risks to the Group arising from bribery and corruption so as to identify any aspects of its business which may be improved to mitigate such risk. The Board has adopted a zero-tolerance policy towards bribery and has reiterated the Company's commitment to carry out business fairly, honestly and openly.

The Company has also adopted a share dealing policy in conformity with the requirements of Article 19 of UK MAR and Rule 21 of the AIM Rules for Companies, and will take steps to ensure compliance by the Board and relevant senior staff, as well as by any closely associated persons and other applicable employees, with the terms of the policy.

***Principle 5: Maintain the board as a well-functioning, balanced team led by the chair***

Upon Admission, the Board shall comprise one executive chairperson, two Executive Directors and three non-executive Directors. The Board considers that two of the non-executive Directors, Paul Gibson and Barbara Firth, are independent and would bring an independent judgement to bear. Barbara Firth will be appointed the Senior Independent Director of the Company. The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational. The chairperson will, following Admission, continue to hold periodic update meetings with the Board.

During the financial year ending 28 February 2025, at least 4 formal periodic Board meetings will take place, in addition to ad-hoc Board meetings which are scheduled as required. Key Board activities in the coming year will include the integration and development of the Acquired Companies, the receipt, investigation and assessment of any potential acquisition candidates; continued open dialogue with the investment community; consideration of financial and non-financial policies; the discussion of strategic priorities; discussions regarding the Company's capital structure and financial strategy, including capital investments and Shareholder returns; discussions around internal governance processes; a review of the Company's risk profile and a review of any feedback received from Shareholders post full and half year results. All Directors and the Proposed Directors have been advised of the time required to fulfil the role prior to appointment and were asked to confirm that they can make the required commitment before they were appointed. This requirement is also included in their deeds of appointment or executive service agreement.

***Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities***

The Board is satisfied that, between the Directors and the Proposed Directors, it has an effective and appropriate balance of skills and experience, including in the areas of computing manufacture, finance, capital markets, legal and corporate governance. All Directors receive regular and timely information on the Company's operational and financial performance. Relevant information is also circulated to the Directors in advance of meetings.

The Board, with supports from the Nomination Committee, makes decisions regarding the appointment and removal of Directors and there is a formal, rigorous and transparent procedure for appointments. All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and external legal counsel.

***Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement***

The Company constantly assesses the individual contributions of each Board member and the senior executive team of the Group to ensure their contribution is relevant and effective, that they are committed and, where relevant, that they have maintained their independence. Over the next 12 months, the key action will be to ensure a robust succession plan is in place for the most senior members of the Group's team, including members of the Board and put in place an appropriate Board evaluation process.

***Principle 8: Promote a corporate culture that is based on ethical values and behaviours***

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximising Shareholder value. With regard to the structure and size of

the Company, the Board is confident that its ethical values are being adhered to and this will continue to be considered by the Board. The Company will only meet its objectives if all of its employees are ethical, fair and transparent in their dealings with all stakeholders.

***Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board***

The Board intends to meet at least four times each year in accordance with its scheduled meeting calendar. The Board sets the direction of the Company through a formal schedule of matters reserved for its decision. Prior to the start of each financial year, a schedule of dates for that year's Board meetings will be compiled to align, as far as reasonably practicable, with the Company's financial calendar while also ensuring an appropriate spread of meetings across the financial year. This may be supplemented by additional meetings as and when required.

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall group strategy; approval of major investments; approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks and reviews the annual budgets and performance compared to those budgets.

The Company was established to evaluate and make acquisitions, and during the period before the Acquisitions the Directors decided to limit corporate overheads where possible, including the costs of appointing additional Board members. Whilst still in the early stages of executing its strategy, the Company chose not to appoint a CEO. Having made the Acquisitions, the Board anticipates that it will identify a suitable candidate for the CEO role during 2024 and believes that the executive team has the necessary capabilities to execute the Company's strategy during the intervening period. Until such time as an appropriate candidate is appointed as CEO, Vin Murria will be Executive Chairperson.

The Board is cognisant that the QCA Code recommends that the chairperson of the Board has adequate separation from the day-to-day business and, following the appointment of a CEO, intends to separate the chairperson from an executive role. Upon the appointment of a CEO, the role of a chairperson is to run the business of the Board and for ensuring appropriate strategic focus and direction, while a CEO is responsible for proposing the strategic focus to the Board, implementing it once it has been approved, and overseeing the management of the Company through the executive team. In the event that Vin Murria is appointed as the CEO of the Company, the Board would appoint a non-executive chair.

The Board is supported by the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee. The Board and its committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and committee papers are expected to be distributed well before meetings take place. Each committee will have access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. Please see sections headed "Audit and Risk Committee", "Remuneration Committee" and "Nomination Committee" above for details on the function and composition of the committees.

***Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders***

The Company will communicate with Shareholders through the annual report and accounts, full-year and half-year announcements, the AGM, appropriate regulatory news announcements, other general meetings (as required) and one-to-one meetings with large existing or potential new Shareholders. A range of corporate information (including all Company announcements and presentations) will also be available to Shareholders, investors and the public on the Company's corporate website at [www.advancedadvt.com](http://www.advancedadvt.com). The Board will receive regular updates on the views of Shareholders through briefings and reports from the executive chairperson and the Company's broker. The Company will also communicate with institutional investors frequently through briefings with management.

#### **14. Share dealing policy**

The Company has adopted a share dealing policy, in conformity with the requirements of the AIM Rules and UK MAR, and will take steps to ensure compliance by the Board and relevant senior

staff, as well as by any closely associated persons and other applicable employees, with the terms of the policy. The policy stipulates that, among others:

- those covered by it should not deal, directly or indirectly, in any securities of the Company without receiving clearance to deal from the Board in advance; and
- person discharging managerial responsibilities should not deal in any securities of the Company in the 30 calendar days period before the announcement of the Company's half-yearly or annual results.

The Company's share dealing policy seeks to impose restrictions that go beyond those that are imposed by law (including by FSMA, UK MAR and other relevant legislation) and its purpose is to ensure that persons discharging managerial responsibility as well as any closely associated persons and other applicable employees do not abuse, and do not place themselves under suspicion of abusing, price-sensitive information that they may have or be thought to have, especially in periods leading up to an announcement of financial results. The share dealing policy sets out a notification procedure which is required to be followed prior to any dealing in the Ordinary Shares by any such persons to whom the policy applies from time to time.

## **15. Admission, settlement and CREST**

Application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. on 10 January 2024. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Amended Articles contain provisions permitting the holding and transfer of Ordinary Shares in uncertificated form.

Securities issued by non-UK, Irish or Channel Islands registered companies, such as the Company, cannot be held or transferred in the CREST system. However, to allow investors to settle such securities through the CREST system, the Depository holds the Ordinary Shares and issue dematerialised Depository Interests representing the underlying Ordinary Shares which are held on trust for the holders of these Depository Interests. The Ordinary Shares will be in registered form and will be eligible for settlement through CREST. For details of the arrangement relating to the Depository Interests, please refer to paragraph 19 of Part VII of this document.

There are no restrictions on the free transferability of the Ordinary Shares or the Depository Interests, subject to compliance with applicable securities laws.

## **16. Dividend policy**

In the short term, the Directors intend to retain the Group's earnings to fund further M&A and business combinations and the Directors do not intend to commence the payment of dividends in the immediate future, considering that it is likely to be more prudent to retain cash generated to fund the expansion of the Group. The Board will reconsider the Company's dividend policy from time to time. The declaration and payment by the Company of any dividends depends on the results of the Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.

## **17. Meetings, reports and accounts**

The audited, consolidated accounts of the Company will be prepared in pounds sterling under IFRS. The Company's annual report and accounts will be prepared up to 28 February (or 29 February, as the case may be) each year. It is expected that copies of the report and accounts will then be sent or otherwise made available to Shareholders by the end of August each year. The Company will also publish an unaudited half-yearly report covering the six months to 31 August each year.

## **18. Potential areas for conflicts and rights of holders of Sponsor Shares**

### *General*

Potential areas for conflicts of interest in relation to the Company include:

- Mark Brangstrup Watts and Vin Murria OBE are, and may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by the



Company, including other entities established with a similar objective to that of the Company and investment opportunities may be taken up by the Mark Brangstrup Watts, Vin Murria OBE and/or entities affiliated with any of them in advance of the Company.

- In the course of their respective business activities, Mark Brangstrup Watts and/or Vin Murria OBE may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. Mark Brangstrup Watts and/or Vin Murria OBE may have conflicts of interest in determining to which entity a particular business opportunity should be presented.

Accordingly, as a result of these multiple business affiliations, Mark Brangstrup Watts and/or Vin Murria OBE may have similar legal obligations to present business opportunities to multiple entities. In addition, conflicts of interest may arise when Mark Brangstrup Watts or Vin Murria OBE evaluate a particular business opportunity.

Mark Brangstrup Watts was a managing partner of Marwyn Investment Management and Marwyn Capital until 6 November 2022. Subsequent to which, Mark Brangstrup Watts continues to hold an indirect beneficial interest at MLTI which is in turn a participant of the Long Term Incentive Plan but no longer owes any duties to the Marwyn Shareholder. Historically, due to the role of Mark Brangstrup Watts at the Marwyn Shareholder, there were potential conflicts of interests as Marwyn Shareholders may (i) be engaged in business activities similar to those of the Company and (ii) become aware of investment and business opportunities which may be appropriate for presentation to the Company. Subsequent to 6 November 2022 where Mark Brangstrup Watts ceased to be a managing partner at Marwyn Shareholder, the Board considers that such potential conflicts of interest no longer exist.

#### *Rights of holders of Sponsor Shares*

Each of MVI II Holdings I LP and Vin Murria OBE holds 1 Sponsor Share. The Sponsor Shares confer upon the holder, *inter alia*:

- no rights to receive notice of or to attend and vote at any meetings of members (unless Sponsor Shares are the only shares in issue);
- no right to any dividends or distributions;
- in the event of a winding-up or liquidation of the Company, no right to share or otherwise participate in the surplus assets of the Company;
- for so long as either Marwyn Shareholders (or an individual holder of a Sponsor Share) holds 5 per cent. or more of the issued Ordinary Shares (the “**Ownership Condition**”) or that the Marwyn Shareholders, MLTI or an individual holder of a Sponsor Share holds any Incentive Shares (the “**Incentive Share Condition**”), the right to approve the following reserved matters:
  - the issuance of any Sponsor Share;
  - amend, alter or repeal any existing or introduce any new share-based compensation or incentive scheme in the Group;
  - issue any class of equity securities on a non-pre-emptive basis (where the Company would be required to issue such equity securities pre-emptively if it were incorporated under the UK Companies Act 2006 and acting in accordance with the Statement of Principles published by the Pre-Emption Group of the United Kingdom from time to time) except for an issue under an open offer or rights issue to (i) allow for exclusion of holders of restricted jurisdictions, and/or (ii) allow the Company to make arrangements for fractional entitlements.
- for so long as the Ownership Condition is satisfied, the right to appoint a director representative to the Board; and
- the right to require a special resolution of Shareholders be obtained in respect of the certain matters specified in the Amended Articles.

As of the date of this document, each of Vin Murria OBE and MVI II Holdings I LP has not exercised the right to appoint a director representative.



### *Conflicts of interest limitations*

The Directors are responsible for the sourcing of, and negotiations in respect of future acquisition opportunities. The Directors will seek to mitigate or resolve any conflict of interest that has been identified and will take appropriate action to do so. This may involve the implementation of additional control measures or by seeking the parties' informed consent to such conflict.

Marwyn has in place a conflicts of interest policy which contains details of the procedures it follows in order to avoid, minimise and manage conflicts or potential conflicts, and this policy was adhered to when historic potential areas of conflicts of interests existed.

### *Interests of the Directors, the Proposed Directors and officer of the Company*

Vin Murria OBE beneficially holds 17,500,000 Ordinary Shares and 1 Sponsor Share together with 15,600 redeemable A1 ordinary shares in IncentiveCo. Gavin Hugill and Karen Chandler have each subscribed for 600 redeemable A1 ordinary shares of £0.01 each in IncentiveCo. Mark Brangstrup Watts is one of the beneficiaries of MLTI, which in turn holds 2,000 redeemable A2 ordinary shares of £0.01 each in IncentiveCo. Details of the Incentive Shares are set out in paragraph 10 of this Part I.

Antoinette Vanderpuije is a partner of Marwyn Capital and beneficially interested in the Marwyn Shareholder and an indirect beneficiary of the Long Term Incentive Plan as well as being the Company Secretary of the Company.

## **19. Notification of major interests in Ordinary Shares**

As a company incorporated in BVI and whose shares will be traded on AIM, the Company is not subject to the provisions of the DTRs. However, the Company has incorporated the provisions of Chapter 5 of the DTRs in its Amended Articles and, consequently, shareholders are required to disclose to the Company certain shareholdings and holdings of financial instruments. Where a person holds voting rights in the Company as a Shareholder through direct or indirect holdings of financial instruments, then that person has an obligation to make a notification to the Company of the percentage of voting rights held where that percentage reaches, exceeds or falls below 3 per cent. (or on the basis of thresholds at 3%, 4%, 5% and each 1% threshold thereafter up to 100%). The requirement to notify also applies where a person is an indirect Shareholder and can acquire, dispose of or exercise voting rights in certain cases.

In addition, upon Admission, the Company is also required to comply with the significant shareholder disclosures contained in Rule 17 of the AIM Rules for Companies. For details of the Company's major Shareholders, please refer to paragraph 7 of Part VII of this document.

## **20. Taxation**

Information regarding UK taxation is set out in Part III of this document. That information is, however, intended only as a general guide based on current UK tax law and the current published practice of HMRC. **If you are in any doubt as to your tax position, you should contact an appropriate independent professional adviser.**

## **21. Further information**

You should read the whole of this document, which provides additional information on the Group and the Placing, and not just rely on the information contained in this Part I. The Company's performance is dependent on many factors and the attention of potential investors is drawn, in particular, to the risk factors contained in Part II of this document and the additional information contained in Part VII.

## **PART II**

### **RISK FACTORS**

An investment in Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document. No assurance can be given that Shareholders will realise a profit or will avoid a loss on their investment.

The Board has identified the following risks which it considers to be the most significant for prospective investors in the Company. The risks described below do not purport to be exhaustive and are not set out in any particular order of priority and prospective investors should review this document carefully in its entirety and consult with their professional advisers before acquiring Ordinary Shares.

If any of the following events identified below occurs, the Group's business, financial condition, capital resources, results and/or future operations and prospects could be materially adversely affected. In that case, the market price of the Ordinary Shares could decline and investors may lose part or all of their investment. Additional risks and uncertainties relating to the Group and/or the Ordinary Shares that are not currently known to the Group, or which the Group currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. If any such risk or risks should occur, the price of the Ordinary Shares may decline and investors could lose part or all of their investment. There can be no certainty that the Group will be able to implement successfully its growth strategy as is detailed in this document. No representation is or can be made as to the future performance of the Group and there can be no assurance that the Group will achieve its objectives. In particular, the Group's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements. An investment in Ordinary Shares is speculative.

Accordingly, prospective investors should consider carefully whether an investment in the Company is suitable in light of his, her or its individual circumstances and the financial resources available to him, her or it. If you are in any doubt about the action you should take, you should consult an appropriate independent financial adviser authorised under FSMA if you are resident in the UK or, if not, from another appropriately authorised independent financial adviser who specialises in advising on acquisitions of shares and other securities.

#### **RISKS RELATING TO THE GROUP AND ITS OPERATIONS**

##### ***Competitive threats***

The Group is engaged in business activities where there are a number of competitors both domestically and internationally. In some markets, where commercial alternatives or existing suppliers are competitive to the Group's offering, certain of these competitors are larger and have access to greater financial, technical and marketing resources than the Group, enabling unit economics the Group cannot compete with. The Group's future success will depend in part upon the Group's ability to retain its competitive position in the market. Any failure to maintain its competitive position may have material adverse effect on the Group's prospects, results of operations and financial condition. The Group may also face competition from new companies that have greater research, development, marketing, financial and personnel resources than the Group or as a result of the insourcing of its activities into OEMs, prime contractors or systems integrators to which it currently sells.

##### ***Reputation is important in winning contracts with both new and existing customers***

The Group's reputation, in terms of the products and solutions it provides and the way in which it conducts its business, is central to the Group winning contracts with both new and existing customers and consequently its future success. If the Group fails to meet the expectations of these customers and other business partners it may have a material adverse effect on the Group's reputation, business, prospects, results of operations and financial condition.

The Group's future financial performance depends on its ability to provide both existing and new customers with high quality solutions and a high quality of service. If for any reason the Group is unable to provide customers with high quality solutions and service, it could face customer dissatisfaction and a lack of customer confidence in the Group and its solutions, which may have a material adverse effect on the Group's reputation, business, prospects, results of operations and financial condition.

#### ***Dependence on key executives and managers***

The Group is highly dependent upon key senior management personnel who have extensive experience and knowledge of the Group, its solutions, its customers, its target markets and its business generally. The successful implementation of the Group's growth strategy depends on the continued availability of senior management and the Group's ability to continue to attract, motivate and retain such individuals. If members of the Group's senior management depart and adequate succession plans are not put in place, the Group may not be able to find effective replacements in a timely manner, or at all and the Group's business may be disrupted or damaged. In addition, the loss of key members of senior management to competitors may have a material adverse effect on the Group's reputation, business, prospects, results of operations and financial condition.

#### ***Failing to successfully implement and manage its growth strategies***

The Group's growth and future success will be dependent on the success of those growth and expansion strategies currently or proposed to be undertaken by the Group. The failure to successfully implement its growth strategy, and therefore a failure to meet customer demand, may have a materially adverse effect on the Group's prospects, results of operations and financial condition.

The execution of the Group's growth and expansion strategies is expected to place further demands on management, support functions, sales and marketing functions and other resources of the Group. In order to manage the further expansion of the Group's business and the growth of its operations and personnel, the Group may be required to expand and enhance its infrastructure and technology and enhance its operational and financial systems as well as its procedures and controls from time to time in order to match that expansion. This could have a material cost to the Group and may have a material adverse effect on the Group's prospects, results of operations and financial condition.

There can be no assurance that the Group's current and planned staff, infrastructure, systems, procedures and controls will be adequate to support any expansion of operations in the future and across the periods currently envisioned. If the Group fails to manage its expansion effectively, it may have a material adverse effect on the Group's business, prospects, results of operations and financial condition.

#### ***Operational failures***

The Group depends on the performance, reliability and availability of its plant, equipment and information technology systems. Any damage to, or failure of, its plant, equipment and/or systems (including, for example, as a consequence of fire, malicious act or terrorism) could result in disruption to the Group's operations. The Group's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover any loss in full or in part or damage that it suffers fully or at all, which could have a material adverse effect on the Group's business, financial condition and results of operations.

#### ***Product and technology risks***

Products and technologies used within the Group's current markets are constantly evolving and improving and the Group may not possess the adequate technology or technical know-how to meet these challenges or its customers' changing needs. Therefore, there is a risk that the Group's current product offering may become less relevant with regard to the markets in which it operates, or even outdated or obsolete as improvements in competitors' products and technology are made or alternative solutions developed.

Any failure of the Group to ensure that its products and other technologies remain up to date with the latest technology and continue to meet the changing needs of its customers may have a material adverse effect on the Group's business, prospects, results of operations and financial

condition. The Group's success will depend, in part, on its ability to develop and adapt to any technological changes and industry trends and it is therefore imperative the Group is able to innovate to produce products which adhere to the future requirements of its customers. To mitigate these risks, the Group's research and development team seeks to keep up with latest industry developments.

#### ***Undetected defects in the products provided by the Group***

The Group's business involves providing customers with reliable products and solutions. If a product contains undetected defects, errors and/or bugs when first introduced, or when upgraded or enhanced, the Group may fail to meet its customers' performance requirements or otherwise satisfy contract specifications. As a result, it may incur significant additional development and product recall, repair or replacement costs, or liability for personal injury or property damage caused by such defects, errors and/or bugs and potentially also lose customers or orders and/or become liable to its customers for damages which may, amongst other things, damage the Group's reputation and financial condition.

The Group endeavours to negotiate limitations on its liability in its customer contracts where possible, however, this cannot always be achieved and defects in its solutions, errors and/or bugs could result in the loss of a customer, a reduction in business from any particular customer, negative publicity, reduced prospects and/or distraction to the management team. A successful claim by a customer to recover such losses may have a material adverse effect on the Group's reputation, business, prospects, results of operations and financial condition.

#### ***Increasing customer prices in line with inflationary cost pressures***

The Group faces cost increases and fluctuations as a result of wage, energy and material price inflation and its results of operations may inevitably be impacted by such fluctuations. The prices of raw materials have fluctuated significantly in recent years and have also increased in the recent past, and it is likely they will do so again in the future.

Such volatility in the prices of these commodities as well as supply shortages or delays in the delivery of raw materials, components or energy could increase the costs of manufacturing the Group's products.

The Group may not be able to offset these cost increases by cost reductions elsewhere, improvements in productivity and/or by imposing price increases acceptable to its customers which may in turn have a material adverse effect on the Group's prospects, operating results and financial condition.

#### ***Financial controls, internal reporting procedures and regulatory policies***

The Company has systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks. If any of these systems or controls were to fail, the Company may be unable to produce financial statements accurately or on a timely basis, therefore exposing the Company to risk. Any concerns investors may have over the potential lack of available and current financial information and the controls the Company has in place could adversely affect the Company's share price.

#### ***Use of third party logos***

The Group uses certain third-party logos and names on its website and in promotions, marketing and advertising materials. The Group does not have an explicit licence with such third parties and instead relies on custom and practice to use the logos and names. The unauthorised use of third party IPR by the Group would constitute an infringement of such IPR and might expose the Group to the risk of third party claims in this respect. If such claims were successful, they may have a material adverse effect on the Group's results of operations and financial condition.

#### ***Security breaches of the Group's own or its suppliers or customers' IT systems***

The Group is generally exposed to risks in the field of information technology because unauthorised access to or misuse of data processed on its IT systems or those of its third-party service providers (including cloud-based providers), cybercrime, human errors associated therewith or technological failures of any kind could disrupt its operations, including its manufacturing and engineering process. In particular, cybercrime can be technologically sophisticated and may be difficult or impossible to

detect and defend against. A significant malfunction or disruption in the Group's IT systems or those of its third-party service providers (including cloud-based providers), or a security breach that compromises the confidential and sensitive information stored in any of those systems, could disrupt the Group's business and materially affect its intellectual property or reputation.

Although the Group employs security and testing measures for its solutions, these may not protect against all possible security breaches that could harm the Group's or its customers' businesses. Any compromise of the Group's security could harm its reputation or financial condition and, therefore, its business. In addition, a party who is able to circumvent the Group's security measures could, among other things, misappropriate proprietary information, interrupt the Group's operations or expose customers to viruses or other disruptions in their systems. Actual or perceived vulnerabilities may lead to claims against the Group. Whilst the Group will, where possible, seek to ensure that its customer agreements contain provisions that limit the Group's liability, the Group may need to enforce these provisions to enjoy the benefit of them, with associated risk and expense.

***The Group may be vulnerable to hacking, identity theft and fraud.***

A failure of or breach in cybersecurity ("cyber incidents") refers to both intentional and unintentional events that may cause the relevant party to lose proprietary information, suffer data corruption, or lose operational capacity. In general, cyber incidents can result from deliberate attacks ("cyber-attacks") or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption). Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users).

Cyber incidents may cause significant disruption and materially impact business operations, potentially resulting in financial losses, impediments to trading, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

While the Group has in place security measures and guidelines in an effort to prevent hacking, identity theft and fraud, including the loss of intellectual property, it may not be able to fully protect itself and its customers from unauthorised access or hacking. For example, the Group is subject to the risk that unauthorised persons could access its systems and fraudulently transfer funds or obtain data on the Group and/or its clients. Cybersecurity is of particular importance to business operating within the digital, software and services sector. Any such unauthorised access, whether or not such access results in financial loss, could result in significant reputational damage to the Group amongst its clients and the market generally and affected parties could seek damages from the Group, any of which could have a material adverse effect on its business, financial condition, results of operations and prospects.

***The Group may be adversely affected by technological changes***

The Group expects that new technology will continue to emerge and develop, therefore it is possible that this technology may be superior to, or render obsolete or unmarketable, the products that the Group currently offers. Any failure of the Group to ensure that its products remain up to date with the latest technology may have a material impact on the Group's competitiveness and financial performance. The Group plans to continue to develop innovative solutions for its customers but there can be no assurance that the Group will be able to successfully develop new products and expand its business as planned or that these new products will be successful or profitable or will satisfy the specific technological needs of all customers. In order to limit the impact of technological changes and remain competitive, the Group must continually update its products. The process of updating its software could result in increased costs and the Group's investment may therefore affect the Group's profitability. The Company's success will depend, in part, on its ability to develop and adapt to these technological changes and industry trends.

***Risk management procedures***

Although the Directors believe that the Group's risk management procedures are adequate, the methods used to manage risk may not identify or anticipate current or future risks, correctly understand the interrelationship of risk or the extent of future exposures, which could be significantly



greater than historical measures indicate. Risk management methods depend on the evaluation of information regarding markets or other matters that are publicly available or otherwise accessible to the Group. Failure (or the perception that the Group has failed) to develop, implement and monitor the Group's risk management policies and procedures and, when necessary, pre-emptively upgrade them could give rise to reputational and trading issues which may have a material adverse effect on the Group's business, prospects, results of operations and financial condition.

### ***Litigation risk***

Whilst the Group has taken and intends to continue to take such precautions as it regards appropriate to avoid or minimise the likelihood of any legal proceedings or claims, or any resulting financial loss to the Group, the Directors cannot preclude the possibility of litigation being brought against the Group.

There can also be no assurance that the other parties to any litigation proceedings will not be able to devote substantially greater financial resources than the Group to those proceedings or that the Group will prevail in any such litigation. Any litigation, whether or not determined in the Group's favour or settled by the Group, may be costly and may divert the efforts and attention of the Group's management and other personnel from normal business operations.

### ***Insurance***

The Group has insurance coverage which is deemed satisfactory by the Company in light of its current operations and contractual obligations. No guarantee can be given that the Group will be sufficiently insured against any potential claim or that its insurance arrangements will be sufficient in light of any expansion of the Group's activities or indeed, that the Company will be able to procure sufficient insurance in light of any such expansion. In the event the Group's insurances should prove insufficient with respect to a claim, such insufficiency may have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

### ***Currency risk***

Revenues generated and purchases made by the Group will not always be denominated in Pounds Sterling. The Group has multiple currency accounts but trades predominantly in Sterling, US Dollars and Euros. As a result it will be subject to foreign currency exchange risks due to exchange rate movements, which will affect the Group's transaction costs and the translation of its results. The Group proactively seeks to limit its exposures through foreign currency arrangements. Any losses incurred as a result of the Company not fully addressing the risks of exchange rate movements that cannot be passed on through its reciprocal pricing arrangements, are likely to have an adverse impact on the business, results and financial condition/prospects of the Group.

### ***Claims relating to infringement of Intellectual Property Rights of, or by, the Group***

The Group uses its proprietary know-how and other intellectual property in its operations. The Directors believe that the combination of the Group's domain experience together with the confidentiality obligations typically entered into by it with employees, independent contractors and third parties in the ordinary course of its business provide a degree of protection of its intellectual property, domain knowledge and know-how. However, these arrangements rely on the law of copyright and confidentiality, neither of which permits registration. Accordingly, there is a risk that the Group may not have the benefit of adequate intellectual property protection of its assets.

Any unprotected intellectual property (including unregistered or unregistrable intellectual property rights) used by the Group in the course of its business or in respect of which the Group believes it has proprietary rights may be prejudiced and/or open to challenge by third parties (including where such third parties have or claim to have pre-existing rights in such intellectual property). In any such case, the Group may be prevented from using such intellectual property or may be required to become involved in litigation to protect its intellectual property rights, each of which may have a material adverse effect on the Group's reputation, business, prospects, results of operations and financial condition. Conversely, while the Directors believe the Group has taken appropriate precautions, they cannot guarantee that any action or inaction by the Group will not inadvertently infringe the intellectual property rights of others. Any infringement by the Group of the intellectual property rights of third parties could have a material adverse effect on the Group's reputation, business, prospects, results of operations and financial condition.



### ***Identification and implementation of acquisition opportunities***

To the extent that suitable opportunities arise and are identified, the Group may expand its business through the acquisition of companies, businesses, assets and/or services from third parties. There can be no assurance that the Group will identify suitable acquisitions or opportunities, once existing cash reserves have been utilised, obtain any financing necessary to complete and support such acquisitions, be able to satisfy potential conditions relating to approvals for changes of control or otherwise acquire businesses on satisfactory terms and across planned timeframes. In addition, there can be no certainty that any business acquired by the Group will prove to be profitable and the acquisition and integration of independent businesses is a complex, costly and time-consuming process involving a number of possible problems and risks which could have a material adverse effect on the results of operations or financial condition of the Group. This includes possible adverse effects on the Group's operating results, diversion of management's attention, failure to retain personnel, failure to maintain customer service levels or disruption to relationships with customers and other third parties. There are also risks in any acquisition associated with unanticipated events or liabilities and difficulties in the assimilation of any acquired operations, technologies, systems, services, products and/or employees.

If the Group were to make any acquisitions in the future or were to need capital for other growth opportunities, it may require further financing, once existing cash reserves were utilised. Any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing and operating activities.

If, following any such acquisition, the Group was required to record impairments of significant amounts of intangible assets, record impairments of goodwill in connection with future acquisitions, or divest non-performing assets at below market prices, its operating results could be materially and adversely affected.

### ***Expansion into new international geographic markets***

The Group has identified opportunities for its products and services in the medium term in new geographies outside the UK. There is a risk that the Group's relative lack of experience of international expansion means that it is managed incorrectly and/or causes a significant distraction to the Group's management, each of which may have an adverse impact on the Group's business, results of operations and/or financial position. Further, there is also a risk that the Group may be unable to recruit and retain suitably skilled employees in any new jurisdiction of operation to exploit the opportunities identified by it, leading to additional costs which materially and adversely affect its operating performance.

### ***Loss of key accreditations and certifications***

The Group is reliant on a number of regulatory or customer-driven accreditations in order to be able to deliver its services and solutions to particular industries and sectors. If these accreditations are detrimentally affected in any way or were to lapse, this could have a material adverse effect on the Group's financial condition and prospects as, unless those accreditations are restored, the Group could be excluded from opportunities to tender for future work or from being able to continue to perform its existing contracts.

Similarly, future growth opportunities may be reliant on securing new accreditations or meeting higher levels of certification. Past performance in its obtaining desired accreditations has been positive, however there is no guarantee that the Group will be able to meet additional or higher levels of requirement in the future. Failure to do so could have a material adverse effect on the Group's growth potential or financial performance.

## **RISKS RELATING TO THE COMPANY'S BUSINESS AND STRATEGY**

### ***The Company may face significant competition for acquisition opportunities and cannot assure investors that it will be successful against such competition***

There may be significant competition for some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, sovereign wealth funds, special purpose acquisition companies and public and private investment funds, many of which are well established and have extensive experience in identifying and completing acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Company.

Therefore, the Company may identify an investment opportunity in respect of which it incurs costs, for example through due diligence and/or financing, but the Company cannot assure investors that it will be successful against such competition. Such competition may cause the Company to incur significant costs but be unsuccessful in executing an acquisition or may result in a successful acquisition being made at a significantly higher price than would otherwise have been the case which could materially adversely impact the business, financial condition, result of operations and prospects of the Company.

***The Company could incur costs for transactions that may ultimately be unsuccessful***

There is a risk that the Company may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal, accounting and other due diligence which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

***The Company may be unable to obtain additional funding needed to implement its strategy. Additional funding, whether through equity and/or debt, could dilute the rights of existing Shareholders and/or restrict the Company's ability to operate its business***

The Company's cash may be insufficient to fund in full any future acquisitions and/or investments identified by the Board. Accordingly, the Company may seek additional sources of financing (equity and/or debt) to implement its strategy. There can be no assurance that the Company will be able to raise (for example, through the issue of further Ordinary Shares) those funds, whether on acceptable terms or at all.

If further financing is obtained or the consideration for an acquisition is provided by issuing equity securities or convertible debt securities, Shareholders at the time of such future fundraising or acquisition may be (for example, through the issue of further Ordinary Shares) diluted and the new securities may carry rights, privileges and preferences superior to the Ordinary Shares. Save for the Sponsor Shares, no unlisted Shares exist.

The Company may seek debt financing to fund all or part of any future acquisition. The incurrence by the Company of substantial indebtedness in connection with an acquisition could result in:

- (i) default and foreclosure on the Company's assets, if its cash flow from operations was insufficient to pay its debt obligations as they become due; or
- (ii) an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

An inability to obtain debt financing may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. If such financing is obtained, the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions.

The occurrence of any or a combination of these, or other, factors could decrease Shareholders' proportional ownership interests in the Company or have a material adverse effect on its financial condition and results of operations.

***Vin Murria OBE has interests in companies with similar strategies to that of the Company***

Vin Murria OBE is, and may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by the Company, including other entities established with a similar objective to that of the Company and investment opportunities may be taken up by Vin Murria OBE and/or entities affiliated with her in advance of the Company.

During business activities, Vin Murria OBE may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. Vin Murria OBE may have conflicts of interest in determining to which entity a particular business opportunity should be presented. The Directors will seek to mitigate or resolve any conflict of interest that has been identified and will take appropriate action to do so – this may be through the implementation of policies dealing with conflicts of interest or otherwise.

***The Group has a limited history and has, since incorporation, carried on limited trading activities. There is therefore limited historical financial data upon which prospective investors may base an evaluation of the Company***

The Company has, since incorporation, carried on limited activities: due diligence and negotiations on the potential acquisitions and the M&C Saatchi investment, raised £130 million of new capital in March 2021, and completed the Acquisition and agreed on the terms of the Disposal. Accordingly, as at the date of this document, the Company has limited historical financial data upon which prospective investors may base an evaluation of the Company including the limited operating history of the members of the Acquired Group. The value of any investment in the Company is, therefore, substantially dependent upon the successful implementation of its investment objective. The past performance of companies, assets or funds managed by the Directors or persons affiliated with them, in other ventures in a similar sector or otherwise, is not necessarily a guide to the future business, results of operations, financial condition or prospects of the Company. Investors will be relying on the ability of the Company and the Directors to identify further potential acquisitions, evaluate their merits, conduct diligence and negotiations, raise any required additional finance, execute such acquisitions and potentially hire management teams.

***The Company may not acquire total voting control of any target company or business***

The Company may either consider acquiring total voting control of any target company or business, or acquiring a non-controlling interest constituting less than total voting control or less than the entire equity interest of that target company or business if such opportunity is considered attractive or where the Company expects to acquire sufficient influence to implement its strategy. In such circumstances, the remaining ownership interest will be held by third parties and the Company's decision-making authority may be limited. Such acquisitions may also involve the risk that such third parties may become insolvent or unable or unwilling to fund additional investments in the target. Such third parties may also have interests which are inconsistent or conflict with the Company's interests, or they may obstruct the Company's strategy for the target or propose an alternative strategy. Any third party's interests may be contrary to the Company's interests. In addition, disputes among the Company and any such third parties could result in litigation or arbitration. Any of these events could impair the Company's objectives and strategy, which could have a material adverse effect on the continued development or growth of the acquired company or business and therefore on the Company.

***The companies or businesses in which the Company invests may have borrowings, which create greater potential for loss***

The companies or businesses in which the Company invests may have borrowings. Although such facilities may increase investment returns, they also create greater potential for loss. This includes the risk that the relevant borrower will be unable to service the interest repayments, or comply with other requirements, rendering the debt repayable, and the risk that available capital will be insufficient to meet required repayments. There is also the risk that existing borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing borrowings. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions), all of which are beyond the Company's control, may make it difficult for the Company to obtain new financing on attractive terms or at all, which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

***The success of the Company's investment objective not guaranteed***

The Company's return will be reliant upon the performance of the assets acquired and the Company's investment objective from time to time. The success of the investment objective depends on the Directors' ability to identify investments in accordance with the Company's investment objectives and to interpret market data and predict market trends correctly. No assurance can be given that the strategy to be used will be successful under all or any market conditions or that the Company will be able to generate positive returns for Shareholders. If the investment objective is not successfully implemented, this could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

***The Company may be unable to refocus and improve the operating and financial performance of an acquired business***

The success of any of the Company's acquisitions may depend in part on the Company's ability to implement the necessary technological, strategic, operational and financial change programmes in order to either: (i) transform the acquired business and improve its financial performance or (ii) continue to grow the acquired business and expand its current operations. Implementing change programmes within an acquired business may require significant modifications, including changes to hardware and other business assets, operating and financial processes and technology, software, business systems, management techniques and personnel, including senior management.

There is no certainty that the Company will be able to successfully implement such change programmes within a reasonable timescale and cost, and any inability to do so could have a material adverse impact on the Company's performance and prospects.

**RISKS RELATING TO SECTORS IN WHICH THE COMPANY MIGHT INVEST**

***The performance of the software sector may be affected by changes in general economic activity levels which are beyond the Company's control***

It is anticipated that the Company will invest in businesses or companies in the software and services sector globally, however, its principal focus will be on those with a significant presence in the UK, Europe and North America. The performance of the software and services sector may be cyclical in nature with some correlation to levels of demand within targeted end markets. As a result, the digital, software and services sector may be affected by changes in general economic activity levels which are beyond the Company's control but which may have a material adverse effect on the Company's financial condition and prospects. Whilst businesses and companies involved in digitalisation have seen their addressable market grow as a result of the Covid-19 pandemic, it is not clear that such growth will continue and inflation or the fear of inflation may provide a counterweight to such growth. An adverse change in economic activity could have a material adverse effect on the profitability of the Company following an acquisition.

The Company may acquire or make investments in companies and businesses that are susceptible to economic recessions or downturns. During periods of adverse economic conditions, the markets in which the Company operates may decline, thereby potentially decreasing revenues and causing financial losses, difficulties in obtaining access to, and fulfilling commitments in respect of, financing, and increased funding costs. In addition, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments and negatively affect the Company's net asset value and operating results. Accordingly, adverse economic conditions could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

In addition, the political risks associated with operating across a broad number of jurisdictions could affect the Company's ability to manage or retain interests in its business activities and could have a material adverse effect on the profitability of its business following an acquisition.

There is also a risk that new economic, legal, social and tax policies may be introduced in certain countries under new national and regional administrations, including the United States, which could potentially have an adverse impact on the trading conditions for the Company and/or businesses operating in sectors in which the Company may invest.

***Increased competition and unanticipated actions by competitors or customers***

The markets in which the Company and its proposed acquisition targets will operate are highly competitive with significant competition from large international competitors and smaller regional competitors within the software industry. The Group may lose market share to other competitors or to other products or services that can be substituted for the products or services of the Group. Increased competition and unanticipated actions by competitors or customers, which could arise as a result of, among other things, unforeseen changes in the competitive landscape due to the introduction of disruptive technologies, could lead to an adverse effect on results and hinder the Company's growth potential. The Company may, where the Board decides it is necessary, invest in new facilities to allow it to maintain its key market positions. Following an acquisition, the ability of the Group to compete in the digital, software and services sector will be dependent on its ability to

develop technological innovations, to introduce new products and services, and to protect its intellectual property, trade secrets and know-how.

Clients moving their accounts to competitors on relatively short notice, choosing another provider over the Group or placing restrictions on the representation or servicing of competing accounts or product lines, could have a material adverse effect on the Group's market share and its business, financial condition, results of operations and prospects.

#### ***New entrants to the market***

The Company will always be at risk that new entrants to the market are able to procure, by way of acquisition or licence, businesses which compete with the Company. Any new entrant in this space could have a disruptive effect on the Company and its ability to implement the investment objective and deliver significant value for Shareholders. If any new entrant was able to establish a foothold in the market, this could have a corresponding negative effect on the financial prospects of the Company.

### **RISKS RELATING TO THE MARKETS IN WHICH THE GROUP OPERATES**

#### ***Economic conditions and current economic weakness***

The Group may be affected by general global market trends which are unrelated to the performance of the Group itself. Demand for technology products and services depends to a large extent on general economic, political and social conditions in a given market and can be affected by international trade and other factors.

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on demand for the Group's products and services. A more prolonged economic downturn may have a material adverse effect on the Group's prospects, results of operations and financial condition.

#### ***Economic, political, judicial, administrative, taxation, environmental or other regulatory matters***

In addition to the impact of a downturn of the world's economies, the Group may be adversely affected by other changes in economic, environmental, political, judicial, administrative, taxation, regulatory or other unforeseen matters. The nature of the Group's operations expose it to the risk of liabilities or claims with respect to environmental, regulatory and worker health and safety matters. If the Group violates or fails to comply with environmental and/or worker health and safety laws, regulations and permits, it could be subject to penalties, fines, restrictions on operations or other sanctions, and the Group's operations or business could be interrupted or otherwise suspended.

#### ***Reliance on manufacturing capacity located in areas that have been impacted by natural disasters and other disruptions, which may affect the availability of supplies and services***

As the Group focuses on the design and supply of systems which rely on electronic components, it is reliant on third party manufacturers as part of its supply chain. Traditionally, high levels of such components are manufactured outside the UK in countries including Taiwan and China – all countries that are located in regions having a particular disposition to natural disasters and other emergencies (earthquakes, forest fires, severe snow and other similar events). Accordingly, the full production life cycle is outside of the Group's control and accordingly, the Group's revenue is exposed to temporal supply chain disturbance.

#### ***The Group may be subject to certain risks arising from political tensions with China***

The current political situation in China, following on from recent trade disputes with the US, has created an escalation of political issues that could create long-term and far-reaching consequences for the global economy and the individual economies of countries to which the Group is directly exposed and could not switch away from in the short-term.

In particular, any further interruption and/or limitation in the supply of semiconductor components, being in itself a market that has still not yet fully recovered from various supply shocks over the past two years, could have a material adverse effect on the Group's business, prospects, financial results and results of operations.



***A change in the Company's tax status or in taxation legislation in the UK could adversely affect the Company's profits and/or returns to Shareholders and/or the tax treatment of the Ordinary Shares or the Depository Interests***

The current levels of and reliefs from taxation may change, adversely affecting the financial prospects of the Company. Any change in the Company's tax status or in taxation legislation in the UK in particular (including a change in the interpretation of such legislation) could affect the Company's ability to achieve its business and strategic objectives. Any such change could also adversely affect the net amount of any dividends which may be payable to Shareholders and/or the market price of the Ordinary Shares and/or the tax treatment (including the stamp duty and SDRT treatment) of the Ordinary Shares or the Depository Interests.

***The imposition of tariffs or non-tariff trade barriers could have a material adverse effect on the Group***

The sales volume of the Group's products and services depends upon the general global economic situation. Particular risks to the economic environment, international trade and demand for its products and services may arise from rising protectionist sentiment in the Group's key markets and the introduction of further tariff and non-tariff trade barriers or similar measures due to increasing protectionist tendencies. Since the beginning of 2018, the US administration has announced a series of potential measures relating to international trade which, individually or in aggregate, could have a material adverse impact on the global economy, international trade or the technology industries in which the Group operates.

**RISKS RELATING TO THE ORDINARY SHARES AND ADMISSION**

***Shareholders are subject to potential dilution from the incentivisation of management***

The Company has in place an incentivisation scheme through which Vin Murria OBE, Mark Brangstrup Watts (through his indirect interest in MLTI), Karen Chandler, Gavin Hugill and future members of management that may be employed by the Company will be rewarded for increases in shareholder value, subject to certain conditions and performance hurdles. The Incentive Shares are shares in IncentiveCo. Subject to the specified preferred return and at least one of the vesting conditions being met, the holders of the Incentive Shares will receive in aggregate 20 per cent. of the increase in value of the Company.

Unless otherwise determined, the Company and the holders of the Incentive Shares have the right to exchange each Incentive Share for Ordinary Shares. If Ordinary Shares are to be issued in order to satisfy the incentivisation scheme, the existing Shareholders may face dilution. If so determined by the Company, the holders of Incentive Shares may receive cash, thereby reducing the Company's cash resources.

***Being a publicly quoted company***

One consequence of the Company being a publicly quoted company whose shares are admitted to trading on AIM is that certain changes in operations and controls will be required. In addition, an increased awareness is needed of the requirements of being a publicly quoted company and a requirement to ensure that management and staff satisfy a number of new obligations, including those associated with the AIM Rules, disclosure and financial reporting requirements and enhanced corporate governance obligations. Whilst the Board has made, and will continue to make, the effort necessary to successfully manage this transition, any failure to do so may have a material adverse effect on the Company's reputation, business, prospects, results of operations and financial condition.

***The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited***

The ability of an Overseas Shareholder to bring or enforce an action against the Company may be limited under law. The Company is a company limited by shares incorporated in the British Virgin Islands. The rights of holders of Ordinary Shares are governed by BVI law and by the Amended Articles. The rights of holders of the Ordinary Warrants are governed by English law and the Warrant Instrument. These rights may differ from the rights of shareholders in corporations which are incorporated in other jurisdictions. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors. It may not be possible for an Overseas Shareholder



to effect service of process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws.

There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

#### ***Major Associated Shareholder influence***

On Admission, Vin Murria and Marwyn Investment Management (the "**Major Associated Shareholders**"), will together hold approximately 28.55 per cent. of the Company's issued share capital. Investors may perceive this level and concentration of share ownership negatively due to the influence that the Major Associated Shareholders may exert, which may adversely affect the market value of the Ordinary Shares. The Major Associated Shareholders' interests may not be aligned with those of the Group or the other Shareholders which could, for example, delay or prevent approval of any final dividends, a future acquisition, a further equity fundraise or a change of control of the Company.

#### ***The Company is not, and will not following Admission be, subject to the Takeover Code, save to the extent it applies to a member of the Group as an offeror, potential offeror or investor.***

As a company incorporated in the BVI, the Company will not be subject to the Takeover Code, save to the extent it applies to a member of the Group as an offeror, potential offeror or investor. As a result, certain protections that are afforded to shareholders under the Takeover Code, for example in relation to a takeover of the Company or certain stake-building activities by shareholders, do not apply to the Company.

#### ***Investments in AIM companies attract a higher degree of risk***

The market prices of publicly traded securities can be volatile. The price of securities is dependent upon a number of factors, some of which are general or market or sector specific and others are specific to the company issuing the relevant securities. The Ordinary Shares will not be listed on either of the Official Lists and although the Ordinary Shares will be traded on AIM, this should not be taken as implying that there will always be a liquid market in the Ordinary Shares. In addition, the market for shares in smaller public companies is less liquid than for larger public companies. Therefore, an investment in the Ordinary Shares may be difficult to realise and the price of the Ordinary Shares may be subject to greater fluctuations than might otherwise be the case.

