People-powered
TRANSFORMATION

Annual Report and Financial Statements 2024

tpximpact.com

ABOUT TPXIMPACT

People-powered

TRANSFORMATION

We believe in a world enriched by people-powered digital transformation. We're building a future where people, places and the planet are supported to thrive. Motivated by a belief that the way people experience the world matters, we're on a mission to accelerate positive change.

Combining our rich heritage and expertise in human-centred design, data, experience and technology, we're creating sustainable solutions ready for an ever-evolving world.

Business Performance

Revenue[1]	Adjusted EBITDA[1,5]	Adjusted EBITDA Margin[1]	Reported operating loss[1]
£84.3m	£4.6m	5.5%	£(22.8)m
FY2023: £69.7m[3]	FY2023: £2.3m[3]	FY2023: 3.3%[3]	FY2023: £(19.0)m[3]

Adjusted profit before tax[1,5]	Adjusted diluted earnings per share[1,6]	Net debt at year-end[2]	Permanent FTE
£1.8m	2.1p	£7.1m	533
FY2023: £0.8m[3]	FY2023: 0.9p[3]	FY2023: £17.5m	FY2023: 486[3]

tCO_2e per £1m revenue	Hours donated	Female representation	Overall ethnic minority diversity
15.33	2,738	51%	22%
FY2023: 18.18[4]	FY2023: 2,565	FY2023: 50%	FY2023: 19%

1 *From continuing operations*

2 *Excluding lease liabilities*

3 *Prior year figures have been re-presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*

4 *This year we have recalculated our FY23 emissions and net zero targets due to exceeding the 5% SBTI threshold for significant changes to business operations*

5 *Adjusted EBITDA and Adjusted profit before tax are defined in note 28 to the financial statements*

6 *Adjusted diluted earnings per share is defined in note 7 to the financial statements*

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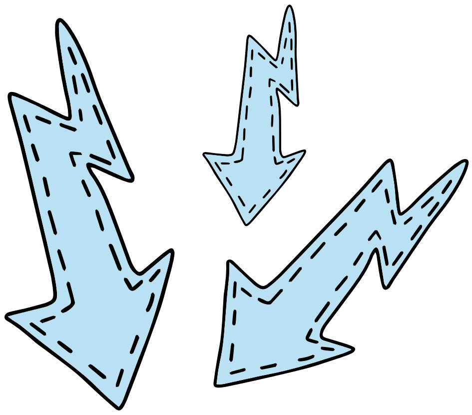
CEO STATEMENT

Björn Conway

Chief Executive Officer,
TPXimpact



I am pleased to report that we have successfully executed the first (and some aspects of the second) year of our three-year plan in line with our objectives.

The business is now simpler to navigate and manage, distilled into our three core businesses of Digital Transformation, manifesto and KITS. A year ago, we were focused on stability, reinvigorating the strength of our offering, and balancing commercial focus with our dedication to Purpose. With a stable platform now established, founded upon sound financial and operational management, we are now in a position to accelerate growth and take advantage of the opportunities a post-General Election environment will bring. Our recent B-Corp accreditation provides further affirmation of our Purpose credentials which are core to our stakeholder proposition.

The key financial performance indicators are very positive: we have achieved or exceeded all our targets for the year, with like-for-like revenue growth of 21%, Adjusted EBITDA of £4.6m (double last year) and an Adjusted EBITDA margin of 5.5%. New business wins totalled a record £139m, including major wins early in the year with His Majesty's Land Registry (up to £49m over four years) and the Department of Education (up to £27m over two years). Net debt ended the year at £7.1m, the lowest level in over three years.

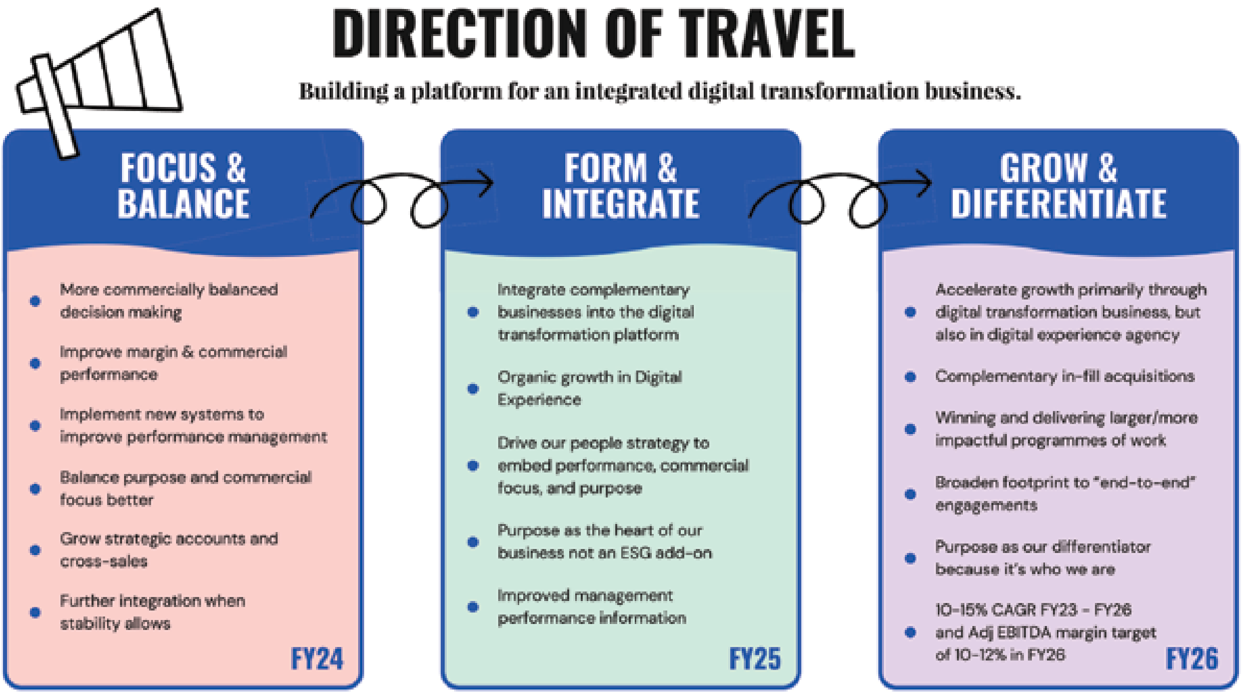
But the year was about much more than the numbers. Our story is about sustainable recovery, successful execution of strategy, and delivering on our promises to all our stakeholders, including our investors, our clients and, perhaps most importantly, our people. We have remained true to our PACT (Purpose, Accountability, Craft and Togetherness) values and delivering a positive impact on the people, places and planet through our work. We have laid the foundations for success in the years ahead. But there is still plenty to be done.

Focus & balance

The first year of our three-year plan was characterised as "Focus and balance". Key to this was to ensure more commercially-focused decision-making, with an emphasis on top-line growth and improvement in profit margins, balanced with a continuing commitment to our purpose objectives.

With effect from 1 April 2024, the business is focused on the three core strategic platforms where we see the greatest opportunities for future growth: Digital Transformation (comprising our Consulting, Data & Insights and RedCortex businesses): manifesto (formerly Digital Experience and comprising three legacy agencies) and KITS (our IT services business).

As a consequence, we made the strategic decision to sell our non-core overseas businesses (the Questers resourcing business in Bulgaria and our strategic consulting business in Norway), generating £7.5 million of gross proceeds that we used to repay debt. Our new, simplified structure is more agile and provides a more focused platform for delivering growth and improving the bottom-line.