An investment in the shares of a company traded on AIM may carry a higher risk than an investment in the shares of a company quoted on either of the Official Lists. AIM has been in existence since June 1995 but its future success and liquidity in the market for Ordinary Shares cannot be guaranteed. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

#### ***If securities or industry analysts do not publish research reports about the Company's business, or if they downgrade their recommendations, the market price of the Ordinary Shares and their trading volume could decline***

The trading market for the Ordinary Shares will be influenced by the research and reports that industry or securities analysts publish about the Company or its business. If any of the analysts that cover the Company or its business downgrade it or them, the market price of the Ordinary Shares may decline. If analysts cease coverage of the Company or fail regularly to publish reports on it, the Company could lose visibility in the financial markets, which in turn could cause the market price of the Ordinary Shares and their trading volume to decline.

#### ***Suitability of the Ordinary Shares as an investment***

The Ordinary Shares may not be a suitable investment for all the recipients of this document. Before making a final decision, prospective investors are advised to consult an appropriate

independent financial adviser authorised under FSMA if such prospective investor is resident in the UK or, if not, from another appropriately authorised independent financial adviser who specialises in advising on acquisitions of shares and other securities. The value of the Ordinary Shares, and the income received from them, can go down as well as up and Shareholders may receive less than their original investment. In the event of a winding-up of the Company, the Ordinary Shares will rank behind any liabilities of the Company and therefore any return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of creditors.

***The Company's ability to pay dividends in the future is not certain***

Although the Company does intend to declare dividends in the near term, the payment of dividends by the Company to Shareholders in the future will be highly dependent upon the performance of the Group. The Company cannot guarantee that it will have sufficient cash resources to pay dividends.

***Future issues of Ordinary Shares are likely to result in immediate dilution of existing Shareholders***

The Company may decide to issue additional Ordinary Shares in the future in subsequent public offerings or private placements to fund further investments. If existing Shareholders do not (or are otherwise not entitled or permitted to) subscribe for additional Ordinary Shares on a *pro rata* basis in accordance with their existing shareholdings, this will dilute their interests in the Company. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than those on which the Placing Shares were offered. The issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the Placing Price.

***The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, some of which may be out of the Company's control***

From time to time, publicly traded securities experience significant price and volume fluctuations which may be unrelated to the operating performance of the companies which have issued them. In addition, the market price of the Ordinary Shares may prove to be highly volatile. The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, some of which are beyond the Company's control, including: variations in operating results in the Company's reporting periods, changes in financial estimates by securities analysts, changes in market valuations of similar companies, strategic alliances, joint ventures or other capital commitments, additions or departures of key personnel, any shortfall in turnover or net profit or any increase in losses from levels expected by securities analysts and future issues or sales of Ordinary Shares. Any or all of these events could result in a material decline in the price of the Ordinary Shares.

***Impact of events affecting companies with comparable business models***

There are a relatively small number of companies with comparable business models to the Company. Accordingly, any event which detrimentally affects one or more companies in this comparator group may adversely affect the value of the Company and the value of the Ordinary Shares.

***Market perception***

Market perceptions of the Company and/or the Group may change, potentially affecting the value of investor's holdings and the ability of the Company to raise additional funds by the issue of further Ordinary Shares or otherwise.

***The Ordinary Shares will not be admitted to the Official Lists***

The Ordinary Shares will be traded on AIM and will not be admitted to either of the Official Lists or admitted to trading on the London Stock Exchange's Main Market for listed securities. Neither the FCA nor the London Stock Exchange have examined or approved the contents of this document. The AIM market is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The AIM Rules are less demanding than those of the Official Lists and an investment in Ordinary Shares

traded on AIM may carry a higher risk than an investment in shares admitted to either of the Official Lists.

Although the Company is applying for admission of the Enlarged Share Capital to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. In addition, the market in Ordinary Shares on AIM may have limited liquidity, making it more difficult for an investor to realise its investment than might be the case in respect of an investment in shares which are quoted on the London Stock Exchange's Main Market for listed securities. Investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than the market prices of shares quoted on the London Stock Exchange's Main Market for listed securities and may not reflect the underlying value of the net assets of the Group. For these and other reasons, investors may not be able to sell at a price which permits them to recover their original investment.

**Prospective investors should therefore consider carefully whether an investment in the Company is suitable for them, in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.**

## PART III

### TAXATION

#### 1. UNITED KINGDOM TAXATION

The following statements are intended to apply only as a general guide to certain UK tax considerations, and are based on current UK tax law and current published practice of HMRC, both of which are subject to change at any time, possibly with retrospective effect. They relate only to certain limited aspects of the UK taxation treatment of the holders of Ordinary Shares who: (a) for UK tax purposes are resident in the UK (except to the extent that the position of non-UK resident shareholders is expressly referred to) and, in the case of individuals, are domiciled in the UK and to whom “split-year” treatment does not apply (b) who hold the Ordinary Shares as investments (other than under an individual savings account or a self-invested personal pension), and (c) who are the beneficial owners of the Ordinary Shares (and any dividends paid on them). The statements may not apply to certain classes of holders of Ordinary Shares, such as (but not limited to) persons acquiring their Ordinary Shares in connection with an office or employment, dealers in securities, insurance companies, pension schemes and collective investment schemes and persons connected to the Company or the Group. The statements are written on the basis that the Company does not (and will not) directly or indirectly derive 75% or more of its qualifying asset value from UK land. The Company anticipates that the tax treatment applicable to holders of Ordinary Shares described below under “Taxation of chargeable gains” and “Taxation of dividends” will apply also to holders of Depository Interests on the basis that the Depository will hold the underlying Ordinary Shares on trust (as bare trustee under English law) for the holders of the Depository Interests.

It is the intention of the Directors to continue to conduct the affairs of the Company so that the central management and control of the Company is exercised in the UK and that, accordingly, the Company will continue to be treated as tax resident solely in the UK. The following statements are based on the assumption that the Company will be resident in the UK (and, notwithstanding it being incorporated in the British Virgin Islands, not resident anywhere else) for taxation purposes. If the tax residency of the Company changes in the future then the following statements may no longer be accurate.

**The summary below does not constitute tax or legal advice, and holders of Ordinary Shares who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.**

#### **Taxation of chargeable gains**

Individual holders of Ordinary Shares who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal of the Ordinary Shares (subject to any available exemption or relief). Individuals generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of their Ordinary Shares. These gains may be reduced by capital losses brought forward from previous tax years or losses generated in the tax year of disposal, and by annual exemptions (the annual exemption from capital gains tax for UK resident individuals is £6,000 for the 2023/2024 tax year). The resulting gains will be subject to capital gains tax at the rate applicable to the individual (currently 10 per cent. for basic rate taxpayers and 20 per cent. for those whose total income and chargeable gains are above the higher rate threshold).

UK resident holders of Ordinary Shares within the charge to corporation tax are taxed on the chargeable gains made, computed by deducting from the net sales proceeds the chargeable gains base cost in respect of their Ordinary Shares. Since 1 April 2023, the main rate of corporation tax has been 25 per cent., applicable to companies with annual profits in excess of £250,000. A rate of 19 per cent. applies for companies with annual profits of £50,000 or less. Companies with annual profits between £50,000 and £250,000 pay corporation tax at the main rate of 25 per cent. reduced by a marginal relief, subject to certain criteria being met. The £50,000 and £250,000 limits are shared between associated companies.

Subject to the paragraph below (dealing with temporary non-residents) holders of Ordinary Shares who are not resident in the UK for UK tax purposes will not generally be subject to UK tax on chargeable gains, unless they carry on a trade, profession or vocation in the UK through a branch

or agency, or (in the case of a company) carry on a trade in the UK through a permanent establishment, and the Ordinary Shares disposed of are used, held or acquired for the purposes of that branch, agency or permanent establishment, or used for the purposes of the trade.

A holder of Ordinary Shares who is an individual, who has ceased to have sole UK residence for tax purposes in the UK for a period of five years or less and who disposes of Ordinary Shares during that period may be liable to UK taxation on capital gains on their return to the UK (subject to the relevant conditions being met and any available exemption or relief). If applicable, the tax charge will arise in the tax year that the individual returns to the UK.

Holders of Ordinary Shares who are not resident in the UK may be subject to charges to taxation in jurisdictions outside the UK, depending on their personal circumstances.

### **Taxation of dividends**

Under UK tax legislation, the Company is not required to withhold tax at source from any dividend payments it makes.

For individual holders of Ordinary Shares who are resident in the UK, for the 2023/2024 tax year, the first £1,000 of dividend distributions (taking into account dividends received from the Company and any other dividend income received by the holder) received will be free of income tax (the “**annual dividend allowance**”). Where an individual’s dividend income from all sources exceeds the annual dividend allowance, the excess will be liable to income tax at the dividend tax rates reflecting the holder’s highest rate of tax. The dividend tax rates for the 2023/2024 tax year are 8.75 per cent. for basic rate taxpayers, 33.75 per cent. for higher rate taxpayers and 39.35 per cent. for additional rate taxpayers. Dividends received within a holders’ dividend allowance count towards total taxable income and affect the rate of tax due on any dividends received exceeding it. For these purposes “dividend income” includes without limitation UK and non-UK source dividends and certain other distributions in respect of shares.

UK resident holders of Ordinary Shares within the charge to corporation tax will be subject to UK corporation tax on receipt of dividends, at the rates set out above in the “Taxation of chargeable gains” section, unless such dividends can be treated as an exempt distribution. This is dependent upon the satisfaction of certain conditions set out in Part 9A of the Corporation Tax Act 2009. Whilst it is expected that dividends paid by the Company should generally satisfy such conditions, the exemptions in Part 9A of the Corporation Tax Act 2009 are not comprehensive and are subject to anti-avoidance rules meaning that there is no guarantee that this will be the case, and it will be necessary for holders of Ordinary Shares to consider the application of such conditions in respect of every dividend received and in the context of their own circumstances.

Non-UK resident holders of Ordinary Shares should not generally be subject to UK tax on dividends paid by the Company (whether via withholding or direct assessment), unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a company, a permanent establishment) in connection with which the Ordinary Shares are used, held or acquired. It is important that prospective investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

### **Stamp duty and stamp duty reserve tax (“SDRT”)**

**The statements below are intended as a general guide to the current UK stamp duty and SDRT position. It should be noted that special rules may apply to issuances and transfers to, or to a nominee or agent for, a depository receipt issuer or clearance service provider, and certain other categories of person, including market makers, brokers, dealers and intermediaries.**

Neither UK stamp duty nor SDRT should generally arise on the issue of Ordinary Shares or Depositary Interests.

According to HMRC guidance, the paperless transfer of Depositary Interests within the CREST system should not be subject to SDRT provided that, at the time of the transfer (or any agreement to transfer), the underlying Ordinary Shares meet the requirements of the “recognised growth market exemption” under section 99(4B) of the Finance Act 1986 (the “**FA 1986**”). The requirements for this exemption to apply are that the Ordinary Shares are admitted to trading on a “recognised growth market” (within the meaning of section 99A of the FA 1986), but are not listed on any market

(with the term “listed” construed in accordance with section 99A of the FA 1986). AIM is a “recognised growth market” for these purposes.

A transfer, or agreement to transfer, Ordinary Shares should also not be subject to any UK stamp duty or SDRT provided that, at the time of the transfer or agreement to transfer, the Ordinary Shares qualify for the recognised growth market exemption.

In the event that the requirements of the recognised growth market exemption are not, or cease to be met (for example, if, in the future, the Ordinary Shares were to become listed on another stock exchange), transfers and agreements to transfer Ordinary Shares and/or Depository Interests could, in principle, be subject to UK stamp duty and/or (if the registers of the Company continue to be maintained in the UK) SDRT at the rate of 0.5% of the amount or value of the consideration for the transfer.

## **2. BRITISH VIRGIN ISLANDS TAXATION**

### *The Company*

The Company is not subject to any income, withholding or capital gains taxes in the British Virgin Islands. No capital or stamp duties are levied in the British Virgin Islands on the issue, transfer or redemption of Ordinary Shares.

### *Shareholders*

Shareholders who are not tax resident in the British Virgin Islands will not be subject to any income, withholding or capital gains taxes in the British Virgin Islands, with respect to the shares of the Company owned by them and dividends received on such Ordinary Shares.



## **PART IV**

### **HISTORICAL FINANCIAL INFORMATION OF THE GROUP**

The historical financial information of the Group (including the notes to the historical financial information) for the financial year ended 30 June 2021, 2022 and 2023, which are audited, are incorporated by reference into, and forms part of, this Part IV of this document.

No qualified audit report has been included in this document or has been given in relation to any financial information published by the Company.

For a cross-reference list of the relevant sections of such documents being incorporated by reference, refer to paragraph 21 of Part VII of this document.

**PART V**  
**HISTORICAL FINANCIAL INFORMATION OF THE ACQUIRED GROUP  
AND SYNAPTIC**

**SECTION A**

**ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION  
OF THE ACQUIRED GROUP AND SYNAPTIC**

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8 January 2024

Our Ref: JMM/26627316

Dear Sirs

We report on the historical financial information ('HFI') comprising the financial information of the entities (together the 'Target Group') for each of the periods described below, as set out in part V of the AIM Admission document dated 8 January 2024 (the 'Admission Document'). We have reviewed but not audited the aggregated financial information of the Target Group for the 6 months ended 30 June 2023 as set out in part IV of the Admission Document, and accordingly do not express an opinion thereon.

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership, registered in England with registered number OC312313. A list of partners' names is open for inspection at its registered office, 201 Silbury Boulevard, Milton Keynes MK9 1LZ.

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**Entities and periods under review covered by our opinion**

The HFI presented in the Admission Document is as follows

Company	Period
CAPITA IB SOLUTIONS LIMITED	THE PERIOD FROM 31 AUGUST 2021 TO 31 DECEMBER 2022
CAPITA IB SOLUTIONS (IRELAND) LIMITED	THE THREE YEARS FROM 1 JANUARY 2020 TO 31 DECEMBER 2022
CHKS LIMITED	THE YEAR ENDED 31 DECEMBER 2022
COMBINED HISTORICAL FINANCIAL INFORMATION OF CAPITA RETAIN LIMITED AND CAPITA RETAIN (US) LLC	THE PERIOD FROM 26 AUGUST 2021 TO 31 DECEMBER 2022
CAPITA WORKFORCE MANAGEMENT LIMITED	THE PERIOD FROM 27 AUGUST 2021 TO 31 DECEMBER 2022
SYNAPTIC SOFTWARE LIMITED	THE THREE YEARS FROM 1 JANUARY 2020 TO 31 DECEMBER 2022

**Responsibilities**

The Directors of the Company are responsible for preparing the Target Group's financial information in accordance with International Financial Reporting Standards as adopted by the United Kingdom.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council ('FRC') in the United Kingdom. We are independent of the Company and the Target Group in accordance with relevant ethical requirements. In the United Kingdom this is the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

**Basis of Preparation**

The Target Group's financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the financial information. This report is required by Annex I item 20.1 of the Prospectus Rules, as applied by Schedule Two paragraph (a) of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

**Opinion on financial information**

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the following

- the state of affairs of Capita IB Solutions Limited at 31 December 2022 and of its profits, cash flows and changes in equity for the period from 31 August 2021 to 31 December 2022,

- the state of affairs of Capita IB Solutions (Ireland) Limited at 31 December 2020, 2021 and 2022 and of its profits, cash flows and changes in equity for the 3 years ended 31 December 2022
- the state of affairs of CHKS Limited at 31 December 2022 and of its profit, cash flow and changes in equity for the year ended 31 December 2022
- the state of affairs of Combined historical information of Capita Retain Limited and Capita Retain (US) LLC at 31 December 2022 and of its profits, cash flows and changes in equity for the period from 26 August 2021 to 31 December 2022
- the state of affairs of Capita Workforce Management Limited at 31 December 2022 and of its losses, cash flows and changes in equity for the period from 27 August 2021 to 31 December 2022,
- the state of affairs of Synaptic Software Limited at 31 December 2020, 2021 and 2022 and of its losses cash flows and changes in equity for the 3 years ended 31 December 2022.

in accordance with UK adopted International Financial Reporting Standards.

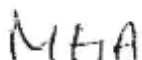
### **Conclusions relating to going concern**

We have not identified a material uncertainty related to events or conditions that, individually or collectively, may cast doubt on the ability of the Target Group to continue as a going concern for a period of at least 12 months from the date of this report. We therefore conclude that the Directors' use of the going concern basis of accounting in preparation of the Target Group's financial information is appropriate.

### **Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and we declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully



MHA

Reporting Accountant

**SECTION B**  
**HISTORICAL FINANCIAL INFORMATION OF THE ACQUIRED GROUP**  
**AND SYNAPTIC**

***SECTION B-1***

***HISTORICAL FINANCIAL INFORMATION OF INTEGRATED BUSINESS***  
***SOFTWARE AND SOLUTIONS LIMITED (FORMERLY CAPITA IB***  
***SOLUTIONS LIMITED)***  
***FOR THE PERIOD ENDED 31 DECEMBER 2022***

## HISTORICAL STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December 2022 £
<b>Continuing operations</b>	<b>Note</b>	
Revenue	6	15,012,605
Cost of sales		(9,063,523)
<b>Gross profit</b>		<u>5,949,082</u>
Administrative expenses		(3,928,889)
<b>Profit from operations</b>	7	<u>2,020,193</u>
Other income		610,397
Net finance costs	11	(75,990)
<b>Profit before tax expense</b>		<u>2,554,600</u>
Tax on profit	12	(185,204)
<b>Net profit and total comprehensive income for the period</b>		<u><u>2,369,396</u></u>
 <b>Earnings per share</b>		
Basic	4	<u>2,369,396</u>

There is no difference between basic and diluted earnings per share

There are no further items of comprehensive income other than those shown above.



## STATEMENT OF FINANCIAL POSITION

		31 December 2022 £
<b>Non-current assets</b>	<b>Note</b>	
Intangible assets	14	2,249,744
Contract fulfilment assets	17	780,661
Deferred tax asset	13	767,615
Property, plant and equipment	15	18
		<u>3,798,038</u>
<b>Current assets</b>		
Trade and other receivables	18	7,722,560
Cash and cash equivalents		863,357
<b>Total current assets</b>		<u>8,585,917</u>
<b>TOTAL ASSETS</b>		<u><u>12,383,955</u></u>
<b>Equity and liabilities</b>		
Equity attributable to equity holders of the parent		
Share capital	26	1
Retained earnings		2,369,396
<b>Total equity</b>		<u><u>2,369,397</u></u>
<b>Current liabilities</b>		
Trade and other payables	19	4,442,541
Current tax payable		375,600
Contract liabilities	20	5,196,417
<b>Total current liabilities</b>		<u>10,014,558</u>
<b>TOTAL LIABILITIES</b>		<u>10,014,558</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>12,383,955</u></u>

## STATEMENT OF CHANGES IN EQUITY

---

	Share capital £	Retained earnings £	Total equity £
Total comprehensive income for the period	-		
Issue of share capital	1	2,369,396	2,369,396
		-	1
Balance at 31 December 2022	<u>1</u>	<u>2,369,396</u>	<u>2,369,397</u>

### Issued share capital

The balance classified as share capital is the subscription share issued of the Company's equity share capital on incorporation, comprising 1 ordinary share of £1 each.

### Retained earnings

Retained earnings represents accumulated profits and losses of the Company.

## STATEMENT OF CASH FLOW

		Year ended 31 December
	Note	2022 £
<b>Cash flows from operating activities:</b>		
Loss before taxation		2,554,600
Finance costs		75,990
Depreciation of property plant and equipment		4,343
Contract fulfilment asset movement		327,763
Increase in trade and other receivables		(4,806,006)
Increase/(decrease) in trade and other payables		2,782,656
Loss on disposal of property, plant and equipment		1,226
		<hr/>
Cash generated from operations		939,346
Tax paid		-
<b>Net cash generated from operating activities</b>		<hr/> 939,346 <hr/>
<b>Cash flows from financing activities:</b>		
Interest paid		(75,990)
Share capital issued		1
		<hr/>
<b>Net cash from financing activities</b>		(75,989) <hr/>
<b>Net increase in cash and cash equivalents</b>		863,357 <hr/>
<b>Cash and cash equivalents at end of period</b>		863,357 <hr/>

There were no movements in net debt other than the movement in cash and cash equivalents shown above.

### 1 General Information

Integrated Business Software and Solutions Limited is a private limited liability company, limited by shares. It was incorporated, registered and domiciled in the United Kingdom on 31 August 2021. The registration number is 13593644 and its registered address is 65 Gresham Street, London, England, EC2V 7NQ.

Integrated Business Software and Solutions Limited was a wholly owned subsidiary (directly held) of Capita Secure Information Solutions Limited. The company was incorporated on 31 August 2021 and the company's first set of financial statements were prepared for the period from 31 August 2021 to 31 December 2022. Capita plc and its subsidiaries are hereinafter referred to as "the Capita Group".

On 1 November 2021, Capita Secure Information Solutions Limited and Capita Business Services Limited transferred the trade and assets relating to the finance software tool business into Integrated Business Software and Solutions Limited. Please refer to note 25 for further details.

The principal activity of Integrated Business Software and Solutions Limited is the implementation of market-leading software applications for healthcare provider organisations.

### 2 Summary of significant accounting policies

#### Statement of compliance

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the United Kingdom ("UK-adopted IFRS").

This Historical Financial Information does not constitute statutory accounts within the meaning of section 435 of Companies Act 2006. The Directors of the Company are solely responsible for the preparation of this Historical Financial Information.

#### Basis of preparation

This Historical Financial Information presents the financial track record of Integrated Business Software and Solutions Limited for the period from its incorporation on 31 August 2021 to 31 December 2022 and is prepared for the purposes of admission of the Company to AIM, a market operated by the London Stock Exchange.

This basis of preparation describes how this Historical Financial Information has been prepared in accordance with the requirements of the AIM Rules for Companies and UK-adopted IFRS.

The Historical Financial Information has been prepared on the following basis:

- The financial information for the company for the period ended 31 December 2022
- Using the historical cost convention except for, where disclosed in the accounting policies, certain items shown at fair value.

The Historical Financial Information is presented in Pounds Sterling, being the functional currency of the Company.

For the period to 31 December 2022, Integrated Business Software and Solutions Limited previously prepared its statutory financial statements in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101'). This historical information for the period ended 31 December 2022 is the first financial information Integrated Business Software and Solutions Limited has prepared in accordance with UK-adopted IFRS and the date of transition was 31 August 2021 (i.e. the date of incorporation). In preparing this Historical Financial Information no transitional adjustments were required as FRS 101 requires the adoption of IFRS accounting principles but with certain disclosure exemptions.

### Changes in accounting policy and disclosures

#### *(a) New and amended accounting standards*

No new standards, interpretations and amendments have had a material effect on the Historical Financial Information.

#### *(b) Future standards*

At the date of authorisation of the Historical Financial Information, the Company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

- Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8 (effective 1 January 2023)
- Amendment to IAS 12 – deferred tax (effective 1 January 2023)
- Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)
- IFRS 17 'Insurance contracts' (effective 1 January 2024)

All of the above are effective for annual periods commencing on or after the dates shown above. As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

From 1 January 2023 the Company will apply UK-adopted IFRS.

### Going concern

In determining the appropriate basis of preparation for the annual report and financial statements for the period ended 31 December 2022, the company's Directors ("the Directors") are required to consider whether the company can continue in operational existence for the foreseeable future, being a period of at least 12 months following the approval of these financial statements. The Directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, sensitivities, and mitigations as set out below.

The financial forecasts used for the going concern assessment are derived from financial projections for 2023-2024 for the company which have been subject to review and challenge by management and the Directors. The Directors have approved the projections.

### Revenue recognition

Revenue is earned within the UK. The revenue recognition is based on the principles set out in IFRS 15. The company operates in the below streams of revenue:

Software licences delivered by the company can either be right to access ('active') or right to use ('passive') licences, which determines the timing of revenue recognition. The assessment of whether a licence is active or passive involves judgement.

The key determinant of whether a licence is active is whether the company is required to undertake continuing activities that significantly affect the licensed intellectual property (or the customer has a reasonable expectation that it will do so) and the customer is, therefore, exposed to positive or negative impacts resulting from those changes. The Company is in a majority of cases responsible for any maintenance, continuing support, updates and upgrades and accordingly the sale of the initial software is not distinct. All other licences which have significant stand-alone functionality are treated as passive licences.

When software upgrades are sold as part of the software licence agreement (i.e. software upgrades are promised to the customer), the company applies judgement to assess whether the software upgrade is distinct from the licence (i.e. a separate performance obligation). If the upgrade is considered fundamental to the ongoing use of the software by the customer, the upgrades are not considered distinct and not accounted for as a separate performance obligation.

### **Maintenance and managed services**

The company has assessed that maintenance and managed services (ie on-call support, remote support) for software licences is a performance obligation that can be considered capable of being distinct and separately identifiable in a contract if the customer has a passive licence. These recurring services are substantially the same because the nature of the promise is for the company to 'stand ready' to perform maintenance and support when required by the customer. Each day of 'standing ready' is distinct from each subsequent day and is transferred in the same pattern to the customer.



### ***Other ad hoc services***

For all other contracts, the company determines if the arrangement with a customer creates enforceable rights and obligations. This assessment results in certain Master Service Agreements (MSAs) or Frameworks not meeting the definition of a contract under IFRS 15 and as such the individual call off agreements, linked to the MSA, are treated as individual contracts.

The company enters into contracts which contain extension periods, where either the customer or both parties can choose to extend the contract or there is an automatic annual renewal, and/or termination clauses that could impact the actual duration of the contract. Judgement is applied to assess the impact that these clauses have when determining the appropriate contract term. The term of the contract impacts both the period over which revenue from performance obligations may be recognised and the period over which contract fulfilment assets and capitalised costs to obtain a contract are expensed.

### ***Contract modifications***

The company's contracts are often amended for changes in contract specifications and requirements. Contract modifications exist when the amendment either creates new or changes the existing enforceable rights and obligations. The effect of a contract modification on the transaction price and the company's measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

- a. prospectively as an additional separate contract;
- b. prospectively as a termination of the existing contract and creation of a new contract;
- c. as part of the original contract using a cumulative catch up; or
- d. as a combination of (b) and (c).

For contracts for which the company has decided there is a series of distinct goods and services that are substantially the same and have the same pattern of transfer where revenue is recognised over time, the modification will always be treated under either (a) or (b); (d) may arise when a contract has a part-termination and a modification of the remaining performance obligations.

The facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes.

### ***Deferred and accrued income (Contract liabilities and contract assets)***

The company's customer contracts include a diverse range of payment schedules dependent upon the nature and type of goods and services being provided. This can include performance-based payments or progress payments as well as regular monthly or quarterly payments for ongoing service delivery. Payments for transactional goods and services may be at delivery date, in arrears or part payment in advance. Our long-term service contracts tend to have higher cash flows early on in the contract to cover transformational activities.

Where payments made to date are greater than the revenue recognised to date at the period end date, the company recognises a deferred income contract liability for this difference. Where payments made are less than the revenue recognised at the period end date, the company recognises an accrued income contract asset for this difference.

At each reporting date, the company assesses whether there is any indication that accrued income assets may be impaired by considering whether the revenue remains highly probable that no revenue reversal will occur. Where an indicator of impairment exists, the company makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### ***Contract fulfilment costs***

Contract fulfilment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred.

When determining the appropriate accounting treatment for such costs, the Company firstly considers any other applicable standards. If those other standards preclude capitalisation of a particular cost, then an asset is not recognised under IFRS 15.

If other standards are not applicable to contract fulfilment costs, the Company applies the following criteria which, if met, result in capitalisation: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered.

The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

### *Utilisations*

The utilisation charge is included within cost of sales. The company utilises contract fulfilment assets over the expected contract period using a systematic basis that mirrors the pattern in which the Company transfers control of the service to the customer. Judgement is applied to determine this period.

### *Derecognition*

A contract fulfilment asset is derecognised either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

### *Impairment*

At each reporting date, the company determines whether or not the contract fulfilment assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

## **Goodwill**

Following initial recognition, goodwill is stated at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

At the acquisition date, any goodwill acquired is allocated to the cash-generating units (CGU) which are expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained.

## **Property, plant and equipment**

Property, plant and equipment are stated at cost less depreciation. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	3-5 years
--------------------	-----------

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstance indicate that the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

## **Pensions**

The company participates in a number of defined contribution schemes and contributions are charged to the income statement in the period in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the company. The Company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking, which pays the Capita Group liability centrally. Any unpaid contributions at the year-end have been accrued in the accounts of that company.

### **Taxation**

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

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

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### **Financial instruments**

#### ***Trade and other receivables***

The company assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

#### ***Trade and other payables***

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### ***Cash and cash equivalents***

Cash in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less from inception.

### **Foreign Exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in profit or loss.

### **Common control transactions**

Where a business is transferred from one legal entity to another legal entity within the Capita Group under a Business Transfer Agreement ("BTA"), this is treated as a business combination under common control, and would therefore fall outside of the scope of IFRS 3 Business Combinations. As such, an accounting policy choice has been made for how common control transactions are dealt with across the Group, as follows:

- Where a BTA is undertaken at net book value (with consideration paid equal to the net book value of the assets and liabilities transferred on the BTA date), the relevant assets and liabilities of the transferring business are recognised in the transferee at their previous carrying values as in

the transferor's stand-alone entity accounts;

- Where the consideration paid is greater than the net book value of the assets and liabilities transferred, this excess is recognised as a gain on disposal for the transferor, and by the recognition of entity level goodwill in the transferee, which would be linked to the acquired business.

### 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires the Directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the presented period. Although these judgements and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Contract fulfilment assets: Judgement is applied by the Company when determining what costs qualify to be capitalised, in particular when considering whether these costs are incremental and when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

### 4 Earnings per share

	2022 £
<b>Basic</b>	
Earnings used in calculation of earnings per share:	
Total profits attributable to equity holders	2,369,396
Weighted average number of shares in issue	1
<b>Earnings per share</b>	
On total profits attributable to equity holders	2,369,396

There are no potentially dilutive shares and therefore there is no difference between basic and diluted earnings per share.

### 5 Segmental reporting

The company's management have identified the company as a single operating segment. The results are monitored by the chief operating decision maker and strategic decisions are made based on the company's results as a whole.

There are no customers individual representing 10% or more of total revenues.

All of the company's operations and sales are based in the United Kingdom.

**6 Revenue**

Revenue is earned from contracts with customers within the United Kingdom.

***Significant judgements and policies***

The company applies the principles of revenue recognition set out in IFRS 15. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised 'over time' as control of the performance obligation is transferred to the customer

The significant judgements used in applying IFRS 15 are disclosed in note 2 above.

***Disaggregation of revenue***

The Directors consider that, based on the characteristics of the work being performed and the consequent effect on the nature of revenue recognition, there are no distinct categories of revenue to be disaggregated., No analysis by market is given as the Directors consider that there are no distinct markets that are used for operating and decision-making purposes.

***Contract balances***

Contract fulfilment assets (note 16) are recognised for those costs qualifying for capitalisation. The utilisation of these assets is recognised over the contract term. The utilisation of assets is recognised over the contract term. The timing of cash receipts from customers typically matches when the costs are incurred to transform, restructure and run the service. This results in income being deferred and released as the Company continues to deliver against its obligation to provide services and solutions to its customers. Deferred income balances are disclosed in note 19 as contract liabilities.

All deferred income is expected to be released to revenue within 12 months of the balance sheet date.

**7 Profit from operations**

Profit from operations is stated in the consolidated income statement after charging/(crediting):

	<b>2022</b>
	<b>£</b>
Depreciation of property, plant and equipment	4,343
Net foreign exchange loss	1,226
Expenses related to short-term leases	43,021
	<hr/> <hr/>

**8 Auditor's remuneration**

	<b>2022</b>
	<b>£</b>
For audit of the financial statements	<hr/> 24,000

The audit fees were borne by the ultimate parent undertaking, Capita Plc. Non-audit services are provided by the company's auditors at group level and no allocation is made to the company.

9 **Staff costs**

The aggregate employee benefit expenses were as follows:

	<b>2022</b>
	<b>£</b>
Wages and salaries	5,855,538
Social security costs	400,908
Pension costs	90,392
	<u>6,346,838</u>

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

	<b>2022</b>
	<b>No.</b>
Administration	8
Operations	23
	<u>31</u>

10 **Transactions with key management personnel**

Key management of the company are the members of the board of directors. Key management personnel remuneration includes the following expenses:

	<b>2022</b>
	<b>£</b>
Wages and salaries	148,700
Pension costs	1,418
	<u>150,118</u>

During the year retirement benefits were accruing to 2 directors in respect of defined contribution pension schemes.

11 **Net finance costs**

	<b>2022</b>
	<b>£</b>
Interest expense on amounts due to ultimate parent	<u>75,990</u>

12 **Income taxes**

	<b>2022</b>
	<b>£</b>
<b>Current tax:</b>	
UK corporation tax	375,600
Adjustments to prior periods	-
<b>Total current tax charge</b>	<u>375,600</u>



## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### Deferred tax:

Origination and reversal of temporary differences	(190,396)
Adjustments in respect of prior periods	-
	<u>(190,396)</u>

<b>Tax on profit on ordinary activities</b>	<b>185,204</b>
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Tax on loss on ordinary activities for the period is lower than the standard rate of corporate tax in the UK of 19%,

The differences are reconciled below:

	<b>Period ended 31 December</b>	<b>2022</b>
		<b>£</b>
<b>Continuing operations</b>		
<b>Profit on ordinary activities before taxation</b>		<u>2,554,600</u>
Tax at the UK rate of 19%		485,374
<i>Effect of:</i>		
Expenses not deductible for tax purposes		33
Non-taxable income		(115,975)
Impact of changes in tax rates		<u>(184,228)</u>
<b>Total tax charge</b>		<u>185,204</u>

### 13 Deferred tax

Deferred tax balances are analysed as follows:

	<b>Fixed asset temporary differences</b>	<b>Tax losses</b>	<b>Contract fulfilment asset</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Arising on common control transaction	3,074	576,519	(2,374)	577,219
Tax credit/(charge) in respect of current year	6,540	182,059	1,797	190,396
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 31 December 2022 – asset/(liability)	9,614	758,578	(577)	767,615

A change to the main UK corporation tax rate was substantively enacted on 24 May 2021. The rate applicable from 1 April 2023 increases from 19% to 25%. The deferred tax asset at 31 December 2022 has been calculated based on this rate.

### 14 Intangible assets

	<b>Goodwill</b>
	<b>£</b>
<b>Cost and net book value</b>	
At 31 August 2021	-
Arising on common control transaction	2,249,744
At 31 December 2022	<u>2,249,744</u>

## Impairment testing

The directors consider that the company comprises a single cash generating unit ('CGU') for its UK entities as, operationally, there are no elements of the business that are managed or analysed into separate groups for either operational or financial management purposes.

The company tests goodwill for impairment annually, using the value-in-use basis. This involves deriving a value for goodwill based on the net present value of future cash flows of the Capita Group. The directors used five-year forecasts to 31 December 2027 as the basis for the testing. Cash flows were estimated using the basis of EBITDA (earnings before interest, tax, amortisation and depreciation) less exceptional items, capital expenditure and taxation payments, and also taking account projected working capital movements (which are not expected to have a significant impact). Cash flows up to and including the year ending 31 December 2027 were then estimated using a growth rate of nil for the first three years and 2.2% per annum for the next two years, which is considered by the directors to be a prudent estimate of the potential growth in the sector. A terminal value was then calculated based on the same factors, and the discount rate described below.

The discount rate used in the calculations was based on a calculation of the company's weighted average cost of capital which has been applied at 12.1%.

Based on the results of the impairment testing, no impairment charge has been made against the carrying value of goodwill at 31 December 2022. The directors have considered any reasonably possible changes in assumptions that could lead to an impairment charge arising. Given the amount of headroom in the model against the carrying value of goodwill, the directors do not consider there to be any reasonable changes in assumptions that would give rise to a potential impairment charge.

## 15 Property, Plant and Equipment

	<b>Computer equipment £</b>
<b>Cost</b>	
At 31 August 2021	-
Arising on common control transaction	4,361
At 31 December 2022	<u>4,361</u>
<b>Depreciation</b>	
At 31 August 2021	-
Charge for the period	4,343
At 31 December 2022	<u>4,343</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>18</u></u>

## 16 Contract fulfilment assets

	<b>£</b>
At 31 August 2021	-
Arising on common control transaction	1,108,424
Additions	368,944
Impairment	(110,468)
Utilised during the period	<u>(586,239)</u>
At 31 December 2022	<u><u>780,661</u></u>

In preparing these financial statements, the entity undertook a review to identify indicators of impairment of contract fulfilment assets. The entity determined whether or not the contract fulfilment assets were impaired by comparing

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

the carrying amount of the asset to the remaining amount of consideration that the entity expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the entity used the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price were removed for the impairment test.

In line with our accounting policy, as set out in note 2, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific KPIs that could trigger variable consideration, or service credits.

### 17 Trade and other receivables

	<b>2022</b>
	<b>£</b>
Amounts falling due within one year:	
Trade receivables	2,759,724
Amounts due from group undertakings	4,447,964
Accrued income	410,834
Prepayments	104,038
	<u>7,722,560</u>

Trade and other receivables and contract assets above are stated net of expected credit loss ('ECL') provisions where necessary, which are calculated using the simplified approach grouping trade receivables and contract assets on the basis of their shared credit risk characteristics. Trade receivables above represents gross receivables of £2,965,295 net of provisions of £205,571.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses. Where the carrying value of an assets exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The company monitors the level of trade receivables on a monthly basis, continually assessing the risk of default by any counterparty. Each customer has an external credit score which determines the level of credit provided.

The Directors believe the credit risk attached to its customer base is relatively low. Based on their assessment as described above, they consider that a policy of providing for all receivables more than 6 months old provides a sufficient basis to provide for expected credit losses.

The maturity analysis of trade receivables is:

	<b>&lt; 1 month</b>	<b>1-3 months</b>	<b>4-6 months</b>	<b>&gt; 6 months</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>ECL provision applied</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	
31 December 2022	1,892,338	573,363	343,756	155,838	2,965,295

The expected credit loss provision exceeds the amount due in more than 6 months shown above due to the existence of credit balances.

### 18 Trade and other payables

	<b>2022</b>
	<b>£</b>
Current liabilities:	
Trade payables	58,587
Amounts due to group undertakings	3,665,145
Social security and other taxes	492,464
Other payables	3,958
Accrued expenses	222,387
	<u>4,442,541</u>

Amounts due to group undertakings are repayable on demand and are not chargeable to interest, except for amount due to Capita plc of £2,685,990, on which interest is charged as per the prevailing Bank of England rates.

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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### 19 Contract liabilities

	<b>2022</b>
Current liabilities :	<b>£</b>
Deferred income	5,196,417
	<u>5,196,417</u>

The deferred income balances solely relate to revenue from contracts with customers. Movements in the deferred income balances were driven by intragroup transfers and transactions entered into by the company within the normal course of business in the period.

### 20 Financial instruments

	<b>2022</b>
Financial assets held at amortised cost:	<b>£</b>
Trade receivables	2,759,724
Amounts due from group undertaking	4,447,964
Cash and cash equivalents	863,357
	<u>8,071,045</u>

	<b>2022</b>
Financial liabilities held at amortised cost:	<b>£</b>
Bank overdrafts	
Amounts due to group undertakings	3,665,145
Trade payables	58,587
Other payables	3,958
Accrued expenses	222,387
Lease liabilities	
	<u>3,950,077</u>

### 21 Financial Risk management

The company uses various financial instruments. These primarily include cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations.

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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The existence of these financial instruments expose the company to a number of financial risks, which are described in more detail below.

### a) Market risk

Market risk encompasses three types of risk, being currency risk, interest rate risk and price risk. The company does not have any assets or liabilities that expose it to currency risk or price risk. Interest rate risk is discussed further below.

### b) Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing cash balances. The Company has significant levels of cash reserves available.

The company's financial liabilities comprise trade payables, other payables, accruals and amounts due to group undertakings. All liabilities are repayable on demand. The main liquidity risk arises on the amount due to the Company's parent, which is considered low given the relationship between the parties.

### c) Interest rate risk

Interest rate risk is limited to the amounts due to group undertakings, which are linked to prevailing Bank of England rates. A 10% variation in rates would have led to a variation in finance costs for the period of £7,599.

### d) Credit risk

The company's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The credit risk associated with trade receivables is minimal as invoices are based on contractual agreements with long-standing customers. Credit losses historically incurred by the company have consequently been immaterial.

The company had no material receivables past due or impaired at 31 December 2022.

### e) Capital risk management

The company's primary objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The company was part of the Capita Group for the period ended 31 December 2022 and was therefore able to draw on the resources of the Capita Group as a whole in order to provide capital for the purposes of funding working capital. Throughout the period, the company was mainly funded by cash reserves. There was no long term debt at 31 December 2022.

## 22 Share capital

Issued capital

*Authorised*

**2022  
Number**

Ordinary shares of £1 each

1

*Allotted, called up and fully paid*

Ordinary shares of £1 each

**2022  
£  
1**

### Share rights

The ordinary shares in each company have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

## 23 Defined contribution pension scheme

The company operates defined contribution pension schemes. The pension cost charge for the period represented contributions payable by the company to the schemes and amounted to £90,392. No contributions were due to the scheme at the end of the year.

24 **Related party transactions**
**Ultimate controlling party**

During the historical financial period, the company was ultimately controlled by Capita Plc. On 8 June 2023, the company was sold and the ultimate controlling party became AdvancedAdvT Limited from that date.

**Key management personnel compensation**

Key management personnel remuneration has been set out in note 10 to the Historical Financial Information

**Transactions with group companies**

The following transactions occurred with other companies within the Group:

**Sales**

	<b>2022</b>
	<b>£</b>
Capita Plc	958,539
Capita Business Services Limited	1,533,793
Capita Resourcing Limited	16,397
Agiito Limited	74
CHKS Limited	17,149
Capita IT Services Limited	64,566
Capita Secure Information Solutions Limited	591,426
Entrust Support Services Limited	131,922
Capita Shared Services Limited	191,599
Capita Retain Limited	77,374

**Purchases**

	<b>2022</b>
	<b>£</b>
Capita Plc	2,316,639
Capita Business Services Limited	2,169,716
Capita International Limited	19,630
Capita Resourcing Limited	135,052
Agiito Limited	2,429
Computerland UK Limited	146,969
CHKS Limited	524,157
Capita IT Services Limited	124,223
Capita Secure Information Solutions Limited	4,597,120
Entrust Support Services Limited	131,940
Udata Infrastructure (UK) Limited	41,911
Trustmarque Solutions Limited	43,371
Capita Shared Services Limited	939,403
Capita Retain Limited	21,085
Capita IB Solutions (Ireland) Limited	710,881

In addition to the above, the company incurred £75,990 in interest on intercompany loans payable to Capita Plc.

**Transactions with other related parties**

There were no transactions with related parties outside the Group.

All transactions were undertaken at normal market prices.



## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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### Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

<b>Current receivables</b>	<b>2022</b>
	<b>£</b>
Capita Business Services Limited	1,206,250
CHKS Limited	2,650
Capita IT Services Limited	64,566
Capita Secure Information Solutions Limited	1,952,696
Capita Shared Services Limited	192,808
Capita Retain Limited	77,374

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<b>Current payables</b>	<b>2022</b>
	<b>£</b>
Capita Business Services Limited	158,825
Capita International Limited	4,907
Capita Resourcing Limited	16,751
Agitto Limited	650
Computerland UK Limited	16,798
CHKS Limited	514
Capita IT Services Limited	59,233
Capita Secure Information Solutions Limited	33,673
Capita Shared Services Limited	939,919
Capita Retain Limited	21,085
Capita IB Solutions (Ireland) Limited	96,886

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<b>Intercompany loans payable</b>	<b>2022</b>
	<b>£</b>
Capita Plc	2,685,990

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<b>Intercompany loans receivable</b>	<b>2022</b>
	<b>£</b>
Capita Business Services Limited	1,168,004
Capita Secure Information Solutions Limited	335,585

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25 **Common control transactions**

On 1 November 2021, the trade and associated assets of the Integra business was transferred from Capita Secure Information Solutions Limited ('CSIS') and Capita Business Services Limited ('CBS') into the company. As the transferor and transferee entities are ultimately controlled by Capita plc, this is a business combination under common control. The fair value of balances acquired under the transaction were as follows:

	<b>CSIS</b>	<b>CBS</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Property, plant and equipment	4,361	-	4,361
Contract fulfilment assets	656,410	452,014	1,108,424
Trade and other receivables	937,897	471,585	1,409,482
Trade and other payables	(411,559)	-	(411,559)
Deferred income	(4,349,657)	(2,095,085)	(6,444,742)
Deferred tax	577,218	-	577,218
Fair value of net assets acquired	(2,585,330)	(1,171,486)	(3,756,816)
Goodwill	2,249,744	-	2,249,744
	<u>(335,586)</u>	<u>(1,171,486)</u>	<u>(1,507,072)</u>

The net assets acquired above were matched by equivalent intercompany loans owed by Capita Secure Information Solutions Limited and Capita Business Services Limited.

26 **Post Balance Sheet Events**

On 8 June 2023, the entity's ultimate parent undertaking Capita Plc completed an agreement to sell the company to AdvancedAdvT Limited.

27 **First-time adoption of UK-adopted IFRS**

This historical information for the period ended 31 December 2022 is the first financial information the Company has prepared in accordance with **UK-adopted IFRS**, having previously prepared financial statements under FRS 101 *Reduced Disclosure Framework*. As FRS 101 requires the application of IFRS accounting rules and principles (but with reduced disclosures) no adjustments were required on the application of **UK-adopted IFRS**.

**SECTION B-2**

***HISTORICAL FINANCIAL INFORMATION OF IB SOFTWARE AND SOLUTIONS  
(IRELAND) LIMITED (FORMERLY CAPITA IB SOLUTIONS (IRELAND) LIMITED)  
FOR THE THREE YEARS ENDED 31 DECEMBER 2022***

## HISTORICAL STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2022
	Note	€	€	€
<b>Continuing operations</b>				
Revenue	6	7,918,621	4,743,247	3,788,676
Cost of sales		(2,669,113)	(2,084,912)	(1,291,788)
<b>Gross profit</b>		<u>5,249,508</u>	<u>2,658,335</u>	<u>2,496,888</u>
Impairment charge		-	-	(47,500)
Administrative expenses		(1,224,247)	(179,835)	(2,009,162)
<b>Profit from operations</b>	7	<u>4,025,261</u>	<u>2,478,500</u>	<u>440,226</u>
Net finance (costs)/income	11	(8,749)	(322)	992
<b>Profit before tax expense</b>		<u>4,016,512</u>	<u>2,478,178</u>	<u>441,218</u>
Tax on profit	12	(459,462)	(286,444)	(75,004)
<b>Net profit and total comprehensive income for the year</b>		<u>3,557,050</u>	<u>2,191,734</u>	<u>366,214</u>
<b>Earnings per share</b>				
Basic	4	<u>6.70</u>	<u>4.13</u>	<u>0.69</u>

There is no difference between basic and diluted earnings per share.