Digital Transformation (c.75% of revenues) had an excellent year, driven by significant new wins in what was the Consulting business, and now has the scale to further build its client base in Central Government, whilst also increasing its presence in local government, health and social care, and the private sector. Our RedCortex business experienced some challenges, including reductions in spend in the health sector in Wales, whilst Data & Insights benefited from a three-year contract renewal with a major financial services client. RedCortex and Data & Insights capabilities are now fully integrated alongside those in Consulting under a single Digital Transformation leadership team, so our client proposition has even greater strength and depth, whilst our internal structure is more efficient and easier to manage.

Manifesto (c.15% of revenues) faced an environment of reduced spending from its core client base in the charitable sector due to pressures on donation and fund-raising levels, as well as reduced spend in the commercial healthcare sector. However, the re-branding from Digital Experience to manifesto has generated a significant amount of interest and opened up a number of opportunities for growth. Our ambition to be the UK's leading purpose-driven agency remains, built on the core sectors of charities and memberships & visits.

KITS (c.10% of revenues) remains a powerful support to Central Government clients in terms of robust management of IT services, and recovering programmes to transition legacy systems to modern solutions. Despite some client retrenchment in the year, performance has shown signs of improvement.

Making the business better

Key to our vision is to make the business better, which means a balanced approach to both commercial and purpose outcomes. We have improved our internal business information tools and management processes to monitor, predict and manage core KPIs with greater rigour and foresight, including staff utilisation, gross margin by engagement and capability team. This will enable our businesses to better manage internal and contractor resources and drive improved business performance.

The Company's Operational Board has continued to put into practice a number of policy and change initiatives to enhance operational efficiency, reduce risk and reinforce good governance. These included securing or renewing a number of external certifications including Cyber Essentials+, ISO9001 Quality Management, ISO27001 Information Security Management and, post year-end, ISO14001 Environmental Management and ISO45001 Occupational Health & Safety Management. These standards provide the necessary assurance to our clients that we operate in a safe, secure and well-governed way.

CEO STATEMENT continued

People, Places, Planet

TPXimpact was founded on the belief that businesses can and should be catalysts for social and environmental change. The attainment of B-Corp Certification in January 2024 was a milestone achievement for the Group, and a reflection of our long-standing commitment to conducting business responsibly, which also means ensuring social and environmental considerations are woven into the very fabric of our operations and, fundamentally, how we do business.

Central government contracts typically allocate at least 10% of assessment criteria to social value requirements, so the Company's track-record of delivering benefit to our immediate and wider communities, as well as the planet, is very aligned with client expectations. Our social value commitments are exemplified by our Future Leaders programme which offers coaching to young, aspiring entrepreneurs from under-privileged or under-represented socio-economic backgrounds. The 2024 programme is well under way.

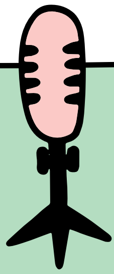
Staff retention rates have continued to improve to 88% from 84% last year and less than 80% two years ago. We have narrowed our median gender pay gap to 8% from 14% last year and 20% the year before. Overall female representation was up slightly at 51% and senior female representation increased to 40% from 36%. Overall minority ethnic representation increased to 22% from 19%. Our ethnicity pay gap has, however, increased to 15% from 8% due to a decrease in ethnically diverse senior leaders. So whilst we have made good progress in some respects of Diversity & Inclusion (recognised by winning the 2024 Small Cap Award for Diversity, Inclusivity and Engagement), there is still work to be done.

Togetherness is one of our key **PACT** values and captures the energy, fun, and collaborative approach that we embrace. We measure togetherness through employee inclusion surveys, and these scores have risen to 74% from 72% in the last year. We also conduct staff "Pulse" surveys to gain an understanding of employee engagement and satisfaction. The most recent Pulse survey indicated a score of 7.4 in January 2024 vs 6.7 in 2023 (our goal is 7.5 or more).

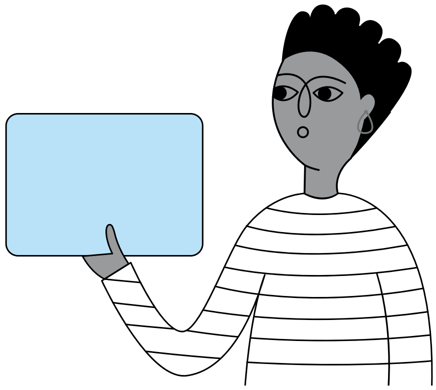
We continue to invest in training our people. We recently introduced a Leadership Essentials programme for around 160 leaders and managers in the Company (around 30% of staff), which will provide them with a continuing framework for personal and professional growth. We have also developed a progression framework for all our job families that covers the skills, behaviours and impact that we expect from our people.

A key driver in bringing our people together in person is our hub strategy. This year, we have rationalised and improved our real estate portfolio, most notably moving into our new London headquarters at The Hickman Building (BREEAM-rated Excellent and Best New Place To Work in the Building London Planning Awards). Additionally, we have made improvements to our Chesterfield, Bristol and Manchester offices.

We continue to make good progress on our carbon footprint, despite the increasing scale of the business. All our offices now run on electricity that is entirely from renewable sources. On a like-for-like basis, our carbon intensity in the year decreased by over 15% to 15.33 tCO_2e/£1m of revenue and by over 11% to 2.45 tCO_2e/FTE.



> “The attainment of B-Corp Certification in January 2024 was a milestone achievement for the Group”



Scope 3 emissions form the largest part of our carbon usage and are a continuing area of focus, given Scope 1 and 2 emissions are negligible. We have strengthened our procurement and sustainability team in recent months, so we are improving our grasp of the supply chain in terms of carbon usage and modern slavery, as well as cost-effectiveness. We have improved our MSAT (the Modern Slavery Assessment Tool created by Central Government) score to 70% from 43% a year ago and are aiming to achieve 90% next year.

Looking ahead

With the General Election now well behind us, we look forward to a more stable environment emerging in the second half of the year. The pipeline of new projects and proposals is encouraging, although subject to the outcome of the Government’s current review of spending and new short-term cost control measures.

Digital transformation remains a critical focus for organisations aiming to streamline costs, enhance agility and improve productivity - expected to be a rapidly growing market in support of the new Government’s growth agenda. As businesses shift investments from outdated systems to more nimble, modern solutions, the potential of responsible AI-enabled systems, contingent upon robust data quality, becomes increasingly relevant. Responsible AI also represents a key opportunity for TPXimpact as we can use our expertise to ensure AI systems operate safely and ethically. Like the clients we serve, we are dynamic and constantly evolving; and we are well-placed to respond to these changing needs with innovation, insight and agility.

Year Two of our three-year plan is characterised as “Form and Integrate”. We have already achieved some key aspects of this ahead of schedule, including the integration of complementary businesses into the Digital Transformation platform and the launch of the manifesto brand for our Digital Experience businesses. Our people strategy increasingly embeds performance, commercial focus and purpose; and we’ll continue to push the boundaries of what responsible, sustainable business genuinely means and can achieve.

We have successfully executed our strategy to date and are confident that we will continue to do so, founded upon robust client relationships and exceptional talent throughout the business, as well as a stable financial base. As our journey continues, the outlook is encouraging and we are on track to achieve our ambitions.

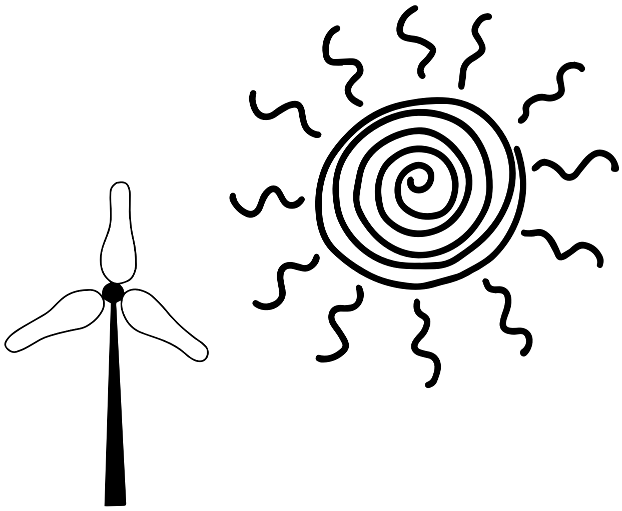
Björn Conway
Chief Executive Officer, TPXimpact

29 August 2024

FINANCIAL REVIEW

Steve Winters

Chief Financial Officer,
TPXimpact



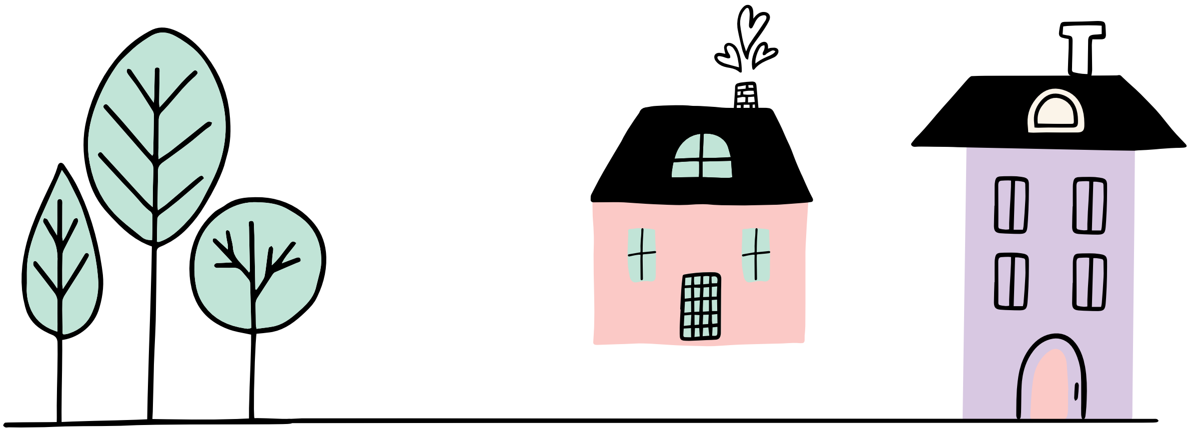
We made excellent progress in FY24, achieving or exceeding all our financial targets. The results show strong growth in revenues, Adjusted EBITDA and margins, as well as significant improvement in net debt.

As a result of the sale of Questers and our strategic consulting business in Norway in September and October 2023 respectively, the Group has treated both businesses as discontinued operations in the year and prior period comparatives have been restated accordingly. Like-for-like performance measures are based on the results from continuing operations. Both disposals were consistent with the three-year plan adopted a year ago to simplify the business and focus on our core strategic pillars of Digital Transformation, manifesto and KITS.

Revenues from continuing operations were up 21.0% to £84.3m in the year, ahead of our target of 15-20%. This growth was driven by our Consulting business (now the largest part of our Digital Transformation business) due to significant new business wins with Central Government in the second half of FY23 and first quarter of FY24. Revenues in our Digital Experience (now manifesto) business eased due to clients in the charitable and commercial healthcare sectors holding back spend. Our RedCortex business (now part of Digital Transformation) faced some challenges, including a contraction in spend in the health sector in Wales.

Sequentially, on a like-for-like basis, Group revenues increased by 7.4% in Q1, 38.3% in Q2, 31.6% in Q3 and 10.8% in Q4, demonstrating sustained positive momentum throughout the year. New business wins amounted to a record £139m in the year, including two very significant wins in Central Government: up to £49m over four years with His Majesty's Land Registry (HMLR) and up to £27m over two years with the Department for Education (DfE).

Public service clients represented over 90% of revenues, reflecting the increasing significance of Central Government (c.65% of revenues) to the Group, as well as the disposal of our Questers and Norway businesses, whose client base was largely in the private sector. Management believe the private sector represents a significant growth opportunity for the Digital Transformation business, founded upon our long-standing relationships with a number of clients in the financial services and utilities sectors, amongst others. Our top 10 clients represented 68% of 2024 revenues.



As revenues grew, so did the cost of sales, which were up over 24% to £63.1m from £50.8m last year. Gross profit therefore increased by 12.3% to £21.2m from £18.9m. Full year gross margins of 25.1% (2023: 27.1% like-for-like) reflected the H2 impact of the challenges at RedCortex, combined with the impact of some sub-contractor arrangements contractually required to service certain new business wins. We expect this limited dependency on external partners to reduce over time and, consequently, gross margins to improve.

We have made good progress in re-balancing the weighting of permanent and contractor staff. Permanent FTE headcount increased by 9% on a like-for-like basis to 533 people at 31 March 2024, whilst the number of contractors reduced by over one-third to 133 people. Total headcount, including contractors, was therefore around 670 people at the end of the financial year.

This shift in resource mix should lead to increased efficiency in the cost base in FY25 and beyond. Productivity also improved with increased utilisation rates, particularly in our Consulting (now Digital Transformation) business. Staff retention showed continued improvement to 88% for the year, compared with around 75% two years ago.

Adjusted EBITDA of £4.6m was double the £2.3m figure for 2023 and our adjusted EBITDA margin of 5.5% was significantly ahead of last year's 3.3% on a like-for-like basis. All of our businesses met or exceeded budgeted FY24 Adjusted EBITDA margin expectations, with the exception of RedCortex.

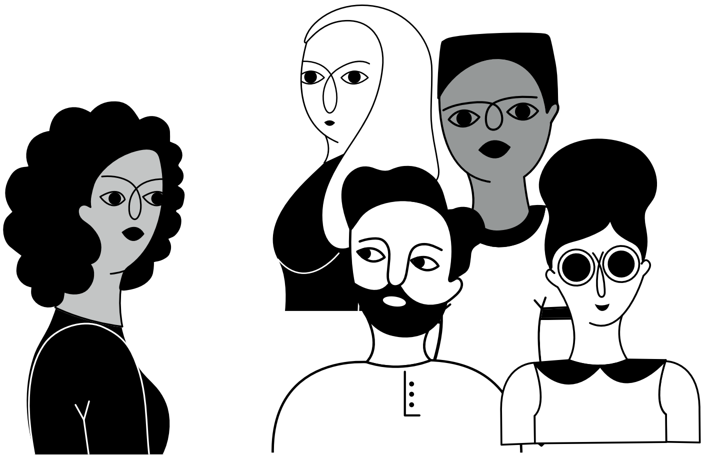
The Group made a reported operating loss from continuing operations of £(22.8)m against an operating loss of £(19.0)m last year. Administrative expenses of £44.4m (2023: £38.4m) include a non-cash goodwill impairment charge of £14.5m (2023: £10.0m) in relation to RedCortex and Digital Experience, and a charge for impairment of acquired intangible assets of £1.7m (2023: £1.8m). Charges for share-based payments increased to £1.4m (2023: £0.1m) due to the full year impact of share incentive awards granted in the second half of 2023. Restructuring and transformation costs of £1.4m (2023: £2.5m) arose from the aggregate impact of the rationalisation of our London property portfolio, systems transformation initiatives and selective action on staff costs to support the Group's strategic goals. Amortisation of acquired intangible assets increased to £7.7m (2023: £6.2m) as we shortened the expected useful life of a number of these assets. A reconciliation of reported operating loss to adjusted EBITDA is shown in note 28 of the Financial Statements.