There are no further items of comprehensive income other than those shown above.

## STATEMENT OF FINANCIAL POSITION

		1 January 2020	31 December 2020	31 December 2021	31 December 2022
	Note	€	€	€	€
<b>Non-current assets</b>					
Intangible assets	14	1,886,512	248	1,010,570	492,215
Contract fulfilment assets	16	216,955	227,070	183,598	69,260
Deferred tax asset	13	76,309	37,349	990	292
Property, plant and equipment	15	7,570	248	-	-
Investments in subsidiaries	17	47,500	47,500	47,501	1
		2,234,846	1,749,754	1,242,659	561,768
<b>Current assets</b>					
Trade and other receivables	18	2,029,770	5,033,499	7,104,847	1,886,681
Current tax receivable		44,572	-	-	-
Cash and cash equivalents		2,160,449	1,195	1,195	5,492,743
<b>Total current assets</b>		4,234,791	5,034,694	7,106,042	7,379,424
<b>TOTAL ASSETS</b>		6,469,637	6,784,448	8,348,701	7,941,192
<b>Equity and liabilities</b>					
Equity attributable to equity holders of the parent					
Share capital		531,255	531,255	531,255	531,255
Other un-denominated capital		542,102	542,102	542,102	542,102
Retained earnings		(360,230)	3,196,820	5,388,554	5,754,768
<b>Total equity</b>		713,127	4,270,177	6,461,911	6,828,125
<b>Non-current liabilities</b>					
Contract liabilities	20	306,414	2,066	48,885	-
<b>Total non-current liabilities</b>		306,414	2,066	48,885	-
<b>Current liabilities</b>					
Trade and other payables	19	622,427	661,335	244,608	233,288
Contract liabilities	20	1,221,282	1,064,366	754,303	746,489
Loans and borrowings	21	3,596,387	411,539	361,563	-
Provisions		10,000	10,000	-	-
Income tax payable		-	364,965	477,431	133,290
<b>Total current liabilities</b>		5,450,096	2,512,205	1,837,905	1,113,067
<b>TOTAL LIABILITIES</b>		5,756,510	2,514,271	1,886,790	1,113,067
<b>TOTAL EQUITY AND LIABILITIES</b>		6,469,637	6,784,448	8,348,701	7,941,192

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Other Un- denominated capital	Retained earnings	Total equity
	€	€	€	€
At 1 January 2020	531,255	542,102	(360,230)	713,127
Total comprehensive income for the year	-	-	3,557,050	3,557,050
Balance at 31 December 2020	531,255	542,102	3,196,820	4,270,177
Total comprehensive income for the year	-	-	2,191,734	2,191,734
Balance at 31 December 2021	531,255	542,102	5,388,554	6,461,911
Total comprehensive income for the period	-	-	366,214	366,214
Balance at 31 December 2022	531,255	542,102	5,754,768	6,828,125

### Share Capital

The balance classified as share capital are the nominal proceeds on issue of the company's equity share capital, comprising 531,255 ordinary share of €1 each.

### Other un-denominated capital

The company can redeem shares by repaying the market value to the shareholder, whereupon the shares are cancelled. Redemption must be from distributable profits. The other un-denominated capital represents the nominal value of the shares redeemed.

### Retained earnings

Retained earnings represents accumulated profits and losses of the company.



## STATEMENT OF CASH FLOW

	Note	Year ended 31 December		
		2020	2021	2022
		€	€	€
<b>Cash flows from operating activities:</b>				
Profit before taxation		4,016,512	2,478,178	441,218
Finance costs		8,749	322	(992)
Foreign exchange		149,599	(290,372)	3433,767
Amortisation of intangible assets		590,102	509,943	547,125
Depreciation of property plant and equipment		7,322	248	-
(Increase)/decrease in trade and other receivables		(3,003,729)	(2,071,348)	5,218,166
Decrease in trade and other payables		(571,955)	(399,600)	(411,786)
Contract fulfilment asset movement		(10,115)	43,472	114,338
Impairment charges		-	-	47,500
Cash generated from operations		1,186,485	270,843	6,299,336
Tax paid		(10,965)	(137,619)	(418,447)
<b>Net cash generated from operating activities</b>		<b>1,175,520</b>	<b>133,224</b>	<b>5,880,889</b>
<b>Cash flows from investing activities:</b>				
Interest received		-	154	23,392
Purchase of intangibles		(141,177)	(82,926)	(28,770)
<b>Net cash from investing activities</b>		<b>(141,177)</b>	<b>(82,772)</b>	<b>(5,378)</b>
<b>Cash flows from financing activities:</b>				
Interest paid		(8,749)	(476)	(22,400)
<b>Net cash from financing activities</b>		<b>(8,749)</b>	<b>(476)</b>	<b>(22,400)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,025,594</b>	<b>(49,976)</b>	<b>5,853,111</b>
<b>Cash and cash equivalents at start of year</b>		<b>(1,435,938)</b>	<b>(410,344)</b>	<b>(360,368)</b>
<b>Cash and cash equivalents at end of year</b>		<b>(410,344)</b>	<b>(360,368)</b>	<b>5,492,743</b>

There were no movements in net debt other than the movement in cash and cash equivalents shown above.

Cash and cash equivalents above comprise the following:

	2020	2021	2022
	€	€	€
Cash at bank	1,195	1,195	5,492,743
Bank overdrafts	(411,539)	(361,563)	-
	<u>(410,344)</u>	<u>(360,368)</u>	<u>5,492,743</u>

### 1 General Information

IB Software and Solutions (Ireland) Limited is a private company incorporated and domiciled in the Republic of Ireland, located at 2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767.

IB Software and Solutions (Ireland) Limited was a wholly owned subsidiary of Capita Plc throughout the three years ended 31 December 2022. Capita Plc and its subsidiaries are hereinafter referred to as “the Capita Group”.

The principal activity of the company is the implementation of market leading software applications for healthcare provider organisations.

### 2 Summary of significant accounting policies

#### Statement of compliance

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and interpretations (collectively “IFRS”) issued by the International Accounting Standards Board (“IASB”) as adopted by the European Union (“EU-adopted IFRS”).

This Historical Financial Information does not constitute statutory financial statements within the meaning of section 290 of the Companies Act 2014 as laid out in Irish Law. The Directors of the Company are solely responsible for the preparation of this Historical Financial Information.

For each of the three years ended 31 December 2022, the company has delivered statutory financial statements to the Companies Registration Office, including a report by the company’s auditors under section 391 of the Companies Act 2014, all of which were unqualified and contained no matters to which the statutory auditors wished to draw attention.

#### Basis of preparation

This Historical Financial Information presents the financial track record of the company for the period for the three years ended 31 December 2022 and is prepared for the purposes of the Company’s admission to AIM, a market operated by the London Stock Exchange.

This basis of preparation describes how this Historical Financial Information has been prepared in accordance with the requirements of the AIM Rules for Companies and EU-adopted IFRS.

The Historical Financial Information has been prepared on the following basis:

- The financial information for the company for the three years ended 31 December 2022
- Using the historical cost convention except for, where disclosed in the accounting policies, certain items shown at fair value.

The Historical Financial Information is presented in Euros, being the functional currency of the company.

For all years up to 31 December 2022, IB Software and Solutions (Ireland) Limited previously prepared its statutory financial statements in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (‘FRS 101’). This historical information for the three years ended 31 December 2022 is the first financial information IB Software and Solutions (Ireland) Limited has prepared in accordance with EU-adopted IFRS and the date of transition was 1 January 2020. In preparing this Historical Financial Information no transitional adjustments were required as FRS 101 requires the adoption of IFRS accounting principles but with certain disclosure exemptions.

#### Changes in accounting policy and disclosures

##### (a) *New and amended accounting standards*

No new standards, interpretations and amendments have had a material effect on the Historical Financial Information.

##### (b) *Future standards*

At the date of authorisation of the Historical Financial Information, the company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

- Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8 (effective 1 January 2023)
- Amendment to IAS 12 – deferred tax (effective 1 January 2023)

- Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)
- IFRS 17 'Insurance contracts' (effective 1 January 2024)

All of the above are effective for annual periods commencing on or after the dates shown above. As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The company's directors (the "Directors") do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

From 1 January 2023 the company will apply EU-adopted IAS. At the date of application, both UK-adopted IAS and EU-adopted IFRS will be the same.

### Going concern

In determining the appropriate basis of preparation for the annual report and financial statements for the period ended 31 December 2022, the Directors are required to consider whether the company can continue in operational existence for the foreseeable future, being a period of at least 12 months following the approval of these financial statements. The Directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, sensitivities, and mitigations as set out below.

The financial forecasts used for the going concern assessment are derived from financial projections for 2023-2024 for the company which have been subject to review and challenge by management and the Directors. The Directors have approved the projections.

### Revenue recognition

Revenue is earned within the Republic of Ireland. The company operates a number of diverse businesses and therefore it uses a variety of methods for revenue recognition based on the principles set out in IFRS 15.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

Revenue is recognised either when the performance obligation in the contract has been performed (so 'point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

For the contracts, the company determines if the arrangement with a customer creates enforceable rights and obligations. This assessment results in certain Master Service Agreements (MSAs) or Frameworks not meeting the definition of a contract under IFRS 15 and as such the individual call off agreements, linked to the MSA, are treated as individual contracts.

The company enters into contracts which contain extension periods, where either the customer or both parties can choose to extend the contract or there is an automatic annual renewal, and/or termination clauses that could impact the actual duration of the contract. Judgement is applied to assess the impact that these clauses have when determining the appropriate contract term. The term of the contract impacts both the period over which revenue from performance obligations may be recognised and the period over which contract fulfilment assets and capitalised costs to obtain a contract are expensed.

For contracts with multiple components to be delivered such as transformation, transitions and the delivery of outsourced services, management applies judgement to consider whether those promised goods and services are:

- (i) distinct – to be accounted for as separate performance obligations;
- (ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or
- (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, being the amount to which the company expects to be entitled and has rights to under the present contract. This includes an assessment of any variable consideration where the company's performance may result in additional revenues based on the achievement of agreed KPIs. Such amounts are only included based on the expected value or the most likely outcome method, and only to the extent that it is highly probable that no revenue reversal will occur.

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

Once the total transaction price is determined, the company allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied.

The company infrequently sells standard products with observable stand-alone prices due to the specialised services required by clients and therefore the company applies judgement to determine an appropriate standalone selling price. More frequently, the company sells a customer bespoke solution, and in these cases the company typically uses the expected cost-plus margin or a contractually stated price approach to estimate the stand-alone selling price of each performance obligation.

The company may offer price step downs during the life of a contract, but with no change to the underlying scope of services to be delivered. In general, any such variable consideration, price step down or discount is included in the total transaction price to be allocated across all performance obligations unless it relates to only one performance obligation in the contract.

For each performance obligation to be recognised over time, the company applies a revenue recognition method that faithfully depicts the company's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the company has promised to transfer to the customer. The company applies the relevant output or input method consistently to similar performance obligations in other contracts.

When using the output method, the company recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. Where the output method is used, in particular for long-term service contracts where the series guidance is applied, the company often uses a method of time elapsed which requires minimal estimation. Certain long-term contracts use output methods based upon estimation of number of users, level of service activity or fees collected.

If performance obligations in a contract do not meet the overtime criteria, the company recognises revenue at a point in time when the service or good is delivered.

### **Contract Modifications**

The company's contracts are often amended for changes in contract specifications and requirements. Contract modifications exist when the amendment either creates new or changes the existing enforceable rights and obligations. The effect of a contract modification on the transaction price and the company's measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

- (a) prospectively as an additional separate contract;
- (b) prospectively as a termination of the existing contract and creation of a new contract;
- (c) as part of the original contract using a cumulative catch up; or
- (d) as a combination of (b) and (c).

For contracts for which the company has decided there is a series of distinct goods and services that are substantially the same and have the same pattern of transfer where revenue is recognised over time, the modification will always be treated under either (a) or (b); (d) may arise when a contract has a part-termination and a modification of the remaining performance obligations.

The facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes.

### **Licences**

Software licences delivered by the company can either be right to access ('active') or right to use ('passive') licences, which determines the timing of revenue recognition. The assessment of whether a licence is active or passive involves judgement.

The key determinant of whether a licence is active is whether the company is required to undertake continuing activities that significantly affect the licensed intellectual property (or the customer has a reasonable expectation that it will do so) and the customer is, therefore, exposed to positive or negative impacts resulting from those changes. The company is in a majority of cases responsible for any maintenance, continuing support, updates and upgrades and accordingly the sale of the initial software is not distinct. All other licences which have significant stand-alone functionality are treated as passive licences.

When software upgrades are sold as part of the software licence agreement (i.e. software upgrades are promised to the customer), the company applies judgement to assess whether the software upgrade is distinct from the licence (i.e. a separate performance obligation). If the upgrade is considered fundamental to the ongoing use of the software by the customer, the upgrades are not considered distinct and not accounted for as a separate performance obligation.

The company considers for each contract that includes a separate licence performance obligation all the facts and circumstances in determining whether the licence revenue is recognised over time ('active') or at a point in time ('passive') from the go live date of the licence.

### ***Deferred and accrued income (Contract liabilities and contract assets)***

The company's customer contracts include a diverse range of payment schedules dependent upon the nature and type of goods and services being provided. This can include performance-based payments or progress payments as well as regular monthly or quarterly payments for ongoing service delivery. Payments for transactional goods and services may be at delivery date, in arrears or part payment in advance. Our long-term service contracts tend to have higher cash flows early on in the contract to cover transformational activities.

Where payments made to date are greater than the revenue recognised to date at the period end date, the company recognises a deferred income contract liability for this difference. Where payments made are less than the revenue recognised at the period end date, the company recognises an accrued income contract asset for this difference.

At each reporting date, the company assesses whether there is any indication that accrued income assets may be impaired by considering whether the revenue remains highly probable that no revenue reversal will occur. Where an indicator of impairment exists, the company makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### ***Contract types***

The company disaggregates revenue from contracts with customers by contract type, as management believe this best depicts how the nature, amount, timing and uncertainty of the company's revenue and cash flows are affected by economic factors. Categories are: 'long-term contractual – greater than two years'; and 'short-term contractual – less than two years', and 'transactional'. Years based from service commencement date.

Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the period end as management need to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods. Modification and amendments to contracts are undertaken via an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, management use their judgement to estimate the change to the total transaction price. Importantly, any variable consideration is only recognised to the extent that it is highly probable that no revenue reversal will occur.

### ***Long-term contractual – greater than two years***

The company provides a range of services in the majority of its reportable segments under customer contracts with a duration of more than two years. The nature of contracts or performance obligations categorised within this revenue type is diverse and includes:

- (i) long-term outsourced arrangements in the public and private sectors; and
- (ii) active software licence arrangements.

Majority of the long-term contractual contracts form part of a series of distinct goods and services as they are substantially the same service; and have the same pattern of transfer (as the series constitutes services provided in distinct time increments (e.g. daily, monthly, quarterly or annual services)) and therefore treats the series as one performance obligation.

### ***Short-term contractual – less than two years***

The nature of contracts or performance obligations categorised within this revenue type is diverse and includes:

- (i) short-term outsourced service arrangements in the public and private sectors; and
- (ii) software maintenance contracts.

The company has assessed that maintenance and support (i.e. on-call support, remote support) for software licences is a performance obligation that can be considered capable of being distinct and separately identifiable in a contract if the customer has a passive licence. These recurring services are substantially the same as the nature of the promise is for the company to 'stand ready' to perform maintenance and support when required by the customer. Each day of standing ready is then distinct from each following day and is transferred in the same pattern to the customer.

### ***Transactional (point in time) contracts***

The company delivers a range of goods or services in all reportable segments that are transactional services for which revenue is recognised at the point in time when control of the goods or services has transferred to the

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customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

The nature of contracts or performance obligations categorised within his revenue type is diverse and includes:

- (i) provision of IT hardware goods;
- (ii) passive software licence agreements;
- (iii) commission received as agent from the sale of third-party software; and
- (iv) fees received in relation to delivery of professional services.

### Intangible assets

Software is stated at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life, which is typically 3-5 year. In the case of capitalized software development costs, research expenditure is written off to the income statement in the period in which it is incurred. Development expenditure is written off in the same way unless and until the company is satisfied as to be the technical, commercial and financial viability of individual projects. In these cases, the development expenditure is capitalised and amortised over the period during which the company is expected to benefit.

### Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	over the period of the lease
Plant and machinery	3-5 years

### Investments in subsidiaries

All investments in subsidiaries are initially recorded at their cost. Subsequently they are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

### Pensions

The company participates in a number of defined contribution schemes and contributions are charged to the income statement account in the year in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the company. The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking, which pays the Capita Group liability centrally. Any unpaid contributions at the year-end have been accrued in the accounts of that company

### Income Tax

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

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

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred tax liability arises from the initial recognition of goodwill;
- Except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probably that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except



where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### **Financial instruments**

#### ***Investments and other financial assets***

##### *Financial instruments – classification of financial instruments*

The Capita Group classifies its financial instruments in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (FVPL); and
- Those to be measured at amortised cost.

The classification depended on the Capita Group's business model for managing the financial assets and the contractual terms of the cash flows.

##### **Financial instruments – initial recognition**

At initial recognition, the Capita Group measured a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Purchases and sales of financial assets are recognised on their trade date (i.e. the date the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred such that the Capita Group has transferred substantially all risks and rewards of ownership.

##### ***Debt instruments***

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in net finance costs using the effective interest rate method.

**FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).

**FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in income statement and presented net within other gains/(losses) in the period in which it arises.

##### ***Equity instruments***

Investments in equity instruments are initially recognised at fair value and are subsequently remeasured at fair value with the movement recognised through profit or loss, except where an election has been made for the movement to be recognised through other comprehensive income. An election can be made on initial recognition of equity instruments that are neither held for trading or assets acquired as part of a business combination.

Once an election has been made all movements in fair value, with the exception of dividends, are presented through OCI and there is no subsequent reclassification of fair value gains and losses to profit or loss following the

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derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Capita Group's right to receive payments is established.

### **Impairment**

The company assesses, on a forward looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **Trade and other receivables**

The company assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

### **Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less from inception that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current financial liabilities.

### **Interest-bearing loans and borrowings**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit or loss.

## 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires the Directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the reported periods. Although these judgements and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ. No significant judgements, estimates and assumptions were used in preparation of financial statements in current reporting period.

## 4 Earnings per share

	Year ended 31 December		
	2020	2021	2022
	€	€	€
<b>Basic</b>			
Earnings used in calculation of earnings per share:			
Total profits attributable to equity holders	3,557,050	2,191,734	366,214
Weighted average number of shares in issue	531,255	531,255	531,255
<b>Earnings per share</b>			
On total profits attributable to equity holders	6.70	4.13	0.69

There are no potentially dilutive shares and therefore there is no difference between basic and diluted earnings per share.

5 **Segmental reporting**

The company's management have identified the company as a single operating segment. The results of the are monitored by the chief operating decision maker and strategic decisions are made based on the company's results as a whole.

There are no customers individual representing 10% or more of total revenues.

All of the company's operations and sales are based in the Republic of Ireland.

6 **Revenue**

Revenue is earned from contracts with customers within the United Kingdom.

**Significant judgements and policies**

The company applies the principles of revenue recognition set out in IFRS 15. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised 'over time' as control of the performance obligation is transferred to the customer.

The significant judgements used in applying IFRS 15 are disclosed in note 2 above.

**Disaggregation of revenue**

The Directors consider that, based on the characteristics of the work being performed and the consequent effect on the nature of revenue recognition, there are no distinct categories of revenue to be disaggregated..

No analysis by market is given as the Directors consider that there are no distinct markets that are used for operating and decision-making purposes.

**Contract balances**

Contract fulfilment assets (note 16) are recognised for those costs qualifying for capitalisation. The utilisation of these assets is recognised over the contract term. The utilisation of assets is recognised over the contract term. The timing of cash receipts from customers typically matches when the costs are incurred to transform, restructure and run the service. This results in income being deferred and released as the company continues to deliver against its obligation to provide services and solutions to its customers. Deferred income balances are disclosed in note 16 as contract liabilities.

All deferred income is expected to be released to revenue within 12 months of the balance sheet date.

7 **Profit from operations**

Profit from operations is stated in the consolidated income statement after charging/(crediting):

	<b>Year ended 31 December</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>€</b>	<b>€</b>	<b>€</b>
Amortisation	590,102	509,943	547,125
Depreciation of property, plant and equipment	7,322	248	-
Net foreign exchange loss/(gain)	149,599	(290,372)	343,767
Expenses related to short-term leases	155,001	823	-

8 **Auditors' remuneration**

	Year ended 31 December		
	2020	2021	2022
	€	€	€
For audit of the financial statements	3,724	21,114	12,500

No non-audit services were provided by the Company's auditor.

9 **Staff costs**

The aggregate employee benefit expenses were as follows:

	Year ended 31 December		
	2020	2021	2022
	€	€	€
Wages and salaries	2,226,184	1,787,393	1,846,802
Social security costs	231,982	191,572	209,455
Pension costs	41,638	64,412	41,640
	2,499,804	2,043,377	2,097,897

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

	Year ended 31 December		
	2020	2021	2022
	No.	No.	No.
Operations	36	34	21
Administrative staff	1	-	12
Directors			
	37	34	33

10 **Transactions with key management personnel**

Key management of the company are the members of the board of directors.

The company did not pay any fees or other remuneration to the Capita Group based Directors related to the directorship role they provided to the company as a part of their Group-wide executive management role.

11 **Net finance (income)/costs**

	Year ended 31 December		
	2020	2021	2022
	€	€	€
Other interest	-	(154)	22,400
Interest received on cash deposits	-	(476)	(23,392)
Interest expense on loans and borrowings	8,749	476	-
	8,749	322	(992)

## 12 Income taxes

	Year ended 31 December		
	2020	2021	2022
	€	€	€
<b>Current tax:</b>			
Irish corporation tax	465,386	253,309	58,884
Adjustments to prior periods	(44,884)	(3,224)	15,422
<b>Total current tax charge</b>	<b>420,502</b>	<b>250,085</b>	<b>74,306</b>
<b>Deferred tax:</b>			
Origination and reversal of temporary differences	38,053	36,771	481
Adjustments in respect of prior periods	907	(412)	217
Effect of tax rate change on opening balance			
	<b>38,960</b>	<b>36,359</b>	<b>698</b>
<b>Tax on profit</b>	<b>459,462</b>	<b>286,444</b>	<b>75,004</b>

Tax on loss on ordinary activities for the year is lower than the standard rate of corporate tax in Ireland of 12.5% in 2020 and 2021 but higher in 2022.

The differences are reconciled below:

	Year ended 31 December		
	2020	2021	2022
	€	€	€
<b>Continuing operations</b>			
<b>Profit on ordinary activities before taxation</b>	<b>4,016,512</b>	<b>2,478,178</b>	<b>441,218</b>
Tax at the Ireland rate of 12.5%	502,064	309,772	55,152
<b>Effect of:</b>			
Expenses not deductible for tax purposes	1,375	-	5,938
Income not taxable	-	(19,692)	(1,725)
Adjustments in respect of current income tax of prior periods	(44,884)	(3,224)	15,422
Adjustments in respect of deferred income tax of prior periods	907	(412)	217
<b>Total tax charge</b>	<b>459,462</b>	<b>286,444</b>	<b>75,004</b>

13 **Deferred tax**

Deferred tax balances are analysed as follows:

	<b>Fixed asset temporary differences €</b>	<b>Deferred income liability €</b>	<b>Contract fulfilment asset €</b>	<b>Total €</b>
At 1 January 2020 – asset/(liability)	(1,611)	-	-	(1,611)
Tax credit/(charge) in respect of current year	2,762	45,628	(9,430)	38,960
At 31 December 2020 – asset/(liability)	1,151	45,628	(9,430)	37,349
Tax credit/(charge) in respect of current year	(161)	(45,628)	9,430	36,359
At 31 December 2021 – asset/(liability)	990	-	-	990
Tax credit/(charge) in respect of current year	(698)	-	-	(698)
At 30 31 December 2022 – asset/(liability)	292	-	-	292

## 14 Intangible assets

	<b>Software development costs €</b>
<b>Cost</b>	
At 1 January 2020	2,895,224
Additions	141,177
Disposals	(484,084)
At 31 December 2020	<u>2,552,317</u>
Additions	82,926
Disposals	(2,850)
At 31 December 2021	<u>2,632,393</u>
Additions	28,770
Disposals	-
At 31 December 2022	<u>2,661,163</u>
<b>Amortisation</b>	
At 1 January 2020	1,008,712
Charge for the year	590,102
Disposals	(484,084)
At 31 December 2020	<u>1,114,730</u>
Charge for the year	509,943
Disposals	(2,850)
At 31 December 2021	<u>1,621,823</u>
Charge for the year	547,125
Disposals	-
At 31 December 2022	<u>2,168,948</u>
<b>Net book value</b>	
At 31 December 2022	<u>492,215</u>
At 31 December 2021	<u>1,010,570</u>
At 31 December 2020	<u>1,437,587</u>
At 1 January 2020	<u>1,886,512</u>

Software development costs represent the company's Integra Centros solution, which provides e-procurement and bespoke solutions to service-centric organisations, particularly those in the healthcare and local government sectors.



15 **Property, Plant and Equipment**

	<b>Leasehold property €</b>	<b>Plant and machinery €</b>	<b>Total €</b>
<b>Cost</b>			
At 1 January 2020	23,729	18,812	42,541
Additions	-	-	-
Disposals	(23,729)	(11,243)	(34,972)
At 31 December 2020	-	7,569	7,569
Additions	-	-	-
Disposals	-	(7,569)	(7,569)
At 31 December 2021	-	-	-
Additions	-	-	-
Disposals	-	-	-
At 31 December 2022	-	-	-
<b>Depreciation</b>			
At 1 January 2020	20,961	14,010	34,971
Additions	2,768	4,554	7,322
Disposals	(23,729)	(11,243)	(34,972)
At 31 December 2020	-	7,321	7,321
Additions	-	248	248
Disposals	-	(7,569)	(7,569)
At 31 December 2021	-	-	-
Additions	-	-	-
Disposals	-	-	-
At 31 December 2022	-	-	-
<b>Net book value</b>			
At 31 December 2022	-	-	-
At 31 December 2021	-	-	-
At 31 December 2020	-	248	248
At 1 January 2020	-	248	248

16 **Contract fulfilment assets**

	€
At 1 January 2020	216,955
Additions	10,115
At 31 December 2020	227,070
Additions	28,764
Utilised during the year	(72,236)
At 31 December 2021	183,598
Utilised during the year	(114,338)
At 31 December 2022	69,260

In preparing these financial statements, the company undertook a review to identify indicators of impairment of contract fulfilment assets. The company determined whether or not the contract fulfilment assets were impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the entity expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the company used the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price were removed for the impairment test.

In line with our accounting policy, as set out in note 2, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.

17 **Investments in subsidiaries**

	€
At 1 January 2020 & 31 December 2020	47,500
Additions	1
At 31 December 2021	47,501
Impairment charge	(47,500)
At 31 December 2022	1

At 1 January 2020 and 31 December 2020, the company held a 100% investment of €47,500 in Capita Solutions (HK) Limited, a company incorporated in Hong Kong.

During the year ended 31 December 2021, the company acquired a 100% investment in Capita IB Solutions Limited for €1.

During the year ended 31 December 2022, the company fully impaired the investment in Capita Solutions (HK) Limited.

## 18 Trade and other receivables

	1 January 2020	2020	2021	2022
	€	€	€	€
Amounts falling due within one year:				
Trade receivables	532,914	314,711	401,710	904,309
Amounts due from group undertakings	1,447,915	4,573,915	6,576,597	789,899
Other receivables	-	62,551	126,540	192,473
Prepayments and accrued income	48,941	82,322	-	-
	<u>2,029,770</u>	<u>5,033,499</u>	<u>7,104,847</u>	<u>1,886,681</u>

Amounts due from parent and fellow subsidiary undertaking are interest-free, unsecured and repayable on demand. Also, they are assessed to have low credit risk at the reporting date for which no material expected credit loss is recognised by the company.

Trade and other receivables and contract assets above are stated net of expected credit loss ('ECL') provisions where necessary, which are calculated using the simplified approach grouping trade receivables and contract assets on the basis of their shared credit risk characteristics. Trade receivables above represents gross receivables of £981,348 (2021 : £486,753, 2020 : £363,686) net of provisions of £77,039 (2021 : £85,043, 2020 : £48,975).

For trade receivables, the company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses. Where the carrying value of an assets exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The company monitors the level of trade receivables on a monthly basis, continually assessing the risk of default by any counterparty. Each customer has an external credit score which determines the level of credit provided.

The Directors believe the credit risk attached to its customer base is relatively low. Based on their assessment as described above, they consider that a policy of providing for all receivables more than 6 months old provides a sufficient basis to provide for expected credit losses.

The maturity analysis of trade receivables is:

	< 1 month	1-3 months	4-6 months	> 6 months	Total
	£	£	£	£	£
<i>ECL provision rate</i>	0%	0%	0%	100%	
31 December 2022	726,038	148,298	31,994	81,120	987,450
31 December 2021	253,311	143,008	50,164	42,253	488,737
31 December 2020	82,785	204,988	33,829	41,786	363,388

The expected credit loss provision exceeds the amount due in more than 6 months shown above due to the existence of credit balances.

19 Trade and other payables

	1 January 2020	2020	2021	2022
	€	€	€	€
Amounts falling due within one year:				
Trade payables	95,712	72,841	6,025	-
Amounts due to group undertakings	187,317	192,329	10,998	28,765
Social security and other taxes	179,167	93,363	122,564	191,751
Other payables	1,851	315	174	272
Accrued expenses	158,380	302,487	104,847	12,500
	<u>622,427</u>	<u>661,335</u>	<u>244,608</u>	<u>233,288</u>

Amounts due to parent and fellow subsidiary undertaking are interest free, unsecured and repayable on demand.

20 Contract liabilities

	1 January 2020	2020	2021	2022
	€	€	€	€
Current	1,221,282	1,064,366	754,303	746,489
	<u>1,221,282</u>	<u>1,064,366</u>	<u>754,303</u>	<u>746,489</u>
Non-current	306,414	2,066	48,885	-
	<u>306,414</u>	<u>2,066</u>	<u>48,885</u>	<u>-</u>

21 Loans and borrowings

	1 January 2020	2020	2021	2022
	€	€	€	€
<b>Included within current liabilities</b>				
Bank overdrafts	3,596,387	411,539	361,563	-
	<u>3,596,387</u>	<u>411,539</u>	<u>361,563</u>	<u>-</u>

22 **Financial instruments**

	1 January 2020	2020	2021	2022
	€	€	€	€
Financial assets held at amortised cost:				
Trade receivables	532,914	314,711	401,710	904,309
Amounts due from group undertakings	1,447,915	4,573,915	6,576,597	789,899
Cash and cash equivalents	2,160,449	1,195	1,195	5,492,743
	<u>4,141,278</u>	<u>4,889,821</u>	<u>6,979,502</u>	<u>7,186,951</u>

**Financial instruments continued**

	1 January 2020	2020	2021	2022
	€	€	€	€
Financial liabilities held at amortised cost:				
Bank overdrafts	3,596,387	411,539	361,563	-
Trade payables	95,712	72,841	6,025	-
Other payables	1,851	315	174	272
Accrued expenses	158,380	302,487	104,847	12,500
Amounts due to group undertakings	187,317	192,329	10,998	28,765
	<u>4,039,647</u>	<u>979,511</u>	<u>483,607</u>	<u>41,537</u>

23 **Financial Risk management**

The company uses various financial instruments. These primarily include cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations.

The existence of these financial instruments expose the company to a number of financial risks, which are described in more detail below.

**a) Market risk**

Market risk encompasses three types of risk, being currency risk, interest rate risk and price risk. The company does not have any assets or liabilities that expose it to currency risk or price risk. Interest rate risk is discussed further below

**b) Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing cash balances. The company has significant levels of cash reserves available.

The company's financial liabilities comprise trade payables, other payables, accruals and amounts due to group undertakings. All liabilities are repayable on demand. The main liquidity risk arises on the amount due to the company's parent, which is considered low given the relationship between the parties.

**c) Interest rate risk**

Interest rate risk is limited to the amounts due to group undertakings, which are linked to prevailing Bank of England rates.

**d) Credit risk**

The company's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The credit risk associated with trade receivables is minimal as invoices are based on contractual agreements with long-standing customers. Credit losses historically incurred by the company have consequently been immaterial.

The company had no material receivables past due or impaired at 31 December 2022.

**e) Capital risk management**

The company's primary objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The company was part of the Capita Group for the three years ended 31 December 2022 and was therefore able to draw on the resources of the Capita Group as a whole in order to provide capital for the purposes of funding working capital. Throughout the three years, the company was mainly funded by a bank overdraft and/or cash reserves. There was no long term debt at 31 December 2022.

**24 Share capital**

Issued capital

	1 January 2020 Number	2020 Number	2021 Number	2022 Number
<i>Authorised</i>				
Ordinary shares of €1 each	1,250,000	1,250,000	1,250,000	1,250,000
	1 January 2020 €	2020 €	2021 €	2022 €
<i>Allotted, called up and fully paid</i>				
Ordinary shares of €1 each	<u>531,255</u>	<u>531,255</u>	<u>531,255</u>	<u>531,255</u>

**Share rights**

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

**25 Defined contribution pension scheme**

The company operates defined contribution pension schemes. The pension cost charge for the year represented contributions payable by the company to the schemes and amounted to €41,640 (2020 - €41,638; 2021 - €64,412). No contributions were due to the scheme at the end of the year.

26 **Related party transactions**
**Ultimate controlling party**

During the financial period under review, the company was ultimately controlled by Capita Plc. On 8 June 2023, the company was sold and, the ultimate controlling party became AdvancedAdvT Limited from that date.

**Key management personnel compensation**

Key management personnel remuneration has been set out in note 10 to the Historical Financial Information

**Transactions with fellow group companies**

The following transactions occurred with other companies within the Group

**Sales**

	2020	2021	2022
	€	€	€
Capita Business Services Ltd	-	-	6,042
CHKS Limited	1,800	1,187	5,547
Capita Secure Information Solutions Limited	2,486,935	3,724,975	-
Capita Customer Management Limited	2,448	15	-
Capita (SSS) Limited	-	164	-
Capita IB Solutions Limited	-	-	989,748
Capita Business Support Services Ireland Limited	14	840	-

**Purchases**

	2020	2021	2022
	€	€	€
Capita plc	4,800	6,339	60,324
Capita Business Services Ltd	22,194	14,343	25,918
Computerland UK Limited	88	-	-
Capita Pension Solutions Limited	2,178	3,305	-
Capita IT Services Limited	13,918	-	-
Capita Secure Information Solutions Limited	85,577	70,983	-
Capita Shared Services Limited	-	-	2,198
Capita Life and Pensions Services (Ireland) Limited	446	-	-
Capita Business Support Services Ireland Limited	15,094	1,701	18
Capita Customer Solutions Limited	1,076	4	290
AMT Sybex Software Limited	934	99,668	6,527



### Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

#### Trade Receivables

	2020	2021	2022
	€	€	€
Capita Business Services Ltd	-	-	5,795
CHKS Limited	7	1,210	6,468
Capita Secure Information Solutions Limited	2,356,204	6,325,820	151,770
Capita Customer Management Limited	7	7	7
Capita (SSS) Limited	-	168	-
Capita IB Solutions Limited	-	-	129,244
Capita Business Support Services Ireland Limited	-	29	27
Capita Customer Solutions Limited	-	-	1,433

#### Trade Payables

	2020	2021	2022
	€	€	€
Capita plc	-	1,362	1,914
Capita Business Services Ltd	1,570	-	-
Computerland UK Limited	86	-	-
Capita Secure Information Solutions Limited	30,668	-	-
Capita Shared Services Limited	-	-	2,108
Capita Business Support Services Ireland Limited	-	21	37
Capita Customer Solutions Limited	-	2	280
AMT Sybex Software Limited	921	6,605	-

#### Intercompany loans

	2020	2021	2022
	€	€	€
Capita plc	41,656	-	-
Capita IB Solutions Limited	-	1	1
Capita IB Solutions (HK) Limited	1,479	1,575	-

### 27 Post Balance Sheet Events

On 8 June 2023, the entity's ultimate parent undertaking Capita Plc completed an agreement to sell the company to AdvancedAdvT Limited.

### 28 First-time adoption of EU-adopted IFRS

This historical information for the period ended 31 December 2022 is the first financial information the company has prepared in accordance with full IFRS, having previously prepared financial statements under FRS 101 *Reduced Disclosure Framework*. As FRS 101 requires the application of IFRS accounting rules and principles (but with reduced disclosures) no adjustments were required on the application of EU-adopted IFRS.

**SECTION B-3**

***HISTORICAL FINANCIAL INFORMATION OF CHKS LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2022***

## HISTORICAL STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December 2022 £
<b>Continuing operations</b>	<b>Note</b>	
Revenue	7	5,814,165
Cost of sales		(4,482,521)
<b>Gross profit</b>		<u>1,331,644</u>
Administrative expenses		(328,367)
<b>Profit from operations</b>		<u>1,003,277</u>
Net finance income	12	35,131
<b>Profit before tax expense</b>	13	<u>1,038,408</u>
Tax on profit		61,891
<b>Net profit for the year from continuing operations</b>		<u>1,100,299</u>
Loss for the year from discontinued operations		(945,894)
<b>Total profit and comprehensive income for the year</b>		<u><u>154,405</u></u>
 <b>Earnings per share</b>		
Basic – continuing operations		<u>2.06</u>
Basic – discontinued operations		<u>(1.77)</u>
Basic - total		<u><u>0.29</u></u>

There is no difference between basic and diluted earnings per share.

There are no further items of comprehensive income other than those shown above.

## STATEMENT OF FINANCIAL POSITION

		31 December 2022 £
<b>Non-current assets</b>	<b>Note</b>	
Intangible assets	15	306,532
Contract fulfilment assets		846
Deferred tax asset		180,706
Property, plant and equipment	16	201,099
Trade and other receivables		52,708
		<u>741,891</u>
<b>Current assets</b>		
Inventories		
Trade and other receivables	18	4,411,231
Cash and cash equivalents		1,424,019
<b>Total current assets</b>		<u>5,835,250</u>
<b>TOTAL ASSETS</b>		<u><u>6,577,141</u></u>
<b>Equity and liabilities</b>		
Equity attributable to equity holders of the parent		
Share capital	23	535,147
Retained earnings		3,634,448
<b>Total equity</b>		<u><u>4,169,595</u></u>
<b>Current liabilities</b>		
Trade and other payables	19	1,336,383
Current tax payable		21,948
Contract liabilities		1,049,215
<b>Total current liabilities</b>		<u>2,407,546</u>
<b>TOTAL LIABILITIES</b>		<u>2,407,546</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>4,169,595</u></u>

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 31 December 2021	535,147	3,480,043	4,015,190
Total comprehensive income for the period	-	154,405	154,405
Dividends	-	-	-
Balance at 31 December 2022	535,147	3,634,448	4,169,595

### Issued share capital

The balance classified as share capital is the subscription share issues of the company's equity share capital on incorporation comprising 1 ordinary share of £1 each.

### Retained earnings

Retained earnings represents accumulated profits and losses of the company.

## STATEMENT OF CASH FLOW

	Note	2022 £
<b>Cash flows from operating activities:</b>		
Loss before taxation		92,514
Finance costs		(35,131)
Foreign exchange		(89,779)
Amortisation of intangible assets		451,238
Depreciation of property plant and equipment		161,117
Contract fulfilment asset movement		(1,784,997)
Loss on disposal of plant and equipment		6,989
Increase in trade and other receivables		(2,154,213)
Increase in trade and other payables		2,120,361
		<hr/>
Cash generated from operations		(1,231,901)
Tax paid		(1,039)
<b>Net cash generated from operating activities</b>		<hr/> (1,232,940) <hr/>
<b>Cash flows from investing activities:</b>		
Purchase of tangible assets		
Purchase of intangibles		(26,353)
		<hr/>
<b>Net cash from investing activities</b>		<hr/> (26,353) <hr/>
<b>Cash flows from financing activities:</b>		
Net interest received		35,131
		<hr/>
<b>Net cash from financing activities</b>		<hr/> 35,131 <hr/>
<b>Net (decrease) in cash and cash equivalents</b>		(1,224,162)
<b>Cash and cash equivalents at start of year</b>		2,648,181
		<hr/>
<b>Cash and cash equivalents at end of year</b>		<hr/> 1,424,019 <hr/>

There were no movements in net debt other than the movement in cash and cash equivalents shown above.

### 1 General Information

CHKS Limited is a private company incorporated and domiciled in the UK on 27 August 2021, located at 65 Gresham Street, London, England EC2V 7NQ.

The principal activity of CHKS Limited continued to be that of the United Kingdom's leading provider of healthcare intelligence and quality improvement services. As a part of reorganisation of Capita Group's public service division, the company has transferred trade and assets out of the company relating to public service business to Capita Business Services Limited on 1 December 2022. Please refer to note 19 for further details.

### 2 Summary of significant accounting policies

#### Statement of compliance

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the United Kingdom ("UK-adopted IFRS").

This Historical Financial Information does not constitute statutory accounts within the meaning of section 435 of Companies Act 2006. The Directors of the Company are solely responsible for the preparation of this Historical Financial Information.

#### Basis of preparation

This Historical Financial Information presents the financial track record of the company for the year ended 31 December 2022 and is prepared for the purposes of the Company's admission to AIM, a market operated by the London Stock Exchange.

This basis of preparation describes how this Historical Financial Information has been prepared in accordance with the requirements of the AIM Rules for Companies and UK-adopted IFRS.

The Historical Financial Information has been prepared on the following basis:

- The financial information for the company for the year ended 31 December 2022
- Using the historical cost convention except for, where disclosed in the accounting policies, certain items shown at fair value.

The Historical Financial Information is presented in Pounds Sterling, being the functional currency of the company.

For all years up to 31 December 2022, Capita Workforce Management Limited previously prepared its statutory financial statements in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101'). This historical information for the three years ended 31 December 2022 is the first financial information CHKS Limited has prepared in accordance with UK-adopted IFRS and the date of transition was 1 January 2022. In preparing this Historical Financial Information no transitional adjustments were required as FRS 101 requires the adoption of IFRS accounting principles but with certain disclosure exemptions.

#### Changes in accounting policy and disclosures

##### (a) *New and amended accounting standards*

No new standards, interpretations and amendments have had a material effect on the Historical Financial Information.

##### (b) *Future standards*

At the date of authorisation of the Historical Financial Information, the company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

- Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8 (effective 1 January 2023)
- Amendment to IAS 12 – deferred tax (effective 1 January 2023)
- Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)
- IFRS 17 'Insurance contracts' (effective 1 January 2024)

All of the above are effective for annual periods commencing on or after the dates shown above. As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.



## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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From 1 January 2023 the Company will apply UK-adopted IFRS.

### Going concern

In determining the appropriate basis of preparation for the annual report and financial statements for the period ended 31 December 2022, the company's Directors ("the Directors") are required to consider whether the company can continue in operational existence for the foreseeable future, being a period of at least 12 months following the approval of these financial statements. The Directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, sensitivities, and mitigations as set out below.

The financial forecasts used for the going concern assessment are derived from financial projections for 2023-2024 for the company which have been subject to review and challenge by management and the Directors. The Directors have approved the projections.

### Revenue recognition

Revenue is earned within the United Kingdom.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related balance sheet items (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions. This includes an assessment of the costs the company incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised. These judgements are inherently subjective and may cover future events such as the achievement of contractual milestones, performance KPIs and planned cost savings. In addition, key assumptions are made concerning contract extensions and amendments, as well as opportunities to use the contract developed systems and technologies on other similar projects.

Revenue is recognised either when the performance obligation in the contract has been performed (so 'point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

The company determines if the arrangement with a customer creates enforceable rights and obligations.

The company enters into contracts which contain extension periods, where either the customer or both parties can choose to extend the contract or there is an automatic annual renewal, and/or termination clauses that could impact the actual duration of the contract. Judgement is applied to assess the impact that these clauses have when determining the appropriate contract term. The term of the contract impacts both the period over which revenue from performance obligations may be recognised and the period over which contract fulfilment assets and capitalised costs to obtain a contract are expensed.

For contracts with multiple components to be delivered such as transformation, transitions and the delivery of outsourced services, management applies judgement to consider whether those promised goods and services are (i) distinct - to be accounted for as separate performance obligations; (ii) not distinct - to be combined with other promised goods or services until a bundle is identified that is distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, being the amount to which the Company expects to be entitled and has rights to under the present contract. This includes an assessment of any variable consideration where the Company's performance may result in additional revenues based on the achievement of agreed KPIs. Such amounts are only included based on the expected value or the most likely outcome method, and only to the extent that it is highly probable that no revenue reversal will occur.

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

Once the total transaction price is determined, the Company allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied. The company infrequently sells standard products with observable standalone prices due to the specialised services required by customers and therefore the company applies judgement to determine an appropriate standalone selling price. More frequently, the company sells a customer bespoke solution, and in these cases the company typically uses the expected cost-plus margin or a contractually stated price approach to estimate the standalone selling price of each performance obligation.

The company may offer price step downs during the life of a contract, but with no change to the underlying scope of services to be delivered. In general, any such variable consideration, price step down or discount is included in the total transaction price to be allocated across all performance obligations unless it relates to only one performance obligation in the contract.

For each performance obligation, the company determines if revenue will be recognised over time or at a point in time. Where the company recognises revenue over time for long term contracts, this is in general due to the company performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract.

For each performance obligation to be recognised over time, the company applies a revenue recognition method that faithfully depicts the company's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the company has promised to transfer to the customer. The company applies the relevant output or input method consistently to similar performance obligations in other contracts.

When using the output method, the company recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. Where the output method is used, for long term service contracts where the series guidance is applied (see below for further details), the company often uses a method of time elapsed which requires minimal estimation. Certain long-term contracts use output methods based upon estimation of number of users, level of service activity or fees collected.

If performance obligations in a contract do not meet the over-time criteria, the company recognises revenue at a point in time (see below for further details).

The company disaggregates revenue from contracts with customers by contract type, as management believe this best depicts how the nature, amount, timing and uncertainty of the company's revenue and cash flows are affected by economic factors. Categories are: 'long-term contractual – greater than two years'; and 'short-term contractual – less than two years'. Years based from service commencement date.

### ***Long term contractual – greater than two years***

The company provides a range of services in various segments under customer contracts with a duration of more than two years.

The nature of contracts or performance obligations categorised within this revenue type is diverse and includes (i) long term outsourced service arrangements in the public sector; and (ii) active software licence arrangements (see definition below).

The company considers that the services provided meet the definition of a series of distinct goods and services as they are (i) substantially the same and (ii) have the same pattern of transfer (as the series constitutes services provided in distinct time increments (e.g., daily, monthly, quarterly or annual services)) and therefore treats the series as one performance obligation. Even if the underlying activities performed by the company to satisfy a promise vary significantly throughout the day and from day to day, that fact, by itself, does not mean the distinct goods or services are not substantially the same. For the majority of long service contracts with customers in this category, the company recognises revenue using the output method as it best reflects the nature in which the company is transferring control of the goods or services to the customer.

Active software licences are those where the company has a continuing involvement after the sale or transfer of control to the customer, which significantly affects the intellectual property to which the customer has rights. The company is in a majority of cases responsible for any maintenance, continuing support, updates and upgrades and accordingly the sale of the initial software is not distinct. The company's accounting policy for licences is discussed in more detail below.

### ***Transactional (point in time) contracts***

The company delivers a range of goods or services in all reportable segments that are transactional services for which revenue is recognised at the point in time when control of the goods or services has transferred to the customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

The nature of contracts or performance obligations categorised within this revenue type is diverse and includes (i) provision of IT hardware goods; (ii) passive software licence agreements; (iii) commission received as agent from the sale of third party software; and (iv) fees received in relation to delivery of professional services.

Passive software licences are licences which have significant stand-alone functionality and the contract does not require, and the customer does not reasonably expect, the company to undertake activities that significantly affect

the licence. Any ongoing maintenance or support services for passive licences are likely to be separate performance obligations. The company's accounting policy for licences is discussed in more detail below.

### **Contract modifications**

The company's contracts are often amended for changes in contract specifications and requirements. Contract modifications exist when the amendment either creates new or changes the existing enforceable rights and obligations. The effect of a contract modification on the transaction price and the company's measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

- a. prospectively as an additional separate contract;
- b. prospectively as a termination of the existing contract and creation of a new contract;
- c. as part of the original contract using a cumulative catch up; or
- d. as a combination of b) and c).

For contracts for which the company has decided there is a series of distinct goods and services that are substantially the same and have the same pattern of transfer where revenue is recognised over time, the modification will always be treated under either (a) or (b); (d) may arise when a contract has a part termination and a modification of the remaining performance obligations.

Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the period end as management need to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods. Modification and amendments to contracts are undertaken via an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, management use their judgement to estimate the change to the total transaction price. Importantly any variable consideration is only recognised to the extent that it is highly probable that no revenue reversal will occur.

### **Principal versus agent**

The company has arrangements with some of its customers whereby it needs to determine if it acts as a principal or an agent as more than one party is involved in providing the goods and services to the customer. The company acts as a principal if it controls a promised good or service before transferring that good or service to the customer. The company is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the company has in establishing the price for the specified good or service, whether the company has inventory risk and whether the company is primarily responsible for fulfilling the promise to deliver the service or good.

This assessment of control requires judgement in particular in relation to certain service contracts. An example is the provision of certain recruitment and learning services where the company may be assessed to be agent or principal dependent upon the facts and circumstances of the arrangement and the nature of the services being delivered.

Where the company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent revenue is recorded at a net amount reflecting the margin earned.

### **Licences**

Software licences delivered by the company can either be right to access ('active') or right to use ('passive') licences. Active licences are licences which require continuous upgrade and updates for the software to remain useful, all other licences are treated as passive licences. The assessment of whether a licence is active or passive involves judgement. The key determinant of whether a licence is active is whether the company is required to undertake activities that significantly affect the licensed intellectual property (or the customer has a reasonable expectation that it will do so) and the customer is, therefore, exposed to positive or negative impacts resulting from those changes.

When software upgrades are sold as part of the software licence agreement (i.e. software upgrades are promised to the customer), the company applies judgement to assess whether the software upgrade is distinct from the licence (i.e. a separate performance obligation). If the upgrade is considered fundamental to the ongoing use of the software by the customer, the upgrades are not considered distinct and not accounted for as a separate performance obligation.

### **Contract fulfilment assets**

Contract fulfilment costs are divided into (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred.

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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When determining the appropriate accounting treatment for such costs, the company firstly considers any other applicable standards. If those other standards preclude capitalisation of a particular cost, then an asset is not recognised under IFRS 15.

If other standards are not applicable to contract fulfilment costs, the company applies the following criteria which, if met, result in capitalisation: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered.

The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable. The company regularly incurs costs to deliver its outsourcing services in a more efficient way (often referred to as 'transformation' costs).

### ***Deferred and accrued income (Contract liabilities and contract assets)***

Customer contracts include a diverse range of payment schedules dependent upon the nature and type of goods and services being provided. The company often agrees payment schedules at the inception of long-term contracts under which it receives payments throughout the term of the contracts. These payment schedules may include performance-based payments or progress payments as well as regular monthly or quarterly payments for ongoing service delivery. Payments for transactional goods and services may be at delivery date, in arrears or part payment in advance.

Where payments made are greater than the revenue recognised at the period end date, the company recognises a deferred income contract liability for this difference. Where payments made are less than the revenue recognised at the period end date, the company recognises an accrued income contract asset for this difference.

At each reporting date, the company assesses whether there is any indication that accrued income assets may be impaired by considering whether the revenue remains highly probable that no revenue reversal will occur. Where an indicator of impairment exists, the company makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Land and buildings leasehold	over the lease period
Computer equipment	3-5 years

### **Intangible assets**

In the case of capitalised software development costs, research expenditure is written off to the statement of profit and loss in the period in which it is incurred.

Development expenditure is written off in the same way unless and until the company is satisfied as to the following:

- a. the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- b. its intention to complete the intangible asset and use or sell it.
- c. its ability to use or sell the intangible asset.
- d. that the intangible asset will generate probable future economic benefits.
- e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- f. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

In these cases, the development expenditure is capitalised and amortised over the period during which the company is expected to benefit.

### **Leasing**

The company has elected not to recognise the right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The company recognises the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

### **Taxation**

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

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

except where the deferred tax liability arises from the initial recognition of goodwill;

except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### Pensions

The company participates in defined contribution pension schemes and contributions are charged to the income statement in the year in which they are due. These pension schemes are funded and the payment of contributions are made to separately administered trust funds. The assets of the pension schemes are held separately from the company.

The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking of Capita plc, which pays the Capita Group liability centrally. Any unpaid pension contributions at the year-end have been accrued in the accounts of that Company.

### Impairment of non-financial assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. The value in use is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

### Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

### Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in profit or loss.

### Financial Instruments

#### *Investments and other financial assets*

##### **Classification**

The company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

##### **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade date (that is, the date on which the company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

##### **Measurement**

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

##### **Impairment**

The company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. For trade receivables, the company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

##### **Trade and other receivables**

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

##### **Trade and other payables**

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### **Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand. Bank overdrafts are shown within current financial liabilities.

### 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires the Directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the reported periods. Although these judgements and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement and impairment of intangible assets. The company determines whether intangible assets are impaired based on any impairment indicators. Intangible assets with finite lives are only tested for impairment, either individually or at the cash generating unit



level, where there is an indicator of impairment. This involves estimation of future cash flows and choosing a suitable discount rate.

4 **Earnings per share**

	<b>2022</b>
	<b>£</b>
<b>Basic</b>	
Earnings used in calculation of earnings per share:	
Net profit for the year from continuing operations	1,100,299
Loss for the year from discontinued operations	(945,894)
Total profits attributable to equity holders	154,405
Weighted average number of shares in issue	535,147
<b>Earnings/loss per share</b>	
On continuing operations	2.06
On discontinued operations	(1.77)
On total profits attributable to equity holders	0.29

There are no potentially dilutive shares and therefore there is no difference between basic and diluted earnings per share.

5 **Segmental reporting**

The company's management have identified the company as a single operating segment. The results of the company are monitored by the Company's chief operating decision maker and strategic decisions are made based on the company's results as a whole.

There are no customers individual representing 10% or more of total revenues.

All of the company's operations and sales are based in the United Kingdom.

6 **Discontinued operations**

On 1 December 2022, the company sold its Decision Support business line. The Decision Support business line has been classified as a discontinued operation within the 2022 financial results. The results of the Decision Support business line for the periods are presented below:

	<b>2022</b>
	<b>£</b>
Revenue from contracts with customers	3,140,861
Expenses	(4,086,755)
<b>Profit from operations and net profit</b>	<b>(945,894)</b>

7 **Revenue**

Revenue is earned from contracts with customers within the United Kingdom.

**Significant judgements and policies**

The company applies the principles of revenue recognition set out in IFRS 15. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised 'over time' as control of the performance obligation is transferred to the customer.

The significant judgements used in applying IFRS 15 are disclosed in note 2 above.



### **Disaggregation of revenue**

The Directors consider that, based on the characteristics of the work being performed and the consequent effect on the nature of revenue recognition, there are no distinct categories of revenue to be disaggregated.

No analysis by market is given as the Directors consider that there are no distinct markets that are used for operating and decision-making purposes.

### **Contract balances**

Contract fulfilment assets (note 16) are recognised for those costs qualifying for capitalisation. The utilisation of these assets is recognised over the contract term. The utilisation of assets is recognised over the contract term. The timing of cash receipts from customers typically matches when the costs are incurred to transform, restructure and run the service. This results in income being deferred and released as the company continues to deliver against its obligation to provide services and solutions to its customers. Deferred income balances are disclosed in note 19 as contract liabilities.

Deferred income is all expected to reverse within one year of the balance sheet date.

## **8 Profit from operations**

Profit from operations is stated in the consolidated income statement after charging/(crediting):

	<b>2022</b>
	<b>£</b>
Amortisation of intangible assets	451,238
Depreciation of property, plant and equipment	161,117
Net foreign exchange gain	(89,779)
Loss on disposal of property, plant and equipment	6,989
	<hr/>

## **9 Auditors' remuneration**

The company was not subject to audit in the year ended 31 December 2022 as exemption was claimed under section 479A of the Companies Act relating to subsidiary undertakings.

## **10 Staff costs**

The aggregate employee benefit expenses were as follows:

	<b>2022</b>
	<b>£</b>
Wages and salaries	5,166,657
Social security costs	549,475
Pension costs	131,375
	<hr/>
	5,847,507
	<hr/>

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

	<b>2022</b>
	<b>No.</b>
Sales	9
Administrative staff	2
Operations	64
	<hr/>
	75
	<hr/>

11 **Transactions with key management personnel**

Key management of the company are the members of the board of directors. The Director's remuneration including reimbursement of expenses was borne by another subsidiary of Capita plc. As no significant time was spent by the Directors on the company's affairs, no Directors' remuneration has been allocated to the company.

12 **Net finance income**

	<b>2022</b>
	<b>£</b>
Interest on bank deposits	20,425
Interest receivable from Group undertakings	14,706
	<u>35,131</u>

13 **Income taxes**

	<b>2022</b>
	<b>£</b>
<b>Current tax:</b>	
UK corporation tax	25,821
Adjustments to prior periods	(23,050)
<b>Total current tax charge</b>	<u>2,771</u>
<b>Deferred tax:</b>	
Origination and reversal of temporary differences	(9,764)
Adjustments in respect of prior periods	(54,898)
	<u>(64,662)</u>
<b>Tax on profit on ordinary activities</b>	<u>(61,891)</u>

Tax on loss on ordinary activities for the year is lower than the standard rate of corporate tax in the UK of 19%,

The differences are reconciled below:

<b>Continuing operations</b>	<b>2022</b>
	<b>£</b>
<b>Profit on ordinary activities before taxation</b>	<u>92,514</u>
Tax at the UK rate of 19%	17,578
<b>Effect of:</b>	
Expenses not deductible for tax purposes	1,020
Adjustments in respect of current income tax of prior periods	(23,050)
Adjustments in respect of deferred income tax of prior periods	(54,898)
Remeasurement of deferred tax for change in tax rates	(2,343)
Income not taxable	(198)
Group relief surrendered	
<b>Total tax charge</b>	<u>(61,891)</u>

14 **Deferred tax**

Deferred tax balances are analysed as follows:

	<b>Fixed asset temporary differences</b>	<b>Tax losses</b>	<b>Other short term temporary differences</b>	<b>Total</b>
	£	£	£	£
At 1 January 2022 – asset/(liability)	548,872	51,923	1,250	602,045
Arising on common control transaction	(431,967)	(50,673)	(3,361)	(486,001)
Tax credit/(charge) in respect of current year	(5,320)	15,948	54,034	64,662
At 31 December 2022 – asset/(liability)	111,585	17,198	51,923	180,706

A change to the main UK corporation tax rate was substantively enacted on 24 May 2021. The rate applicable from 1 April 2023 increases from 19% to 25%. The deferred tax asset at 31 December 2022 has been calculated based on this rate.

15 **Intangible assets**

	<b>Software development costs</b>
	£
<b>Cost</b>	
At 1 January 2022	2,498,702
Additions	26,353
Intra-group transfers	(1,547,129)
Disposals	(141,691)
At 31 December 2022	836,235
<b>Accumulated amortisation</b>	
At 1 January 2022	841,508
Charge for the year	451,238
Intra-group transfers	(628,341)
Retirement	(134,702)
At 31 December 2022	529,703
<b>Net book value</b>	
At 31 December 2022	306,532
At 31 December 2021	1,657,194

16 **Property, Plant and Equipment**

	Leasehold improvements £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2022	-	817,107	817,107
Intra-group transfer	-	(2,021)	(2,021)
Asset retirements	-	(388,752)	(388,752)
At 31 December 2022	-	426,334	426,334
<b>Depreciation</b>			
At 1 January 2022	-	454,765	454,765
Additions	-	161,117	161,117
Intra-group transfer	-	(1,895)	(1,895)
Asset retirements	-	(388,752)	(388,752)
At 31 December 2022	-	201,099	201,099
<b>Net book value</b>			
At 31 December 2022	-	201,099	201,099
At 31 December 2021	-	362,342	362,342

17 **Contract fulfilment assets**

	£
At 31 December 2021	2,810,515
Additions	1,807,270
Intra-group transfers	(4,594,666)
Utilised during the year	(22,273)
At 31 December 2022	846

In preparing these financial statements, the entity undertook a review to identify indicators of impairment of contract fulfilment assets. The entity determined whether or not the contract fulfilment assets were impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the entity expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the entity used the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price were removed for the impairment test.

In line with our accounting policy, as set out in note 2, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific KPIs that could trigger variable consideration, or service credits.

18 Trade and other receivables

	2022 £
Amounts falling due within one year:	
Trade receivables	826,045
Amounts due from group undertakings	2,865,373
Other receivables	488,470
Prepayments and accrued income	231,343
	<u>4,411,231</u>

Trade and other receivables and contract assets above are stated net of expected credit loss ('ECL') provisions where necessary, which are calculated using the simplified approach grouping trade receivables and contract assets on the basis of their shared credit risk characteristics. Trade receivables above represents gross receivables of £838,635 net of provisions of £12,590.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses. Where the carrying value of an assets exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The company monitors the level of trade receivables on a monthly basis, continually assessing the risk of default by any counterparty. Each customer has an external credit score which determines the level of credit provided.

The Directors believe the credit risk attached to its customer base is relatively low. Based on their assessment as described above, they consider that a policy of providing for all receivables more than 6 months old provides a sufficient basis to provide for expected credit losses.

The maturity analysis of trade receivables is:

	< 1 month £	1-3 months £	4-6 months £	> 6 months £	Total £
<i>ECL provision rate</i>	0%	0%	0%	100%	
31 December 2022	425,031	347,399	50,453	15,752	838,635

19 Trade and other payables

	2022 £
Amounts falling due within one year:	
Trade payables	71,297
Amounts due to group undertakings	1,092,191
Social security and other taxes	146,157
Accrued expenses	26,738
	<u>1,336,383</u>

Trade payables are all current and any fair value difference is not material.

20 Contract liabilities

The deferred income balance solely relates to revenue from contracts with customers. Movements in the deferred income balance was driven by transactions entered into by the company within the normal course of business in the year.

21 **Financial instruments**

	<b>2022</b>
	<b>£</b>
Financial assets held at amortised cost:	
Trade receivables	826,045
Amounts due from group undertakings	2,865,373
Cash and cash equivalents	1,424,019
	<hr/> 5,115,437 <hr/>
	<b>2022</b>
	<b>£</b>
Financial liabilities held at amortised cost:	
Trade payables	71,297
Amounts owed to group undertakings	1,092,191
	<hr/> 1,163,488 <hr/>

22 **Financial Risk management**

The company uses various financial instruments. These primarily include cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations.

The existence of these financial instruments expose the Company to a number of financial risks, which are described in more detail below.

**a) Market risk**

Market risk encompasses three types of risk, being currency risk, interest rate risk and price risk. The company does not have any assets or liabilities that expose it to currency risk or price risk. Interest rate risk is discussed further below.

**b) Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing cash balances. The Company has significant levels of cash reserves available.

The company's financial liabilities comprise trade payables, other payables, accruals and amounts due to group undertakings. All liabilities are repayable on demand. The main liquidity risk arises on the amount due to the company's parent, which is considered low given the relationship between the parties.

**c) Interest rate risk**

Interest rate risk is limited to income from amounts owed by group undertakings, which are linked to prevailing Bank of England rates. A 10% variation in rates would have led to a variation in finance income for the period of £1,471.

**d) Credit risk**

The company's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The credit risk associated with trade receivables is minimal as invoices are based on contractual agreements with long-standing customers. Credit losses historically incurred by the Company have consequently been immaterial.

The company had no material receivables past due or impaired at 31 December 2022.

**e) Capital risk management**

The company's primary objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The company was part of the Capita Group for the period ended 31 December 2022 and was therefore able to draw on the resources of the Capita Group as a whole in order to provide capital for the purposes of funding working capital. Throughout the period, the company was mainly funded by cash reserves. There was no long term debt at 31 December 2022.

**23 Share capital**

Issued capital

*Authorised*

**2022  
Number**

Ordinary shares of £1 each 535,147

*Allotted, called up and fully paid*

Ordinary shares of £1 each

**2022  
£  
535,147**

**Share rights**

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

**24 Defined contribution pension scheme**

The company operates defined contribution pension schemes. The pension cost charge for the year represented contributions payable by the company to the schemes and amounted to £131,375 (2020 - £160,229; 2021 - £160,758). No contributions were due to the scheme at the end of the year.

**25 Related party transactions**

**Ultimate controlling party**

During the historical financial period, the company was ultimately controlled by Capita Plc. On 8 June 2023, the company was sold and, the ultimate controlling party became AdvancedAdvT Limited from that date.

**Key management personnel compensation**

Key management personnel remuneration has been set out in note 11 to the Historical Financial Information

**Transactions with group companies**

The following transactions occurred with the other companies within the Capita Group

**Sales**

	<b>2022 £</b>
Capita plc	72,295
Capita Business Services Ltd	460,149
Capita Property and Infrastructure Limited	10,400
Capita Resourcing Limited	27,270
Agiito Limited	12,414
Capita Pension Solutions Limited	689
Capita IT Services Limited	5,302
Clinical Solutions International Limited	276,143
Capita Shared Services Limited	120,689
Capita IB Solutions Limited	524,157

**Purchases**

	<b>2022</b>
	<b>£</b>
Capita plc	363,668
Capita Business Services Ltd	1,909,175
Capita International Limited	48,163
Capita Life & Pensions Regulated Services Limited	888
Capita Resourcing Limited	1,092,527
Agiito Limited	74,417
Computerland UK Limited	35,498
Capita Pension Solutions Limited	27,492
Capita IT Services Limited	9,257
Capita Secure Information Solutions Limited	52,298
Capita Customer Management Limited	6,197
Clinical Solutions International Limited	806,039
Entrust Support Services Limited	16
Updata Infrastructure (UK) Limited	1,767
Tascor E & D Services Limited	13
Trustmarque Solutions Limited	9,031
Capita Shared Services Limited	476,617
Capita IB Solutions Limited	17,149
Capita Business Support Services Ireland Limited	1,066
Capita IB Solutions (Ireland) Limited	4,026

**Outstanding balances**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

**Current receivables**

	<b>2022</b>
	<b>£</b>
Capita Business Services Ltd	164,311
Capita Resourcing Limited	539
Clinical Solutions International Limited	3,555
Capita Shared Services Limited	120,689
Capita IB Solutions Limited	514
Capita Business Support Services Ireland Limited	113

**Current payables**

	<b>2022</b>
	<b>£</b>
Capita plc	4,586
Capita Business Services Ltd	11,358
Capita International Limited	3,073
Capita Resourcing Limited	77,944
Agiito Limited	2,568
Computerland UK Limited	45
Clinical Solutions International Limited	3,555



## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

Capita Shared Services Limited	477,069
Capita IB Solutions Limited	2,650
Capita Business Support Services Ireland Limited	75,972
Capita IB Solutions (Ireland) Limited	4,897

### Intercompany loans

	2022
	£
Capita plc	1,017,700
Capita Business Services Ltd	1,386,112
Clinical Solutions International Limited	241,699
CAS Services US Inc.	526,240

## 26 Common control transactions

### Year ended 31 December 2021

On 1 November 2021, the trade and associated assets of the healthcare decision business was transferred from Capita Business Services Limited ('CBS') Clinical Solution International Limited ('CSI') to the company, and on 1 December 2021 the healthcare decision business of CAS Services UK Inc ('CAS') was transferred to the company. As the transferor and transferee entities are ultimately controlled by Capita plc, these were business combinations under common control. The balances acquired under the transaction were as follows:

	CBS	CSI	CAS	Total
	£	£	£	£
Goodwill	-	-	341,908	341,908
Intangible assets	122,012	873,080	-	995,092
Property, plant and equipment	-	2,139	-	2,139
Contract fulfilment assets	-	2,539,734	-	2,539,734
Trade and other receivables	549,158	248,253	2,785	800,196
Trade and other payables	(28,248)	(122,838)	(149,179)	(300,265)
Deferred income	(63,902)	(131,737)	(73,493)	(269,132)
Deferred tax	-	321,675	-	321,675
	<u>579,020</u>	<u>3,730,306</u>	<u>122,021</u>	<u>4,431,348</u>

### Year ended 31 December 2022

On 1 December 2022, the trade and associated assets of the public division business were transferred to Capita Business Services Limited by the company. As the transferor and transferee entities are ultimately controlled by Capita plc, these were business combinations under common control. The balances acquired under the transaction were as follows:

	<b>Total £</b>
Goodwill	341,908
Intangible assets	576,879
Property, plant and equipment	126
Contract fulfilment assets	4,594,666
Trade and other receivables	454,401
Trade and other payables	(228,038)
Deferred income	(285,744)
Deferred tax	486,001
	<u>5,940,199</u>

### 27 Post Balance Sheet Events

The following events occurred after 31 December 2022, and before the approval of these financial statements, but have not resulted in adjustment to the 2022 financial results:

- On 17 May 2023, the company declared dividend of £2.5m to Capita Health Holdings Limited, to be satisfied in specie by the transfer of loan receivable from Capita plc.
- On 8 June 2023, the company's ultimate parent undertaking Capita plc, announced that it had agreed to sell the company to AdvancedAdvT Limited.

### 28 First-time adoption of UK-adopted IFRS

This historical information for the period ended 31 December 2022 is the first financial information the Company has prepared in accordance with full IFRS, having previously prepared financial statements under FRS 101 *Reduced Disclosure Framework*. As FRS 101 requires the application of IFRS accounting rules and principles (but with reduced disclosures) no adjustments were required on the application of UK-adopted IFRS.

**SECTION B-4**

**COMBINED HISTORICAL FINANCIAL INFORMATION OF RETAIN  
INTERNATIONAL SOFTWARE LIMITED (FORMERLY CAPITA RETAIN LIMITED)  
AND RETAIN INTERNATIONAL SOFTWARE (USA) LLC (FORMERLY CAPITA  
RETAIN (US) LLC)  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

## HISTORICAL STATEMENT OF COMPREHENSIVE INCOME

		Period ended 31 December 2022 £
<b>Continuing operations</b>	<b>Note</b>	
Revenue	6	8,310,404
Cost of sales		(6,502,929)
<b>Gross profit</b>		<u>1,807,475</u>
Administrative expenses		(2,696,631)
<b>Operating loss</b>	7	<u>(889,155)</u>
Net finance costs	11	(143,258)
<b>Loss before tax</b>		<u>(1,032,414)</u>
Income tax credit	12	268,696
<b>Net loss and total comprehensive income for the period</b>		<u><u>(763,718)</u></u>
 <b>Loss per share</b>		
Basic	4	<u><u>(763,718)</u></u>

There is no difference between basic and diluted earnings per share

There are no further items of comprehensive income other than those shown above.

## STATEMENT OF FINANCIAL POSITION

		31 December 2022 £
<b>Non-current assets</b>	<b>Note</b>	
Property, plant and equipment	15	814
Goodwill		51,174
Intangible assets	14	7,906,870
Contract fulfilment assets	17	89,286
Trade and other receivables	18	9,122
Deferred tax	13	272,266
		<u>8,329,532</u>
<b>Current assets</b>		
Trade and other receivables	18	2,458,814
Cash		1,152,640
<b>Total current assets</b>		<u>3,611,454</u>
<b>TOTAL ASSETS</b>		<u><u>11,940,986</u></u>
<b>Equity and liabilities</b>		
Equity attributable to equity holders of the parent		
Share capital		1
Retained deficit		(811,375)
<b>Total equity</b>		<u>(811,374)</u>
<b>Current liabilities</b>		
Trade and other payables	19	9,949,919
Contract liabilities	20	2,802,443
<b>Total current liabilities</b>		<u>12,752,362</u>
<b>TOTAL LIABILITIES</b>		<u>12,752,362</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>11,940,986</u></u>

## STATEMENT OF CHANGES IN EQUITY

	Share capital £	Retained deficit £	Total deficit £
Loss on trade of Retain US(LLC) for the period to 31 October 2021	-	(43,564)	(43,564)
Currency differences on translation of foreign currency net investment	-	(4,093)	(4,083)
Loss for the period	-	(763,718)	(763,718)
Issue of share capital on 26 August 2021	1	-	1
Balance at 31 December 2022	<u>1</u>	<u>(811,375)</u>	<u>(811,375)</u>

### Issued share capital

The balance classified as share capital is the subscription share issues of the company's equity share capital on incorporation comprising 1 ordinary share of £1 each.

### Retained deficit

Retained earnings represents accumulated profits and losses of the company.

## STATEMENT OF CASH FLOW

		Period ended 31 December 2022 £
	Note	
<b>Cash flows from operating activities:</b>		
Loss before taxation		(1,032,414)
Finance costs		145,642
Foreign exchange movement		(4,093)
Amortisation of intangible assets		1,665,406
Depreciation of property, plant and equipment		7,837
Increase in trade and other receivables		(1,430,111)
Increase in trade and other payables		5,631,593
Movement in contract fulfilment asset		(89,286)
		<hr/>
Cash generated from operations		4,894,574
Tax paid		-
<b>Net cash generated from operating activities</b>		<hr/> 4,894,574 <hr/>
<b>Cash flows from investing activities:</b>		
Purchase of intangibles		(3,716,771)
		<hr/>
<b>Net cash from investing activities</b>		<hr/> (3,716,771) <hr/>
<b>Cash flows from financing activities:</b>		
Interest paid		(145,642)
Issue of share capital		1
		<hr/>
<b>Net cash from financing activities</b>		<hr/> (145,641) <hr/>
<b>Net increase in cash and cash equivalents</b>		1,032,162
<b>Cash balance of Retain (US) LLC at 1 November 2021</b>		120,478
		<hr/>
<b>Cash and cash equivalents at end of period</b>		<hr/> 1,152,640 <hr/>

There were no movements in net debt other than the movement in cash and cash equivalents shown above.

### 1 General Information

Retain International Software Limited is a private company incorporated and domiciled in the UK on 26 August 2021, located at 65 Gresham Street, London, England EC2V 7NQ.

Retain International Software Limited is was a wholly owned subsidiary (directly held) of Capita Secure Information Solutions Limited. The company was incorporated on 26 August 2021 and the company's first financial statements were prepared for the period from 26 August 2021 to 31 December 2022.

On 1 November 2021, Capita Secure Information Solutions Limited transferred the trade and assets of its Retain business into the company. Please refer to note 25 for further details.

The principal activity of the company is the provision of supplying resource and project management software, with functionality covering planning, reporting and demand forecasting and talent management. The company provides on premise and cloud solutions to a global customer base predominantly serving the Professional Services, Audit & Tax, BPO & Regulatory sectors.

Retain International Software (USA) LLC ('LLC') is a limited liability company registered and domiciled in the United States of America. The principal activity of LLC is to act as a sales agent for the company.

LLC was a wholly owned subsidiary (directly held) of Capita Secure Information Solutions Limited. LLC was incorporated on 1 February 2021 and has not been required under local law to prepare financial statements.

### 2 Summary of significant accounting policies

#### Basis of preparation

##### Statement of compliance

The Historical Financial Information has been prepared specifically for the purposes of the Company's Admission Document in accordance with the requirements of the AIM Rules for Companies and the basis of preparation, including the accounting policies set out below and the recognition and measurement principles of International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the United Kingdom (collectively "UK-adopted IFRS"), except as stated within the basis of aggregation section.

This Historical Financial Information does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. The statutory accounts of the company for the period ended 31 December 2022 were filed at Companies House and their audit reports were unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

The Directors of the Company are solely responsible for the preparation of this Historical Financial Information.

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years presented.

##### Basis of preparation

This Historical Financial Information presents the financial results of the company and the LLC for the period ended 31 December 2022.

For the period ended 31 December 2022, Retain International Software Limited prepared its statutory financial statements in accordance with Financial Reporting Standard 101 ("FRS 101"). LLC has not previously been required to prepare and file financial statements.

The Historical Financial Information has been prepared on the following basis:

- The aggregated financial information for Retain International Software Limited for the period from incorporation on 26 August 2021 (albeit in practice from the commencement of trading on 1 November 2021) to 31 December 2022 together with the financial information of LLC for the period from 1 November 2021 to 31 December 2022
- Using the historical cost convention except for, where disclosed in the accounting policies, certain items shown at fair value.



The Historical Financial Information is presented in Pounds Sterling, being the functional currency of Retain International Software Limited. The results of LLC have been translated from US Dollars as explained further in the accounting policies below.

### **Basis of Aggregation**

In the absence of a legal parent company which controls the two entities, IFRS 10 Consolidated Financial Statements ("IFRS 10") does not permit consolidation of the entities. Instead, Combined Financial Statements have been prepared using the accounting conventions commonly used in the preparation of historical financial information in investment circulars contained in Standards for Investment Reporting: 2000 - Investment Reporting Standards Applicable to Public Reporting Engagements on Historical Financial Information ("SIR 2000 Revised (Issued in March 2020)").

For the purposes of this Historical Financial Information, and in accordance with paragraph 26 of 'Annexure: Accounting Conventions Commonly used in the Preparation of Historical Financial Information in Investment Circulars' in SIR 2000 Revised (Issued in March 2020), the results of the company and LLC have been combined by aggregating the results for each entity for the period described above (i.e. 1 November 2021 to 31 December 2022) and eliminating intra-group balances, and any gains and losses or income and expenses arising from intra-group transactions between the two entities, before applying the necessary adjustments to achieve compliance with the recognition and measurement principles of UK-adopted IFRS.

The preparation of Historical Financial Information in conformity with the recognition and measurement principles of UK-adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the companies' accounting policies. These are disclosed in note 3.

### **Changes in accounting policy and disclosures**

#### *(a) New and amended accounting standards*

No new standards, interpretations and amendments have had a material effect on the Historical Financial Information.

#### *(b) Future standards*

At the date of authorisation of the Historical Financial Information, the company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

- Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8 (effective 1 January 2023)
- Amendment to IAS 12 – deferred tax (effective 1 January 2023)
- Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)
- IFRS 17 'Insurance contracts' (effective 1 January 2024)

All of the above are effective for annual periods commencing on or after the dates shown above. As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

### **Going concern**

In determining the appropriate basis of preparation for the annual report and financial statements for the period ended 31 December 2022, the company's Directors ("the Directors") are required to consider whether the company can continue in operational existence for the foreseeable future, being a period of at least 12 months following the approval of these financial statements. The Directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, sensitivities, and mitigations as set out below.

The financial forecasts used for the going concern assessment are derived from financial projections for 2023-2024 which have been subject to review and challenge by management and the Directors. The Directors have approved the projections.

### Revenue recognition

Revenue is earned within the United Kingdom.

Revenue recognition is based on the principles set out in IFRS 15. Revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Most of the company's Support and Maintenance contracts are for a period of three years with revenue recognised equally over each billing period. A small number of contracts are longer than three years, these mainly with the company's larger customers. Revenue recognition for these contracts is still based on a twelve month billing period, equal amounts recognised each month.

The company also generates revenue from sales of perpetual licences, Professional Services and its most recent offering, SaaS subscription services. Revenue from perpetual licence sales is recognised at point of sale. Professional Services revenue in association with the company's on-premise solution is recognised either as delivered if sold on a Time and Materials basis, or at a point in time based on milestone achievement if sold on a Fixed Price basis. Both the SaaS subscription element of revenue from sales of the company's Cloud offering, as well as Professional Services sold in relation to this revenue stream, are recognised evenly over the full term of the contract period, again typically three years.

### ***Deferred and accrued income (Contract liabilities and contract assets)***

The company bills in advance for its Support and Maintenance contracts. Amounts billed are classified as deferred revenue on the balance sheet and reduce over the support period as it is recognised as revenue in the income statement.

For Professional Services sold on a Time and Materials basis, the company typically bills monthly in arrears. Where Professional Services are sold on a Fixed Price basis they will aim to bill and receive payment upfront for part of the total sale value. This is classified as deferred income in the balance sheet and is recognised in the income statement as milestones are achieved. SaaS subscription revenues are billed either quarterly or annually in advance and are classified as deferred income until released straight-line to the income statement over the billing period.

Costs incurred in the delivery of Professional Services are classified as contract fulfilment assets and remain on balance sheet until the associated Professional Services revenue is released to the income statement. This is applicable to sales of Professional Services both in relation to the company's on-premise software solution as well as the more recently developed Cloud SaaS offering. At each reporting date the company assesses whether there is any indication that costs incurred are not fully recoverable. Where this is the case, an impairment is made and the contract fulfilment asset is written down to its recoverable amount.

### Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the cost on a straight-line basis over the expected useful lives of the assets concerned, as follows:

Computer equipment	3 - 5 years
--------------------	-------------

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstance indicate that the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

### Intangible assets

Intangibles are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life, which is typically 5 years. Development expenditure is written off to the income statement unless and until the company is satisfied as to the following:

- a. the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- b. its intention to complete the intangible asset and use or sell it.
- c. its ability to use or sell the intangible asset.
- d. that the intangible asset will generate probable future economic benefits.
- e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- f. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

In these cases, the development expenditure is capitalised and amortised over the period during which the company is expected to benefit.

### **Taxation**

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

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

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### **Pensions**

The Company participates in a number of defined contribution schemes and contributions are charged to the income statement in the year in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the company. The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking, which pays the Capita Group liability centrally. Any unpaid contributions at the year-end have been accrued in the accounts of that company.

### **Financial instruments**

#### ***Trade and other receivables***

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

#### ***Trade and other payables***

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the interest method.

#### ***Cash and cash equivalents***

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less from inception that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current financial liabilities.

## Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All foreign exchange gains/losses are recognised in profit or loss.

The assets and liabilities of LLC are translated using the spot rate at 31 December 2022. The results of LLC for the period have been translated at the average rate. Differences arising on the translation of opening net assets, and the difference arising on retained earnings between the use of average rate and closing rate, are included within retained earnings for the purposes of the preparation of this Historical Financial Information.

## Common control transactions

Where a business is transferred from one legal entity to another legal entity within the Capita Group under a Business Transfer Agreement ("BTA"), this is treated as a business combination under common control, and would therefore fall outside of the scope of IFRS 3 Business Combinations. As such, an accounting policy choice has been made for how common control transactions are dealt with across the Capita Group, as follows:

- Where a BTA is undertaken at net book value (with consideration paid equal to the net book value of the assets and liabilities transferred on the BTA date), the relevant assets and liabilities of the transferring business are recognised in the transferee at their previous carrying values as in the transferor's stand-alone entity accounts;
- Where the consideration paid is greater than the net book value of the assets and liabilities transferred, this excess is recognised as a gain on disposal for the transferor, and by the recognition of entity level goodwill in the transferee, which would be linked to the acquired business.

## 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statement in accordance with generally accepted accounting principles requires the directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the presented periods. Although these judgements and assumptions are based on the directors' best knowledge of the amount, events or actions, actual results may differ.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement and impairment of intangible assets. The company determines whether intangible assets are impaired based on any impairment indicators. Intangible assets with finite lives are only tested for impairment, either individually or at the cash generating unit level, where there is an indicator of impairment. This involves estimation of future cash flows and choosing a suitable discount rate.

## 4 Earnings per share

	2022 £
<b>Basic</b>	
Earnings used in calculation of earnings per share:	
Total loss attributable to equity holders	(763,718)
Weighted average number of shares in issue	1
<b>Loss per share</b>	
On total profits attributable to equity holders	(763,718)

There are no potentially dilutive shares and therefore there is no difference between basic and diluted earnings per share.

5 **Segmental reporting**

The company's management have identified the company and LLC together as a single operating segment. The results of the company and LLC are monitored by the company's chief operating decision maker and strategic decisions are made based on the company's and LLC's combined results as a whole.

There are no customers individual representing 10% or more of total revenues.

6 **Revenue**

Revenue is earned from contracts with customers within the United Kingdom.

**Significant judgements and policies**

The company applies the principles of revenue recognition set out in IFRS 15. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised 'over time' as control of the performance obligation is transferred to the customer.

The significant judgements used in applying IFRS 15 are disclosed in note 2 above.

**Disaggregation of revenue**

The Directors consider that, based on the characteristics of the work being performed and the consequent effect on the nature of revenue recognition, there are no distinct categories of revenue to be disaggregated.

An analysis of revenue by geographical market is shown below

	<b>2022</b>
	<b>£</b>
United Kingdom	7,678,609
United States of America	631,795
	<hr/>
	8,310,404
	<hr/>

**Contract balances**

Contract fulfilment assets (note 16) are recognised for those costs qualifying for capitalisation. The utilisation of these assets is recognised over the contract term. The utilisation of assets is recognised over the contract term. The timing of cash receipts from customers typically matches when the costs are incurred to transform, restructure and run the service. This results in income being deferred and released as the company continues to deliver against its obligation to provide services and solutions to its customers. Deferred income balances are disclosed in note 19 as contract liabilities. Deferred income is all expected to be released to revenue within 12 months of the balance sheet date.

7 **Operating loss**

Operating loss is stated in the consolidated income statement after charging/(crediting):

	<b>Notes</b>	<b>2022</b>
		<b>£</b>
Net foreign exchange gains		(77,367)
Depreciation of property, plant and equipment	15	7,837
Amortisation of intangible assets	14	1,665,406
Operating lease rentals – plant and machinery		2,039
	<hr/>	<hr/>

8 **Auditors' remuneration**

	<b>2022</b>
	<b>£</b>
For audit of the financial statements	20,000

The audit fees were borne by the previous ultimate parent undertaking, Capita Plc. Non-audit services are provided by the company's auditors and group level and no allocation is made to the company. LLC was not subject to audit in the period.

9 **Staff costs**

The aggregate employee benefit expenses were as follows:

	<b>2022</b>
	<b>£</b>
Wages and salaries	4,791,778
Social security costs	600,262
Pension costs – defined contribution	154,919
	<u>5,546,959</u>

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

	<b>2022</b>
	<b>No.</b>
Sales	9
Administration	4
Operations	50
	<u>63</u>

10 **Transactions with key management personnel**

Key management are the members of the board of directors. Key management personnel remuneration includes the following expenses:

	<b>2022</b>
	<b>£</b>
Wages and salaries	9,194
Pension costs	410
	<u>9,604</u>

Of the two directors providing qualifying services, only one director was paid directly by the company. The number of Directors for whom retirement benefits are accruing under defined contribution pension schemes amounts to 1. In addition to the above, the Directors were reimbursed for expenses incurred by them whilst performing business responsibilities. The remuneration disclosed above includes all remuneration for qualifying services.

11 **Net finance costs**

	<b>2022</b>
	<b>£</b>
Interest payable to group undertakings	143,258

12 **Income taxes**

	<b>2022</b>
	<b>£</b>
<b>Current tax:</b>	
UK corporation tax	-
Adjustments to prior periods	-
<b>Total current tax charge</b>	<u>-</u>
<b>Deferred tax:</b>	
Origination and reversal of temporary differences	(268,696)
Adjustments in respect of prior periods	-
	<u>(268,696)</u>
<b>Tax on loss on ordinary activities</b>	<u>(268,696)</u>

Tax on loss on ordinary activities for the period is lower than the standard rate of corporate tax in the UK of 19%,

The differences are reconciled below:

	<b>2022</b>
	<b>£</b>
<b>Continuing operations</b>	
<b>Loss before taxation</b>	<u>(1,032,414)</u>
Loss before taxation at the UK rate of 19%	(196,159)
<b>Effect of:</b>	
Expenses not deductible for tax purposes	1,785
Profits not chargeable to income tax	(8,978)
Impact of changes in tax rates	(65,344)
<b>Total tax credit</b>	<u>(268,696)</u>

13 **Deferred tax**

Deferred tax balances are analysed as follows:

	<b>Tax losses</b>	<b>Fixed asset temporary differences</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Arising on common control transaction	-	3,570	3,570
Tax credit in respect of current year	263,804	4,892	268,696
At 30 31 December 2022 – asset	<u>263,804</u>	<u>8,462</u>	<u>272,266</u>

A change in the main UK corporation tax rate was substantively enacted on 24 May 2021. The rate applicable from 1 April 2023 increases from 19% to 25%. The deferred tax asset at 31 December 2022 has been calculated based on this rate.

14 **Intangible assets**

	<b>Software development costs £</b>
<b>Cost</b>	
Arising on common control transaction	5,855,505
Additions	3,716,771
At 31 December 2022	<u>9,572,276</u>
<b>Amortisation</b>	
Amortisation	1,665,406
At 31 December 2022	<u>1,665,406</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>7,906,870</u></u>

Software development costs represents the company's Cloud SaaS solution which is one of the next generation resource management solutions offering quick implementation, advanced reporting and easily customisable functionality to its customers. The company's growth expectations are based on a mix of existing customers migrating from the company's on-premise solution together with new customers looking to take advantage of the benefits offered by a 'pure play' SaaS solution. During 2022, Management has undertaken a robust impairment assessment of the Software development costs having carrying value of £7,906,807 as at 31 December 2022 to ensure the value held on the balance sheet is appropriate. This review has resulted in no impairment to the value of the asset which has been recorded as of 31 December 2022. The impairment has been evaluated by comparing the total cost of the asset on the balance sheet to the Value in use of the asset based on NPV of future cash flows from Management's latest forecast of future trading.

Key assumptions used for Calculation of NPV of future cash flows as follows:

Forecast period : 2023 to 2027

Discount rate : 12.1%

Terminal growth rate : 2.2%

15 **Property, Plant and Equipment**

	<b>Computer equipment £</b>
<b>Cost</b>	
Arising on common control transaction	8,651
At 31 December 2022	<u>8,651</u>
<b>Depreciation</b>	
Charge for the period	7,837
At 31 December 2022	<u>7,837</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>814</u></u>



16 **Contract fulfilment assets**

	£
Additions	108,257
Utilised during the period	(18,971)
	<u>89,286</u>
At 31 December 2022	

In preparing these financial statements, the entity undertook a review to identify indicators of impairment of contract fulfilment assets. The entity determined whether or not the contract fulfilment assets were impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the entity expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the entity used the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price were removed for the impairment test.

In line with the accounting policy, as set out in note 2, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific KPIs that could trigger variable consideration, or service credits.

17 **Trade and other receivables**

	2022 £
Amounts falling due within one year:	
Trade receivables	1,335,222
Amounts due from group undertakings	896,612
Accrued income	125,051
Prepayments	88,869
Other receivables	<u>13,061</u>
	<u>2,458,814</u>

In addition to the above are prepayments of £9,122 which are considered to be non-current.

Trade and other receivables and contract assets above are stated net of expected credit loss ('ECL') provisions where necessary, which are calculated using the simplified approach grouping trade receivables and contract assets on the basis of their shared credit risk characteristics. Trade receivables above represents gross receivables of £1,395,291 net of provisions of £60,069.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses. Where the carrying value of an assets exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The company monitors the level of trade receivables on a monthly basis, continually assessing the risk of default by any counterparty. Each customer has an external credit score which determines the level of credit provided.

The Directors believe the credit risk attached to its customer base is relatively low. Based on their assessment as described above, they consider that a policy of providing for all receivables more than 6 months old provides a sufficient basis to provide for expected credit losses.

The maturity analysis of trade receivables is:

	< 1 month £	1-3 months £	4-6 months £	> 6 months £	Total £
<i>ECL provision applied</i>	0%	0%	0%	100%	
31 December 2022	911,120	379,348	30,650	74,174	2,965,295

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 18 Trade and other payables

	<b>2022</b>
	<b>£</b>
Amounts falling due within one year:	
Trade payables	177,951
Amounts due to group undertakings	9,220,929
Social security and other taxes	29,405
Other payables	855
Accrued expenses	520,778
	<u>9,949,918</u>

Amounts due to group undertakings are repayable on demand and are not chargeable to interest, except for an amount due to Capita plc, on which interest is charged as per the prevailing Bank of England rates.

### 19 Contract liabilities

	<b>2022</b>
	<b>£</b>
Deferred Income	<u>2,802,443</u>

### 20 Financial instruments

	<b>2022</b>
	<b>£</b>
Financial assets held at amortised cost:	
Trade receivables	1,335,222
Amounts due from group undertakings	896,612
Cash and cash equivalents	1,152,640
	<u>2,182,774</u>

	<b>2022</b>
	<b>£</b>
Financial liabilities held at amortised cost:	
Amounts due to group undertakings	9,220,929
Trade payables	177,951
Other payables	855
Accrued expenses	520,778
	<u>9,920,513</u>

21 **Financial Risk management**

The company uses various financial instruments. These primarily include cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations. The existence of these financial instruments expose the company to a number of financial risks, which are described in more detail below.

**a) Market risk**

Market risk encompasses three types of risk, being currency risk, interest rate risk and price risk. The company does not have any assets or liabilities that expose it to currency risk or price risk. Interest rate risk is discussed further below.