Excluding these items, the core administrative expenses of the Group were down slightly on last year at £17.7m despite revenue growth of 21%, reflecting further investment in back-office resources, offset by reductions in discretionary spend.

The Group made an adjusted profit before tax from continuing operations of £1.8m (2023: £0.8m) and a reported loss before tax of £(24.8)m (2023: loss of £(20.1)m). Finance costs increased to £2.0m (2023: £1.1m) due to increased average borrowings and higher interest rates. Taxation amounted to a credit of £2.7m (2023: £1.5m credit) largely due to deferred tax credits on amortisation of acquired intangible assets. Adjusted profit after tax from continuing operations was £1.9m (2023: £0.9m).

The disposal of Questers in September 2023 gave rise to a gain on disposal of £3.7m which has been included in the income statement within profit after tax from discontinued operations. The disposal of TPXimpact Norway in October 2023 for nominal consideration gave rise to a goodwill impairment charge of £1.8m as a cost of discontinued operations. Total profit after tax from discontinued operations was £1.8m (2023: £1.1m).

FINANCIAL REVIEW continued



Reported diluted earnings per share from continuing operations was a loss of (24.5) pence per share (2023: loss of (20.6) pence per share), reflecting the reported losses in the period, including the goodwill/intangible asset impairment charges of £16.2m. On an adjusted basis, diluted earnings per share from continuing operations more than doubled to 2.1 pence per share (2023: 0.9 pence per share).

Whilst the Board has decided there will be no dividend in respect of FY24, the improvement in performance is encouraging and dividend policy will continue to be reviewed on a regular basis.

Net debt and Cash flow

Net debt (excluding lease liabilities) at 31 March 2024 was £7.1m (the lowest level in over three years and significantly better than our £11m target) compared with £17.5m at 31 March 2023. Net cash generated from operations amounted to £7.3m, reflecting the cash benefit of improved trading and effective working capital management. Debtor days were 43 at year-end compared with over 70 days a year ago.

The disposal of Questers and TPXimpact Norway gave rise to a net cash inflow of £6.1m (£7.5m of gross cash proceeds less cash deconsolidated from the Group balance sheet). Other cash outflows included interest payments of £2.2m, long-term lease payments of £0.7m and capital expenditure of £0.2m, with an inflow of £0.2m due to a corporate tax refund. Free cash flow (including disposal proceeds) therefore amounted to £10.5m.

TPXimpact used £8.3m of this free cash flow to repay debt, so gross borrowings reduced to £16.2m at 31 March 2024 (2023: £24.5m). Since year-end, a further £4.0m has been repaid, so gross borrowings at 30 June 2024 amounted to £12.2m, a 50% decrease on a year ago. The leverage ratio (net debt/12M Adjusted EBITDA) at 31 March 2024 was 1.54x and the Group has comfortably satisfied its banking covenants since they were reset a year ago.

Debt facility

Given the significant improvement in the Group's debt position over the last year, the Company and its bankers have agreed to extend the maturity of the Group's revolving credit facility (RCF) by one year to July 2026 and reduce the amount of the facility from £30m to £25m, to better reflect the ongoing needs of the business. The existing accordion of £15m continues to be available if required.

In addition, the borrowing conditions (covenants) of the RCF have been eased, one quarter ahead of schedule. These favourable amendments to the Group's financing arrangements represent a return to a more normal framework for debt and cash management and will allow management greater freedom to manage and invest in the business effectively.

Balance sheet

The Company holds a minority stake of c. 11% of equity (on a diluted basis) in OpenDialog AI Limited ("ODAL"), a conversational AI software business. As illustrated by the successful Series A capital raise in early 2024, this investment provides the Company with an exciting exposure to the conversational AI market and we look forward to supporting its continued, rapid development.

> "The ongoing, successful execution of our strategy provides a solid foundation for achieving our targets"

Current trading & outlook

The Company won £9m of new business in the first quarter and the current pipeline of opportunities is very strong, despite the General Election in July, and subject to the outcome of the Government's current review of spending and new short-term cost control measures. The Company's 2025 full-year targets remain 10-15% like-for-like revenue growth and further improvement in Adjusted EBITDA margins of 2-3% on top of the 5.5% achieved in 2024. We expect the July General Election to lead to a heavier second-half weighting of revenue and profitability than usual. This is likely to mean more subdued top-line growth in the summer months (against tough comparatives), with a subsequent acceleration commencing in Q3. Backlog or committed revenues represent around 70% of targeted full year revenues.

Management are also targeting a leverage ratio of c.1.0x at 31 March 2025, which would allow for share repurchases of £1-2m into the Company's EBT during the second half of the year. These shares will be used to satisfy long-term employee share incentive awards due to vest next year.

With respect to 2026, management continue to target like-for-like revenue growth of 10-15% and an Adjusted EBITDA margin of 10-12%, in line with our previously announced, three-year strategic goals. The ongoing, successful execution of our strategy provides a solid foundation for achieving our targets and we firmly believe that the fundamental demand for our skills and services will remain strong for the foreseeable future.

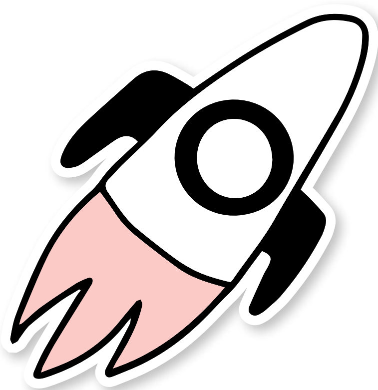
Steve Winters
Chief Financial Officer, TPXimpact

29 August 2024

TPXIMPACT OUR STORY

Creating positive change

OUR PURPOSE



Imagine a future where every community thrives, where the environment is safeguarded and where technology serves to enrich human lives. At TPXimpact, this is not just a vision—it's our mission. We believe in a world where digital transformation empowers people, revitalises places and protects our planet.

Our Story

Our story began with a simple yet profound belief: businesses can and should be a force for good. This belief has guided us from day one, propelling us forward as we help public, private and third-sector organisations navigate the complexities of the digital age.

Certified B Corporation™

We're proud to be a Certified B Corporation™, with every step we take measured against the highest standards of social and environmental performance, transparency and accountability.

People-powered transformation

At the heart of everything we do are the people we serve. We collaborate closely with our clients, forming integrated teams that combine our skills and insights with their unique challenges and goals.

Purpose and profit in harmony

We shouldn't have to choose between doing well and doing good. Our B Corp™ certification is a testament to our commitment to a new kind of business—one that values sustainability and equity alongside profitability.

Driving positive impact

Our work is about more than user-centred design and technology. It's about creating solutions that improve lives, strengthen communities and protect the planet. We're driven by a desire to make the world a better place.

Our commitment

PEOPLE

People are at the heart of everything we do. We strive to create inclusive, empowering environments where everyone is supported to thrive. Our commitment to people means fostering a culture of collaboration, continuous learning and respect.

PLACES

We believe in the power of place to shape experiences and foster community. Our work is dedicated to revitalising and enhancing the places where we live and work, ensuring they are sustainable, vibrant and resilient.

PLANET

We're committed to reducing our environmental footprint and promoting practices that protect and nurture the planet. Our efforts focus on creating sustainable solutions that balance the needs of today with the well-being of future generations.

SUPPORTING PEOPLE

IMPROVING PLACES

PROTECTING THE PLANET

TPXIMPACT OUR STORY continued

Our Story

Our story began with a simple yet profound belief: businesses can and should be a force for good. This belief has guided us from day one, propelling us forward as we help public, private and third-sector organisations navigate the complexities of the digital age.