**b) Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing cash balances. The company has significant levels of cash reserves available.

The company's financial liabilities comprise trade payables, other payables, accruals and amounts due to group undertakings. All liabilities are repayable on demand. The main liquidity risk arises on the amount due to the company's parent, which is considered low given the relationship between the parties.

**c) Interest rate risk**

Interest rate risk is limited to the amounts due to group undertakings, which are linked to prevailing Bank of England rates. A 10% variation in rates would have led to a variation in finance costs for the period of £14,564

**d) Credit risk**

The company's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The credit risk associated with trade receivables is minimal as invoices are based on contractual agreements with long-standing customers. Credit losses historically incurred by the company have consequently been immaterial.

The company had no material receivables past due or impaired at 31 December 2022.

**a) Capital risk management**

The company's and LLC's primary objective when managing capital is to safeguard their ability to continue as going concerns in order to provide returns for shareholders and benefits for other stakeholders. The company and LLC were part of the Capita Plc group for the period ended 31 December 2022 and was therefore able to draw on the resources of the Capita Group as a whole in order to provide capital for the purposes of funding working capital. Throughout the period, the company and LLC were mainly funded by cash reserves. There was no long term debt at 31 December 2022.

22 **Share capital**

Issued capital

	<b>2022</b>
<i>Authorised</i>	<b>Number</b>
Ordinary shares of £1 each	1

	<b>2022</b>
<i>Allotted, called up and fully paid</i>	<b>£</b>
Ordinary shares of £1 each	1

**Share rights**

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

The above shows the share capital of the company. LLC does not have share capital.

23 **Defined contribution pension scheme**

The company operates defined contribution pension schemes. The pension cost charge for the period represented contributions payable by the company to the schemes and amounted to £154,919. No contributions were due to the scheme at the end of the year.

24 **Related party transactions**

**Ultimate controlling party**

During the historical financial period, the company was ultimately controlled by Capita Plc. On 8 June 2023, the company was sold and the ultimate controlling party became AdvancedAdvT Limited from that date.

**Key management personnel compensation**

Key management personnel remuneration has been set out in note 10 to the Historical Financial Information

**Transactions with group companies**

The following transactions occurred with other companies within the Capita Group:

**Sales**

	<b>2022</b>
	<b>£</b>
Capita Plc	897,672
Capita Business Services Limited	301,339
Capita Life & Pensions Regulated Services Limited	51,755
Capita Resourcing Limited	128,726
Agiito Limited	813
Capita Secure Information Solutions Limited	340,090
Capita Customer Management Limited	5,404
Capita Shared Services Limited	403,725
Capita Workforce Management Limited	39,146
Capita IB Solutions Limited	21,085

**Purchases**

	<b>2022</b>
	<b>£</b>
Capita Plc	1,091,361
Capita Business Services Limited	1,871,798
Capita International Limited	16,177
Capita Resourcing Limited	379,204
Agiito Limited	33,170
Computerland UK Limited	20,465
Capita IT Services Limited	589
Capita Secure Information Solutions Limited	774,335
Capita Translation and Interpreting Limited	4,346
Entrust Support Services Limited	60
Trustmarque Solutions Limited	9,230
Capita (SSS) Limited	12,428
Capita Shared Services Limited	577,332
Capita Workforce Management Limited	103,470
Capita IB Solutions Limited	77,374

In addition to the above, the company incurred £145,642 in interest on intercompany loans payable to Capita Plc.

**Transactions with other related parties**

There were no transactions with related parties outside the Group.

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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All transactions were undertaken at normal market prices.

### Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

<b>Current receivables</b>	<b>2022</b>
	<b>£</b>
Capita Business Services Limited	244,247
Capita Life & Pensions Regulated Services Limited	51,755
Capita Secure Information Solutions Limited	402,747
Capita Customer Management Limited	5,404
Capita Translation and Interpreting Limited	13,819
Capita Shared Services Limited	403,725
Capita Workforce Management Limited	40,812
Capita IB Solutions Limited	21,085

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<b>Current payables</b>	<b>2022</b>
	<b>£</b>
Capita Plc	2,430
Capita Business Services Limited	467
Capita International Limited	3,235
Capita Resourcing Limited	33,077
Agiito Limited	3,939
Computerland UK Limited	21
Capita Secure Information Solutions Limited	146,661
Capita Translation and Interpreting Limited	758
Capita Shared Services Limited	578,063
Capita Workforce Management Limited	137,978
Capita IB Solutions Limited	77,374

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<b>Intercompany loans</b>	<b>2022</b>
	<b>£</b>
Capita Plc	3,840,642
Capita Business Services Limited	123,360
Capita Secure Information Solutions Limited	4,111,146

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25 **Common control transactions**

On 1 November 2021, the trade and associated assets of the Retain business were transferred from Capita Secure Information Solutions Limited into the company. As the transferor and transferee entities are ultimately controlled by Capita Plc, this is a business combination under common control. The fair value of balances acquired under the transaction were as follows:

	<b>2022</b>
	<b>£</b>
Development costs	5,855,505
Property, plant and equipment	8,651
Trade and other receivables	879,272
Trade and other payables	(723,457)
Deferred income	(2,153,871)
Deferred tax	3,570
Fair value of net assets acquired and consideration	<u>3,869,670</u>

The consideration above was satisfied via an intercompany loan owed to Capita Secure Information Solutions Limited. Goodwill is considered to represent the acquired workforce and synergies.

26 **Post Balance Sheet Events**

On 8 June 2023, the entity's ultimate parent undertaking Capita Plc completed an agreement to sell the company and the LLC to AdvancedAdvT Limited.

**SECTION B-5**

***HISTORICAL FINANCIAL INFORMATION OF WORKFORCE MANAGEMENT  
SOFTWARE LIMITED (FORMERLY CAPITA WORKFORCE MANAGEMENT  
LIMITED)  
FOR THE PERIOD ENDED 31 DECEMBER 2022***

## HISTORICAL STATEMENT OF COMPREHENSIVE INCOME

		Period ended 31 December 2022 £
<b>Continuing operations</b>	<b>Note</b>	
Revenue	6	3,848,650
Cost of sales		(1,994,787)
<b>Gross profit</b>		<u>1,853,863</u>
Administrative expenses		(694,116)
Impairment of intangible assets	14	(4,342,029)
<b>Operating loss</b>	7	<u>(3,182,282)</u>
Net finance costs	11	(41,516)
<b>Loss before tax</b>		<u>(3,223,798)</u>
Income tax credit	12	810,694
<b>Net loss and total comprehensive income for the period</b>		<u>(2,413,104)</u>
 <b>Earnings per share</b>		
Basic		<u>(2,413,104)</u>

There is no difference between basic and diluted earnings per share

There are no further items of comprehensive income other than those shown above.



## STATEMENT OF FINANCIAL POSITION

		31 December 2022 £
<b>Non-current assets</b>	<b>Note</b>	
Intangible assets	14	74,691
Contract fulfilment assets	17	31,690
Deferred tax asset	13	825,766
Property, plant and equipment	15	8,916
		<u>941,063</u>
<b>Current assets</b>		
Inventories		68,565
Trade and other receivables	18	649,009
Cash and cash equivalents		560,660
<b>Total current assets</b>		<u>1,278,234</u>
<b>TOTAL ASSETS</b>		<u>2,219,297</u>
<b>Equity and liabilities</b>		
Equity attributable to equity holders of the parent		
Share capital		1
Comprehensive loss		(2,413,104)
<b>Total equity</b>		<u>(2,413,103)</u>
<b>Current liabilities</b>		
Trade and other payables	19	3,211,527
Contract liabilities	20	1,420,873
<b>Total current liabilities</b>		<u>4,632,400</u>
<b>TOTAL LIABILITIES</b>		<u>4,632,400</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,219,297</u>

## STATEMENT OF CHANGES IN EQUITY

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	Share capital £	Retained deficit £	Total deficit £
Total comprehensive loss for the year	-	(2,413,104)	(2,413,104)
Issue of share capital	1	-	1
Balance at 31 December 2022	<u>1</u>	<u>(2,413,104)</u>	<u>(2,413,103)</u>

### Issued share capital

The balance classified as share capital is the subscription share issues of the company's equity share capital on incorporation comprising 1 ordinary share of £1 each.

### Retained deficit

Retained earnings represents accumulated profits and losses of the company.

## STATEMENT OF CASH FLOW

		Period ended 31 December 2022 £
	Note	
<b>Cash flows from operating activities:</b>		
Loss before taxation		(3,223,798)
Finance costs		41,516
Foreign exchange movements		61
Amortisation of intangible assets		2,108
Depreciation of property, plant and equipment		47,545
Impairment of intangible assets		4,342,029
Loss on disposal of property, plant and equipment		1,625
Decrease in inventories		2,431
Increase in trade and other receivables		(90,118)
Decrease in trade and other payables		(332,173)
Contract fulfilment asset movement		91,204
		<hr/>
Cash generated from operations		882,430
Tax paid		-
<b>Net cash generated from operating activities</b>		<hr/> 882,430 <hr/>
<b>Cash flows from investing activities:</b>		
Purchase of intangibles		(280,255)
		<hr/>
<b>Net cash from investing activities</b>		(280,255) <hr/>
<b>Cash flows from financing activities:</b>		
Interest paid		(41,516)
Share capital issued		1
		<hr/>
<b>Net cash from financing activities</b>		(41,515) <hr/>
<b>Net increase in cash and cash equivalents</b>		<hr/> 560,660 <hr/>
<b>Cash and cash equivalents at end of period</b>		<hr/> 560,660 <hr/>

There were no movements in net debt other than the movement in cash and cash equivalents shown above.

### 1 General Information

Workforce Management Software Limited is a private company incorporated and domiciled in the UK on 27 August 2021, located at 65 Gresham Street, London, England EC2V 7NQ.

Workforce Management Software Limited was a wholly owned subsidiary (directly held) of Capita Secure Information Solutions Limited. The company was incorporated on 27 August 2021 and the first set of financial statements were prepared for the period from 27 August 2021 to 31 December 2022. Capita plc and its subsidiaries are hereinafter referred to as "the Capita Group".

On 1 November 2021, Capita Secure Information Solutions Limited transferred the trade and assets of its Workforce Management business into Workforce Management Software Limited. Please refer to note 25 for further details.

The principal activity of the company is the provision of workforce management software specialising in data collection and calculation of payroll for blue collar workforces. The company's software is used by more than 250 organisations operating in a number of industries, including Facilities Management, Manufacturing, Logistics, Retail, Hospitality, Food and Beverages, Construction, Care Homes and Healthcare.

### 2 Summary of significant accounting policies

#### Statement of compliance

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the United Kingdom ("UK-adopted IFRS").

This Historical Financial Information does not constitute statutory accounts within the meaning of section 435 of Companies Act 2006. The Directors of the Company are solely responsible for the preparation of this Historical Financial Information.

#### Basis of preparation

This Historical Financial Information presents the financial track record of Workforce Management Software Limited for the period from its incorporation on 27 August 2021 to 31 December 2022 and is prepared for the purposes of admission of the Company to AIM, a market operated by the London Stock Exchange.

This basis of preparation describes how this Historical Financial Information has been prepared in accordance with the requirements of the AIM Rules for Companies and UK-adopted IFRS.

The Historical Financial Information has been prepared on the following basis:

- The financial information for the company for the period ended 31 December 2022
- Using the historical cost convention except for, where disclosed in the accounting policies, certain items shown at fair value.

The Historical Financial Information is presented in Pounds Sterling, being the functional currency of the company.

For the period to 31 December 2022, Workforce Management Software Limited previously prepared its statutory financial statements in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101'). This historical information for the period ended 31 December 2022 is the first financial information Workforce Management Software Limited has prepared in accordance with full UK-endorsed IFRS and the date of transition was 27 August 2021 (i.e. the date of incorporation). In preparing this Historical Financial Information no transitional adjustments were required as FRS 101 requires the adoption of IFRS accounting principles but with certain disclosure exemptions.

### Changes in accounting policy and disclosures

#### *(a) New and amended accounting standards*

No new standards, interpretations and amendments have had a material effect on the Historical Financial Information.

#### *(b) Future standards*

At the date of authorisation of the Historical Financial Information, the company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

- Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8 (effective 1 January 2023)
- Amendment to IAS 12 – deferred tax (effective 1 January 2023)
- Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)
- IFRS 17 'Insurance contracts' (effective 1 January 2024)

All of the above are effective for annual periods commencing on or after the dates shown above. As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

From 1 January 2023 the company will apply UK-adopted IFRS.

### Going concern

In determining the appropriate basis of preparation for the annual report and financial statements for the period ended 31 December 2022, the company's Directors ("the Directors") are required to consider whether the company can continue in operational existence for the foreseeable future, being a period of at least 12 months following the approval of these financial statements. The Directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, sensitivities, and mitigations as set out below.

The financial forecasts used for the going concern assessment are derived from financial projections for 2023-2024 for the company which have been subject to review and challenge by management and the Directors. The Directors have approved the projections.

### Revenue recognition

Revenue is earned mainly within the United Kingdom.

Revenue recognition is based on the principles set out in IFRS 15. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Most of the company's Support and Maintenance contracts are for a one year term, revenue being recognised equally over the twelve month period. A small number of contracts are longer than twelve months, these mainly with the company's larger customers. Revenue recognition for these contracts is still based on a twelve month billing period, equal amounts being recognised each month.

The company also makes transactional sales of hardware, perpetual licences and professional services. Revenue from hardware and licence sales is recognised at point of sale unless they form part of a sale which also includes implementation or other project work. In this situation the total revenue is recognised over a period of twelve months from go live date.

Apart from a very small number of customers, the company bills in advance for its Support and Maintenance contracts. Amounts billed are classified as deferred revenue (classified as contract liabilities) on the Company's balance sheet and reduce over the support period as it is recognised as revenue in the Company's income statement.

### Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Computer equipment      3 - 5 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstance indicate that the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

### Other intangible assets

Intangibles are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life, which is typically 5 years. Research expenditure on internally generated software developments costs are written off to the statement of profit and loss in the period in which it is incurred. Development expenditure is written off in the same way unless and until the company is satisfied as to the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- that the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

In these cases, the development expenditure is capitalised and amortised over the period during which the company is expected to benefit.

### Common control transactions

Where a business was transferred from one legal entity to another legal entity within the Capita Group under a Business Transfer Agreement ("BTA"), it has been treated as a business combination under common control, and therefore considered fall outside of the scope of IFRS 3 Business Combinations. As such, an accounting policy choice was made for how common control transactions were dealt with across the Group, as follows:

- Where a BTA is undertaken at net book value (with consideration paid equal to the net book value of the assets and liabilities transferred on the BTA date), the relevant assets and liabilities of the transferring business are recognised in the transferee at their previous carrying values as in the transferor's stand-alone entity accounts;
- Where the consideration paid is greater than the net book value of the assets and liabilities transferred, this excess is recognised as a gain on disposal for the transferor, and by the recognition of entity level goodwill in the transferee, which would be linked to the acquired business.

### Goodwill

Following initial recognition, goodwill is stated at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

At the acquisition date, any goodwill acquired is allocated to the cash-generating units (CGU) which are expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a CGU and part of the operation within that unit is disposed of; the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained.

### Taxation

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

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax asset except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### **Pensions**

The company participates in a number of defined contribution schemes and contributions are charged to the income statement in the period in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the company. The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary entity, which pays the Group liability centrally. Any unpaid contributions at the period-end have been accrued in the accounts of that company.

### **Financial Instruments**

#### ***Trade and other receivables***

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

#### ***Trade and other payables***

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### ***Cash and cash equivalents***

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less from inception that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current financial liabilities.

## **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in accordance with generally accepted accounting principles requires the Directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the presented period. Although these judgements and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement and impairment of intangible assets. The company determines whether intangible assets are impaired based on any impairment indicators. Intangible assets with finite lives are only tested for impairment, either individually or at the cash generating unit level, where there is an indicator of impairment. This involves estimation of future cash flows and choosing a suitable discount rate.

4 **Earnings per share**

	<b>2022</b>
	<b>£</b>
<b>Basic</b>	
Earnings used in calculation of earnings per share:	
Total loss attributable to equity holders	(2,413,104)
	<hr/>
Weighted average number of shares in issue	1
	<hr/>
<b>Loss per share</b>	
On total profits attributable to equity holders	(2,413,104)
	<hr/>

There are no potentially dilutive shares and therefore there is no difference between basic and diluted earnings per share.

5 **Segmental reporting**

The company's management have identified the company as a single operating segment. The results of the are monitored by the chief operating decision maker and strategic decisions are made based on the company's results as a whole.

There are no customers individual representing 10% or more of total revenues.

All of the company's operations and sales are based in the United Kingdom.

6 **Revenue**

Revenue is earned from contracts with customers within the United Kingdom.

***Significant judgements and policies***

The company applies the principles of revenue recognition set out in IFRS 15. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised 'over time' as control of the performance obligation is transferred to the customer.

The significant judgements used in applying IFRS 15 are disclosed in note 2 above.

***Disaggregation of revenue***

The Directors consider that, based on the characteristics of the work being performed and the consequent effect on the nature of revenue recognition, there are no distinct categories of revenue to be disaggregated..

No analysis by market is given as the Directors consider that there are no distinct markets that are used for operating and decision-making purposes.

***Contract balances***

Contract fulfilment assets (note 16) are recognised for those costs qualifying for capitalisation. The utilisation of these assets is recognised over the contract term. The utilisation of assets is recognised over the contract term. The timing of cash receipts from customers typically matches when the costs are incurred to transform, restructure and run the service. This results in income being deferred and released as the Company continues to deliver against its obligation to provide services and solutions to its customers. Deferred income balances are disclosed in note 19 as contract liabilities. All deferred income is expected to be released to revenue within 12 months of the balance sheet date.



7 **Operating Loss**

Operating loss for the period is stated in the consolidated income statement after charging/(crediting):

	<b>Note</b>	<b>2022</b> <b>£</b>
Depreciation of property, plant and equipment	15	47,545
Amortisation of intangible assets	14	2,108
Impairment of intangible assets*	14	4,342,029
Loss on disposal of property, plant and equipment		1,625
Net foreign exchange loss		61
Expenses related to short-term leases		26,611
Profit on disposal of intangible assets		(192,189)

\* Following an impairment review of the company's cloud offering in December 2021, the decision was made to cease development and fully impair the £4,342,029 expenditure to date. Issues with the development of the product which prevented full delivery to market were the key factors in this decision.

8 **Auditor's remuneration**

	<b>Period ended 31 December</b> <b>2022</b> <b>£</b>
For audit of the financial statements	20,000

No non-audit services were provided by the Company's auditor.

9 **Staff costs**

The aggregate employee benefit expenses were as follows:

	<b>2022</b> <b>£</b>
Wages and salaries	943,030
Social security costs	120,059
Pension costs	21,216
	<u>1,084,305</u>

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

	<b>2022</b> <b>No.</b>
Administration	3
Operations	10
	<u>13</u>

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 10 Transactions with key management personnel

Key management of the company are the members of the board of directors.

The Directors have not provided qualifying services to the company and were paid by other companies within the Capita Group. Such remuneration, including reimbursement of expenses incurred by them, has not been allocated to the company.

### 11 Net finance costs

	2022 £
Interest expense on amounts due to ultimate parent	41,516

### 12 Income taxes

	Period ended 31 December 2022 £
<b>Current tax:</b>	
UK corporation tax	-
Adjustments to prior periods	-
<b>Total current tax charge</b>	-
<b>Deferred tax:</b>	
Origination and reversal of temporary differences	(810,694)
Adjustments in respect of prior periods	-
	(810,694)
<b>Tax on loss on ordinary activities</b>	(810,694)

Tax on loss on ordinary activities for the period is lower than the standard rate of corporate tax in the UK of 19%,

The differences are reconciled below:

	Period ended 31 December 2022 £
<b>Continuing operations</b>	
<b>Loss before taxation</b>	(3,223,798)
Tax at the UK rate of 19%	(612,522)
<b>Effect of:</b>	
Expenses not deductible for tax purposes	12
Impact of changes in tax rates	(198,184)
<b>Total tax credit</b>	(810,694)

13 **Deferred tax**

Deferred tax balances are analysed as follows:

<b>Asset/(liability)</b>	<b>Tax losses</b>	<b>Fixed asset temporary differences</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Arising on common control transaction	-	15,072	15,072
Tax credit in respect of current year	793,030	17,664	810,694
At 31 December 2022 – asset	793,030	32,736	825,766

A change to the main UK corporation tax rate was substantively enacted on 24 May 2021. The rate applicable from 1 April 2023 increases from 19% to 25%. The deferred tax asset at 31 December 2022 has been calculated based on this rate.

14 **Intangible assets**

	<b>Development costs</b>	<b>Goodwill</b>	<b>Total</b>
			<b>£</b>
<b>Cost</b>			
Arising on common control transaction	4,063,882	74,691	4,138,573
Additions – internally generated	280,255	-	280,255
Asset retirement	(4,344,137)	-	(4,344,137)
At 31 December 2022	-	74,691	74,691
<b>Amortisation</b>			
Charge for the period	2,108	-	2,108
Impairment	4,342,029	-	4,342,029
Asset retirement	(4,344,137)	-	(4,344,137)
At 31 December 2022	-	-	-
<b>Net book value</b>			
At 31 December 2022	-	74,691	74,691

As described in note 7 above, the company impaired the development costs following the cessation of the development of the company's cloud product.

### Impairment testing - goodwill

The directors consider that the company comprises a single cash generating unit ('CGU') as, operationally, there are no elements of the business that are managed or analysed into separate groups for either operational or financial management purposes.

The company tests goodwill for impairment annually, using the value-in-use basis. This involved deriving a value for goodwill based on the net present value of future cash flows of the Capita Group. The directors used five-year forecasts to 31 December 2027 as the basis for the testing. Cash flows were estimated using the basis of EBITDA (earnings before interest, tax, amortisation and depreciation) less exceptional items, capital expenditure and taxation payments, and also taking account projected working capital movements (which are not expected to have a significant impact). Cash flows up to and including the year ending 31 December 2027 were then estimated using a growth rate of nil for the first three years and 2.2% per annum for the next two years, which is considered by the directors to be a prudent estimate of the potential growth in the sector. A terminal value was then calculated based on the same factors, and the discount rate described below.

The discount rate used in the calculations was based on a calculation of the company's weighted average cost of capital which has been applied at 12.1%.

Based on the results of the impairment testing, no impairment charge has been made against the carrying value of goodwill at 31 December 2022. The directors have considered any reasonably possible changes in assumptions that could lead to an impairment charge arising. Given the amount of headroom in the model against the carrying value of goodwill, the directors do not consider there to be any reasonable changes in assumptions that would give rise to a potential impairment charge.

### 15 Property, Plant and Equipment

	<b>Computer equipment £</b>
<b>Cost</b>	
Arising on common control transaction	56,086
Disposals	(4,500)
At 31 December 2022	<u>53,586</u>
<b>Depreciation</b>	
Charge for the period	47,545
Disposals	(2,875)
At 31 December 2022	<u>44,670</u>
<b>Net book value</b>	
At 31 December 2022	<u>8,916</u>

16 **Contract fulfilment assets**

	<b>2022</b>
	<b>£</b>
Arising on common control transaction	122,894
Additions	177,383
Impairment	
Utilised during the period	(268,587)
At 31 December 2022	<u>31,690</u>

17 **Trade and other receivables**

	<b>2022</b>
	<b>£</b>
Amounts falling due within one year:	
Trade receivables	508,669
Other receivables	3,969
Amounts due from group undertakings	95,581
Accrued income	9,127
Prepayments	31,663
	<u>649,009</u>

Trade and other receivables and contract assets above are stated net of expected credit loss ('ECL') provisions where necessary, which are calculated using the simplified approach grouping trade receivables and contract assets on the basis of their shared credit risk characteristics. Trade receivables above represents gross receivables of £540,523 net of provisions of £31,854.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses. Where the carrying value of an assets exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The company monitors the level of trade receivables on a monthly basis, continually assessing the risk of default by any counterparty. Each customer has an external credit score which determines the level of credit provided.

The Directors believe the credit risk attached to its customer base is relatively low. Based on their assessment as described above, they consider that a policy of providing for all receivables more than 6 months old provides a sufficient basis to provide for expected credit losses.

The maturity analysis of trade receivables is:

	<b>&lt; 1 month</b>	<b>1-3 months</b>	<b>4-6 months</b>	<b>&gt; 6 months</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>ECL provision applied</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	
31 December 2022	267,619	242,998	2,974	26,932	540,523

The expected credit loss provision exceeds the amount due in more than 6 months shown above due to the existence of credit balances.

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 18 Trade and other payables

	<b>2022</b> £
Current liabilities:	
Trade payables	66,386
Amounts due to parent and fellow subsidiary entities	2,887,875
Social security and other taxes	166,199
Other payables	854
Accrued expenses	90,213
	<u>3,211,527</u>

Amounts due to group undertakings are repayable on demand and are not chargeable to interest, except for amount due to Capita plc, on which interest is charged as per the prevailing Bank of England rates.

### 19 Contract liabilities

	<b>2022</b> £
Current liabilities:	
Deferred income	1,420,873
	<u>1,420,873</u>

### 20 Financial instruments

	<b>2022</b> £
Financial assets held at amortised cost:	
Trade receivables	508,669
Amounts due from parent and fellow subsidiaries	95,581
Cash and cash equivalents	560,660
	<u>1,164,910</u>

	<b>2022</b> £
Financial liabilities held at amortised cost:	
Amounts due to parent and fellow subsidiaries	2,887,875
Trade payables	66,386
Other payables	854
Accrued expenses	90,213
Lease liabilities	
	<u>3,045,328</u>

21 **Financial Risk management**

The company uses various financial instruments. These primarily include cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations.

The existence of these financial instruments expose the company to a number of financial risks, which are described in more detail below.

**a) Market risk**

Market risk encompasses three types of risk, being currency risk, interest rate risk and price risk. The company does not have any assets or liabilities that expose it to currency risk or price risk. Interest rate risk is discussed further below.

**b) Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing cash balances. The company has significant levels of cash reserves available.

The company's financial liabilities comprise trade payables, other payables, accruals and amounts due to group undertakings. All liabilities are repayable on demand. The main liquidity risk arises on the amount due to the Company's parent, which is considered low given the relationship between the parties.

**c) Interest rate risk**

Interest rate risk is limited to the amounts due to group undertakings, which are linked to prevailing Bank of England rates. A 10% variation in rates would have led to a variation in finance costs for the period of £4,152.

**d) Credit risk**

The company's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The credit risk associated with trade receivables is minimal as invoices are based on contractual agreements with long-standing customers. Credit losses historically incurred by the company have consequently been immaterial.

The company had no material receivables past due or impaired at 31 December 2022.

**e) Capital risk management**

The company's primary objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The company was part of the Capita Group for the period ended 31 December 2022 and was therefore able to draw on the resources of the Capita Group as a whole in order to provide capital for the purposes of funding working capital. Throughout the period, the Company was mainly funded by cash reserves. There was no long term debt at 31 December 2022.

22 **Share capital**

Issued capital

*Authorised*

**2022  
Number**

Ordinary shares of £1 each

1

*Allotted, called up and fully paid*

Ordinary shares of £1 each

**2022  
£  
1**

On incorporation of the company on 27 August 2021, 1 ordinary share of £1 was issued.

**Share rights**

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

**23 Defined contribution pension scheme**

The company operates defined contribution pension schemes. The pension cost charge for the period represented contributions payable by the company to the schemes and amounted to £21,216. No contributions were due to the scheme at the end of the year.

**24 Related party transactions**

**Ultimate controlling party**

During the historical financial period, the company was ultimately controlled by Capita Plc. On 8 June 2023, the company was sold and, the ultimate controlling party became AdvancedAdvT Limited from that date.

**Key management personnel compensation**

Key management personnel remuneration has been set out in note 10 to the Historical Financial Information

**Transactions with group companies**

The following transactions occurred with other companies within the Capita Group:

**Sales**

	<b>2022</b>
	<b>£</b>
Capita Plc	269,537
Capita Business Services Limited	21,741
Agiito Limited	452
Computerland UK Limited	42
Capita Secure Information Solutions Limited	124,453
Capita Customer Management Limited	2,951
Pay360 Limited	192,189
Capita Shared Services Limited	39,001
Capita Retain Limited	103,470

**Purchases**

	<b>2022</b>
	<b>£</b>
Capita Plc	682,050
Capita Business Services Limited	826,356
Capita Resourcing Limited	152
Agiito Limited	8,452
Computerland UK Limited	2,327
Capita Secure Information Solutions Limited	829,664
Capita Customer Management Limited	4,934
Entrust Support Services Limited	60
Capita Managed IT Solutions Limited	1,470
Updata Infrastructure (UK) Limited	2,984
Capita Shared Services Limited	252,989
Capita Retain Limited	39,146

In addition to the above, the company incurred £41,516 in interest on intercompany loans payable to Capita Plc.

**Transactions with other related parties**

There were no transactions with related parties outside the Capita Group.

All transactions were undertaken at normal market prices.



## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

<b>Current receivables</b>	<b>2022</b>
	<b>£</b>
Capita Plc	498
Capita Business Services Limited	87
Capita Property and Infrastructure Limited	2,888
Capita Secure Information Solutions Limited	2,557,477
Capita Customer Management Limited	2,951
Capita Shared Services Limited	1,417
Capita Retain Limited	137,978

<b>Current payables</b>	<b>2022</b>
	<b>£</b>
Capita Plc	208
Capita Business Services Limited	3,444
Agiito Limited	848
Capita Secure Information Solutions Limited	831,230
Capita Shared Services Limited	119,440
Capita Retain Limited	40,812

<b>Intercompany loans</b>	<b>2022</b>
	<b>£</b>
Capita Plc	1,083,516
Capita Secure Information Solutions Limited	3,408,667

### 25 Common control transactions

On 1 November 2021, the trade and associated assets of the Workforce Management business was transferred from Capita Secure Information Solutions Limited into the company. As the transferor and transferee entities are ultimately controlled by Capita plc, this is a business combination under common control. The fair value of balances acquired under the transaction were as follows:

	<b>2022</b>
	<b>£</b>
Development costs	4,063,882
Goodwill	74,691
Property, plant and equipment	58,086
Contract fulfilment assets	122,894
Inventories	70,996
Trade and other receivables	558,891
Trade and other payables	(179,365)
Deferred income	(1,376,480)
Deferred tax	15,072
Fair value of net assets acquired	3,333,976
Goodwill	74,691
Consideration	3,408,667

The consideration above was satisfied via an intercompany loan owed to Capita Secure Information Solutions Limited. Goodwill is considered to represent the acquired workforce and synergies.

### 26 **Post Balance Sheet Events**

On 8 June 2023, the entity's ultimate parent undertaking Capita Plc completed an agreement to sell the company to AdvancedAdvT Limited.

### 27 **First-time adoption of UK-adopted IFRS**

This historical information for the period ended 31 December 2022 is the first financial information the company has prepared in accordance with full IFRS, having previously prepared financial statements under FRS 101 *Reduced Disclosure Framework*. As FRS 101 requires the application of IFRS accounting rules and principles (but with reduced disclosures) no adjustments were required on the application of UK-adopted IFRS.

**SECTION B-6**

***HISTORICAL FINANCIAL INFORMATION OF SYNAPTIC SOFTWARE LIMITED  
FOR THE THREE YEARS ENDED 31 DECEMBER 2022***

## HISTORICAL STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2022
	Note	£	£	£
<b>Continuing operations</b>				
Revenue	6	3,190,014	2,717,745	2,487,146
Cost of sales		(2,097,744)	(2,244,813)	(2,527,339)
<b>Gross profit</b>		1,092,270	472,932	(40,193)
Administrative expenses		(1,500,065)	(1,174,589)	(1,037,896)
<b>Operating loss</b>	7	(407,795)	(701,657)	(1,078,089)
Finance income	11	17,500	3,827	104,753
Finance costs	11	-	(2,108)	(36,503)
<b>Loss before tax expense</b>		(390,295)	(699,938)	(1,009,839)
Income tax credit		76,329	146,767	192,853
<b>Net loss and total comprehensive income for the year</b>		(313,966)	(553,171)	(816,986)
<b>Loss per share</b>				
Basic	4	(3.37)	(5.93)	(8.76)

There is no difference between basic and diluted earnings per share

There are no further items of comprehensive income other than those shown above.

# STATEMENT OF FINANCIAL POSITION

		1 January 2020	31 December 2020	31 December 2021	31 December 2022
	Note	£	£	£	£
<b>Non-current assets</b>					
Intangible assets	14	795,034	849,648	1,379,445	1,572,747
Deferred tax asset		61,187	27,049	42,309	47,079
Property, plant and equipment	15	8,504	3,680	1,082	-
		864,725	880,377	1,422,836	1,619,826
<b>Current assets</b>					
Trade and other receivables	16	7,459,274	7,421,277	7,439,631	7,452,031
Cash and cash equivalents		-	-	187,844	311,020
<b>Total current assets</b>		7,459,274	7,421,277	7,527,475	7,763,051
<b>TOTAL ASSETS</b>		8,323,999	8,301,654	9,050,311	9,382,877
<b>Equity and liabilities</b>					
Equity attributable to equity holders of the parent					
Share capital	26	93,300	93,300	93,300	93,300
Capital redemption reserve		7,000	7,000	7,000	7,000
Retained earnings		6,871,830	6,557,864	6,004,693	5,187,707
<b>Total equity</b>		6,972,130	6,658,164	6,104,993	5,288,007
<b>Non-current liabilities</b>					
Contract liabilities		3,071	11,050	3,250	-
<b>Total non-current liabilities</b>		3,071	11,050	3,250	-
<b>Current liabilities</b>					
Trade and other payables	17	462,662	594,031	378,468	450,779
Current tax payable		589,249	67,120	-	-
Loans and borrowings		188,877	798,104	2,427,703	3,540,099
Contract liabilities		100,860	161,067	135,897	103,992
Provisions		7,150	12,118	-	-
<b>Total current liabilities</b>		1,348,798	1,632,440	2,942,068	4,094,870
<b>TOTAL LIABILITIES</b>		1,351,869	1,643,490	2,945,318	4,094,870
<b>TOTAL EQUITY AND LIABILITIES</b>		8,323,999	6,658,164	6,104,993	5,288,007

**STATEMENT OF CHANGES IN EQUITY**

	<b>Share capital</b>	<b>Capital redemption reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 December 2020	93,300	7,000	6,871,830	6,972,130
Total comprehensive loss for the year	-	-	(313,966)	(313,966)
Balance at 31 December 2020	93,300	7,000	6,557,864	6,658,164
Total comprehensive loss for the year	-	-	(553,171)	(553,171)
Balance at 31 December 2021	93,300	7,000	6,004,693	6,104,993
Total comprehensive loss for the period	-	-	(816,986)	(816,986)
Balance at 31 December 2022	93,300	7,000	5,187,707	5,288,007

**Share Capital**

The balance classified as share capital is the nominal proceeds on issue of the Company's equity share capital, comprising 93,300 ordinary shares of £1 each.

**Capital redemption reserve**

The company can redeem shares by repaying the market value to the shareholder whereupon the shares are cancelled. Redemption must be from distributable profits. The capital redemption reserve represents the nominal value of the shares redeemed.

**Retained earnings**

Retained earnings represents accumulated profits and losses of the company.

## STATEMENT OF CASH FLOW

	Note	Year ended 31 December		
		2020	2021	2022
		£	£	£
<b>Cash flows from operating activities:</b>				
Loss before taxation		(390,295)	(699,938)	(1,009,839)
Net finance income		(17,500)	(1,719)	(62,250)
Foreign exchange movements		(788)	(358)	184
Amortisation of intangible assets		298,660	352,857	415,848
Depreciation of property, plant and equipment		4,824	2,598	1,082
Decrease/(increase) in trade and other receivables		37,997	(18,354)	(12,400)
Increase/(decrease) in trade and other payables		205,311	(260,293)	36,969
Cash generated from operations		138,209	(625,207)	(636,406)
Tax paid		(411,662)	64,387	188,086
<b>Net cash generated from operating activities</b>		<b>(273,453)</b>	<b>(560,820)</b>	<b>(448,320)</b>
<b>Cash flows from investing activities:</b>				
Interest received		17,500	3,827	104,753
Proceeds from disposal of plant and equipment		244	-	-
Purchase of intangibles		(353,518)	(882,654)	(609,150)
<b>Net cash from investing activities</b>		<b>(335,774)</b>	<b>(878,827)</b>	<b>(504,397)</b>
<b>Cash flows from financing activities:</b>				
Interest paid		-	(2,108)	(36,503)
<b>Net cash from financing activities</b>		<b>-</b>	<b>(2,108)</b>	<b>(36,503)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(609,227)</b>	<b>(1,441,755)</b>	<b>(989,220)</b>
<b>Cash and cash equivalents at start of year</b>		<b>(188,877)</b>	<b>(798,104)</b>	<b>(2,239,859)</b>
<b>Cash and cash equivalents at end of year</b>		<b>(798,104)</b>	<b>(2,239,859)</b>	<b>(3,229,079)</b>

There were no movements in net debt other than the movement in cash and cash equivalents shown above.

Cash and cash equivalents above comprise the following:

	2020	2021	2022
	£	£	£
Cash at bank	-	187,844	311,020
Bank overdrafts	(798,104)	(2,427,703)	(3,540,099)
	<b>(798,104)</b>	<b>(2,239,859)</b>	<b>(3,229,079)</b>

### 1 General Information

<b>Directors</b>	Capita Corporate Director Limited D Hart (appointed 14 December 2022) B C Rogers (appointed 23 February 2023)
<b>Secretary</b>	Capita Group Secretary Limited
<b>Company number</b>	03136234
<b>Registered office</b>	63 Gresham Street, London, EC2V 7NQ
<b>Auditor</b>	KPMG LLP, 15 Canada Square, London, E14 5GL
<b>Banker</b>	Barclays Bank PLC, 1 Churchill Place, London, E14 5HP

Synaptic Software Limited is a subsidiary (indirectly held) of Capita plc. Capita plc and its subsidiaries are hereafter referred to as 'the Capita Group'.

Synaptic Software Limited operated within the Capita Group's Portfolio division.

The principal activity of the

Synaptic Software Limited is that of the provision of software solutions for the wealth and protection markets, specifically the offering of research, management and planning tools to those markets. There have not been any significant changes in the company's principal activities in the year under review. The company launched Pathways Software and the product was first rolled out in 2021, however, all the modules were rolled out in 2022. Revenue from software started generating in 2022 and is expected to ramp up further in 2023. The Directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

### 2 Summary of significant accounting policies

#### Statement of compliance

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the United Kingdom.

This Historical Financial Information does not constitute statutory accounts within the meaning of section 435 of Companies Act 2006. The Directors of the Company are solely responsible for the preparation of this Historical Financial Information ("UK adopted IFRS").

#### Basis of preparation

This Historical Financial Information presents the financial track record of Synaptic Software Limited for the three years ended 31 December 2022 and is prepared for the purposes of admission of the Company to AIM, a market operated by the London Stock Exchange.

This basis of preparation describes how this Historical Financial Information has been prepared in accordance with the requirements of the AIM Rules for Companies and UK adopted IFRS.

The Historical Financial Information has been prepared on the following basis:

- The financial information for Synaptic Software Limited for the three years ended 31 December 2022
- Using the historical cost convention except for, where disclosed in the accounting policies, certain items shown at fair value.

The Historical Financial Information is presented in Pounds Sterling, being the functional currency of the company.

For all years up to 31 December 2022, Synaptic Software Limited previously prepared its statutory financial statements in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101'). This historical information for the three years ended 31 December 2022 is the first financial information Synaptic Software Limited has prepared in accordance with UK adopted IFRS and the date of transition was 1 January



2020. In preparing this Historical Financial Information no transitional adjustments were required as FRS 101 requires the adoption of IFRS accounting principles but with certain disclosure exemptions.

### **Changes in accounting policy and disclosures**

#### *(a) New and amended accounting standards*

None of the standards, interpretations and amendments, with the exception of IFRS 16, effective for the first time from 1 October 2019 have had a material effect on the Historical Financial Information.

#### *(b) Future standards*

At the date of authorisation of the Historical Financial Information, the company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

- Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8 (effective 1 January 2023)
- Amendment to IAS 12 – deferred tax (effective 1 January 2023)
- Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)
- IFRS 17 'Insurance contracts' (effective 1 January 2024)

All of the above are effective for annual periods commencing on or after the dates shown above. As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

From 1 January 2023 the company will apply UK adopted IFRS.

### **Revenue recognition**

The company generates revenue in the wealth and protection market through the provision of software solutions to that market. The company primarily sells standard products with observable stand-alone prices, although on a rare occasion a more complex agreement may be entered into with a Customer. Revenue recognition is based on the principles set out in IFRS 15.

The revenue and profits recognised in any period are based upon the delivery of performance obligations and an assessment of when control is transferred to the customer.

Revenue is recognised either when the performance obligation in the contract has been performed (so 'point-in-time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

For all contracts, the company determines if the arrangement with a customer creates enforceable rights and obligations.

The company enters into contracts which contain extension periods, where either the customer or both parties can choose to extend the contract or there is an automatic annual renewal, and/or termination clauses that could impact the actual duration of the contract.

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

If performance obligations in a contract do not meet the over time criteria, the company recognises revenue at a point-in-time when the service or good is delivered.

### **Contract modifications**

Contract modifications exist when the amendment either creates new or changes the existing enforceable rights and obligations.

Given the nature of the business that the company undertakes, along with the standard approach to contracts, such modifications are rare, once the contract is in place with a Customer.

Should such a modification take place then the company would review the effect of a contract modification on the transaction price and the company's measure of progress for the performance obligation to which it relates and would recognise this as an adjustment to revenue in one of the following ways:

- a. prospectively as an additional separate contract;
- b. prospectively as a termination of the existing contract and creation of a new contract;
- c. as part of the original contract using a cumulative catch up; or
- d. as a combination of (b) and (c).

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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For contracts for which the company has decided there is a series of distinct goods and services that are substantially the same and have the same pattern of transfer where revenue is recognised over time, the modification will always be treated under either (a) or (b); (d) may arise when a contract has a part-termination and a modification of the remaining performance obligations.

The facts and circumstances of any contract modification are considered individually because the types of modifications will vary contract by contract and may result in different accounting outcomes.

Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the period end since management need to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods. Modification and amendments to contracts are undertaken via an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, management uses its judgement to estimate the change to the total transaction price. Importantly, any variable consideration is only recognised to the extent that it is highly probable that no revenue reversal will occur.

### **Licences**

Software licences delivered by the company are right to access i.e active licenses.

When software upgrades are sold as part of the software licence agreement (i.e. software upgrades are promised to the customer), the company applies judgement to assess whether the software upgrade is distinct from the licence (i.e. a separate performance obligation). If the upgrade is considered fundamental to the ongoing use of the software by the customer, the upgrades are not considered distinct and not accounted for as a separate performance obligation.

The company provides a range of services under customer contracts with a duration ranging from one to more than two years. Majority of the contracts form part of a series of distinct goods and services as they are substantially the same service; and have the same pattern of transfer (as the series constitutes services provided in distinct time increments (e.g. daily, monthly, quarterly or annual services)) and therefore treats the series as one performance obligation.

### **Transactional (point-in-time) contracts**

The company delivers a range of goods or services that are transactional services for which revenue is recognised at the point in time when control of the goods or services has transferred to the customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

The nature of contracts or performance obligations categorised within this revenue type is diverse and includes:

- i. fees received from any sale happening through third-party software; and
- ii. fees received in relation to delivery of professional services.

### **Intangible assets**

Intangible assets are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life, which is typically five years. In the case of capitalised software development costs, research expenditure is written off to the income statement in the period in which it is incurred. Development expenditure is written off to the income statement in the period in which it is incurred unless and until the company is satisfied as to the technical, commercial and financial viability of individual projects. In these cases, the development expenditure is capitalised and amortised over the period during which the Company is expected to benefit.

Intangible assets with finite lives are only tested for impairment, either individually or at the cash-generating unit level, where there is an indicator of impairment.

### **Property, plant and equipment**

Property, plant and equipment are stated at cost less depreciation. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Computer equipment      3 – 5 years

### **Taxation**

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

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

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### **Financial instruments**

#### ***Investments and other financial assets***

##### *Classification*

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

##### *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date (that is, the date on which the company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### *Measurement*

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed to the income statement.

##### *Impairment*

The company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

##### ***Trade and other receivables***

The company assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

##### ***Trade and other payables***

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### ***Cash and cash equivalents***

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

Cash and short term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with original maturities of three months or less from inception that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current financial liabilities.

### Pensions

The company participates in defined contribution pension schemes and contributions are charged to the income statement in the year in which they are due. These pension schemes are funded and the payment of contributions are made to separately administered trust funds. The assets of the pension schemes are held separately from the Company.

The company remits monthly pension contributions to Capita Business Services Ltd, a fellow subsidiary undertaking of Capita plc, which pays the Capita Group liability centrally. Any unpaid pension contributions at the year-end are accrued in the financial statements of that company.

### Leases

The company has elected not to recognise the right-of-use assets and lease liabilities for short term leases of machinery that have a lease term of twelve months or less and leases of low value assets. The company recognises the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

## 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires the directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the presented periods. Although these judgements and assumptions are based on the directors' best knowledge of the amount, events or actions, actual results may differ.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement and impairment of intangible assets basis the success of the Pathways software launched this year. The company determines whether intangible assets are impaired based on any impairment indicators. Intangible assets with finite lives are only tested for impairment, either individually or at the cash generating unit level, where there is an indicator of impairment. This involves estimation of future cash flows and choosing a suitable discount rate.

## 4 Earnings per share

	Year ended 31 December		
	2020	2021	2022
	£	£	£
<b>Basic</b>			
Earnings used in calculation of earnings per share:			
Total profits attributable to equity holders	(313,966)	(553,171)	(816,986)
Weighted average number of shares in issue	93,300	93,300	93,300
<b>Earnings/loss per share</b>			
On total profits attributable to equity holders	(3.37)	(5.93)	(8.76)

There are no potentially dilutive shares and therefore there is no difference between basic and diluted earnings per share.

## 5 Segmental reporting

The company's management have identified the company as a single operating segment. The results of the are monitored by the chief operating decision maker and strategic decisions are made based on the company's results as a whole.

There are no customers individual representing 10% or more of total revenues.

All of the company's operations and sales are based in the United Kingdom.

## 6 Revenue

Revenue is earned from contracts with customers within the United Kingdom.

### *Significant judgements and policies*

The company applies the principles of revenue recognition set out in IFRS 15. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised 'over time' as control of the performance obligation is transferred to the customer.

The significant judgements used in applying IFRS 15 are disclosed in note 2 above.

### *Disaggregation of revenue*

The Directors consider that, based on the characteristics of the work being performed and the consequent effect on the nature of revenue recognition, there are no distinct categories of revenue to be disaggregated.,

No analysis by market is given as the Directors consider that there are no distinct markets that are used for operating and decision-making purposes.

### *Contract balances*

The timing of cash receipts from customers typically matches when the costs are incurred to transform, restructure and run the service. This results in income being deferred and released as the company continues to deliver against its obligation to provide services and solutions to its customers. Deferred income balances are disclosed in note X as contract liabilities.

All deferred income included in the balance sheet at 31 December 2022 is expected to reverse within one year.

## 7 Operating loss

Operating loss is stated in the consolidated income statement after charging/(crediting):

	Year ended 31 December		
	2020	2021	2022
	£	£	£
Amortisation of intangible assets	298,660	352,857	415,848
Depreciation of property, plant and equipment	4,824	2,598	1,082
Net foreign exchange loss/(gain)	(788)	(358)	184
Expenses related to short-term leases – plant & machinery	16,506	16,189	14,943
Expenses related to short-term leases – other assets	29,438	-	-

## 8 Auditors' remuneration

Audit fees are borne by the ultimate parent undertaking, Capita plc.

	Year ended 31 December		
	2020	2021	2022
	£	£	£
For audit of the financial statements	10,500	12,600	44,000

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

The audit fees were borne by the ultimate parent undertaking, Capita Plc. Non-audit services are provided by the auditors at group level and no allocation is made to the company.

### 9 Staff costs

The aggregate employee benefit expenses were as follows:

	Year ended 31 December		
	2020	Re-presented 2021	2022
	£	£	£
Wages and salaries	1,722,466	2,244,125	2,407,588
Social security costs	156,660	154,895	168,365
Pension costs	118,366	45,980	48,632
	<u>1,997,492</u>	<u>2,445,000</u>	<u>2,624,585</u>

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

	Year ended 31 December		
	2020	2021	2022
	No.	No.	No.
Sales	7	5	4
Operations	22	22	23
Administration	2	1	2
	<u>31</u>	<u>28</u>	<u>29</u>

The above includes recharges from other Capita Group entities amounting to £1,030,767 in 2022 (2021: £970,956 and 2020: £429,278) in respect of various services delivered to the company throughout the year. Amounts in above disclosures include employee costs capitalised to intangible assets amounting to £609,150 in 2022 (2021: £622,316 and 2020: £141,510)

### 10 Transactions with key management personnel

Key management of the company are the members of the board of directors. The Director's remuneration including reimbursement of expenses was borne by another subsidiary of Capita plc. As no significant time was spent by the Directors on the company's affairs, no Directors' remuneration has been allocated to the company.

### 11 Net finance income/(costs)

	Year ended 31 December		
	2020	2021	2022
	£	£	£
Interest income from group companies	17,500	3,827	104,753
Interest expense on bank overdraft	-	(2,108)	(36,503)
	<u>17,500</u>	<u>1,719</u>	<u>68,250</u>

### 12 Income taxes

	Year ended 31 December		
	2020	2021	2022
	£	£	£
<b>Current tax:</b>			
UK corporation tax	(71,331)	(130,431)	(188,086)
Adjustments to prior periods	(39,136)	(1,076)	-

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

<b>Total current tax charge</b>	<u>(110,467)</u>	<u>(131,507)</u>	<u>(188,086)</u>
<b>Deferred tax:</b>			
Origination and reversal of temporary differences	(5,166)	(15,951)	(4,707)
Adjustments in respect of prior periods	39,304	691	(60)
	<u>34,138</u>	<u>(15,260)</u>	<u>(4,767)</u>
<b>Tax on credit on ordinary activities</b>	<u>(76,329)</u>	<u>(146,767)</u>	<u>(192,853)</u>

Tax on loss on ordinary activities for the year is lower than the standard rate of corporate tax in the UK of 19%,  
The differences are reconciled below:

	<b>Year ended 31 December</b>		
<b>Continuing operations</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Loss before taxation</b>	<u>(390,295)</u>	<u>(699,938)</u>	<u>(1,009,839)</u>
Tax at the UK rate of 19%	(74,156)	(132,988)	(191,869)
<i>Effect of:</i>			
Income not taxable	-	(3,269)	-
Expenses not deductible for tax purposes	233	29	207
Impact of changes in statutory tax rates	(2,574)	(10,154)	(1,131)
Adjustments in respect of income tax of prior periods	(39,136)	(1,076)	-
Adjustments in respect of deferred income tax of prior periods	39,304	691	(60)
<b>Total tax charge</b>	<u>(76,329)</u>	<u>(146,767)</u>	<u>(192,853)</u>

### 13 Deferred tax

Deferred tax balances are analysed as follows:

	<b>Decelerated Capital allowances</b>	<b>Other Short term temporary differences</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 December 2020 – asset/(liability)	(55,661)	(5,526)	(61,187)
Tax credit/(charge) in respect of current year	31,156	2,982	34,138
At 31 December 2020 – asset/(liability)	(24,505)	(2,544)	(27,049)
Tax credit/(charge) in respect of current year	(15,952)	692	(15,260)
At 31 December 2021 – asset/(liability)	(40,457)	(1,852)	(42,309)
Tax credit/(charge) in respect of current year	(6,619)	1,852	(4,767)
At 31 December 2022 – asset/(liability)	(47,076)	-	(47,076)

A change to the main UK corporation tax rate was substantively enacted on 24 May 2021. The rate applicable from 1 April 2023 increases from 19% to 25%. The deferred tax asset at 31 December 2022 has been calculated based on this rate. The Company has gross unrecognised capital losses of £60,569 (2021: £60,569) in the statutory accounts due to the uncertainty of future use.

## 14 Intangible assets

	Software development costs £
<b>Cost</b>	
At 1 December 2020	1,292,015
Additions	353,518
Disposals	(579,053)
At 31 December 2020	1,066,480
Additions	882,654
Disposals	(158,694)
At 31 December 2021	1,790,440
Additions	609,150
Disposals	-
At 31 December 2022	2,399,590
<b>Amortisation</b>	
At 1 December 2020	496,981
Amortisation	298,660
Disposals	(578,809)
At 31 December 2020	216,832
Amortisation	352,857
Disposals	(158,694)
At 31 December 2021	410,995
Amortisation	415,848
Disposals	-
At 31 December 2022	826,843
<b>Net book value</b>	
At 31 December 2022	1,572,747
At 31 December 2021	1,379,445
At 31 December 2020	849,648
At 1 December 2020	795,034

As at 31 December 2022, intangible assets included the following material assets: Synaptic Pathways Product Build 2020 (carrying value £0.2m; remaining amortisation period 39 months), Synaptic Pathways Product Build 2021 (carrying value £0.7m; remaining amortisation period 52 months), and Synaptic Pathways Product Build 2022 (carrying value £0.1m; remaining amortisation period 52 months)



## 15 Property, Plant and Equipment

		Computer Equipment	Leasehold Improve- ments	Total
	£	£	£	£
<b>Cost</b>				
At 1 December 2020		15,404	59,673	75,077
Additions				
Disposals		(7,616)	(59,673)	(67,289)
At 31 December 2020		7,788	-	7,788
Additions				
Disposals		(593)	-	(593)
At 31 December 2021		7,195	-	7,195
Additions				
Disposals		(7,195)	-	(7,195)
At 31 December 2022		-	-	-
<b>Depreciation</b>				
At 1 December 2020		6,900	59,673	66,573
Charge for the year		4,824	-	4,824
Disposals		(7,616)	(59,673)	(67,289)
At 31 December 2020		4,108	-	4,108
Charge for the year		2,598	-	2,598
Disposals		(593)	-	(593)
At 31 December 2021		6,113	-	6,113
Charge for the year		1,082	-	1,082
Disposals		(7,195)	-	(7,195)
At 31 December 2022		-	-	-
<b>Net book value</b>				
At 31 December 2022		-	-	-
At 31 December 2021		1,082	-	1,082
At 31 December 2020		3,680	-	3,680
At 1 December 2020		8,504	-	8,504

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 16 Trade and other receivables

	1 January 2020	2020	2021	2022
	£	£	£	£
Amounts falling due within one year:				
Trade receivables	200,501	250,191	177,145	131,039
Amounts due from group undertakings	7,108,507	7,141,613	7,137,238	7,250,530
Other receivables	37,829	-	58,886	-
Prepayments and accrued income	112,437	29,473	66,362	70,462
	<u>7,459,274</u>	<u>7,421,277</u>	<u>7,439,631</u>	<u>7,452,031</u>

Trade and other receivables and contract assets above are stated net of expected credit loss ('ECL') provisions where necessary, which are calculated using the simplified approach grouping trade receivables and contract assets on the basis of their shared credit risk characteristics. Trade receivables above represents gross receivables of £137,691 (2021 : £214,055, 2020 : £260,457) net of provisions of £6,652 (2021 : £36,910, 2020 : £10,266).

For trade receivables, the company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses. Where the carrying value of an assets exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The company monitors the level of trade receivables on a monthly basis, continually assessing the risk of default by any counterparty. Each customer has an external credit score which determines the level of credit provided.

The Directors believe the credit risk attached to its customer base is relatively low. Based on their assessment as described above, they consider that a policy of providing for all receivables more than 6 months old provides a sufficient basis to provide for expected credit losses.

The maturity analysis of trade receivables is:

	< 1 month	1-3 months	4-6 months	> 6 months	Total
	£	£	£	£	£
<i>ECL provision rate</i>	0%	0%	0%	100%	
31 December 2022	117,860	13,002	3,428	3,401	137,691
31 December 2021	137,078	17,553	11,259	48,165	214,055
31 December 2020	181,667	35,680	32,244	10,866	260,457

### 17 Trade and other payables

	1 January 2020	2020	2021	2022
	£	£	£	£
Amounts falling due within one year:				
Trade payables	145,929	113,422	82,307	72,120
Amounts due to group undertakings	70,388	89,296	109,012	108,675
Social security and other taxes	28,515	11,012	-	6,255
Accrued expenses	217,830	380,301	187,149	263,729
	<u>462,662</u>	<u>594,031</u>	<u>378,468</u>	<u>450,779</u>

Trade payables are all current and any fair value difference is not material.

### 18 Contract liabilities

	1 January 2020	2020	2021	2022
	£	£	£	£
Deferred Income	100,860	161,067	135,897	103,992
	<u>100,860</u>	<u>161,067</u>	<u>135,897</u>	<u>103,992</u>

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

The deferred income balances solely relates to revenue from contracts with external customers. Movements in the deferred income balances were driven by transactions entered into by the company in the normal course of business during the year.

### 19 Loans and borrowings

	1 January 2020 £	2020 £	2021 £	2022 £
<b>Included within current liabilities</b>				
Bank overdrafts	188,877	798,104	2,427,703	3,540,099
	<u>188,877</u>	<u>798,104</u>	<u>2,427,703</u>	<u>3,540,099</u>

### 20 Financial instruments

	1 January 2020 £	2020 £	2021 £	2022 £
Financial assets held at amortised cost:				
Trade receivables	200,501	250,191	177,145	131,039
Amounts due from group undertakings	7,108,507	7,141,613	7,137,238	7,250,530
Other receivables	-	-	58,886	-
Cash and cash equivalents	-	-	187,844	311,020
	<u>7,309,008</u>	<u>7,391,804</u>	<u>7,561,113</u>	<u>7,692,589</u>

	1 January 2020 £	2020 £	2021 £	2022 £
Financial liabilities held at amortised cost:				
Bank overdrafts	188,877	798,104	2,427,703	3,540,099
Trade payables	145,929	113,422	82,307	72,120
Amounts due to group undertakings	70,388	89,296	109,012	108,675
Accruals	217,830	380,301	187,149	263,729
	<u>623,024</u>	<u>1,381,123</u>	<u>2,806,171</u>	<u>3,984,623</u>

### 21 Financial Risk management

The company uses various financial instruments. These primarily include bank borrowings, cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations.

The existence of these financial instruments expose the company to a number of financial risks, which are described in more detail below.

#### **a) Market risk**

Market risk encompasses three types of risk, being currency risk, interest rate risk and price risk. The company is exposed to price risk on the value of their financial investments. These were purchased by the Company some years ago as a long-term investment with the expected of future capital appreciation and are not actively managed. Exposure to interest rate risk is very limited. There is no exposure to currency risk as the Company operates entirely with the United Kingdom and all transactions are denominated in Pounds Sterling.

#### **b) Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing cash balances.

The company has significant levels of cash reserves available and continues to trade profitably. Liquidity risk is therefore considered to be low.

The company's financial liabilities comprise bank borrowings, trade payables, other payables, accruals, amounts due to related parties and lease liabilities. The maturity of lease liabilities is disclosed in note 21 above. All other financial liabilities are expected to be settled within 6 months of the balance sheet date.

#### **c) Interest rate risk**

Interest rate risk is limited to interest paid on the Company's variable rate bank borrowings and interest received on cash deposits. Due to the relatively low level of borrowings and the low rates of interest on cash deposits, the impact of any changes in interest rate is not considered significant.

#### **d) Credit risk**

The company's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The credit risk associated with trade receivables is minimal as invoices are based on contractual agreements with long-standing customers. Credit losses historically incurred by the Company have consequently been immaterial.

The company had no material receivables past due or impaired at 31 March 2023, 30 September 2022, 30 September 2021 or 30 September 2020.

#### **e) Capital risk management**

The company's primary objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The company was part of the Capita Group for the three years ended 31 December 2022 and was therefore able to draw on the resources of the Capita Group as a whole in order to provide capital for the purposes of funding working capital. Throughout the three years, the company was mainly funded by a bank overdraft and/or cash reserves. There was no long term debt at 31 December 2022.

22 **Share capital**

Issued capital

	2020 Number	2021 Number	2022 Number
<i>Authorised</i>			
Ordinary shares of £1 each	93,300	93,300	93,300
	2020 £	2021 £	2022 £
<i>Allotted, called up and fully paid</i>			
Ordinary shares of £1 each	93,300	93,300	93,300

**Share rights**

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

23 **Defined contribution pension scheme**

The company participates in defined contribution pension schemes and contributions are charged to the income statement in the year in which they are due. These pension schemes are funded and the payment of contributions are made to separately administered trust funds. The assets of the pension schemes are held separately from the company.

The company remits monthly pension contributions to Capita Business Services Ltd, a fellow subsidiary undertaking of Capita plc, which pays the Capita Group liability centrally. Any unpaid pension contributions at the year-end are accrued in the financial statements of that company.

The company operates defined contribution pension schemes. The pension cost charge for the year represented contributions payable by the company to the schemes and amounted to £48,632 (2021: £45,980 – 2020: £48,632). No contributions were due to the scheme at the end of the year.

24 **Related party transactions**
**Ultimate controlling party**

During the historical financial period, Synaptic Software Limited was ultimately controlled by Capita Plc. On 8 June 2023, the company was sold and, the ultimate controlling party became AdvancedAdvT Limited from that date.

**Key management personnel compensation**

Key management personnel remuneration has been set out in note 11 to the Historical Financial Information

**Transactions with group companies**

The following transactions occurred with other companies within the Group.

Sales	2020 £	2021 £	2022 £
Capita plc	159,755	132,628	125,543
Capita Business Business Services	245,568	11,711	4,949
Capita Life & Pensions Services Limited	65,766	-	-
Capita Life & Pensions Regulated Services Limited	57,250	54,000	54,000
Capita Resourcing Limited	3,125	-	-
Agiito Limited	157	-	-
Computerland UK Limited	-	-	30
Clinical Solutions International Limited	6	-	-
Updata Infrastructure (UK) Limited	703	-	-
Capita ESS Limited	4,500	-	-
Capita Shared Services Limited	-	-	21,851

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

<b>Purchases</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Capita plc	269,924	285,395	291,033
Capita Business Services Ltd	932,399	1,244,941	1,057,776
Capita Property and Infrastructure Limited	-	780	-
Capita Life & Pensions Services Limited	917	14,824	2,584
Capita International Limited	28,633	55,782	58,245
Capita Life & Pensions Regulated Services Limited	-	3,317	-
Capita Resourcing Limited	27,905	4,341	393
Agiito Limited	10,921	816	3,040
Computerland UK Limited	6,688	24,408	18,493
Capita Pension Solutions Limited	-	519	-
Capita Retail Financial Services Limited	-	9,000	-
Capita IT Services Limited	2,255	1,273	-
Capita Secure Information Solutions Limited	50,226	56,440	43,502
Capita Workplace Technology Limited	1,642	-	-
Capita Employee Benefits (Consulting) Limited	1,999	-	-
Entrust Support Services	-	-	66
Capita Learning Limited	3,688	-	-
Udata Infrastructure (UK) Limited	19,266	23,254	813
Electra-Net (UK) Limited	-	300	-
Trustmarque Solutions Limited	-	22,558	17,199
Capita ESS Limited	4,500	-	-
Capita Shared Services Limited	-	-	211,930

### Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

<b>Current Receivables</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Capita Business Services Ltd	62	62	274
Capita Life & Pensions Regulated Services Limited	-	-	4,500
Capita ESS Limited	4,500	-	-
Capita Shared Services Limited	-	-	10,158

<b>Current Payables</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Capita plc	692	4,393	354
Capita Business Services Ltd	85,307	104,068	1,646
Capita Life & Pensions Services Limited	214	-	2,584
Capita International Limited	3,127	4,624	4,854
Capita Life & Pensions Regulated Services Limited	-	1,363	-
Capita Resourcing Limited	5,849	86	-
Agiito Limited	-	-	612
Computerland UK Limited	437	3,006	5,665
Capita IT Services Limited	188	-	-
Entrust Support Services Limited	-	-	8
Udata Infrastructure (UK) Limited	4,627	130	-
Trustmarque Solutions Limited	-	958	-
Capita Shared Services Limited	-	-	103,605

Intercompany Loans	2020 £	2021 £	2022 £
Capita plc	7,140,500	7,144,326	7,249,080

## 25 Post Balance Sheet Events

On 8 June 2023, the entity's ultimate parent undertaking Capita Plc completed an agreement to sell the company to AdvancedAdvT Limited.

On 21 November 2023, the Company exchanged contracts for the disposed of the entire share capital of Synaptic Software Limited for cash consideration of £5.1m with associated costs of £0.45 million. This transaction has not completed at the date of this document.

## 26 First-time adoption of UK-adopted IFRS

This historical information for the years ended 31 December 2020, 31 December 2021 and 31 December 2022 is the first combined financial information the Company has prepared in accordance with UK-adopted IFRS, having previously prepared financial statements under FRS 101 *Reduced Disclosure Framework*. As FRS 101 requires the application of IFRS accounting rules and principles (but with reduced disclosures) no adjustments were required on the application of UK-adopted IFRS.

## SECTION C

### UNAUDITED INTERIM FINANCIAL INFORMATION

#### Condensed Statement of Comprehensive Income for the 6 Months Ended 30 June 2023

	6 months ended 30 June 2023 £	6 months ended 30 June 2022 £
<b>Continuing operations</b>		
Revenue	17,404,902	18,132,076
Cost of sales	(12,800,382)	(11,025,820)
<b>Gross profit</b>	<u>4,604,520</u>	<u>7,106,256</u>
Administrative expenses	(1,840,623)	(4,939,043)
EBITDA	2,763,897	2,167,213
Depreciation and amortisation	(1,656,992)	(1,488,132)
<b>Profit from operations</b>	<u>1,106,905</u>	<u>679,081</u>
Finance costs	(67,732)	(52,235)
<b>Profit before tax expense</b>	<u>1,039,173</u>	<u>626,846</u>
Income tax (charge)/credit	(366,258)	138,000
<b>Net profit for the period</b>	<u><u>672,915</u></u>	<u><u>764,846</u></u>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified in future periods</i>		
Exchange (losses)/gains on foreign currency net investments	(110,313)	222,699
<b>Total comprehensive income for the period</b>	<u><u>562,602</u></u>	<u><u>987,545</u></u>
<b>Earnings per share</b>		
On total profits attributable to equity holders	<u>0.52</u>	<u>0.92</u>



# Condensed Statement of Financial Position as at 30 June 2023

		As at 30 June 2023	As at 31 December 2022	As at 30 June 2022
	Note	£	£	£
<b>Non-current assets</b>				
Intangible assets	4	9,364,057	10,222,547	10,202,495
Goodwill	4	2,373,893	2,375,538	2,715,801
Investment in subsidiary		1	1	40,746
Tangible assets	3	133,930	210,847	310,544
Contract fulfilment assets	5	869,943	963,889	5,189,816
Deferred tax assets		1,787,426	2,093,691	3,146,086
		<u>14,529,250</u>	<u>15,866,513</u>	<u>21,605,488</u>
<b>Current assets</b>				
Inventories		85,453	68,565	72,566
Trade and other receivables	6	11,697,012	24,026,767	23,093,966
Current tax asset		981,936	-	430,938
Cash and cash equivalents		15,038,790	8,869,119	5,801,655
<b>Total current assets</b>		<u>27,803,191</u>	<u>32,964,451</u>	<u>29,399,125</u>
<b>TOTAL ASSETS</b>		<u>42,332,441</u>	<u>48,830,964</u>	<u>51,004,613</u>
<b>Equity and liabilities</b>				
Total contributed equity	8	1,074,864	1,074,864	1,074,864
Translation reserve		286,225	396,538	222,699
Capital contribution reserve		3,865,157	-	-
Retained profits		4,402,190	12,722,409	11,986,727
Other reserve		462,528	462,528	462,528
<b>Total equity</b>		<u>10,090,964</u>	<u>14,656,339</u>	<u>13,746,818</u>
<b>Current liabilities</b>				
Trade and other payables	7	16,814,001	21,654,196	25,308,282
Contract liabilities		15,427,476	12,315,726	11,683,175
Current tax payable		-	204,703	266,338
<b>Total current liabilities</b>		<u>32,241,477</u>	<u>34,174,625</u>	<u>37,257,795</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>42,332,441</u>	<u>48,830,964</u>	<u>51,004,613</u>

# Condensed Statement of Changes in Equity for the 6 Months Ended 30 June 2023

	Share capital £	Other reserve £	Translation Reserve £	Retained earnings £	Total equity £
At 1 January 2022	1,074,864	462,528	-	11,221,881	12,759,273
Dividends	-	-	-	-	-
Total comprehensive income for the period	-	-	222,699	764,846	987,545
Balance at 30 June 2022	1,074,864	462,528	222,699	11,986,727	13,746,818

	Share capital £	Other reserve £	Translation Reserve	Capital contribution reserve	Retained earnings £	Total equity £
At 1 January 2023	1,074,864	462,528	396,538	-	12,722,409	14,656,339
Dividends	-	-	-	-	(8,993,134)	(8,993,134)
Capital contribution	-	-	-	3,865,157	-	3,865,157
Total comprehensive income for the period	-	-	(110,313)	-	672,915	562,602
Balance at 30 June 2023	1,074,864	462,528	286,225	3,865,157	4,402,190	10,090,964

The capital contribution reserve represents the quantum of previous loan balances forgiven by the Capita Plc group, which have been treated as a shareholder contribution.

## Condensed Statement of Cash Flows for the 6 Months Ended 30 June 2023

	6 months ended 30 June 2023 £	6 months ended 30 June 2022 £
<b>Cash flows from operating activities:</b>		
Profit before taxation	1,039,173	626,845
Finance costs	67,732	52,235
Foreign exchange	(32,615)	(40,919)
Amortisation of intangible assets	1,699,679	2,801,651
Depreciation of property, plant and equipment	76,917	26,490
(Increase)/decrease in stocks	(16,888)	5,252
Decrease in trade and other receivables	12,221,900	3,017,679
Increase in trade and other payables	2,168,513	558,009
Increase/(decrease) in provisions	221,438	(513,169)
Contract fulfilment assets movement	93,946	(984,155)
	<hr/>	<hr/>
Cash generated from operations	17,539,795	5,549,918
Tax paid	(1,468,070)	(15,884)
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	16,071,725	5,534,034
	<hr/>	<hr/>
<b>Cash flows from investing activities:</b>		
Purchase of intangible assets	(841,189)	(3,450,100)
Proceeds from disposal of assets	-	80,183
	<hr/>	<hr/>
<b>Net cash flows from investing activities</b>	(841,189)	(3,369,917)
	<hr/>	<hr/>
<b>Cash flows from financing activities:</b>		
Interest paid	(67,732)	(52,235)
Dividends paid	(8,993,133)	-
	<hr/>	<hr/>
<b>Net cash outflow from financing activities</b>	(9,060,865)	(52,235)
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	6,169,671	2,111,882
<b>Cash and cash equivalents at start of period</b>	8,869,119	3,689,773
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of period</b>	15,038,790	5,801,655
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the Interim Report for the 6 Months Ended 30 June 2023

### 1. Accounting policies

#### ***Basis of preparation***

The interim report covers Synaptic Software Limited, Capita IB Solutions Limited, Capita IB Solutions (Ireland) Limited, CHKS Limited, Capita Retain Limited, Capita Retain (US) LLC and Capita Workforce Management Limited for the half year ended 30 June 2023 (referred to as 'the Companies'). The last set of financial statements were reported under FRS 101, reduced disclosure framework, except in the case of Capita Retain (US) LLC that has not previously prepared financial statements.

#### ***Statement of compliance***

The Interim Report has been prepared specifically for the purposes of the Admission Document in accordance with the requirements of the AIM Rules for Companies and the basis of preparation, including the accounting policies set out below and the recognition and measurement principles of International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the United Kingdom (collectively "UK-adopted IFRS"), except as stated within the basis of aggregation section and also is not in accordance with International Accounting Standard ('IAS') 34.

This Interim Report does not constitute statutory accounts of the Companies within the meaning of section 435 of the Companies Act 2006. The Directors of the Companies are solely responsible for the preparation of this Interim Report.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of the Interim Report are set out in the Historical Financial Information contained within the Admission Document. These policies have been consistently applied to all the years presented.

#### ***Basis of Aggregation***

In the absence of a legal parent company which controls the Companies, IFRS 10 Consolidated Financial Statements ("IFRS 10") does not permit consolidation of the companies. Instead, the Interim Report has been prepared using the accounting conventions commonly used in the preparation of historical financial information in investment circulars contained in Standards for Investment Reporting: 2000 - Investment Reporting Standards Applicable to Public Reporting Engagements on Historical Financial Information ("SIR 2000 Revised (Issued in March 2020)").

For the purposes of this Interim Report, and in accordance with paragraph 26 of 'Annexure: Accounting Conventions Commonly used in the Preparation of Historical Financial Information in Investment Circulars' in SIR 2000 Revised (Issued in March 2020), the results of the Companies have been combined by aggregating the results presented by each company for the respective periods, and eliminating intra-group balances, and any gains and losses or income and expenses arising from intra-group transactions between the two companies, before applying the necessary adjustments to achieve compliance with the recognition and measurement principles of UK-adopted IFRS.

#### ***Use of estimates and judgements***

The preparation of the interim condensed financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the interim condensed financial information, there have been no significant changes to the use of estimates and judgments to those set out in Historical Financial Information within this Admission Document.

**Going concern basis of accounting**

Refer to the going concern statement included in the Historical Financial Information.

**Significant accounting policies**

This set of Condensed Interim Financial Information applies the same accounting policies as within the Historical Financial Information. Refer note 2 of the Historical Financial Information.

**2. Tangible assets**

	<b>Computer Equipment</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2023	617,793
Transfers	(184,343)
<b>At 30 June 2023</b>	<u>433,450</u>
<b>Depreciation</b>	
At 1 January 2023	406,946
Charge	76,917
Transfers	(184,343)
<b>At 30 June 2023</b>	<u>299,520</u>
<b>Net book value</b>	
<b>At 30 June 2023</b>	<u>133,930</u>
<b>At 1 January 2023</b>	<u>210,847</u>

**3. Intangible Assets**

	<b>Goodwill</b>	<b>Software development costs</b>	<b>Total</b>
		<b>£</b>	
<b>Cost</b>			
At 1 January 2023	2,375,538	16,267,433	18,642,971
Additions	-	841,189	841,189
Translation	(1,675)	-	(1,675)
<b>At 30 June 2023</b>	<u>2,373,863</u>	<u>17,108,622</u>	<u>19,482,485</u>
<b>Amortisation</b>			
At 1 January 2023	-	6,044,886	6,044,886
Charge	-	1,699,679	1,699,679
<b>At 30 June 2023</b>	<u>-</u>	<u>7,744,565</u>	<u>7,744,565</u>
<b>Net book value</b>			
<b>At 30 June 2023</b>	<u>2,373,863</u>	<u>9,364,057</u>	<u>11,737,920</u>
<b>At 1 January 2023</b>	<u>2,375,538</u>	<u>10,222,547</u>	<u>12,598,085</u>

#### 4. Contract fulfilment assets

	Contract fulfilment assets
	£
<b>Cost</b>	
At 1 January 2023	963,889
Additions	1,507,172
Disposals	(426,005)
Utilisation	(1,175,113)
<b>At 30 June 2023</b>	<b>869,943</b>

#### 5. Trade and other receivables

	As at 30 June 2023	As at 31 December 2022	As at 30 June 2022
	£	£	£
Trade receivables	6,731,997	6,677,968	6,032,179
Amounts owed by group undertakings	3,658,288	15,625,046	14,576,377
Prepayments and accrued income	1,306,727	1,706,723	2,475,301
Other receivables	-	17,030	10,109
	<b>11,697,012</b>	<b>24,026,767</b>	<b>23,093,966</b>

Trade and other receivables are all current and any fair value difference is not material. Trade and other receivables are considered past due once they have passed their contracted due date. Trade and other receivables are assessed for impairment based upon the expected credit losses model. The credit losses historically incurred have been immaterial and as such the risk profile of the trade receivables has not been presented.

#### 6. Trade and other payables

	As at 30 June 2023	As at 31 December 2022	As at 30 June 2022
	£	£	£
Trade payables	992,417	1,184,015	61,961
Other payables	5,174	2,615,687	640
Accruals	1,480,849	1,082,732	1,717,395
Group Undertakings	13,078,400	15,923,686	22,881,494
Social security and other taxes	1,257,161	848,076	646,792
	<b>16,814,001</b>	<b>21,654,196</b>	<b>25,308,282</b>

Trade payables are all current and any fair value difference is not material.

#### 7. Total contributed equity

Issued capital

	6 months ended 30 June 2023	Year ended 31 December 2022	6 months ended 30 June 2022
<i>Number</i>			
Ordinary shares of £1 or €1 each	1,074,864	1,074,864	1,074,864
<i>Amount</i>			
Ordinary shares of £1 or €1 each	1,074,864	1,074,864	1,074,864

The above represents shares of £1 each issued by each of the combined entities, except for shares issued by Capita IB Solutions (Ireland) Limited, which is represented by shares of €1 each, translated into Sterling at the rate in force on 1 January 2022, being the opening date of the first period covered by this report. As a limited liability company registered in the United States of America, Capita Retain (US) LLC does not have a share capital.

### Share rights

The ordinary shares in each company have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

## 8. Related parties

### Ultimate controlling party

During the historical financial period, the Companies were ultimately controlled by Capita Plc. On 8 June 2023, the Companies were sold and, the ultimate controlling party became AdvancedAdvT Limited from that date.

### Key management personnel compensation

Key management are the directors of the group

### Transactions with other related parties

There were no transactions with related parties outside the Group.

### Transactions with group companies

The following transactions occurred with other companies within the Group while under control of Capita plc:

### Sales

	2022 £
Agiito Limited	
Capita Business Services Ltd	779,707
Capita Customer Management Limited	1,930
Capita Life & Pensions Regulation Services Limited	28,800
Capita plc	64,413
Capita Resourcing Limited	54,033
Capita Secure Information Solutions Limited	382,602
Capita Shared Services Limited	1,079,899
Capita Translation and Interpreting Limited	(13,819)
Clinical Solutions International Limited	(3,555)
Entrust Support Services	176,569

## Purchases

	2022 £
Agiito Limited	113,712
Capita Business Services	373,319
Capita International Limited	70,510
Capita Life & Pensions Regulated Services Limited	410
Capita Managed IT Solutions Limited	83
Capita Pension Solutions Limited	12,929
Capita plc	165,533
Capita Resourcing Limited	457,937
Capita Secure Information Solutions Limited	16,832
Capita Shared Services Limited	5,655,401
Capita Translation and Interpreting Limited	(758)
Clinical Solutions International Limited	(3,555)
Computerland UK Limited	31,126
Electra-Net (UK) Limited	500
Sec Watchdog Limited	680

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## Outstanding balances

There are no balances outstanding at the end of the reporting period in relation to transactions with related parties.

## 9. Discontinued operations

At the date of preparing this interim financial information, the directors of AdvancedAdvt Limited are in negotiations to sell the shares of Synaptic Software Limited. The amounts relating to Synaptic Software Limited included within the interim financial information are as follows:

	30 June 2023	30 June 2022
Revenue	1,197,255	1,226,830
EBITDA	(95,874)	(333,175)
Loss before tax	(277,850)	(492,826)
Loss after tax	(216,723)	(775,395)
Net cash decrease	(775,395)	(3,338,320)

	30 June 2023	31 December 2022	30 June 2022
Net assets	3,071,282	5,288,007	5,705,802



**PART VI**

**UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**SECTION A**

Set out below is an unaudited pro forma statement of net assets and statement of income of the Group (the “**Pro Forma Financial Information**”). The Pro Forma Financial Information has been prepared on the basis set out in the notes below to illustrate the effect on the financial information of the Group presented on the basis of the accounting policies that will be adopted by the Group in preparing its next published financial statements, had the acquisition occurred at 30 June 2023. It has been prepared for illustrative purposes only. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position or actual trading results.

**Unaudited pro forma statement of net assets**

The unaudited pro forma statement of net assets illustrates how the Acquisitions and the admission of the Company and its securities to trading on AIM, might have affected the financial information of the Group as at 30 June 2023, presented on the basis described above, and as explained in the accompanying notes.

	Acquired Group and Synaptic Aggregated	Company			Enlarged Group Aggregated
	As at 30 June 2023	As at 30 June 2023	Acquisition of Acquired Group and Synaptic	AIM admission costs	As at 30 June 2023
	£'000 Note 1	£'000 Note 2	£'000 Note 3	£'000 Note 9	£'000
<b>Non-current assets</b>					
Intangible assets	11,738	—	24,977	—	36,715
Investments	—	18,240	—	—	18,240
Contract fulfilment assets	870	—	—	—	870
Deferred tax asset	1,787	—	—	—	1,787
Property, plant, and equipment	134	—	—	—	134
	14,529	18,240	24,977	—	57,746
<b>Current assets</b>					
Trade and other receivables	12,764	1,011	—	—	13,775
Cash and cash equivalents	15,039	104,696	(44,395)	(1,001)	74,339
<b>Total current assets</b>	27,803	105,707	(44,395)	(1,001)	88,114
<b>TOTAL ASSETS</b>	42,322	123,947	(19,418)	(1,001)	145,860
<b>Current liabilities</b>					
Trade and other payables	16,814	761	(9,327)	—	8,248
Deferred income	15,427	—	—	—	15,427
<b>Total current liabilities</b>	32,241	761	(9,327)	—	23,675
<b>TOTAL LIABILITIES</b>	32,241	761	(9,327)	—	23,675
<b>NET ASSETS</b>	10,091	123,186	(10,091)	(1,001)	122,185

## Notes

**Note 1** The aggregated net assets of the Acquired Group and Synaptic have been extracted without adjustment from the unaudited interim financial information included within Section C of Part V of this document. Retain includes Capita Retain (US) LLC.

	IBSS	Integrated Business Software and Solutions Ltd	Retain	WFM	CHKS	Synaptic	Acquired Group and Synaptic Aggregated
	As at 30 June 2023	As at 30 June 2023	As at 30 June 2023	As at 30 June 2023	As at 30 June 2023	As at 30 June 2023	As at 30 June 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-current assets</b>							
Intangible assets	216	2,271	7,698	75	234	1,244	11,738
Contract fulfilment assets	68	642	107	53	1	—	871
Deferred tax asset	—	679	8	826	215	59	1,787
Property, plant, and equipment	—	—	—	—	133	1	134
	284	3,592	7,813	954	583	1,304	14,530
<b>Current assets</b>							
Trade and other receivables	1,478	2,526	2,663	1,664	1,350	3,082	12,763
Cash and cash equivalents	1,678	6,059	4,544	1,023	2,510	(775)	15,039
<b>Total current assets</b>	3,156	8,585	7,207	2,687	3,860	2,307	27,802
<b>TOTAL ASSETS</b>	3,440	12,177	15,020	3,641	4,443	3,611	42,332
<b>Current liabilities</b>							
Trade and other payables	(22)	2,659	9,279	3,793	754	351	16,814
Deferred income	1,347	7,368	3,840	1,553	1,129	190	15,427
<b>Total current liabilities</b>	1,325	10,027	13,119	5,346	1,883	540	32,241
<b>TOTAL LIABILITIES</b>	1,325	10,027	13,119	5,346	1,883	540	32,241
<b>NET ASSETS</b>	2,115	2,150	1,901	(1,705)	2,560	3,071	10,091

**Note 2** The financial information relating to the Company has been extracted without adjustment from the audited financial information available on the Company's website and cross referenced to the list of documents incorporated by reference in paragraph 21 of Part VII of this document.

**Note 3** On 8 June 2023, the Company completed the acquisition of the entire issued and outstanding share capital of the Acquired Group and Synaptic from Capita plc for a combined enterprise value of approximately £33 million. The transaction was paid in cash and funded by the Company's cash reserves, with the payment of £44 million including a balance of £9.3 million to repay intercompany loans. The pro forma statement of net assets illustrates the position of the enlarged Group as if the acquisition had occurred on 30 June 2023 and the unaudited book value of net assets at that date of the Acquired Group and Synaptic equated to their fair value.

**Note 4** On 21 November 2023, the Company exchanged contracts for the disposal of Synaptic for a cash consideration of £5.1m with associated costs of £0.45 million. This transaction has not completed at the date of this document and therefore the disposal has not been reflected in these pro forma statements.

### Unaudited pro forma statement of comprehensive income

The unaudited proforma statement of comprehensive income of the Acquired Group and Synaptic for the year ended 31 December 2022, and of the Company for the year ended 30 June 2023, illustrates the aggregated results of the enlarged Group prepared on the basis described above, and as explained in the accompanying notes.

	Acquired Group and Synaptic Aggregated	Company	Acquisition costs	Enlarged Group Aggregated
	12 Months period to 31-Dec-22	12 Months period to 30-Jun-23		12 Months
	£'000 Note 5	£'000 Note 2	£'000 Note 6	£'000
<b>Continuing operations</b>				
Revenue	34,927	—	—	34,927
Cost of sales	(23,606)	—	—	(23,606)
<b>Gross profit</b>	<b>11,321</b>	<b>—</b>	<b>—</b>	<b>11,321</b>
Administrative expenses	(6,723)	(1,006)	(222)	(7,951)
Fair value on investment (losses)	—	(960)	—	(960)
Depreciation & Amortisation	(2,759)	—	—	(2,760)
Impairment of intangible assets	(48)	—	—	(47)
<b>Profit/(loss) from operations</b>	<b>1,791</b>	<b>(1,966)</b>	<b>(222)</b>	<b>(397)</b>
Other income	751	3,398	—	4,149
Net finance costs	(300)	—	—	(300)
<b>Profit before tax expense</b>	<b>2,242</b>	<b>1,432</b>	<b>(222)</b>	<b>3,452</b>
Tax on profit	113	—	—	113
<b>Net profit and comprehensive income for the period</b>	<b>2,355</b>	<b>1,432</b>	<b>(222)</b>	<b>3,565</b>
<b>EBITDA*</b>	<b>4,598</b>	<b>(1,006)</b>	<b>(222)</b>	<b>3,760</b>

\* Earnings before interest, tax, depreciation, and amortisation

**Note 5** The financial information relating to each of the Acquired Group companies has been extracted from the financial information set out in Part V B of this document and adjusted as follows:

	IBSS		Integrated Business Software and Solutions Ltd	Retain	WFM		CHKS	Synaptic	Acquired Group and Synaptic aggregated
	12 Months period to 31-Dec-22	Conversion to GBP	14 Months period to 31-Dec-22	14 Months period to 31-Dec-22	14 Months period to 31-Dec-22	Reduction of long periods to 12 months	12 Months period to 31-Dec-22	12 Months period to 31-Dec-22	12 Months period to 31-Dec-22
	£'000	£'000 Note 7	£'000	£'000	£'000	£'000 Note 8	£'000	£'000	£'000
Continuing operations									
Revenue	3,789	(558)	15,013	8,310	3,849	(3,777)	5,814	2,487	34,927
Cost of sales	(1,292)	190	(9,064)	(6,503)	(1,995)	2,068	(4,483)	(2,527)	(23,606)
Gross profit	2,497	(368)	5,949	1,807	1,854	(1,709)	1,331	(40)	11,321
Administrative expenses	(1,462)	215	(3,925)	(1,023)	(644)	698	39	(621)	(6,723)
Depreciation & Amortisation	(547)	81	(4)	(1,673)	(50)	219	(368)	(417)	(2,759)
Impairment of intangible assets	(48)	–	–	–	(4,342)	4,342	–	—	(48)
Profit from operations	440	(72)	2,020	(889)	(3,182)	3,550	1,002	(1,078)	1,791
Other income	1	–	610	–	–	–	35	105	751
Net finance costs	–	–	(76)	(143)	(42)	(2)	–	(37)	(300)
Profit before tax expense	441	(72)	2,554	(1,032)	(3,224)	3,548	1,037	(1,010)	2,242
Tax on profit	(75)	11	(185)	269	811	(973)	62	193	113
Net profit/(loss) and comprehensive income/(loss) for the period	366	(61)	2,369	(763)	(2,413)	2,575	1,099	(817)	2,355
EBITDA*	1,035	(153)	2,024	784	1,210	(1,011)	1,370	(661)	4,598

\* Earnings before interest, tax, depreciation, and amortisation

**Note 6 Acquisition** costs of £222,000 relate to the acquisition of the Acquired Group and Synaptic excluding those costs already presented in the Company results to 30 June 2023.

**Note 7** The financial information of IBSS has been converted from Euros to GBP.

**Note 8** The first two months of the fourteen-month periods for each of; Integrated Business Software and Solutions Ltd, Retain and WFM have been eliminated to create comparable twelve-month periods for each of the Group companies.

**Note 9** The costs associated with the Company's admission to AIM are estimated at £1,001,000.

**SECTION B**  
**ACCOUNTANTS' REPORT ON THE**  
**UNAUDITED PRO FORMA FINANCIAL INFORMATION**

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The Directors  
AdvancedAdvT Limited  
11 Buckingham Street  
London WC2N 6DF

The Directors  
Singer Capital Markets Advisory LLP  
1 Bartholomew Lane  
London EC2N 2AX

8 January 2024

Dear Sir or Madam

AdvancedAdvT Limited (the “**Company**”)

We report on the pro forma financial information (the “**Financial Information**”) set out in Part VI of the Admission Document of the Company dated 8 January 2024 (the “**Document**”).

**Opinion**

In our opinion:

- (a) the Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

**Responsibilities**

It is the responsibility of the directors of the Company to prepare the Financial Information. It is our responsibility to form an opinion as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of this report in the Document, to the fullest extent permitted by law we do not assume any responsibility

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership, registered in England with registered number OC312313. A list of partners' names is open for inspection at its registered office, 201 Silbury Boulevard, Milton Keynes MK9 1LZ.

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and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or consenting to its inclusion in the Document.

### **Basis of preparation**

The Pro Forma Financial Information has been prepared on the basis described the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the acquisition of the Acquired Group and Synaptic might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 30 June 2023.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council ("**FRC**") in the United Kingdom. We are independent in accordance with the FRC's Revised Ethical Standard 2019 as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Yours faithfully

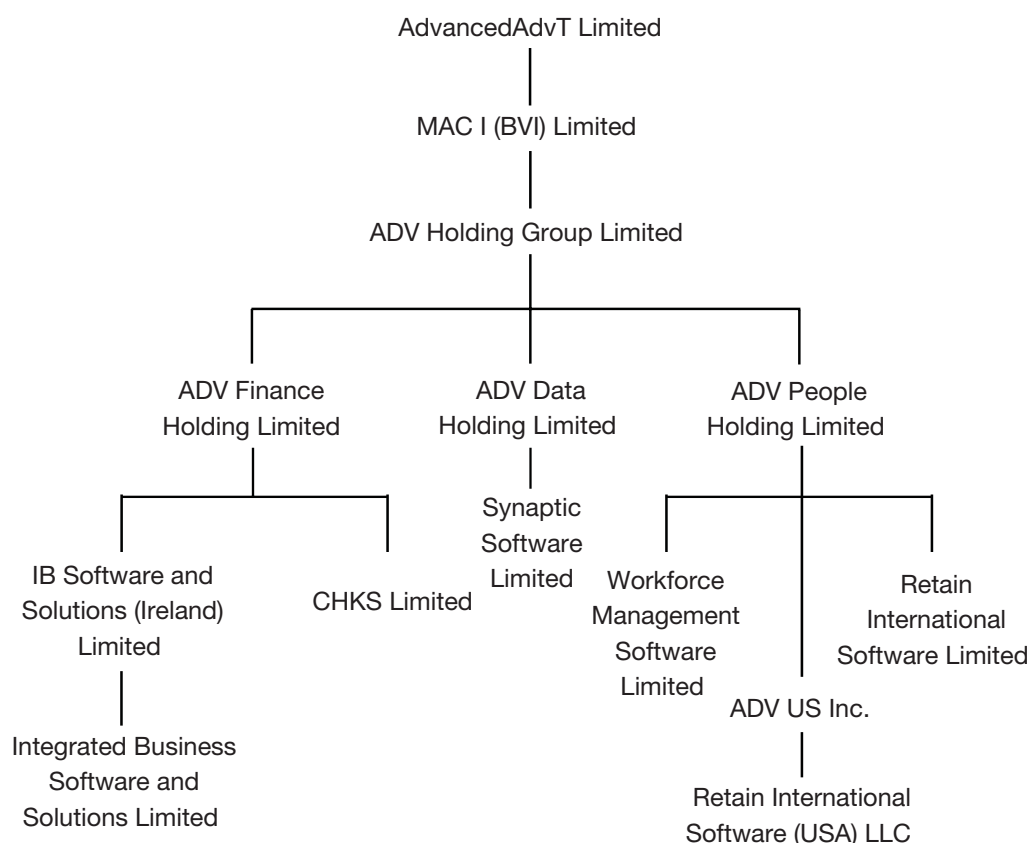
## PART VII

### ADDITIONAL INFORMATION

#### 1. THE COMPANY

- 1.1. The Company was incorporated under the laws of the British Virgin Islands under the BVI Companies Act on 31 July 2020, with number 2040954 as a BVI business company limited by shares with the name Marwyn Acquisition Company I Limited. On 19 March 2021, the Company changed its name to AdvancedAdvT Limited. The Company is domiciled in the United Kingdom (i.e. the Company is tax resident in the United Kingdom by virtue of being centrally managed and controlled in the United Kingdom) with UK establishment number BR022830.
- 1.2. The Company is not regulated by the British Virgin Islands Financial Services Commission or the FCA or any financial services or other regulator. The Company has been listed on the Main Market of the London Stock Exchange since 4 December 2020. Subsequent to the Cancellation and following Admission, the Company will be subject to AIM Rules for Companies and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the FCA), to the extent such rules apply to AIM companies. The Company is also subject to the Prospectus Regulation Rules, the Market Abuse Regulation and all other laws and regulations which apply to securities sold and traded in England and Wales and, to the extent such rules apply to AIM Companies. The Company is operating in conformity with its Articles.
- 1.3. The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares and Sponsor Shares have been created, is the BVI Companies Act. The Ordinary Warrants are governed by English law.
- 1.4. The Company's registered office is at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, VG1110, Tortola, British Virgin Islands and the telephone number of the Company is +44 (0)20 7004 2700.
- 1.5. The registrars of the Company are Link Market Services (Guernsey) Limited whose offices are at Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey GY2 4LH.