Our purpose is why our people deliver impact for our clients every day. It's why they go the extra mile, focused on building a future where organisations improve lives. We know that positive impact can be delivered together, so we positively challenge, connect and enable our clients' organisations to deliver greater outcomes for people, places and the planet.

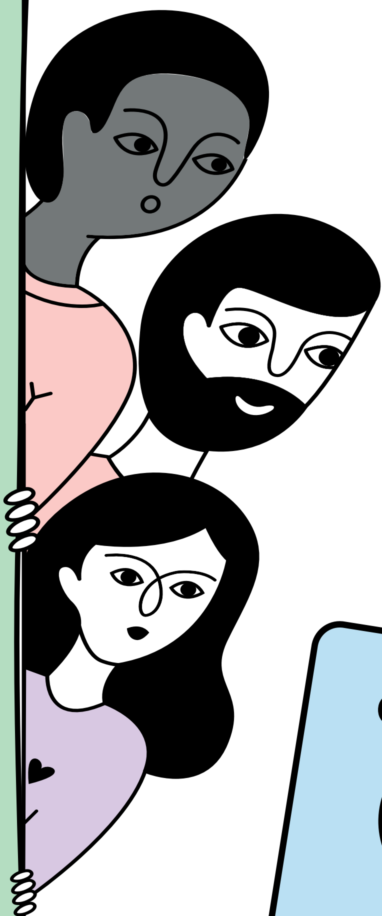
We're proud to be a Certified B Corporation™, with every step we take measured against the highest standards of social and environmental performance, transparency, and accountability. Our commitment to positive change drives us to create solutions that improve lives, strengthen communities and protect the planet. At the heart of everything we do are the people we serve. We collaborate closely with our clients, forming integrated teams that combine our skills and insights with their unique challenges and goals.

OUR WIDER COMMUNITY

To transform outcomes for people, places and the planet it's never just digital. It takes expertise and tenacity to deliver true transformation. Coupled with our rich heritage in strategy, design, tech, data and delivery our brands manifesto and KITS bring that extra bit of secret sauce. From award winning digital experiences to troubleshooting existing IT ecosystems the opportunities are endless.

Manifesto is the digital experience agency for changemakers. Committed to delivering purposeful and positive impact for people, planet and society. Manifesto is proud to work with Breast Cancer Now, Zoological Society London, The Trussel Trust, The University of Edinburgh and many more.

KITS is an IT troubleshooter focused on delivering resolutions that integrate with current tech stacks, always keeping your organisation's IT moving forward. KITS is proud to work with DEFRA, Rural Payments Agency and many more.



Certified B Corporation

CREATING VALUE

Introduction

AT TPXIMPACT, OUR COMMITMENT TO PEOPLE, PLACES AND PLANET IS CORE TO EVERYTHING WE DO.

88%
staff retention rate

£139m
new business

2,738
hours donated

Becoming a Certified BCorp in FY24 reflects our dedication to delivering societal value, through a fully profitable model that drives and delivers value for our stakeholders. By seeking out opportunities to benefit people, places and the planet through our core business, we are ensuring that our impact will be lasting and scalable.

Our purpose-driven approach is integral to how we choose and deliver our client work, how we operate our business, and how we give back. As well as being the right thing to do, this approach helps TPXimpact to:

- **attract and retain the best talent:** demonstrated by our 9% like-for-like headcount growth and 88% staff retention rate
- **win work:** demonstrating Social Value to our public sector clients was a major contributor to our record high new business of £139m
- **keep giving back:** including 2,738 hours donated

We are delighted to share some highlights of how TPXimpact has delivered innovation and societal impact through delivery of our client work.

Our full sustainability report provides more detail on our organisation-wide impact.

CREATING VALUE continued

Creating value PEOPLE

At TPXimpact, our commitment to people is at the core of everything we do. We strive to make a significant and positive difference in the lives of individuals and communities through our innovative digital solutions and collaborative projects.

We believe that positive change is achieved through collaboration, empathy, and innovation. Our people-first approach to our work ensures that we deliver meaningful impact every day, helping individuals and communities thrive in a digital age.

Particularly through our efforts to recruit and diverse teams, our work is driven by a deep understanding of the unique needs and challenges faced by various populations, empowering them through technology and thoughtful intervention.

HIGHLIGHTS

IDEA

GENERATION GLOBAL

YOUNGMINDS fighting for young people's mental health

Generation Global

TPXimpact's collaboration with Generation Global exemplifies our dedication to fostering inclusive growth and development.

Generation Global is an education programme that equips young people with the knowledge, skills, and attitudes to become open-minded global citizens.

Since 2009, they have reached over 600,000 young people, including more than 59,000 through their web-based platform, Ultimate Dialogue Adventure. To scale this impact, Generation Global partnered with TPXimpact to develop a new mobile app. This app broadened access, enabling millions of young people without traditional devices like tablets or PCs to engage with the programme via mobile phones, effectively bridging the digital divide and empowering the next generation.

Young Minds

TPXimpact co-designed mental health support for marginalised communities, addressing a critical need for accessible mental health services. By collaborating with young people, we developed user-centred solutions that resonate with their experiences and challenges. This approach not only improved the reach and effectiveness of mental health support but also ensured that the voices of those most affected were at the heart of our solutions.

Creating value PLACES

Our work at TPXimpact is not just about digital transformation; it's about creating vibrant, resilient communities that can adapt and thrive in the face of change. We understand that places are more than just physical locations—they are the heartbeats of our society, where people live, work, and connect. Through our projects, we aim to revitalise these spaces, making them more sustainable, inclusive, and dynamic, and enhancing the quality of life for everyone.

We believe that by integrating digital innovation with a deep understanding of local contexts, we can create spaces that not only function better but also inspire and connect communities. These projects exemplify our holistic approach to place-making.

HIGHLIGHTS

The Natural History Museum

Our collaboration with the Natural History Museum is a testament to our commitment to preserving cultural heritage while embracing modernity. By redesigning the museum's digital platform, we made it easier for visitors to engage with the rich history and scientific knowledge housed within. Our efforts have helped increase online engagement and visitor satisfaction, ensuring that the museum remains a vital educational resource in the digital age.

Central Government Body

One of our most impactful projects involved partnering with a central government body to tackle the complexities of home buying and selling through a pioneering, design and data-led approach to policy development. By focusing on digitalisation to streamline the process, we aimed to reduce inefficiencies and improve user experience. Our six-step process, including mapping the system, identifying key data points, prototyping solutions, and designing scalable policies, led to significant outcomes. The project's success was highlighted in the 2023 Autumn Statement, which announced £3 million in funding for measures to improve the home buying process, our analysis revealed that a better designed and more digital process could lead to reductions in transaction fall-throughs.

Creating value PLANET

At TPXimpact, our mission extends beyond people and places to encompass the health of our planet. We are driven by a vision of a sustainable future, and recognise that sustainable development is crucial for the well-being of current and future generations. We are dedicated to creating solutions that protect and preserve our environment, delivering client projects that reflect our commitment to sustainability, innovation and impact.

Through our innovative projects and partnerships, we are making a tangible difference, ensuring that our planet remains a vibrant and liveable home for generations to come.

HIGHLIGHTS

idea

The Department for Education

TPXimpact's work at the Department for Education is a prime example of how we integrate sustainability into our digital solutions. Through the development of the Digital Support Hub, we are providing educators with the tools they need to support learning while minimising environmental impact. This project underscores our belief that education and sustainability can go hand in hand, empowering teachers and students to contribute to a greener future.