- 1.6. As at the date of this document, the Company has one direct subsidiary, MAC I (BVI) Limited (the “**IncentiveCo**”) and a number of indirect subsidiaries:



For details of the subsidiaries, please see paragraph 10 below.

- 1.7. Other than direct and indirect subsidiaries set out above, the Company holds 12,000,000 ordinary shares in M&C Saatchi.
- 1.8. The Company holds 100 per cent. of the issued ordinary shares and 80.97 per cent. of the voting rights in IncentiveCo. Vin Murria OBE, Karen Chandler, Gavin Hugill and MLTI, being the only participants of the LTIP, hold the remaining voting rights in IncentiveCo. For details of the Company's shareholding interests in its subsidiaries, please refer to paragraph 10 of Part VII of this document.
- 1.9. It is proposed that the Company's accounting reference date will be changed from 30 June to 28 February (or 29 February, as the case may be). The members of the Group's accounting reference date will also be changed to 28 February (or 29 February, as the case may be). The Group's next audited annual report and consolidated accounts will be prepared on the basis of eight months ended 29 February 2024, and then annually thereafter. Copies of the next annual report and consolidated accounts will be made available to Shareholders by 31 August 2024. The Company will also publish an unaudited interim report each year in respect of the six months to 31 August, which in the normal course of business will be published promptly, but in any event within three months of 31 August.
- 1.10. The Group's audited annual report and consolidated accounts and interim report are available on the Company's website. The Group's accounts and the annual report will be drawn up in pounds sterling and in accordance with IFRS.
- 1.11. The Company has appointed Baker Tilly Channel Islands Limited as its auditor. Baker Tilly Channel Islands Limited are chartered accountants registered with the Institute of Chartered Accountants in England and Wales.



## 2. CAPITAL AND RETURNS MANAGEMENT

- 2.1. The Directors expect that equity capital raisings may be required by the Company as it pursues its objectives. The amount of any such additional equity to be raised, which could be substantial, will depend on the nature of the acquisition opportunities which arise and the form of consideration the Company uses to make any future acquisition and cannot be determined as at the date of this document.
- 2.2. The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Ordinary Shares and any dividends paid.

## 3. SHARE AND LOAN CAPITAL OF THE COMPANY

- 3.1. On 4 December 2020, the Company issued 700,000 Ordinary Shares and matching Ordinary Warrants for which have not been exercised as of the date of this document. Each Ordinary Warrant ranks equally and each warrantholder has subscription rights to subscribe in cash during the subscription period for all or any of the Ordinary Shares for which he is entitled to subscribe under such Ordinary Warrants at the exercise price payable on the exercise of an Ordinary Warrant at the relevant time, subject to the other restrictions and conditions described in the Warrant Instrument. The Ordinary Warrants are denominated in pounds sterling.
- 3.2. On 23 March 2021, the Marwyn Shareholder subscribed for an additional 17,500,000 Ordinary Shares at £1 per share, which, when combined with the 525,000 Ordinary Shares at £1 per share acquired on IPO and a further 2,500,000 Ordinary Shares resulting from the conversion of A Shares into Ordinary Shares on 23 March 2021, results in a total of 20,525,000 Ordinary Shares of £1 per share representing 15.41 per cent. of the issued Ordinary Shares of the Company and Vin Murria OBE subscribed for 17,500,000 Ordinary Shares at £1 per share, representing 13.14 per cent. of the issued Ordinary Shares of the Company.
- 3.3. The Ordinary Warrants are exercisable only up until 4 December 2025 at £1.00 per Ordinary Share (subject to downwards adjustment and the winding-up of the Company). The exercise of the Ordinary Warrants will result in a dilution of the Shareholders' interests if the value of an Ordinary Share exceeds the exercise price payable on the exercise of an Ordinary Warrant at the relevant time. If any additional class of share is issued with voting rights or the right to convert into a class of share with voting rights in connection with the raising of committed acquisition capital and/or the private issuance of listed or unlisted shares to provide financing for transactions, the voting rights of the holders of Ordinary Shares will be diluted on issue or conversion (as applicable).
- 3.4. The Company's issued shares as at 30 June 2023 and the date of this document are set out below.

Class	Nominal Value (£)	Number
Ordinary Shares*	—	133,200,000
Sponsor Shares	—	2

\* With 700,000 Ordinary Warrants to subscribe for an equal number of Ordinary Shares for £1 per Ordinary Share

- 3.5. As of the date of this document, the Company has no other classes of Shares in issue apart from the Ordinary Shares and Sponsor Shares. The Ordinary Shares and Sponsor Shares have no par value. For a description of the Sponsor Shares, please see paragraph 5.4 below.
- 3.6. As of the date of this document, the Company's 133,200,000 Ordinary Shares in issue have been admitted to trading on the Main Market of the London Stock Exchange but were suspended from trading on 8 June 2023. Applications have been made (i) to the FCA to cancel the standard listing of the Ordinary Shares on the Official List; (ii) to the London Stock Exchange to cancel the admission to trading of the Ordinary Shares on the Main Market; and (iii) to the London Stock Exchange for the admission of the

Ordinary Shares to trading on AIM. The Company's estimated market capitalisation on Admission is £109,224,000. Each Ordinary Share ranks equally and has the same rights (including voting and dividend rights and rights on a return of capital) and restrictions, as set out in the Articles.

3.7. Save as disclosed in this document:

- (i) no person has any preferential subscription rights for any shares of the Company;
- (ii) no share or loan capital of the Company is currently under option or agreed conditionally or unconditionally to be put under option; and
- (iii) no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.

#### **4. RESPONSIBILITY STATEMENT**

4.1. The Company and each of the Directors, whose names appear on page 9 of this document, accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

#### **5. MEMORANDUM AND ARTICLES OF ASSOCIATION**

5.1. The Articles provide that the Company has, subject to the BVI Companies Act and any other British Virgin Islands legislation from time to time in force, irrespective of corporate benefit, full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and full rights, powers and privileges for these purposes. For the purposes of Section 9(4) of the BVI Companies Act, there are no limitations on the business that the Company may carry on.

5.2. Set out below is a summary of the provisions of the Amended Articles to be effective on or around Admission.

##### **(a) Variation of Rights and Protection Provisions**

The Company shall not, without the prior vote or consent of the holders of the Sponsor Shares or holders of at least a majority of the Ordinary Shares or shares of the relevant class, as applicable, voting or consenting separately as a class vary the rights of the shares of that class so as to affect them adversely. Rights conferred upon the holders of the shares of any class shall not be deemed to be varied by (a) the creation or issue of further shares ranking *pari passu* therewith or in priority thereto, including without limitation the creation and issuance of any Additional Class of Shares (as defined below in paragraph 5.2(g)(iii); or (b) any redemption, repurchase, acquisition, cancellation, exchange, division, consolidation or conversion of shares permitted by the Amended Articles or the BVI Companies Act.

For so long as the Marwyn Shareholder (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), the holders of the Sponsor Shares will each have the right to appoint one director to the Board. See paragraph 5.2(o) below for further details.

For so long as the Marwyn Shareholder (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), or MLTI or an individual holder of a Sponsor Share are holders of Incentive Shares, the Company shall not, without the prior vote or consent of all holders of Sponsor Shares: (i) amend, alter or repeal any existing or introduce any new share-based compensation or incentive scheme in the Group; or (ii) issue any class of shares on a non pre-emptive basis where the Company would be required to issue such shares pre-emptively if it were incorporated under the UK Companies Act 2006 and acting in accordance with

the Pre-Emption Group's Statement of Principles (other than to (i) allow for exclusion of holders of restricted jurisdictions, and/or (ii) allow the Company to make arrangements for fractional entitlements).

The rights conferred upon the holders of any shares or of any class or series issued with preferred, deferred or other rights shall not (unless otherwise expressly provided by the terms of issue) be deemed to be varied by the creation of or issue of further shares ranking *pari passu* therewith or in priority thereto, the exercise of any power under the disclosure provisions requiring members to disclose an interest in shares as set out in the Amended Articles, the redemption, repurchase, acquisition, cancellation, exchange, division, consolidation or conversion by the Company of its own shares or the sale into treasury. There are no express provisions under the BVI Companies Act relating to variation of rights of shareholders.

(b) Depository interests and uncertificated shares

The Directors shall, subject always to any applicable laws and regulations and the facilities and requirements of any relevant system concerned and the Amended Articles, have the power to implement and/or approve any arrangement they may think fit in relation to the evidencing of title to and transfer of interest in shares of the Company in the form of depository interests or similar interests, instruments or securities. The Board may permit shares (or interests in shares) to be held in uncertificated form and to be transferred by means of a relevant system of holding and transferring shares (or interests in shares) in uncertificated form in such manner as they may determine from time to time.

(c) Share classes

The Directors may create and issue such classes of shares of the Company on such terms and subject to such restrictions as they may determine from time to time, which may rank *pari passu* with the Ordinary Shares as to dividends and other distributions and voting rights.

(d) Pre-emption Rights

- (i) Section 46 of the BVI Companies Act (statutory pre-emptive rights), which may be opted into by the memorandum or articles of association of a company, does not apply to the Company.
- (ii) The Company will not issue any shares (and will not sell or transfer any shares held in treasury) to a person on a non pre-emptive basis where the Company would be required to issue such shares pre-emptively if it were incorporated under the UK Companies Act 2006 and acting in accordance with the Pre-Emption Group's Statement of Principles unless: (A) where the Marwyn Shareholder (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), or MLTI or an individual holder of a Sponsor Share hold Incentive Shares, the prior vote or consent of all holders of Sponsor Shares has been obtained for the proposed issuance on a non-pre-emptive basis; (B) it has made a written offer in accordance with the Amended Articles to each holder of equity securities of that class (other than the Company itself by virtue of it holding treasury shares) to issue to him on the same or more favourable terms a proportion of those equity securities equal to the proportion in value held by the holders of the relevant class(es) of shares then in issue (rounded to the nearest whole share) and the period during which any such offer may be accepted by the relevant current holders has expired or the Company has received a notice of the acceptance or refusal of every offer so made from such holders; (C) the Board is given by a Resolution of Members the power to sell treasury shares fully paid for cash consideration; or (D) the Board approves the issue of equity securities under an open offer or a rights issue on a non-pre-emptive basis to: (i) allow the exclusion of holders of equity securities in jurisdictions where the cost and burden of extending the offer to them would be

disproportionate; and/or (ii) allow the Company to make arrangements which the Board considers necessary or appropriate to deal with fractional entitlements. The holders of the Sponsor Shares have no duty to the holders of Ordinary Shares or holders of any other class of shares to require the Company to issue shares on a pre-emptive basis.

- (iii) Equity securities that the Company has offered to issue to a holder of equity securities in accordance with paragraph 5.2(d)(ii) above may be issued to him, or anyone in whose favour he has renounced his right to their issue, without contravening the above pre-emption rights.
- (iv) Where equity securities are held by two or more persons jointly, an offer pursuant to the above pre-emption rights may be made to the joint holder first named in the register of members in respect of those equity securities.
- (v) In the case of a holder's death or bankruptcy, the offer must be made: (A) to the persons claiming to be entitled to the equity securities in consequence of the death or bankruptcy, at an address supplied in accordance with the Amended Articles; or (B) until any such address has been so supplied giving the notice in any manner in which it would have been given if the death or bankruptcy has not occurred.
- (vi) The above pre-emption rights shall not apply in relation to the issue of bonus shares or equity securities in the Company if they are, or are to be, wholly or partly paid up otherwise than in cash, and equity securities in the Company which would apart from any renunciation or assignment of the right to their issue, be held under an employee share scheme.
- (vii) Equity securities held by the Company as treasury shares are disregarded for the purpose of the pre-emption rights so that the Company is not treated as a person who holds equity securities and equity securities held as treasury shares are not treated as forming part of the issued shares of the Company for the purposes of the pre-emption rights.

(e) Shareholder Meetings

The Company shall hold an annual general meeting of members which shall be convened by the Board in accordance with the BVI Companies Act. Following Admission, the first annual general meeting shall take place on a date to be determined by the Board which shall not be later than 31 August 2024 (or such other date determined by a Resolution of Directors (as described in paragraph 5.3) and notified to Shareholders) and thereafter an annual meeting shall be held in each calendar year. Not more than 15 months shall elapse between the date of one annual general meeting and the date of the next, unless the members pass a resolution in accordance with the Amended Articles waiving or extending such requirement.

The business of an annual general meeting shall be the election of Directors for those Board seats whose terms expire at such meeting and any other items of business proposed by the Board and/or otherwise duly proposed by the Shareholders in accordance with the Amended Articles.

The Company may also hold special meetings of Shareholders (being any meeting which is not an annual meeting). Special meetings may only be called by: (A) the Board at their own initiative and in their sole discretion; or (B) the Board upon receiving a written request from a Shareholder or Shareholders in accordance with the requirements of the Amended Articles (as summarised below). Special meetings called pursuant to a written request from a Shareholder or Shareholders shall be for the purpose and business determined in accordance with the requirements of the Amended Articles.

Any meetings of Shareholders may be held at such times and in such manner and places within or outside the British Virgin Islands as the Board considers necessary or desirable.

The Amended Articles state that the Board shall convene a meeting of Shareholders upon the written request of a Shareholder or Shareholders entitled to exercise ten per cent. (10%) or more of the voting rights in respect of the matter for which the meeting is requested. Any such requisitioned meeting shall be convened within ninety (90) days' of the date of a valid requisition notice being delivered to the Company from such Shareholder or Shareholders.

Any written request to requisition a meeting of Shareholders to the Company shall: (A) specify the proposed business of the special meeting and otherwise comply with the requirements of the Amended Articles (as set out below); and (B) bear the name and signature of the Shareholder or Shareholders requesting the special meeting and the number of shares legally and beneficially owned by such Shareholder or Shareholders.

A Shareholder who proposes any business or other matter to be considered at a meeting of the Shareholders must: (A) in the case of any business or other matter to be considered at an annual meeting, notify the Company in writing by no later than the close of business on the ninetieth (90<sup>th</sup>) day, nor earlier than the close of business on the one hundred and twentieth (120<sup>th</sup>) day, prior to the first anniversary of the preceding year's annual meeting; and (B) in the case of any business or other matter to be considered at a special meeting convened by written request of the Shareholders, include notice of such business or matter in the requisitioning notice. In each case the proposed business or other matter must constitute a proper matter for Shareholder action at the annual meeting or special meeting (as applicable), failing either of which the Directors may in their sole and absolute discretion disregard and exclude from the meeting of Shareholders the business or other matter proposed by the Shareholder (in whole or in part).

A Shareholder may not propose any business or other matter for a special meeting called by the Board without the prior permission of the Board.

A Director convening a meeting of the Shareholders shall give not less than seven (7) calendar days' written notice of a meeting to those Shareholders who are entitled to vote at the meeting and the other Directors. A meeting of the Shareholders may be called by shorter notice if Shareholders holding at least ninety per cent. (90%) of the total voting rights on all the matters to be considered at the meeting, have consented to shorter notice of the meeting (as the case may be).

The inadvertent failure to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at the meeting. The requirement to convene a meeting shall be waived if Shareholders holding a majority of the total voting rights on all the matters to be considered at the meeting have, before that meeting is held, approved in writing the matters to be considered at that meeting.

(f) Votes of Members

Holders of the Ordinary Shares have the right to receive notice of and to attend and vote at any meetings of Shareholders. Subject to any rights or restrictions attached to any shares or class or series of shares and to the provisions of the Amended Articles, each holder of shares being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such holder of shares present in person or by proxy will have one vote for each share held by him.

Holders of the Sponsor Shares do not have the right to receive notice of or to attend and vote at any meetings of Shareholders (provided that if at any time the Sponsor Shares are the only shares in issue each holder of Sponsor Shares shall have the right to receive notice of, attend and vote as a member at any meeting of members).

In the case of joint holders of a share, if two or more persons hold shares jointly each of them may be present in person or by proxy at a meeting of members and may speak as a member, and if one or more joint holders are present at a meeting of members, in person or by proxy, they must vote as one.

All resolutions of the Company will be passed by a Resolution of Members, except where a Special Resolution of Members (each as described in paragraph 5.3) is



required in the circumstances detailed in the Amended Articles by the prior vote or consent of the holders of the Sponsor Shares whilst the Marwyn Shareholder (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), or MLTI or an individual holder of a Sponsor Share hold Incentive Shares.

(g) Share Rights

Pursuant to the Amended Articles (which, subject to the provisions on Variation of Rights and Protection Provisions at paragraph 5.2(a) above, may be amended by a Resolution of Members or in certain circumstances a Resolution of Directors, as further described below) the Company is authorised to issue an unlimited number of Ordinary Shares and 100 Sponsor Shares.

At the date of this document, the Company has no other classes of Shares in issue apart from the Ordinary Shares and the Sponsor Shares.

(i) Sponsor Shares (in accordance with the Amended Articles):

- confer upon the holders no right to distributions on the Company's liquidation;
- confer upon the holders no rights in respect of dividends and distributions;
- confer upon the holders no right to receive notice of or attend and vote as a shareholder at any meeting of Shareholders (provided that if at any time the Sponsor Shares are the only shares in issue each holder of Sponsor Shares shall have the right to receive notice of, attend and vote as a shareholder at any meeting of Shareholders);
- are not convertible or exchangeable for any other class or series of shares of the Company; and
- confer additional rights as specified in paragraph 5.4 below.

(ii) Ordinary Shares (in accordance with the Amended Articles):

- confer upon the holders the rights in a liquidation as specified in sub-paragraph 5.2(v)(i) below;
- confer upon the holders the rights in respect of dividends and distributions as specified in sub-paragraph 5.2(r) below;
- confer upon the holders the right to receive notice of, attend and vote as a shareholder at any meeting of Shareholders; and
- are not convertible or exchangeable for any other class or series of shares of the Company.

(iii) The Company may from time to time by Resolution of Directors, and without prior notice to or obtaining the approval of Ordinary Shareholders, amend the Articles to authorise the issuance by the Company of one or more additional classes of shares with or without par value (the “**Additional Class of Shares**”) and specify the number of shares, rights, privileges, restrictions and conditions attaching to each such Additional Class of Shares as the Board may determine in its sole and absolute discretion. Without limiting the foregoing, the Board may determine:

- the number of shares constituting the Additional Classes of Shares and the distinctive designation of that series;
- the dividend and other distribution rights of the Additional Class of Shares, which may include a preference rate and/or coupon; whether dividends shall be cumulative and, if so, from which date or dates, and whether they shall be payable in preference to, or in relation to, the dividends payable on the Ordinary Shares or any other Additional Class of Shares;
- whether the Additional Class of Shares shall have voting rights and, if so, the terms and conditions of such voting rights, including, without limitation,

the number of votes they have per share or whether they shall vote separately or together as a single class with the Ordinary Shares and/or any other Additional Class of Shares;

- whether the Additional Class of Shares shall have conversion and/or exchange rights and privileges and, if so, the terms and conditions of such conversion and/ or exchange;
  - whether the Additional Class of Shares shall be redeemable and, if so, the terms and conditions of such redemption;
  - the rights of the Additional Class of Shares in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company; and
  - any other relative, participating, optional or other special rights, privileges, powers, qualifications, limitations or restrictions of the Additional Class of Shares, including, without limitation, any right to appoint and/or remove one or more directors of the Company.
- (iv) The Company shall issue registered shares only. The Company is not authorised to issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.
- (v) The Company may exercise the powers of paying commissions and in such an amount or at such a percentage rate as the Directors may determine. Subject to the provisions of the BVI Companies Act, any such commission may be satisfied by the payment of cash or by the issue of fully or partly paid shares or partly in one way and partly in another. The Company may also on issue of shares pay such brokerage as may be lawful.
- (h) Notice requiring disclosure of interest in shares

The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required in accordance with the Amended Articles. Such information may include, without limitation: particulars of the person's status (including whether such person constitutes or is acting on behalf of or for the benefit of a Plan (as defined in the Amended Articles or is a U.S. Person), domicile, nationality and residency; particulars of the person's own past or present interest in any shares; the identity of any other person who has a present interest in the shares held by him; where the interest is a present interest and any other interest, in any shares, subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required by the notice; and where a person's interest is a past interest to give, (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.

If any Shareholder is in default in supplying to the Company the information required by the Company within the prescribed period or such other reasonable period as the Directors determine, the Directors in their discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "**Default Shares**") the Shareholder shall not be entitled to attend or vote in meetings of Shareholders or class meetings until such default is rectified. Where the Default Shares represent at least 0.25 (nought point two five) per cent. in number of the class of shares concerned the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Amended Articles) shall be registered until the default is rectified; or where the Directors have any grounds to believe that such Default Shares are held by or for the benefit of or by persons acting on behalf of a Plan or a U.S. Person, the Directors may in their discretion deem the Default Shares to be held by, or on behalf

of or for the benefit of, a Plan or a U.S. Person (as the Directors may determine) and that the compulsory transfer provisions of the Amended Articles should apply to such Default Shares.

In addition, the Amended Articles require that a Shareholder must notify the Company of the percentage of his or her voting rights if the percentage of voting rights which he or she holds (directly or indirectly) or through his or her direct or indirect holding of financial instruments as set out in the Amended Articles (or a combination of such holdings): (A) reaches, exceeds or falls below three per cent. (3%), four per cent. (4%), five per cent. (5%), six per cent. (6%), seven per cent. (7%), eight per cent. (8%), nine per cent. (9%), ten per cent. (10%), and each one per cent. (1%) threshold thereafter up to one hundred per cent. (100%), or (B) reaches, exceeds or falls below an applicable threshold in (A) above as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Amended Articles, as soon as possible but, in any event no later than two (2) trading days from the date on which the relevant person becomes aware in accordance with the Amended Articles.

(i) Untraced shareholders

The Company may sell the share of a Shareholder or of a person entitled by transmission at the best price reasonably obtainable at the time of sale, if:

- (i) during a period of not less than twelve (12) years before the date of publication of the advertisements referred to in sub-paragraph 5.2(i)(iii) at least three cash dividends have become payable in respect of the share;
- (ii) throughout such period no cheque payable on the share has been presented by the holder of, or the person entitled by transmission to, the share to the paying bank of the relevant cheque, no payment made by the Company by any other means permitted by the Amended Articles has been claimed or accepted and, so far as any Director at the end of the relevant period is then aware, the Company has not at any time during such relevant period received any communication from the holder of, or person entitled by transmission to, the share;
- (iii) on expiry of the relevant period the Company has given notice of its intention to sell the share by advertisement in accordance with the Amended Articles; and
- (iv) the Company has not, so far as the Board is aware, during a further period of three months after the date of the advertisements referred to in sub-paragraph 5.2(i)(iii) and before the exercise of the power of sale received a communication from the holder of, or person entitled by transmission to, the share.

Where a power of sale is exercisable over a share, the Company may at the same time also sell any additional share issued in right of such share or in right of such an additional share previously so issued provided that the requirements of sub-paragraphs 5.2(i)(ii) to (iv) have been satisfied in relation to the additional share (except that the period of not less than twelve (12) years shall not apply in respect of such additional share).

To give effect to a sale, the Board may authorise a person to transfer the share in the name and on behalf of the holder of, or person entitled by transmission to, the share, or to cause the transfer of such share, to the purchaser or his nominee.

The Company shall be indebted to the Shareholder or other person entitled by transmission to the share for the net proceeds of sale and shall carry any amount received on sale to a separate account. Any amount carried to the separate account may either be employed in the business of the Company or invested as the Board may think fit. No interest is payable on that amount and the Company is not required to account for money earned on it.



(j) Transfer of shares

Any holder of Shares may transfer all or any of his or her certificated shares by an instrument of transfer in any usual form or in any other form which the Directors may approve.

The Directors may accept such evidence of title of the transfer of shares (or interests in shares) held in uncertificated form (including in the form of depository interests or similar interests, instruments or securities) as they shall in their discretion determine. The Directors may permit such shares or interests in shares held in uncertificated form to be transferred by means of a relevant system of holding and transferring shares (or interests in shares) in uncertificated form. No transfer of shares will be registered if, in the reasonable determination of the Directors, the transferee is or may be a Prohibited Person, or is or may be holding such shares on behalf of a beneficial owner who is or may be a Prohibited Person. The Directors shall have power to implement and/or approve any arrangements they may, in their discretion, think fit in relation to the evidencing of title to and transfer of interests in shares in the Company in uncertificated form (including in the form of depository interests or similar interests, instruments or securities).

(k) Compulsory transfer of shares

The Directors may require (to the extent permitted by the rules of any relevant system where applicable) the transfer by lawful sale, by gift or otherwise as permitted by law of any shares that, in the reasonable determination of the Directors, are or may be held or beneficially owned by a Prohibited Person to a person who is not a Prohibited Person qualified under the Amended Articles to hold the shares. In the event that the Shareholder cannot locate a qualified purchaser within such reasonable time as the Directors may determine then the Company may locate an eligible purchaser. If no purchaser is found by the selling Shareholder or the Company before the time the Company requires the transfer to be made then the Shareholder shall be obligated to sell the shares at the highest price that any purchaser has offered and the Company shall have no obligation to the member to find the best price for the relevant shares. The Directors may, from time to time, require of a member that such evidence be furnished to them or any other person in connection with the foregoing matters as they shall in their discretion deem sufficient.

Shareholders who do not comply with the terms of any compulsory transfer notice shall forfeit or be deemed to have forfeited their shares immediately. The Directors, the Company and the duly authorised agents of the Company, including, without limitation, the Registrar, shall not be liable to any member or otherwise for any loss incurred by the Company as a result of any Prohibited Person breaching the compulsory transfer restrictions referred to herein and any member who breaches such restrictions is required under the Articles to indemnify the Company for any loss to the Company caused by such breach.

The Directors may at any time and from time to time call upon any Shareholder by notice to provide them with such information and evidence as they shall reasonably require in relation to such Shareholder or beneficial owner which relates to or is connected with their holding of or interest in shares in the Company. In the event of any failure of the relevant Shareholder to comply with the request contained in such notice within a reasonable time as determined by the Directors in their discretion, the Directors may proceed to avail themselves of the rights conferred on them under the Amended Articles as though the relevant member were a Prohibited Person.

(l) Alteration and redemption of shares

The Company may by Resolution of Directors, subject to the provisions of the BVI Companies Act (including satisfaction of the solvency test pursuant to Section 56 of the BVI Companies Act) and the Articles, purchase, redeem or otherwise acquire its own shares (with the consent of the member whose shares are to be purchased, redeemed or otherwise acquired) and may hold such shares as treasury shares.

Sections 60, 61 and 62 of the BVI Companies Act (statutory procedure for a company purchasing, redeeming or acquiring its own shares), which may be disappplied by a company's memorandum or articles of association, shall not apply to the Company.

The Company may by Resolution of Members or Resolution of Directors consolidate all or any of the shares into a smaller number than its existing shares; or sub-divide its shares, or any of them, into shares of a larger number so, however, that in such sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as in the case of the share from which the reduced share is derived.

(m) Interests of Directors

(i) A Director shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other Directors. A disclosure to all other Directors to the effect that a Director is a shareholder, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into, is a sufficient disclosure of interest in relation to that transaction, and any such Director may:

- vote on a matter relating to the transaction;
- attend a meeting of Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purposes of a quorum; and
- sign a document on behalf of the Company, or do any other thing in his or her capacity as a Director, that relates to the transaction and, subject to the BVI Companies Act, such Director shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

(n) Class of Directors

With effect from the time the Amended Articles are approved by the British Virgin Islands Registrar of Corporate Affairs (the **"Relevant Time"**), the Directors shall be divided into three (3) classes, as nearly equal in number as possible, which classes shall be designated as the **"Class I Directors"**, **"Class II Directors"** and **"Class III Directors"** respectively.

The initial Class I Directors, Class II Directors and Class III Directors shall be those Directors of the Company identified and assigned to a class by resolution of directors at the Relevant Time. Thereafter, each Director shall be assigned to a class of Directors in accordance with the Amended Articles. There is no distinction in the voting or other powers and authorities of Directors of different classes and such classifications are solely for the purpose of the retirement by rotation provisions set out in the Amended Articles (as described below).

Each Director designated as a Class I Director at the Relevant Time shall, unless his or her office is vacated earlier in accordance with the Amended Articles, serve initially until the conclusion of the first annual meeting held after Admission and may offer themselves for re-election by the Shareholders at such annual meeting.

Each director designated as a Class II Director at the Relevant Time shall, unless his or her office is vacated earlier in accordance with the Articles, serve initially until the conclusion of the second annual meeting held after Admission and may offer themselves for re-election by the Shareholders at such annual meeting.

Each director designated as a Class III Director at the Relevant Time shall, unless his or her office is vacated earlier in accordance with the Articles, serve initially until the conclusion of the third annual meeting held after Admission and may offer themselves for re-election by the Shareholders at such annual meeting.

If the Board is increased at any time, the new Directors shall be allocated to such class as specified in the Articles.

(o) Appointment and Remuneration of Directors

As described in paragraph 5.4, the Marwyn Shareholder and the holders of the Sponsor Shares have the ability to each appoint one director (being a “**Sponsor Director**”). Each Sponsor Director shall be allocated to such class of Directors (as described above) as may be determined by, and in the exclusive discretion of, the Board acting by Resolution of Directors.

The Directors of the Company (other than a Sponsor Director) shall be appointed and elected as follows: (A) by a Resolution of Members at an annual meeting or a special meeting, provided always that the new Director shall be allocated to such class of Directors as may be determined by, and in the exclusive discretion of, the Board; (B) by a Resolution of Directors, provided always that: (i) the new Director shall retire from office and may offer himself for re-appointment by the Shareholders at the first annual meeting after his or her election, regardless of the class to which he or she has been allocated; and (ii) the new Director shall be allocated to such class of Directors as may be determined by the Board; and (c) by Resolution of Directors to fill a vacancy on the Board (for the avoidance of doubt, the removal or resignation of a Sponsor Director shall not constitute a vacancy on the Board).

Any appointment of a Director shall be subject to any upper limit on the number of Directors prescribed in the Amended Articles.

Directors shall be elected or re-elected (as appropriate) at an annual meeting or a special meeting by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of Directors. The procedure is as follows: (A) the notice of each annual meeting at which the term of a class of directors is expiring or the notice of the special meeting shall state (as applicable): (i) the class of directors whose term is expiring and the number of Directors currently in that class; and (ii) whether the directors whose term is expiring are standing for re-election and whether any other person has been nominated for election as a Director; and (B) the Chairman shall cause a poll to be taken for each election or re-election resolution.

The Board may appoint one or more Directors to hold any executive office of the Company (including such positions as chairman, chief executive officer or managing director) for such period and on such terms as the Board may decide (“**Executive Director**”). An Executive Director appointed to act as chairman, chief executive officer or managing director or such other role as the Board may decide shall automatically cease to hold office if he or she ceases to be a Director of the Company.

The Directors and Executive Directors shall be remunerated for their services at such rate as the Directors shall determine. For the avoidance of doubt, the remuneration of Executive Directors may be by way of salary, commission, participation in profits or otherwise and either in addition to or inclusive of his or her remuneration as a Director of the Company. In addition, all of the Directors may be paid all reasonable out-of-pocket expenses properly incurred by them in attending meetings of Shareholders or class or series meetings, board or committee meetings or otherwise in connection with the discharge of their duties.

(p) Retirement, Disqualification and Removal of Directors

- (i) A Director is not required to hold a share as a qualification to office.
- (ii) Subject to the Amended Articles, for so long as the Marwyn Shareholder (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares) any Director appointed to the Board by the Marwyn Shareholder (or such a holder of a Sponsor Share) may only be removed from office with the consent of the holders of all of the Sponsor Shares in issue from time to time. Any other Director may

be removed from office with or without cause by a Resolution of Members or Resolution of Directors.

- (iii) The office of Director shall be vacated if (i) the Director resigns his or her office by written notice, (ii) he or she shall have absented himself from meetings of the Board for a consecutive period of 12 months and the other Directors resolve that his or her office shall be vacated, (iii) he or she ceases to be a Director by virtue of any provision of law or becomes prohibited by law from or is disqualified from being a Director or is disqualified in accordance with law or any rule or regulation of the primary stock exchange or quotation system on which the Ordinary Shares are then listed or quoted (iv) he or she dies or becomes of unsound mind or incapable, or (v) he or she is removed by a Resolution of Members passed at a meeting of Shareholders called for the purposes of removing the Director or for purposes including the removal of the Director.

(q) Proceedings of Directors

- (i) Subject to the provisions of the Amended Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors. Questions arising at a meeting shall be decided by a majority of votes and in the case of an equality of votes the chairman shall not have a second or casting vote.

- (ii) The quorum for the transaction of the business of the Directors is two.

(r) Distributions

- (i) The Board may, by Resolution of Directors, authorise a distribution by the Company to Shareholders at such time and of such an amount as it thinks fit if it is satisfied, on reasonable grounds, that immediately after the distribution, the value of the Company's assets exceeds its liabilities and the Company is able to pay its debts as they fall due.
- (ii) Distributions may be paid in money, shares, or other property.
- (iii) Notice of any distribution that may have been authorised shall be given to each Shareholder entitled to the distribution and all distributions unclaimed for three years after having been authorised may be forfeited by Resolution of Directors for the benefit of the Company.
- (iv) Any Resolution of Directors declaring a dividend or a distribution on a share may specify that the same shall be payable to the person registered as the holders of the shares at the close of business on a particular date notwithstanding that it may be a date prior to that on which the resolution is passed and thereupon the dividend or distribution will be payable to such persons in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend or distribution of transferors and transferees of any such shares.
- (v) Any joint holder or other person jointly entitled to a share may give receipts for any dividend or other moneys payable in respect of the share. Payment of any distribution is made at the risk of the person, or persons, so entitled. The Company is not responsible for payments lost or delayed. Payment, in accordance with the Amended Articles, of any cheque by the bank upon which it is drawn, or the transfer of funds by any means, or (in respect of securities in uncertificated form) the making of payment by means of a relevant system, shall be a good discharge to the Company.
- (vi) If, in respect of a distribution or other amount payable in respect of a share, on any one occasion: (a) a cheque is returned undelivered or left uncashed; or (b) an electronic transfer is not accepted, and reasonable enquiries have failed to establish another address or account of the person entitled to the payment, the Company is not obliged to send or transfer a distribution or

other amount payable in respect of that share to that person until he notifies the Company of an address or account to be used for that purpose. If the cheque is returned undelivered or left uncashed or transfer not accepted on two consecutive occasions, the Company may exercise this power without making any such enquiries.

(s) Disposition of assets

Section 175 of the BVI Companies Act (any disposition of more than fifty per cent. in value of the assets of a company (other than a transfer of assets in trust to one or more trustees pursuant to Section 28(3) of the BVI Companies Act) if not made in the usual or regular course of the business carried out by the company, requiring approval by a Resolution of Members) which may be disapplied by the memorandum or articles of a company, shall not apply to the Company.

(t) Continuation

The Company may by Resolution of Directors or Resolution of Members continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

(u) Merger and Consolidation

The Company may, with the approval of a Resolution of Members, merge or consolidate with one or more other BVI or foreign companies in the manner provided in the BVI Companies Act. A Resolution of Members shall not be required in relation to a merger of a "parent company" with one or more "subsidiary companies", each as defined in the BVI Companies Act.

(v) Winding-Up

A Resolution of Members is required to approve the voluntary winding-up of the Company.

(w) Return of Capital on a Liquidation

- (i) Subject to the BVI Companies Act, on a liquidation of the Company the assets of the Company available for distribution will be distributed *pro rata* to the number of shares held by each holder of Ordinary Shares (subject always to the rights of any Additional Class of Shares).
- (ii) The Directors shall be permitted to appoint a voluntary liquidator (or two or more eligible individuals as joint voluntary liquidators) of the Company if the members have, by a Resolution of Members, approved the liquidation plan in accordance with the BVI Companies Act.

(x) Borrowing Powers

The Directors may exercise all borrowing powers of the Company and authorise the payment of all expenses incurred preliminary to and in connection with the formation and registration of the Company and may exercise all such powers of the Company.

(y) Indemnification

The Company is required to indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings, any person who is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director; provided however, that except for proceedings to enforce rights to indemnification, the Company is not obligated to indemnify a Director in connection with a proceeding initiated by such Director unless such proceeding was authorised and consented to by the Board. The foregoing indemnity only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.



The Company may purchase and maintain insurance in relation to any person who is or was a Director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Amended Articles.

(z) **Amendment of Memorandum and Articles**

Where required by the holders of the Sponsor Shares whilst the Marwyn Shareholder (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), or MLTI or an individual holder of a Sponsor Share hold Incentive Shares, the Directors shall not without the prior vote of the Shareholders by a Special Resolution of Members, amend the Memorandum and Articles (subject at all times to the ability of the Company to amend the Memorandum or the Articles to authorise an Additional Class of Shares pursuant to a Resolution of Directors as detailed in paragraph 5.2(g)(iii) above).

5.3. ***Director and Shareholder Resolutions***

(a) Resolutions of Directors may be approved:

- at a duly constituted meeting of Directors or of a committee of Directors by the affirmative vote of a simple majority of the Directors present who voted and did not abstain; or
- by resolutions consented to in writing by all of the Directors or of all the members of the committee, as the case may be.

(b) Resolutions of the Shareholders may be approved:

- at a duly constituted meeting of Shareholders by the affirmative vote of a simple majority of the votes of those Shareholders entitled to vote and voting on the resolution; or
- by resolutions consented to in writing by Shareholders entitled to exercise a simple majority of the votes entitled to vote thereon, without the need for any prior notice (provided always that it is the votes allocated to the shares that shall be counted and not the number of Shareholders who voted or consented to the resolution and that a copy of such resolution shall forthwith be sent to the Company and the Company shall within a reasonable time send a copy of any written shareholder resolution to all Shareholders that have not consented to such resolution).

(c) Special Resolutions of Members may be approved:

- at a duly constituted meeting of Shareholders by the affirmative vote of at least 75 per cent. of the votes of those Shareholders entitled to vote and voting on the resolution; or
- by resolutions consented to in writing by Shareholders entitled to exercise at least 75 per cent. of the votes entitled to vote thereon, without the need for any prior notice (provided always that it is the votes allocated to the shares that shall be counted and not the number of Shareholders who voted or consented to the resolution and that a copy of such resolution shall forthwith be sent to the Company and the Company shall within a reasonable time send a copy of any written shareholder resolution to all shareholders that have not consented to such resolution).

(d) A written resolution may consist of several documents, including written electronic communications and the resolution shall take effect on the earliest date upon which Directors or Shareholders (as applicable) holding the requisite majority of the votes entitled to vote thereon have signed or assented to the resolution (or such later date as specified in the written resolution).

#### 5.4. **Sponsor Share**

- (a) For so long as the Marwyn Shareholder (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), the Marwyn Shareholder (and such a holder of a Sponsor Share) will have the right to appoint one director to the Board.
- (b) For so long as the Marwyn Shareholder (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), or MLTI or an individual holder of a Sponsor Share hold Incentive Shares, the Company shall not, without the prior vote or consent of holders of all of the Sponsor Shares: (i) issue any further Sponsor Shares; (ii) amend, alter or repeal any existing or introduce any new share-based compensation or incentive scheme in the Group; or (iii) issue any class of shares on a non pre-emptive basis where the Company would be required to issue such shares pre-emptively if it were incorporated under the UK Companies Act 2006 and acting in accordance with the Pre-Emption Group's Statement of Principles.
- (c) The holders of the Sponsor Shares may require that: (i) any purchase of Ordinary Shares; or (ii) the Company's ability to amend the Memorandum and Articles (subject at all times to the ability of the Company to amend the Memorandum or the Articles to authorise an additional class of shares pursuant to a Resolution of Directors as detailed in paragraph 5.3(a) above), be subject to a Special Resolution of Members whilst the Marwyn Shareholder (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), or MLTI or an individual holder of a Sponsor Share hold Incentive Shares.
- (d) Save for the Sponsor Shares held by the Marwyn Shareholder and Vin Murria OBE, the Directors do not intend to issue any further Sponsor Shares.

#### 6. **MANDATORY BIDS AND COMPULSORY ACQUISITION RULES RELATING TO THE ORDINARY SHARES**

- 6.1. The Takeover Code does not apply to the Company and there are no rules or provisions relating to mandatory takeover bids in relation to the Ordinary Shares. There are no rules or provisions relating to the Ordinary Shares and squeeze-out and/or sell-out rules, save as provided by section 176 of BVI Companies Act (ability of the shareholders holding 90 per cent. of the votes of the outstanding shares or class of outstanding shares to require the Company to redeem such shares or class of shares) and certain provisions relating to the mandatory cancellation, exchange and conversion of shares on mergers, consolidations, and schemes and plans of arrangement.

## 7. MAJOR SHAREHOLDERS

- 7.1. Under BVI law, neither the Company nor its Shareholders are required to make any notifications relating to any person who has a direct or indirect interest in the shares or the voting rights of the Company. The Company remains subject to the AIM Rules for Companies and the Disclosure Guidance and Transparency Rules, to the extent such rules apply to companies with ordinary shares admitted to trading on AIM, and it and holders of Ordinary Shares are also subject to the Market Abuse Regulation. The Company is aware of the following shareholders of the Company who are, at 5 January 2024, being the latest practicable date prior to the date of this document, interested, directly or indirectly, in 3 per cent. or more of the issued shares of the Company.

Shareholder	Number of Ordinary Shares	Number of Sponsor Shares	Voting interest in the Company's shares
the Marwyn Shareholder	20,525,000*	1	15.41 per cent.
BGF Investment Management Limited	20,000,000	—	15.02 per cent.
Vin Murria OBE & Sunil Bhalla	17,500,000	1	13.14 per cent.
Artemis Investment Management	10,744,778	—	8.07 per cent.
CRUX Asset Management	8,244,737	—	6.19 per cent.
Amati Global Investors Limited	8,000,000	—	6.01 per cent.
Investec Wealth & Investment	7,063,755	—	5.30 per cent.
Gresham House Asset Management Limited	6,746,173	—	5.06 per cent.
Chelverton Asset Management Limited	6,000,000	—	4.50 per cent.
Canaccord Genuity Group Inc	4,453,265	—	3.34 per cent.

Note:

\* Marwyn Shareholder holds 525,000 Ordinary Warrants.

- 7.2. The voting rights of the Company's shareholders are the same in respect of each Ordinary Share held.
- 7.3. Save as disclosed above, the Company is not aware of any person who holds 3 per cent. or more of the voting rights in the Company as a shareholder or through a direct or indirect holding of financial instruments (in each case for the purposes of Chapter 5 of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority).
- 7.4. Save for the Marwyn Shareholder, the Company is not aware of any person who, directly or indirectly owns or controls the Company as at the date of this document. The Marwyn Shareholder and Vin Murria OBE each own 15.4 per cent. and 13.1 per cent. respectively of the issued ordinary shares of the Company (assuming that no Ordinary Warrants are exercised). As a result, Marwyn Shareholder and Vin Murria OBE each may possess sufficient voting power to have a significant influence over all matters requiring Shareholder approval. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.