Flora and Fauna

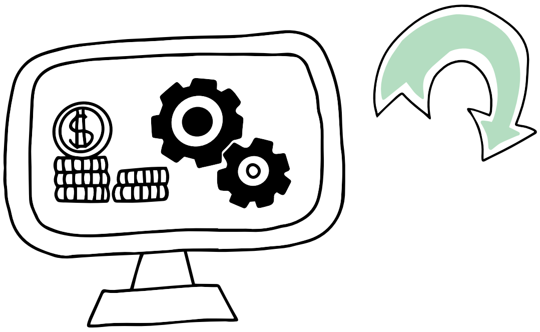
Our team focused on boosting engagement and fundraising through a redesigned and more sustainable website for Flora and Fauna.

By prioritising digital sustainability standards, we achieved remarkable results, including a 97% increase in year-on-year conversion rates and a 90% reduction in website size and page weight. Our efforts have helped Fauna & Flora reach their fundraising targets and increase their impact without compromising on environmental responsibility.

Zoological Society of London (ZSL)

Our work for ZSL showcases how digital transformation can support conservation efforts. We delivered a user-centric digital estate that significantly improved user experience, boosted revenue, and enhanced SEO performance. This project, which won the prestigious bronze BIMA award for User-centric digital transformation in 2023, highlights our ability to combine technology with conservation goals, creating solutions that benefit both people and the planet.

Creating value
SHAREHOLDERS



At TPXimpact, we value our shareholders as vital investors and partners in our pursuit of total stakeholder value. Their support is instrumental in supporting our growth amidst a dynamic market landscape. We prioritise transparent communication to keep shareholders well-informed about our strategy, progress and governance reflecting their interest in our stable financial performance, ESG initiatives, and growth prospects. Together, we aim to drive positive change and unlock new avenues for growth.

With a strong focus on sustainable and inclusive practices, we harness deep sector relationships to seize opportunities and deliver increasingly robust financial and ESG performance. Our diverse workforce is dedicated to creating value for all stakeholders, embodying our commitment to people-powered transformation.

Engaging with shareholders

This year, our engagement with shareholders has been collaborative and multifaceted. We provided comprehensive updates through our half-year and end-of-year results, ensuring transparency and valuable insights into our financial performance. Our Annual General Meeting (AGM) serves as a pivotal platform for direct interaction, allowing shareholders to voice their opinions and ask pertinent questions.

Our commitment to regular communication has been further demonstrated by our quarterly trading updates, keeping shareholders informed on our progress and market position. Moreover, we actively sought shareholder participation in our double materiality assessment, inviting them to contribute their perspectives on both financial and non-financial impacts. This inclusive approach underscores our dedication to fostering a collaborative relationship with our shareholders, ensuring their voices contribute to our strategic decisions.

Investment Case

1.	We operate in an attractive and growing market	TPXimpact is well-positioned to address the significant market opportunity presented by the UK Software and IT Services Sector, predicted to reach £77.9bn by 2025 with CAGR of 6.6%*. Focusing on digital adoption and awareness, TPXimpact can help our clients leverage cloud computing and data analytics to enhance their operations, improve processes and contribute to the growth of the UK economy. The announcement of the snap General Election was welcome as it removed uncertainty from our core client sector. With the election behind us, we look forward to a more stable environment in which the skills and insights of our talented people will be even more in demand.

** TechMarketView, UK Software & IT Sevices, Market Trends and Forecasts 2024*

CREATING VALUE continued

2. With deep relationships across the public, private and third sectors	At TPXimpact, we specialise in helping our clients through their digital transformation journey. We are proud to deliver high-quality solutions that enhance services, experiences, and outcomes, which is why we are increasingly recognised as a leading alternative digital transformation provider in the UK public services sector with over 90% of our client base representing public services. Our expertise and commitment to quality have earned us the trust of a diverse range of clients, including the Department for Environmental Food & Rural Affairs, Zoological Society of London, the Department for Education, Buckinghamshire Council, His Majesty's Land Registry, the NHS, Legal & General and Breast Cancer Now. Our team is made up of passionate individuals who deeply care about the work we do and the positive impact we make on the world. We are always eager to help new clients create positive change, and we welcome the opportunity to partner with them on their digital transformation journey.
3. With the ability to deliver strong growing financial performances	TPXimpact has demonstrated strong financial performance with like-for-like revenue growth of 21% last year. This achievement, as well as meeting or exceeding all of our financial targets for FY24, underscores the high quality of our offerings, increased scale and potential for growth. TPXimpact is increasing its adjusted EBITDA margins, reflecting efficient operations and strong cost management. This performance is driven by a strategic focus on technology-enabled services, a key driver of growth in today's economy. As at 31 March 2024, TPXimpact reduced net debt (excluding lease liabilities) to £7.1 million, its lowest level in over three years, surpassing the £11 million target due to effective working capital management. TPXimpact comfortably met its debt covenants at year-end. Looking forward to FY25, as the disruption from the July General Election passes in the second half of the year, TPXimpact will be well-positioned for continued growth and increasing profitability. For FY26, management targets like-for-like revenue growth of 10-15% and an adjusted EBITDA margin of 10-12%, aligning with its strategic goals.
4. We take pride in our diverse and growing employee population	Our commitment to a diverse and growing employee population is a reflection of our belief in the power of people to drive transformation. We take pride in the fact that our workforce is made up of 51% women and 22% ethnic minority individuals, representing a diverse range of perspectives and experiences. Our team consists of over 530 FTE employees, and around 140 associates in the UK, who are the driving force behind our people-powered transformation approach. We believe that our commitment to diversity and inclusivity not only strengthens our team, but also enables us to better serve our clients and deliver innovative solutions that drive growth and progress.
5. Who are focused on delivering for all stakeholders	TPXimpact are deeply committed to delivering value to all stakeholders. Our collaborative success is intricately tied to the well-being and prosperity of the people, places, and planet we serve. We foster an inclusive and diverse work environment that empowers our team to drive transformation and innovation. We deliver sustainable solutions that foster economic growth and social development. Our collaborative, customer-centric approach ensures exceptional experiences that consistently surpass expectations. We are dedicated to creating lasting shareholder value through a responsible growth strategy that prioritises strong financial performance alongside positive societal and environmental change. Our three-year plan is built on sound, achievable strategic goals, which are understood and cascaded down through all our business units. There is clear alignment between TPXimpact's strategic objectives, employee aspirations and the expectations of our shareholders.

OUR SECTION 172 STATEMENT

The directors of TPXimpact must act in accordance with a set of general duties. Section 172(2) of the Companies Act requires Directors to take into consideration the interests of stakeholders in their decision making and is summarised as follows:

"A Director of a company must act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and environment
- The desirability of the company maintaining a reputation for the high standards of business conduct, and
- The need to act fairly between shareholders of the company

This section serves as our Section 172 statement.

The Board considers, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareowners as a whole (having regard to the stakeholders and matters set out in Section 172(2)(a-f) of the Act in the decisions taken during the year ending 31 March 2024).

The Board recognises that engaging with the Company's stakeholders is paramount to achieving our vision and business success. When making decisions, the Directors prioritise the interests of our people and other stakeholders, considering the community, environment, and the Company's reputation. We understand that sustaining the Company's long-term success is closely tied to stakeholder value and engagement, making it a fundamental aspect of our business.

Stakeholder engagement has been integral to our business since its inception. Within our Section 172 statement, we take this opportunity to showcase how the Board engages with stakeholders and its impact on decision-making and strategies.

The Directors are fully committed to fulfilling their responsibilities under Section 172 of the Act. Our aim is to act responsibly, ensuring that the business operates in alignment with high standards of conduct and good governance. Management is also dedicated to upholding these principles throughout the organisation.

Engagement with stakeholders

We recognise that our business's success is inherently tied to its impact on our people, places and the planet. Building strong, meaningful relationships and maintaining ongoing engagement with our clients, suppliers, employees, shareholders, and the environment are essential for achieving long-term prosperity and positive outcomes. By effectively engaging stakeholders, we cultivate trust, enhance our reputation as a socially responsible enterprise, and develop sustainable solutions for the benefit of our people, places and the planet.

Our clients

We believe in a world enriched by people-powered digital transformation. Working together in close collaboration, we want to help our clients reimagine organisations, services and experiences to accelerate positive change and build a future where people, places and the planet are supported to thrive.

Led by passionate people, we care deeply about the work we do and the impact we have in the world. Working alongside our client's teams, we work to understand their unique challenges and find new ways forward together; challenging assumptions, testing new approaches and building capabilities, leaving them with the tools, the insight and the confidence to continue iterating and innovating.

How we engage with our clients:

We engage with our clients by working alongside them, leveraging our scale and breadth of expertise to address their most complex challenges. Our approach is agile and adaptable, allowing us to understand and respond to their specific needs with empathy. As a sizable organisation, we have the capacity to deliver solutions at scale. Our work is driven by our purpose, which permeates every aspect of our client engagements—from our methodology to the results we achieve together.

Engagement outcome:

Details on the engagement with our clients can be found in our creating value sections, please see pages 13 to 16.

Our shareholders

We prioritise the equal and fair treatment of all our shareholders, aiming for them to reap the full benefits of our ongoing success in both our impact and commercial endeavours. It is crucial that our shareholders comprehend and endorse our goals, as their enduring trust is vital to support our growth initiatives.

How we engage with our shareholders

At TPXimpact, we place great importance on actively engaging with our shareholders to foster a strong and collaborative relationship. We understand that our

OUR SECTION 172 STATEMENT continued

shareholders are crucial stakeholders who contribute to our exciting and predictable growth and profitability.

To ensure effective communication and transparency, we employ a variety of channels to engage with our shareholders. Investor roadshows serve as an excellent platform to showcase our growing business offering in-demand services within expanding and stable markets. These roadshows allow us to connect directly with shareholders, providing them with valuable insights into our strategies, performance, and future prospects.

Our Annual General Meeting (AGM) is another significant event where our Chairman, Non-Executive Directors, and Executive Directors actively participate. This ensures engagement with a broad range of shareholders, giving them the opportunity to voice their opinions, ask questions, and provide feedback. We believe in openness and transparency, and the AGM serves as a platform to reinforce this commitment.

We also recognise the importance of timely and accurate communication through stock exchange announcements. These announcements enable us to provide shareholders with critical updates on key developments, financial results, and other material information affecting the company.

Our annual report serves as a comprehensive overview of our business performance, strategies, and governance practices. It provides shareholders with a detailed understanding of our operations, financials, and our approach to sustainability and responsible business practices.

Furthermore, our Executive Directors, Björn Conway and Steve Winters, maintain regular and direct contact with both existing shareholders and potential investors. Through email, calls, and face-to-face meetings, they ensure ongoing communication, address queries, and provide insights into our vision, performance, and future plans. This personalised approach strengthens our relationships and enables us to understand and respond to the specific needs and expectations of our shareholders.

We deeply value the support and trust of our shareholders, recognising that their investment is an important contribution to our growth and success. We remain committed to delivering purpose in a positive way, converting revenue growth into margin and creating long-term value for our shareholders.

Engagement outcome:

Details on the engagement with our shareholders can be found in our Creating Value: Shareholders section, please see page 17.

Our suppliers and business partners

At TPXimpact, our suppliers and business partners play a vital role in delivering our services and maintaining our productivity. When entering into a business relationship with us, they consider several important factors. These include the overall success of our business, the opportunity for long-term partnerships, and the establishment of trust and credibility.

Ethical considerations are also paramount in our collaborations. We actively promote and uphold principles such as anti-corruption and bribery, human rights, and the prevention of modern slavery. Our suppliers and business partners align with these values, ensuring that ethical standards are upheld throughout our operations.

How we engage with our suppliers and business partners

At TPXimpact, we prioritise cultivating strong relationships with our partners through regular meetings, joint planning, and open communication. This collaborative approach enables us to align our goals, exchange valuable insights, and tackle challenges together. We highly appreciate the input and expertise of our partners, as we understand that their contributions are pivotal to our overall success.

Our strategic partnerships with industry leaders Microsoft, Amazon Web Services (AWS), and Google Cloud Platform (GCP) are founded on trust. These partnerships are built upon our partners' recognition of our extensive sector knowledge, technical expertise, diverse capabilities, exceptional service, and robust client relationships.

Engagement outcome:

Through our partner engagement program, we have fostered strong relationships that enable us to gain a deep understanding of our partners' specific requirements. This understanding allows us to leverage our customer relationships and capabilities to provide tailored solutions.

Our people

At TPXimpact we provide a place for our people to belong. To join people who care about the world and the work they do. When you work with us, you'll have more room to think and innovate, more flexibility, and more opportunities to deliver the change that matters most.

Our people are fundamental in offering our partners and clients the knowledge, deep expertise and creativity they are seeking enabling them to deliver the outcomes required. A great business is supported by a diverse range of people, thoughts, ideas and solutions. We ensure we recruit the very best person for the role, providing them with the benefits, salary and time to deliver their best work.

How we engage with our people

At TPXimpact, we prioritise the wellbeing, satisfaction, and diversity of our workforce to create sustainable futures for all our employees. We recognise the significance of their health and happiness and we are committed to fostering open communication and engagement across all levels of the organisation.

Engagement outcome:

Details on the engagement with our people can be found in our Creating Value: People section, please see page 14.

Our planet

In 2022, we changed our articles of association and corporate governance structure to be stakeholder driven; accountable to all stakeholders as well as our shareholders. This includes making the planet a stakeholder, putting climate action and protecting the environment at the heart of our business.

How we engage with our planet

We recognise the untapped potential for collective action and behaviour change among employees in driving climate action. That's why we have implemented various initiatives to empower our employees and the business as a whole to make a positive environmental impact. Together, we can create a sustainable future.

Engagement outcome: examples

Details on the engagement with our planet can be found in our Creating Value: Planet section, please see page 16.

Our places

We are firm believers in equal opportunities and inclusivity in the world we contribute to shaping. As the tech sector expands rapidly, it is crucial that we create accessible pathways for talent from diverse backgrounds. That's why we allocate 1% of our time and 1% of our profits to invest in local communities. Our community investment initiatives centre around empowering vulnerable communities through technology and fostering employment opportunities for individuals from diverse backgrounds. By leveraging our resources, we aim to make a positive impact and ensure that everyone has a chance to thrive in the digital age.

How we engage with our places:

We are committed to making a positive impact in the communities where we operate. Through our 1% time pledge, each employee is empowered to dedicate two days per year to engage in community action. This can take the form of voluntary work, pro-bono services for charities, or participation in projects with charitable objectives. Whether organised by the company or initiated by employees themselves, these initiatives allow us to actively contribute to meaningful causes.

Engagement outcome: examples

Details on the engagement with our places can be found in our Creating Value: Places section, please see page 15.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Reporting

Purpose remains the bedrock of TPXimpact. It was the reason that the business was founded, the reason that many of our people have joined and stayed on our journey, and a large part of why clients and suppliers are keen to work with us.

ESG is not a tick-box at TPXimpact. With UK Public Service Sector work representing over 90% of our revenue, demonstrating authentic Social Value according to Government MAC (Model Award Criteria) themes is integral to our ability to win work. To compete, we must be able to measure impacts from up-skilling and environmental impact, to innovative approaches around engaging communities and wider stakeholders affected by our projects.