## 8. ADDITIONAL INFORMATION ON THE DIRECTORS AND THE PROPOSED DIRECTORS

- 8.1. Details of the names of companies and partnerships (excluding directorships of the Company or of its subsidiaries) of which the Directors and the Proposed Directors are or have been a director or partner at any time in the five years preceding the date of this document are set out below:

<b>Name</b>	<b>Current directorships/ partnerships</b>	<b>Past directorships/ partnerships</b>
Vin Murria OBE (aged 61, born 6 October 1962)	Bunzl plc XCD HR Limited Softcat PLC PS Foundation VM.AV Corporate Services Ltd	VMSB Surrey Properties Limited Celadon Pharmaceuticals Plc (formerly Summerway Capital Plc) Pythagoras Communications Holdings Ltd Pythagoras Communications Limited DWF Group Plc Elderstreet Holdings Limited Elderstreet Investments Limited Finncap Group Plc Sophos Group Limited (formerly Sophos Group plc) Hay Hill Wealth Management Limited ADV Technology Limited ADV Software Limited Intercede 2445 Limited Finncap Ltd ZPG Limited HSBC Innovation Bank Limited M&C Saatchi PLC Taina Technology Limited Transform Topco Limited Plum Acquisition Corp I
Mark Brangstrup Watts (aged 49, born 19 January 1974)	Whaivu Holdings (Holland) Ltd Marwyn 11 Buckingham Street LLP WHJ Limited Whaivu Holdings Limited Marwyn Capital Growth LP Marwyn LTIP LP Marwyn Management Partners LP	Arrow Canadian Holdings Limited Arrow US Holdings Inc. Gloo UK Holdings Limited Le Chateau Group Plc Le Chateau Holdings Limited Le Chateau Holdings SAS MAC II (BVI) Limited MAC III (BVI) Limited 450 Plc (formerly Marwyn Acquisition Company Plc) Marwyn Acquisition Company II Limited Marwyn Acquisition Company III Limited MAC Alpha (BVI) Limited MAC Alpha Limited Marwyn Asset Management Limited Marwyn Capital LLP Marwyn Capital Growth GP Limited Marwyn Investment

<b>Name</b>	<b>Current directorships/ partnerships</b>	<b>Past directorships/ partnerships</b>
		Management LLP Marwyn Operating Partners LLP MCP LP Orpheus Capital Limited Safe Harbour Holdings Jersey Limited Safe Harbour Holdings UK Limited Silvercloud Holdings Limited Silvercloud Investments Limited Silvercloud Limited Management Holdings Limited WCH Group Limited Wilmcote Group Limited Zegona Communications plc Zegona Limited
Gavin Hugill (aged 47, born 14 September 1976)	None	None
Karen Chandler (aged 51, born 24 September 1972)	The Cardiff Property Plc First Choice Estates Plc Thames Valley Retirement Homes Limited Village Residential Plc The Land Bureau Limited Links (Gymnastics) Berkshire Limited Celaton Limited	Cardiff Property (Construction) Limited Wadharma Holdings Limited Pacific Petroleum Holdings Plc Advetec Holdings Limited
Paul Gibson (aged 59, born 29 June 1964)	Hireserve Limited PGI Advisory Ltd XCD HR Limited Waverton Property LLP Dianomi Plc Myzone Holdings Limited	Celadon Pharmaceuticals Plc (formerly Summerway Capital Plc) Sagacity Solutions Ltd Castleton Technology plc Tax Systems plc Enable Business Solutions Limited
Barbara Firth (aged 71, 12 November 1952)	Woodland Drive Residents' Association Limited St Luke's (Guildford) Management Limited	Finncap Group Plc

- 8.2. Save as disclosed below, none of the Directors and the Proposed Directors has:
- (a) any unspent convictions in relation to indictable offences;
  - (b) ever had any bankruptcy order made against him/ her or entered into any individual voluntary arrangements with his/her creditors;
  - (c) ever been a director of a company which has been placed in receivership, compulsory liquidation creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he/she was a director of that company or within the 12 months after he/she had ceased to be a director of that company;
  - (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he/she was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
  - (e) been publicly criticised by any statutory or regulatory authorities (including designated professional bodies); or
  - (f) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.
- 8.3. Save as disclosed in this document, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and remains in any respect outstanding or unperformed.
- 8.4. Save as disclosed in paragraph 7 above, the Directors and the Proposed Directors have no interest, whether beneficial or non-beneficial, in the share or loan capital of the Company or any of its subsidiary undertakings.
- 8.5. Save as disclosed in paragraph 7 above, and with regards to LTIP in paragraphs 9 and 10 of Part I of this document, none of the Directors and the Proposed Directors nor any member of his/her immediate family or any person connected with him/her holds or is beneficially or non-beneficially interested directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company.
- 8.6. Save as disclosed in paragraph 11.10 to 11.15, no member of the Group is party to any service contract with any of the Directors and the Proposed Directors which provides for benefits on the termination of any such contract.
- 8.7. Mark Brangstrup Watts was appointed as a director of Pleasant People Limited on 20 December 1999, which went into creditors' voluntary liquidation on 21 April 2005 and was dissolved on 9 October 2007, whilst he was still a director.
- 8.8. Mark Brangstrup Watts was appointed as a director of Panlok Limited on 13 June 2000. On 29 June 2001 Panlok Limited went into creditors' voluntary liquidation and was dissolved on 22 January 2008.
- 8.9. Mark Brangstrup Watts was appointed as a director of Gloo Networks Jersey Limited on 13 February 2015, which was dissolved on 8 June 2018.
- 8.10. Mark Brangstrup Watts was a director of Safe Harbour Holdings UK Limited from 26 August 2016 to 31 July 2020, which was dissolved on 6 October 2021.
- 8.11. Mark Brangstrup Watts was appointed as a director of Le Chateau Group plc on 15 October 2010, which was dissolved on 22 November 2023.
- 8.12. Mark Brangstrup Watts was appointed as a director of Marwyn Management Partners Subsidiary Limited on 14 January 2011, which was dissolved on 11 September 2020.
- 8.13. Mark Brangstrup Watts was appointed as a director of The Marwyn Trust on 1 December 2008, which was compulsorily struck off the register of companies in England and Wales on 20 April 2010.

- 8.14. Mark Brangstrup Watts was appointed as a director of Marwyn (Catalina) LLP on 26 August 2005, which was compulsorily struck off the register of companies in England and Wales on 28 September 2010.
- 8.15. Mark Brangstrup Watts was appointed as director of Silvercloud Investments Limited on 13 July 2011, which was dissolved on 18 June 2020.
- 8.16. Mark Brangstrup Watts was appointed as a director of Silvercloud Management Holdings Limited on 8 March 2011, which was put into members' voluntary liquidation on 30 June 2020.
- 8.17. Mark Brangstrup Watts was appointed as a director of Gloo UK Holdings Limited on 15 March 2018, which was dissolved on 23 July 2019.
- 8.18. Mark Brangstrup Watts was appointed as a director of Orpheus Capital Limited on 19 May 2004, which was dissolved on 12 September 2017.
- 8.19. Mark Brangstrup Watts was appointed as a director of Gloo Networks plc on 16 February 2015, which was dissolved on 16 November 2019.
- 8.20. Mark Brangstrup Watts was appointed as a director of Gloo Networks Jersey Limited on 13 February 2015, which was dissolved on 8 June 2018.
- 8.21. Mark Brangstrup Watts was appointed as a director of Arrow Canadian Holdings Limited on 7 June 2019 which was dissolved on 26 January 2021.
- 8.22. Mark Brangstrup Watts was appointed as a director of Arrow US Holdings Limited on 30 May 2019, which was dissolved on 17 December 2020.
- 8.23. Mark Brangstrup Watts was appointed as a director of Safe Harbour Holdings plc on 10 May 2017, which was dissolved on 29 December 2021.
- 8.24. Mark Brangstrup Watts was appointed as a director of Silverdell Plc on 24 March 2006 and resigned on 10 December 2013. On 28 January 2014 the company was put into administration and was subsequently placed into voluntary creditors' liquidation on 22 January 2015.
- 8.25. Mark Brangstrup Watts was appointed as a director of Luxup UK Business Limited on 1 September 2011, which was voluntarily struck off the register of companies in England and Wales on 31 December 2013.
- 8.26. Mark Brangstrup Watts resigned as a member of Luxup UK LLP on 13 June 2012. Luxup UK LLP was put into voluntary liquidation on 18 March 2013. Mark Brangstrup Watts was appointed as a director of Luxup UK Member Limited on its incorporation on 13 June 2012 and was director at the time it was put into voluntary liquidation on 18 March 2013. Both Luxup UK LLP and Luxup UK Member Limited were subsequently dissolved on 14 January 2014.
- 8.27. Vin Murria OBE was appointed as a director of Consensus Information Technology Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.28. Vin Murria OBE was appointed as a director of Transoft Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.29. Vin Murria OBE was appointed as a director of Systems Team Limited 7 March 2013, which was dissolved on 5 November 2014.
- 8.30. Vin Murria OBE was appointed as a director of Exchequer Software Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.31. Vin Murria OBE was appointed as a director of AIM Professional Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.32. Vin Murria OBE was appointed as a director of Care Business Solutions Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.33. Vin Murria OBE was appointed as a director of LFM Partnership Solutions Limited on 7 March 2013, which was dissolved on 5 November 2014.

- 8.34. Vin Murria OBE was appointed as a director of Teamflo Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.35. Vin Murria OBE was appointed as a director of Formation Software Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.36. Vin Murria OBE was appointed as a director of Computer Software Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.37. Vin Murria OBE was appointed as a director of Minerva Computer Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.38. Vin Murria OBE was appointed as a director of Integra Computer Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.39. Vin Murria OBE was appointed as a director of AIM Holdings Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.40. Vin Murria OBE was appointed as a director of JBS Computer Services Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.41. Vin Murria OBE was appointed as a director of Advanced Accounts Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.42. Vin Murria OBE was appointed as a director of Management Support Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.43. Vin Murria OBE was appointed as a director of Pinnacle Computer Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.44. Vin Murria OBE was appointed as a director of Springstone Software Services Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.45. Vin Murria OBE was appointed as a director of Teamflow Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.46. Vin Murria OBE was appointed as a director of Webgenerics Limited on 19 June 2012, which was dissolved on 27 May 2014.
- 8.47. Vin Murria OBE was appointed as a director of Open Logistix Systems Limited on 4 March 2011, which was dissolved on 27 May 2014.
- 8.48. Vin Murria OBE was appointed as a director of Caresys Software Limited on 30 September 2010, which was dissolved on 27 May 2014.
- 8.49. Vin Murria OBE was appointed as a director of Integrated Support Systems Limited on 30 September 2010, which was dissolved on 27 May 2014.
- 8.50. Vin Murria OBE was appointed as a director of Cerrus Limited on 1 March 2010, which was dissolved on 11 February 2014.
- 8.51. Vin Murria OBE was appointed as a director of BI Inform Limited on 11 February 2010, which was dissolved on 27 May 2014.
- 8.52. Vin Murria OBE was appointed as a director of Goldenhill Computer Systems Limited on 11 February 2010, which was dissolved on 21 May 2013.
- 8.53. Vin Murria OBE was appointed as a director of Arelon Limited on 11 February 2010, which was dissolved on 14 December 2010.
- 8.54. Vin Murria OBE was appointed as a director of Openpeople Limited on 11 February 2010, which was dissolved on 20 June 2014.
- 8.55. Vin Murria OBE was appointed as a director of Novele Topco Limited on 11 February 2010, which was dissolved on 14 December 2010.
- 8.56. Vin Murria OBE was appointed as a director of Novele Limited on 11 February 2010, which was dissolved on 14 December 2010.
- 8.57. Vin Murria OBE was appointed as a director of Cedar Consulting Holdings Limited on 11 February 2010, which was dissolved on 27 May 2014.

- 8.58. Vin Murria OBE was appointed as a director of Strata Systems (Holdings) Limited on 11 February 2010, which was dissolved on 25 March 2014.
- 8.59. Vin Murria OBE was appointed as a director of Business Systems 365 Limited on 11 February 2010, which was dissolved on 25 March 2014.
- 8.60. Vin Murria OBE was appointed as a director of Arelon International Limited on 11 February 2010, which was dissolved on 14 December 2010.
- 8.61. Vin Murria OBE was appointed as a director of Strata (Systems) Limited on 11 February 2010, which was dissolved on 21 May 2013.
- 8.62. Vin Murria OBE was appointed as a director of COA Solutions Limited on 11 February 2010, which was dissolved on 11 February 2014.
- 8.63. Vin Murria OBE was appointed as a director of Belmin Healthcare Limited on 11 February 2010, which was dissolved on 21 May 2013.
- 8.64. Vin Murria OBE was appointed as a director of Staffplan Enterprise Limited on 1 January 2010, which was dissolved on 11 February 2014.
- 8.65. Vin Murria OBE was appointed as a director of Covemead Limited on 13 November 2009, which was dissolved on 11 February 2014.
- 8.66. Vin Murria OBE was appointed as a director of Adastra Software Limited on 10 November 2008, which was dissolved on 28 January 2014.
- 8.67. Vin Murria OBE was appointed as a director of Open Accounts Limited on 11 February 2010 and resigned on 18 May 2015. The company was dissolved on 20 October 2015.
- 8.68. Gavin Hugill was appointed as a director of AdvancedAdvT (Netherlands) BV on 18 February 2021, which was liquidated on 15 April 2021.
- 8.69. Karen Chandler was appointed as a director of Cardiff Property (Construction) Limited on 21 January 2016, which was dissolved on 3 November 2020.
- 8.70. Karen Chandler was appointed as a director of Wadhama Holdings Limited on 21 January 2016, which was dissolved on 3 November 2020.
- 8.71. Paul Gibson was appointed as a director of Management Support Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.72. Paul Gibson was appointed as a director of Pinnacle Computer Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.73. Paul Gibson was appointed as a director of Computer Software Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.74. Paul Gibson was appointed as a director of Teamflo Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.75. Paul Gibson was appointed as a director of Teamflow Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.76. Paul Gibson was appointed as a director of Transoft Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.77. Paul Gibson was appointed as a director of Aim Professional Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.78. Paul Gibson was appointed as a director of Integra Computer Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.79. Paul Gibson was appointed as a director of Springstone Software Services Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.80. Paul Gibson was appointed as a director of JBS Computer Services Limited on 7 March 2013, which was dissolved on 5 November 2014.



- 8.81. Paul Gibson was appointed as a director of Consensus Information Technology Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.82. Paul Gibson was appointed as a director of Aim Holdings Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.83. Paul Gibson was appointed as a director of Care Business Solutions Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.84. Paul Gibson was appointed as a director of Minerva Computer Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.85. Paul Gibson was appointed as a director of Exchequer Software Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.86. Paul Gibson was appointed as a director of Advanced Accounts Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.87. Paul Gibson was appointed as a director of LFM Partnership Solutions Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.88. Paul Gibson was appointed as a director of Systems Team Limited on 7 March 2013, which was put into members' voluntary liquidation on 31 January 2014 which was dissolved on 5 November 2014.
- 8.89. Paul Gibson was appointed as a director of Formation Software Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.90. Barbara Firth was appointed as a director of Systems Team Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.91. Barbara Firth was appointed as director of Teamflo Limited from 7 March 2013, which was dissolved on 5 November 2014.
- 8.92. Barbara Firth was appointed as a director of LFM Partnership Solutions Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.93. Barbara Firth was appointed as a director of JBS Computer Services Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.94. Barbara Firth was appointed as a director of Aim Professional Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.95. Barbara Firth was appointed as a director of Pinnacle Computer Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.96. Barbara Firth was appointed as a director of Springstone Software Services Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.97. Barbara Firth was appointed as a director of Teamflow Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.98. Barbara Firth was appointed as a director of Care Business Solutions Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.99. Barbara Firth was appointed as a director of Integra Computer Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.100. Barbara Firth was appointed as a director of Exchequer Software Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.101. Barbara Firth was appointed as a director of Consensus Information Technology Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.102. Barbara Firth was appointed as a director of Computer Software Limited on 7 March 2013, which was put into members' voluntary liquidation on 31 January 2014 and dissolved on 5 November 2014.
- 8.103. Barbara Firth was appointed as a director of Aim Holdings Limited on 7 March 2013, which was dissolved on 5 November 2014.

- 8.104. Barbara Firth was appointed as a director of Minerva Computer Systems Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.105. Barbara Firth was appointed as a director of Formation Software Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.106. Barbara Firth was appointed as a director of Transoft Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.107. Barbara Firth was appointed as a director of Management Support Systems Limited on 7 March 2013, which dissolved on 5 November 2014.
- 8.108. Barbara Firth was appointed as a director of Advanced Accounts Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.109. Barbara Firth was appointed as a director of Consensus Information Technology Limited on 7 March 2013, which was dissolved on 5 November 2014.
- 8.110. Barbara Firth was appointed as a director of Transoft Software Limited on 31 August 2005 to 19 October 2009, which was dissolved on 30 June 2010.
- 8.111. Barbara Firth was appointed as a director of Sharpowl (Trustees) Limited on 28 April 2006 to 19 October 2009, which was dissolved on 30 June 2010.
- 8.112. Barbara Firth was appointed as a director of Slamm Limited on 1 July 2007 to 19 October 2009, which was dissolved on 18 August 2010.
- 8.113. Barbara Firth was appointed as a director of Vectiv Limited on 4 May 2007 to 19 October 2009, which was dissolved on 30 June 2010.
- 8.114. Barbara Firth was appointed as a director of Mountain Software Limited on 4 June 2007 to 19 October 2009, which was dissolved on 30 June 2010.
- 8.115. Barbara Firth was appointed as a director of Aim Solutions Limited on 28 April 2006 to 19 October 2009, which was dissolved on 25 June 2010.
- 8.116. Barbara Firth was appointed as a director of Mountain Software (IPR) Limited on 4 June 2007 to 19 October 2009, which was dissolved on 30 June 2010.
- 8.117. Barbara Firth was appointed as a director of New Wave Internet Communications Ltd on 31 March 2004 to 19 October 2009, which was dissolved on 25 June 2010.
- 8.118. Barbara Firth was appointed as a director of Wizz400 Limited on 9 May 2005 to 19 October 2009, which was dissolved on 30 June 2010.
- 8.119. Barbara Firth was appointed as a director of Stratic Limited on 4 May 2007 to 19 October 2009, which was dissolved on 30 June 2010.
- 8.120. Barbara Firth was appointed as a director of Mountain Software Sales Limited on 4 June 2007 to 19 October 2009, which was dissolved on 25 June 2010.

## 9. EMPLOYEES

- 9.1. As at 30 June 2023, Gavin Hugill is the Group's sole employee.
- 9.2. As at the date of this document, the Group has 248 employees and a breakdown of the main categories of employment are as follows:

Leadership	10*
Senior Management	6
Administration	13
Technology	198
Sales and marketing	21
<b>Total</b>	<b>248</b>

\* includes three Executive Directors



## 10. SUBSIDIARIES

10.1. As at 5 January 2024, being the latest practicable date prior to the date of this document, the Company has one direct subsidiary and a number of indirect subsidiaries as shown below:

<b>Name</b>	<b>Registered office and country of incorporation/ residence</b>	<b>Percentage of issued ordinary shares %</b>
MAC I (BVI) Limited	Commerce House Wickhams Cay 1 P.O. Box 3140, Road Town VG1110 Tortola British Virgin Islands	100
ADV Holding Group Limited	11 Buckingham Street London United Kingdom WC2N 6DF	100
ADV Finance Holding Limited	11 Buckingham Street London United Kingdom WC2N 6DF	100
ADV Data Holding Limited	11 Buckingham Street London United Kingdom WC2N 6DF	100
ADV People Holding Limited	11 Buckingham Street London United Kingdom WC2N 6DF	100
ADV US Inc.	850 New Burton Road Suite 201 City of Dover County of Kent, 19904	100
CHKS Limited	11 Buckingham Street London United Kingdom WC2N 6DF	100
IB Software and Solutions (Ireland) Limited ( <i>previously named Capita IB Solutions (Ireland) Limited</i> )	Block A George's Quay Plaza George's Quay Dublin Ireland	100
Integrated Business Software and Solutions Limited ( <i>previously named Capita IB Solutions Limited</i> )	11 Buckingham Street London United Kingdom WC2N 6DF	100
Retain International Software Limited ( <i>previously named</i>	11 Buckingham Street London United Kingdom WC2N 6DF	100

Name	Registered office and country of incorporation/ residence	Percentage of issued ordinary shares %
<i>Capita Retain Limited)</i>		
Retain International Software (USA) LLC <i>(previously named Capita Retain (USA) LLC)</i>	850 New Burton Road Suite 201 City of Dover County of Kent, 19904	100
Synaptic Software Limited	11 Buckingham Street London United Kingdom WC2N 6DF	100
Workforce Management Software Limited <i>(previously named Capita Workforce Management Limited)</i>	11 Buckingham Street London United Kingdom WC2N 6DF	100

- 10.2. IncentiveCo was incorporated in the British Virgin Islands on 31 July 2020 under the BVI Companies Act with registered number 2041009 as a company limited by shares. The Company directly holds all of the issued ordinary shares of IncentiveCo. At the date of this document, MLTI, Gavin Hugill, Karen Chandler and Vin Murria OBE hold Incentive Shares entitling them in aggregate to 100 per cent. of the Incentive Value. The ordinary shares in IncentiveCo and the Incentive Shares each carry rights to attend and vote at any meeting of the shareholders of IncentiveCo. The Company currently holds approximately 80.97 per cent. of the collective voting rights of IncentiveCo. The Incentive Shares may convert into Ordinary Shares subject to certain conditions being satisfied, as described at paragraph 10 of Part I of this document.

## 11. MATERIAL CONTRACTS

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the publication of this document and which are or may be material to the Group or have been entered into by any member of the Group at any time and contain a provision under which any member of the Group has any obligation or entitlement which is material to the Group at the date of this document:

### 11.1. Warrant Instrument

Pursuant to the terms of the Warrant Instrument dated 27 November 2020, the Company has granted, on the terms and subject to the conditions set out in the Warrant Instrument, rights to warrant holders to subscribe for, in aggregate, 700,000 Ordinary Shares at £1 per share, subject to adjustments set out in the Warrant Instrument. Warrant holders are entitled in respect of every one Ordinary Warrant held to subscribe for one Ordinary Share (or such other number of Ordinary Shares as may for the time being be applicable in accordance with the provisions of the Warrant Instrument).

The Ordinary Warrants are exercisable by warrant holders at any time after the date on which the Ordinary Warrants are issued and before 4 December 2025 (the “**Warrant Long-Stop Date**”). A warrant holder is entitled to exercise all or any part of its holding of the Ordinary Warrants and, if a warrant holder exercises part only of its holding of the Ordinary Warrants, the warrant holder is entitled to exercise the balance of its

holding of the Ordinary Warrants on any one or more occasions and in any one or more parts as the warrantholder (subject to the terms of the Warrant Instrument) determines at its discretion.

If any warrantholder is in possession of relevant inside information and is thereby precluded from exercising any Ordinary Warrants or any part thereof immediately prior to the Warrant Long-Stop Date, then, in respect of such warrantholder, the Warrant Long-Stop Date will be extended until the date which falls 10 Business Days after the day on which the warrantholder ceases to be in possession of inside information. Subject to this provision, the Warrant Instrument will terminate upon the exercise of the Ordinary Warrants in full.

The Company may at any time purchase Ordinary Warrants either by tender (available to all warrantholders alike) or by private treaty, in each case at any price that is accepted and/ or agreed by warrantholders.

If at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire any or all of the issued Ordinary Shares, the Company will as soon as practicable give notice of such offer to the warrantholders and use its best endeavours to procure that a full and adequate opportunity is given to the warrantholders to exercise the Ordinary Warrants and that a like offer, being one *pari passu* with the best terms offered to holders of Ordinary Shares, is extended in respect of any Ordinary Shares issued upon exercise of the Ordinary Warrants.

The Warrant Instrument and the Ordinary Warrants are subject to and governed by English law.

There are currently 700,000 Ordinary Warrants in issue.

#### **11.2. Introduction Agreement**

On 8 January 2024, the Company entered into an introduction agreement with Singer Capital Markets, the Directors and the Proposed Directors pursuant to which Singer Capital Markets has agreed, subject to certain conditions, to act as the Company's nominated adviser and broker in connection with the Admission and Cancellation.

The Introduction Agreement contains warranties from the Company, the Directors and the Proposed Directors in favour of Singer Capital Markets in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business.

Under the Introduction Agreement and subject to it becoming unconditional and not being terminated in accordance with the terms, the Company has agreed to pay Singer Capital Markets a corporate finance fee and to reimburse all costs and expenses in connection with the Admission and Cancellation (together with any applicable VAT), less the fees payable under the engagement letter with Singer Capital Markets dated 29 August 2023 in paragraph 11.4 below.

#### **11.3. Nomad and Broker Engagement Letter with Singer Capital Markets**

On 5 January 2024, the Company and Singer Capital Markets entered into an engagement letter under which Singer Capital Markets shall act as the Company's nominated adviser and broker with effect from Admission.

Under the engagement letter, the Company will pay an annual retainer to Singer Capital Markets for its continuing services as nominated adviser and broker. The Company will also reimburse Singer Capital Markets for any reasonable out of pocket expenses incurred in relation to its engagement.

Either party may terminate the agreement by giving the other party not less than three months' prior written notice, such notice not to be given prior to the date which is 12 months following the date of Admission. The Company has given customary undertakings and indemnities to Singer Capital Markets in connection with its appointment as nominated adviser and broker.

The engagement letter is governed by English law.

**11.4. Engagement letter with Singer Capital Markets in relation to the Cancellation and Admission**

Pursuant to an agreement dated 29 August 2023 between the Company and Singer Capital Markets, the Company appointed Singer Capital Markets to act as the Company's nominated adviser and broker in connection with the Cancellation and Admission. The Company agreed to pay Singer Capital Markets a corporate finance fee immediately upon Admission.

Either party may terminate the agreement by giving the other party not less than ten business days' prior written notice, such notice not to be given prior to the date which is six months following the date of the agreement. In case of the Cancellation and Admission being aborted or suspended, the Company agrees to pay Singer Capital Markets an abort fee based on the timing of such abortion or suspension. In addition, Singer Capital Markets may summarily terminate the agreement in certain specified circumstances including for any material breach by the Company or any Director of any term of the agreement where such breach (where capable of remedy) remains unremedied to the reasonable satisfaction of Singer Capital Markets within ten business days of its occurrence.

The engagement letter is governed by English law.

**11.5. Share Purchase Agreement**

On 8 June 2023, the Company, along with ADV Finance Holding Limited, ADV People Holding Limited, ADV Data Holding Limited, and ADV US Inc. (such entities together, the "**Purchasers**"), entered into a share purchase agreement with Capita Health Holdings Limited, Capita Justice & Secure Services Holdings Limited, Capita Secure Information Solutions Limited, Capita Business Services Limited and Capita (USA) Holdings Inc. for the purchase by the Purchasers of the entire issued share capital of each of the Acquired Companies and Synaptic. Following completion of the Acquisitions on 31 July 2023, members of the Acquired Group and Synaptic became part of the Group.

The Share Purchase Agreement contained certain customary warranties, undertakings and indemnities in favour of the Purchasers and is governed by English law.

**11.6. Transitional Services Agreement**

On 31 July 2023, members of the Acquired Group and Synaptic entered into a transitional services agreement with Capita Shared Services Limited. Pursuant to the terms of the Transitional Services Agreement, Capita Shares Services Limited has agreed to provide certain transitional services to the relevant members of the Group. The Transitional Services Agreement is governed by English law.

**11.7. Warranty and Indemnity Insurance Policy**

ADV Finance Holding Limited, ADV People Holding Limited, ADV Data Holding Limited and ADV US Inc are each a beneficiary of a Warranty & Indemnity Insurance Policy provided by Markel International Insurance Company Limited in respect of the warranties provided by the sellers under the Share Purchase Agreement. The Warranty and Indemnity Insurance Policy was inceptioned on 8 June 2023, and an additional endorsement was put in place on 28 July 2023. The Warranty and Indemnity Insurance Policy is governed by English law.

**11.8. Corporate Finance and Managed Services Agreement**

On 9 February 2023, the Company entered into an amended and restated corporate finance and managed services agreement with Marwyn Capital. Pursuant to the terms of the agreement, Marwyn Capital has agreed to provide company secretarial support, including the provision of named company secretary, and ad-hoc accounting and administration services (together "**managed services**") to the Company and IncentiveCo for a quarterly variable fee based on the time spent plus disbursement.

Marwyn Capital and the Company may terminate the provision of the managed services by three months' notice. In case of material breach by the other party of the terms of the agreement, each of the Company and Marwyn Capital has the right to terminate the agreement at any time.

This agreement is governed by English law.

#### 11.9. **Disposal SPA**

On 21 November, ADV Holding Group Limited, a subsidiary of the Company, entered into an agreement with Fintel IQ Limited (the "**Buyer**"). Pursuant to the agreement, the Buyer has agreed to purchase all the issued shares of ADV Data Holding Limited, that in turn owns the entire issued share capital of Synaptic, at a consideration of £5.1 million. Completion shall take place on the fifth business day after the date on which the following conditions are satisfied or such other date as may be agreed in writing between the parties:

- (a) the FCA having given written notice to the Buyer and to all other persons that would, on completion, be considered to have acquired or increased control over ADV Data Holding Limited (together with the Buyer, the "**Controllers**"), that the FCA approves the acquisition of control of Synaptic by the Controllers; and
- (b) the Buyer not having given notice to terminate the agreement.

ADV Holding Group Limited and the Buyer shall use their respective reasonable endeavours to procure fulfilment of the conditions as soon as possible and, in any event, by the date that is six months following the date of the agreement. The agreement contains customary warranties, undertakings and indemnities in favour of the Buyer, including a customary long-form tax covenant. These warranties and tax covenant in the agreement replicate (to the extent appropriate) the warranties and tax covenants contained in the Share Purchase Agreement under paragraph 11.5 above.

#### 11.10. **Executive service agreement with Gavin Hugill**

On 5 January 2024, the IncentiveCo and Gavin Hugill entered into a service agreement, which was acknowledged by the Company, pursuant to which Gavin was appointed as the Chief Financial Officer of the Company.

Pursuant to Gavin's service agreement, Gavin is entitled to receive an annual salary of £200,000 per annum, along with an annual bonus of such amount, at such intervals and subject to such conditions as the Remuneration Committee shall in its sole discretion determine up to a maximum amount per annum of 30 per cent. of Gavin's annual salary from time to time. The service agreement may be terminated by either the IncentiveCo or Gavin by giving not less than 6 months' written notice to the other party. The service agreement contains restrictive covenants limiting Gavin's ability to compete with the Group for a 12 month period following his resignation or termination from employment with the IncentiveCo.

The service agreement is governed by English law.

#### 11.11. **Executive service agreement with Vin Murria OBE**

On 5 January 2024, the IncentiveCo entered into a service agreement with Vin Murria OBE, pursuant to which she will be appointed by the Company as executive chairperson with effect from Admission and until the appointment of a CEO. Vin is entitled to an annual fee of £450,000 for her services as an executive chairperson, along with an annual bonus of such amount, at such intervals and subject to such conditions as the Remuneration Committee shall in its sole discretion determine up to a maximum amount per annum of 100 per cent. of Vin's annual salary from time to time.

From the date the roles of chief executive officer and non-executive chair of the Company are performed by two separate individuals, Vin shall be immediately appointed as either non-executive chair or chief executive officer on terms to be agreed between Vin and the IncentiveCo.

The service agreement may be terminated by either the IncentiveCo or Vin by giving not less than 12 months' written notice to the other party. Vin's Service Agreement contains restrictive covenants limiting her ability to compete with the Group for a 12 months period following her resignation or termination from employment with the IncentiveCo.

The service agreement is governed by English law.

**11.12. Executive service agreement with Karen Chandler**

On 5 January 2024, Karen Chandler entered into a service agreement with the IncentiveCo, which was acknowledged by the Company, pursuant to which she was appointed by the Company as the Chief Operating Officer with effect from Admission. Pursuant to the service agreement, Karen is entitled to receive an annual salary of £120,000, which shall be increased to £160,000 from the date Karen is able to work four days per week and/or further increased to £200,000 from the date Karen is able to work on a full time basis. In addition, Karen is also entitled to an annual bonus of such amount, at such intervals and subject to such conditions as the Remuneration Committee shall in its sole discretion determine up to a maximum amount per annum of 30 per cent. of Karen's annual salary from time to time.

The service agreement may be terminated by either the IncentiveCo or Karen by giving not less than 6 months' written notice to the other party. Karen's Service Agreement contains restrictive covenants limiting her ability to compete with the Group for a 12 month period following her resignation or termination from employment with the IncentiveCo.

The service agreement is governed by English law.

**11.13. Deed of appointment with Mark Brangstrup Watts**

On 5 January 2024, Mark Brangstrup Watts entered into a deed of appointment with the Company which sets out the terms of Mark's appointment as a non-executive Director from 16 May 2022.

Pursuant to the deed of appointment, Mark is entitled to a fee of £40,000 per annum. Mark's appointment as a non-executive Director may be terminated upon 3 months' prior written notice by the Company or himself to the other party. The deed of appointment contains customary non-solicitation provisions.

The deed of appointment is governed by English law.

**11.14. Deed of appointment with Paul Gibson**

On 5 January 2024, Paul Gibson entered into a deed of appointment with the Company pursuant to which he is appointed by the Company as a non-executive Director effective from Admission.

Pursuant to the deed of appointment, Paul is entitled to a fee of £50,000 per annum. His appointment as a non-executive Director may be terminated upon 3 months' prior written notice. The deed of appointment contains customary non-solicitation provisions.

The deed of appointment is governed by English law.

**11.15. Deed of appointment with Barbara Firth**

On 5 January 2024, Barbara Firth entered into a deed of appointment with the Company pursuant to which she is appointed by the Company as a non-executive Director and Senior Independent Director effective from Admission.

Pursuant to the deed of appointment, Barbara is entitled to a fee of £50,000 per annum. Her appointment as a non-executive Director may be terminated upon 3 months' prior written notice. The deed of appointment contains customary non-solicitation provisions.

The deed of appointment is governed by English law.



## **12. RELATED PARTY TRANSACTION**

Antoinette Vanderpuije, the Company Secretary is a partner of Marwyn Investment Management and Marwyn Capital. Mark Brangstrup Watts, a Director of the Company, was a managing partner of Marwyn Investment Management and Marwyn Capital until 6 November 2022. James Corsellis was a director of the Company from 16 November 2020 to 16 May 2022, was and remains a Managing Partner of Marwyn Investment Management and Marwyn Capital. Marwyn Investment Management manages MVI II Holdings I LP which is beneficially owned by MVI II LP. MVI II Holdings I LP directly holds 15.41% of Ordinary Shares, 525,000 Ordinary Warrants and 1 Sponsor Share. Marwyn Shareholder holds more than 10% interests in the Company and is therefore considered a substantial shareholder and a related party of the Company pursuant to the AIM Rules.

Marwyn Capital provides company secretarial (including the provision of named company secretary) and managed service support to the Company and provided corporate finance services to the Company in the year ended 30 June 2021. The Company has incurred fees and associated costs in respect of the services provided by Marwyn Capital in the years ended 30 June 2021, 2022 and 2023, respectively, which are disclosed in the notes to the financial statements on related party transactions set out in the financial statements of the Company incorporated by reference into Part IV of this document.

On 18 March 2021, Marwyn Capital and the Company entered into a side letter under which corporate finance services would be suspended, resulting in the fees being reduced from £10,000 per month to £nil effective on admission of the placing shares in March 2021. No corporate finance fees were incurred in the years ended 30 June 2022 and 2023. During the period from 1 July 2023 to the date of this document, the Company has incurred fees of £26,115.65 in respect of company secretarial and managed service support, £17,336.32 in respect of project related fees and no corporate finance fees. In addition, Marwyn incurred costs of £474.97 which it recharged the Company during the period from 1 July 2023 to the date of this document.

Directors' emoluments are disclosed in note 5 of the financial statements of the Company for the years ended 30 June 2021, 2022 and 2023 incorporated by reference in Part IV of this document.

Save as disclosed in this paragraph 12 there are no related party transactions that the Company or any member of the Group has entered into during the period covered by the financial information incorporated by reference set out in Part IV of this document and up to the date of this document.

## **13. WORKING CAPITAL**

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Group will be sufficient for its present requirements, that is for at least twelve months from the date of Admission.

## **14. SIGNIFICANT CHANGE**

During the pre-acquisition due diligence process of the Acquisitions, the sellers under the Share Purchase Agreement disclosed the discontinuation of a non-core line of business within the IBSS business that provided Oracle services primarily to a single customer, with revenues concluding in September 2023. This discontinuation of contract within the non-core line of business contributed to revenue of £1.3 million and a gross margin of £0.7 million in the year ended 31 December 2022, and £0.7 million and £0.4 million in the six months ended 30 June 2023, respectively. This particular line of business does not inherently align with the Company's strategy and its impact was factored into the valuation and the consideration paid for the Acquisition.

Other than the Acquisitions, the Disposal and the discontinuance of a non-core line of business described above, there has been no significant change in the financial position or performance of the Group since 30 June 2023, being the latest date to which the Company's audited financial information has been published.

## **15. LITIGATION**

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the period covering at least the twelve (12) months prior to the date of this document which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

## 16. THIRD PARTY INFORMATION

Where third party information has been referenced in this document, the source of that third party information has been disclosed. Where information contained in this document has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## 17. CONSENTS

Singer Capital Markets has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which it appears.

MHA has given and not withdrawn its written consent to the inclusion of its reports in Section A of Part V and Section B of Part VI of this document in the form and context in which it is included.

## 18. GENERAL

- 18.1. There are no arrangements in place under which future dividends are to be waived or agreed to be waived.
- 18.2. Save as set out in this document no person (other than a professional adviser referred to in this document or trade supplier) has:
  - (a) received directly or indirectly, from the Company within the 12 months preceding the Company's application for Admission; or
  - (b) entered into contractual arrangements (not otherwise disclosed in this document) to receive directly or indirectly, from the Company on or after Admission any of the following:
    - fees totalling £10,000 or more;
    - securities in the Company with a value of £10,000 or more calculated by reference to the issue price; or
    - any other benefit with a value of £10,000 or more at the date of Admission.

## 19. DEPOSITORY INTERESTS

- 19.1. The Depository Interests are created pursuant to, and issued on, the terms of the Deed Poll. Shareholders who elect to hold their Ordinary Shares in uncertificated form through the Depository will be bound by the terms of the Deed Poll, the provisions of which are expressed to bind all holders of Depository Interests, future and present.
- 19.2. Ordinary Shares to be held in uncertificated form will be transferred to the Depository or to its nominated custodian. Accordingly, in respect of those Ordinary Shares held by shareholders in uncertificated form, the Company's register will show the Depository (or the custodian, as appropriate) as the legal holder of such shares. The beneficial interest in the Ordinary Shares will, however, remain with the holders of the Depository Interests who will be entitled to receive and exercise (or procure the exercise of) all of the rights attaching to such Ordinary Shares.
- 19.3. Pursuant to the Deed Poll, holders of Depository Interests warrant, *inter alia*, that Ordinary Shares transferred or issued to the Depository or the custodian (on behalf of the Depository) are free and clear of all liens, charges, encumbrances, or third party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law or regulation. Holders of Depository Interests agree to indemnify the Depository in respect of any costs or liabilities which it may suffer by reason of any breach of any such warranty.
- 19.4. It should be noted that holders of Depository Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Ordinary Shares including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depository Interests to give prompt instructions to the Depository or its nominated custodian, in accordance with any voting arrangements



made available to them, to vote the underlying Ordinary Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depository Interests to vote such shares as a proxy of the Depository or its nominated custodian.

- 19.5. The Deed Poll provides that the Depository is entitled to cancel Depository Interests and withdraw the underlying Ordinary Shares in certain circumstances, including where a holder of Depository Interests has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect to the Depository Interests.
- 19.6. Depository Interests have the same international security identification number (ISIN) as the underlying Ordinary Shares.
- 19.7. Your attention is drawn to the section on stamp duty and stamp duty reserve tax set out in Part III of this document.
- 19.8. Trading in Depository Interests will require shareholders to deal through a stockbroker or other intermediary who is a member of the London Stock Exchange.
- 19.9. If at any time a CREST member requires any further information regarding the depository arrangements and the holding of Ordinary Shares in the form of depository interests or wishes to withdraw its Depository Interests from the CREST system and hold Ordinary Shares in certificated form, the CREST member should contact Link Market Services Trustees Limited at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom.

## **20. BVI LAW**

The Company is registered in the BVI as a BVI business company and is subject to BVI law. English law and BVI law differ in a number of areas, and certain key aspects of BVI law as they relate to the Company are summarised below, although this is not intended to provide a comprehensive review of the applicable law. The Company remains subject to the AIM Rules for Companies and the Disclosure Guidance and Transparency Rules to the extent such rules apply to companies with ordinary shares admitted to trading on AIM, together with the Market Abuse Regulation.

### **20.1. Shares**

Subject to the BVI Companies Act and to a BVI business company's memorandum and articles of association, directors have the power to offer, allot, issue, grant options over or otherwise dispose of such shares.

### **20.2. Dividends and distribution**

Subject to the provisions of a BVI business company's memorandum and articles of association, directors may declare dividends in money, shares or other property provided they determine that, immediately following the declaration of the dividend, the company's assets will exceed its liabilities and it will be able to pay its debts as they fall due.

### **20.3. Protection of minorities**

The BVI Companies Act provides a number of protections for minority shareholders including: (i) actions for unfair prejudice where the affairs of the company have been, are being or are likely to be, conducted in a manner which is, or any act or acts of the company have been, or are likely to be, oppressive, unfairly discriminatory or unfairly prejudicial to the shareholder in its capacity as a shareholder; and (ii) derivative actions, whereby an action, initiated by a shareholder, may be taken in the company's name rather than the shareholder's name to enforce a wrong done to the company.

### **20.4. Management**

Subject to the provisions of its memorandum and articles of association, a BVI business company is managed by its board of directors, each of whom has authority to bind the company. Directors are required under BVI law to act honestly and in good faith with a view to the best interests of the company, and to exercise the care, diligence and skill that a reasonable director would exercise, taking into account but without limitation, (i) the nature of the company, (ii) the nature of the decision and (iii) the position of the directors and the nature of the responsibilities taken.

#### 20.5. *Accounting and audit*

A BVI business company is obliged to keep financial records that: (i) are sufficient to show and explain the company's transactions and (ii) will, at any time, enable the financial position of the company to be determined with reasonable accuracy. There is no statutory requirement for a listed company to audit or file annual accounts unless the company is engaged in certain businesses which require a licence under BVI law. It is not anticipated that the Company's activities would require such a licence.

#### 20.6. *Exchange control*

BVI business companies are free to acquire, hold and sell foreign currency and securities without restriction. There is no exchange control legislation under BVI law and accordingly there are no exchange control regulations imposed under BVI law that would prevent a BVI business company from paying dividends to shareholders in pounds sterling or any other currencies, and all such dividends may be freely transferred out of the BVI, clear of any income or other tax of the BVI imposed by withholding or otherwise without the necessity of obtaining any consent of any government or authority of the BVI.

#### 20.7. *Inspection of corporate records*

Shareholders of a BVI business company are entitled, on giving notice to the company, to inspect: (a) the memorandum and articles; (b) the register of members; (c) the register of directors; and (d) minutes of meetings and resolutions of members and of those classes of members of which such shareholder is a member and to make copies or take extracts from such documents and records. Subject to the company's memorandum and articles, the directors may, if they are satisfied that it would be contrary to the interests of the company to allow a shareholder to inspect any document, or part of a document specified in (b), (c) or (d), refuse to permit the shareholder to inspect the document or limit the inspection of the document, including limiting the making of copies or the taking of extracts from the records.

#### 20.8. *Insolvency*

A BVI business company will be insolvent under BVI law if: (i) the company fails to comply with a statutory demand which has not been set aside; (ii) the company's liabilities exceed its assets; (iii) the company is unable to pay its debts as they fall due; or (iv) execution or other process issued on a judgment is returned wholly or partly unsatisfied. The court can also order a BVI business company into liquidation where it is 'just and equitable' to do so or where (only on the application of the Attorney General or BVI Financial Services Commission) winding up the company would be in the public interest.

#### 20.9. *Takeovers*

The BVI does not have any securities law rules or regulations analogous to the Takeover Code in connection with a takeover of a BVI business company. However, BVI corporate law provides for a number of methods by which takeovers of BVI business companies may be effected including permitting shareholders holding ninety per cent. (90%) of the votes of the outstanding shares entitled to vote to give written instructions to the company to redeem the shares held by the remaining shareholders pursuant to section 176 of the BVI Companies Act, plans or schemes of arrangement and mergers or consolidations.

#### 20.10. *Mergers*

BVI law permits BVI business companies to merge with BVI companies or companies incorporated outside the BVI, providing the merger is lawful under the laws of the jurisdiction in which the non-BVI company is incorporated. With effect from the effective date of the merger, the surviving company or the new consolidated company assumes all of the assets and liabilities of the other entity(ies) by operation of law and other entities cease to exist.

A BVI business company may enter into a merger or consolidation by the directors of each constituent company approving a written plan of merger or consolidation which must then be authorised by a resolution of shareholders. All shareholders must be given a copy of the plan of merger or consolidation irrespective of whether they are entitled to vote at the meeting or consent to the written resolution to approve the plan of merger or consolidation. However, subject to the memorandum and articles of association, there are no super majority or majority of minority approvals required.

The shareholders of the constituent companies are not required to receive shares of the surviving or consolidated company but may receive debt obligations or other securities in the surviving or consolidated company, or money or other assets, or a combination thereof. Specifically, some or all the shares of the same class or series in each constituted company may be converted into a particular or mixed kind of assets and other shares of the class, or all shares of other classes of shares, may be converted into other assets. As such, not all the shares of a class must receive the same kind of consideration.

#### *20.11. Dissent Rights*

A shareholder may dissent from a mandatory redemption of his shares, an arrangement (if permitted by the court), a merger (unless the shareholder was a shareholder of the surviving company prior to the merger and continues to hold the same or similar shares after the merger) or a consolidation. A shareholder properly exercising his dissent rights is entitled to payment in cash of the fair value of his shares. A shareholder desiring to dissent from a merger or consolidation must object in writing to the merger or consolidation before the vote by the shareholders on the merger or consolidation, unless notice of the meeting was not given to the shareholder or the proposed action was authorised by written resolution of the shareholders. If the merger or consolidation is approved by the shareholders, the company must, within 20 days, give notice of this fact to each shareholder who gave written objection, and to each shareholder who did not receive notice of the meeting or to any shareholder who did not consent to the merger or consolidation, if consent was obtained by written resolution. Such shareholders then have 20 days to give to the company their written notice in the form specified by the BVI Companies Act of their election to dissent from the merger or consolidation, provided that in the case of a merger with a subsidiary, the 20 days starts when the plan of merger is delivered to the shareholder.

Upon giving notice of his election to dissent, a shareholder ceases to have any rights of a shareholder except the right to be paid the fair value of his shares. As such, the merger or consolidation may proceed in the ordinary course notwithstanding the dissent.

### **21. DOCUMENTS INCORPORATED BY REFERENCE**

The table below sets out the documents which are incorporated by reference into, and form part of, this document. Only certain parts of the documents set out in the table below are incorporated into, and form part of, this document. Where only certain parts of a document have been incorporated by reference into this document the other parts of those documents which have not been expressly stated to be incorporated are either not relevant to investors or are covered elsewhere in this document.

To the extent that any document or information incorporated by reference or attached to this document itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information.

Any statement contained in a document which is deemed to be incorporated by reference into this document shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained in this document (or in a later document which is incorporated by reference into this document) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

<b>Information incorporated by reference</b>	<b>Group consolidated financial statements for the period from incorporation on 31 July 2020 to 30 June 2021 Page(s)</b>	<b>Annual report for the year ended 30 June 2022 Page(s)</b>	<b>Annual report for the year ended 30 June 2023 Page(s)</b>
Auditors' report on the annual financial statements	10	10	10
Consolidated Statement of Comprehensive Income	15	14	15
Consolidated Statement of Financial Position	16	15	16
Consolidated Statement of Changes in Equity	17	16	17
Consolidated Statement of Cash Flows	18	17	18
Notes to the financial statements	19	18	19

Hyperlinks to the documents which contain the information listed above are provided for reference:

- Group consolidated financial statements for the period from incorporation on 31 July 2020 to 30 June 2021: [https://s26.q4cdn.com/993376269/files/doc\\_financials/2021/09/Website-Annual-Report-AdvT-30\\_June\\_2021.pdf](https://s26.q4cdn.com/993376269/files/doc_financials/2021/09/Website-Annual-Report-AdvT-30_June_2021.pdf)
- Annual Report for the year ended 30 June 2022: [https://s26.q4cdn.com/993376269/files/doc\\_presentation/2022/Final-AdvT-Financial-Statements-30-June-2022.pdf](https://s26.q4cdn.com/993376269/files/doc_presentation/2022/Final-AdvT-Financial-Statements-30-June-2022.pdf)
- Annual Report for the year ended 30 June 2023: [https://s26.q4cdn.com/993376269/files/doc\\_downloads/2023/07/27/advt-financial-statements-30-june-2023-final-2.pdf](https://s26.q4cdn.com/993376269/files/doc_downloads/2023/07/27/advt-financial-statements-30-june-2023-final-2.pdf)

Dated: 8 January 2024