The business and its operations have been built around improving outcomes for our People, Places and Planet which is what drives us to deliver more impactful work, responsibly, at scale.

Full details of our activities and impact across these areas can be found in our separate Sustainability Report.

Our Approach

Our approach to sustainable development is centred on:

- **Consideration:** We consider the impact of business decisions on all stakeholders using our ESG Committee as a forum to ensure proper consideration is given.
- **Accountability:** We invest in robust data collection and analysis of our impacts so that we properly understand and are accountable for them.
- **Transparency:** We're committed to radical transparency when it comes to our sustainability reporting, not only to hold ourselves to account, but to encourage others to do the same to achieve positive outcomes for our people and planet faster.

Having laid strong foundations for ESG reporting and broader social impact, we have refreshed our materiality assessment and are now embarking on a three year plan to improve outcomes across each of these topics.

Strong ESG foundations and governance

- All TPXimpact entities are included in our Sustainability Report, which is consistent with the scope of our financial reporting outlined on pages 107 to 108. Since the operations of the entities are shared and their work aligned, our material topics are consistent across each of them and therefore sustainability reporting is done at a Group level.
- Where we have disposed of entities this year, we have removed the sustainability data of the entities concerned from previously reported figures in order to present a more informative, like-for-like basis of comparison. In addition, because the divestment of our international businesses represents more than 5% of revenues (the SBTI threshold for significant changes to business operations) and as required by the GHG Protocol Corporate Standard, we have re-benchmarked our targets by recalculating our benchmark year (FY22) to exclude disposed entities.
- Our ESG Committee has been delegated responsibility from the Board for reviewing and approving the reported sustainability information including our material topics. These are discussed and approved at ESG committee meetings. The Committee is also responsible for ensuring we are compliant with laws and regulations relating to sustainability. There have been no instances of non-compliance in the reporting period.
- This report and our sustainability report have been prepared in accordance with the Global Reporting Initiative (GRI) Standards for this reporting period and the full GRI index can be found on pages 25 to 32. We are also reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and our full planet report can be found on pages 52 to 55.

Our Materiality Assessment

This year we completed a comprehensive materiality assessment.

This assessment represents a significant step forward in understanding how our business interacts with the environment and society, while also identifying how environmental and social factors can impact our financial performance.

The double materiality approach takes a two-pronged perspective.

- First, we evaluated the potential impact of our operations on people and the environment.
- Secondly, we assessed how these same factors could pose risks or opportunities for our business.

Through this rigorous process, we have identified the set of key sustainability matters that are most material to both TPXimpact and our stakeholders. This focus allows us to prioritise our sustainability efforts and report on the issues that matter most.

STAKEHOLDER MAPPING

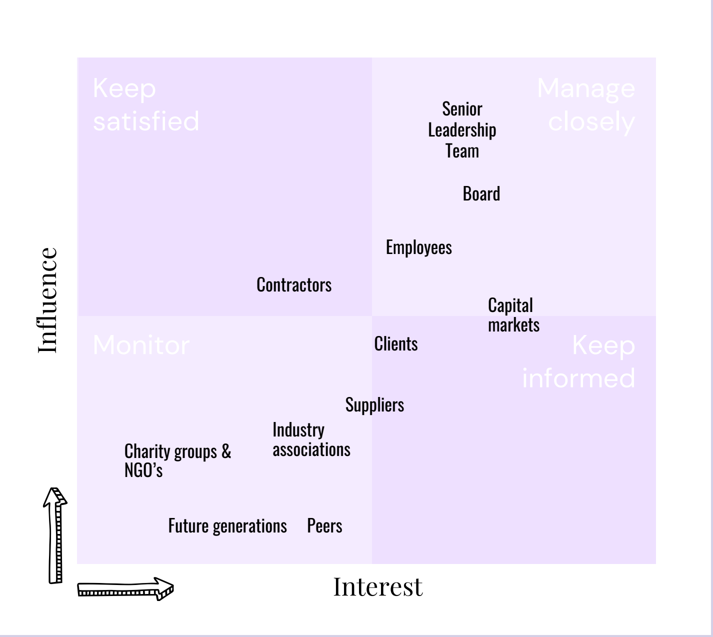
Interest indicates stakeholders' likely concerns, whilst influence indicates their ability resist or enable change.

High influence – High interest: the groups to work with most closely. They are the decision makers and have the biggest impact on the project success.

High influence – Low Interest: keep in the loop with what is happening. Even though they may not be interested in the outcome, they yield power.

Low influence – High interest: keep these people adequately informed and engage them where helpful.

Low influence – low interest: monitor these people, but do not spend time and energy with excessive communication.



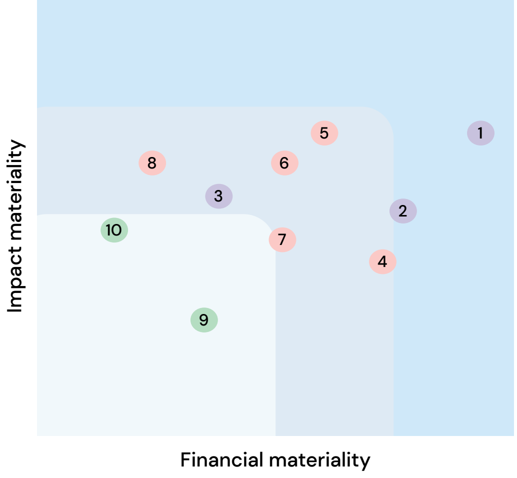
Our stakeholders

The insights gained from the double materiality assessment will be instrumental in shaping our future strategy and driving long-term value for all stakeholders.

We identified our stakeholders based on their level of influence and interest in our business operations. We prioritised those in the "Manage Closely" quadrant for our engagement activities, which included one-to-one meetings and focus groups.

The first round of stakeholder engagement allowed us to draw up a list of potentially material topics that were articulated in a way that made sense for the business.

The second round of engagement was done through a survey where stakeholders were asked to rank the topics identified based on the scale, scope and likelihood. Results were then weighted based on the positioning of the stakeholder on the stakeholder map and we were left with our top ten material topics.



Governance
1. Data privacy & security
2. Corporate governance
3. Client values alignment

Social
4. Innovations in tech
5. Accessibility
6. Employee wellbeing
7. Skills & training
8. Inclusive employment

Environmental
9. Energy usage & GHG emissions
10. Climate change

ENVIRONMENTAL, SOCIAL AND GOVERNANCE continued

Management of material topics

This year we have reviewed our material topics, set out in the table below. A full write up of how we manage our material topics can be found in our Sustainability Report.

Topic	Risk	Opportunity	Negative impact	Positive impact
Accessibility of services	N/A	N/A	If we are not inclusive by design we could inadvertently lock marginalised citizens out of the services they rely on	Improve people's lives by being able to access better services, more efficiently
Client values alignment	Working with controversial clients could result in us losing employees and clients	To be a supplier of choice for clients aligned to our ESG goals	Causing harm to the most vulnerable communities by endorsing organisations that do not promote human rights	Employee fulfilment
Climate change	Extreme weather reducing productivity levels	The chance to win work helping clients to decarbonise	N/A	Playing a part in tackling the climate emergency
Corporate governance	Losing shareholder/ client trust and investment	Gaining trust of investors, clients and employees	Lack of corporate governance causing stress and job loss	Proper accountability and fairness for all employees
Data privacy & security	Internal/client data breach making it impossible to work. Fines and loss of clients	N/A	Privacy & security of employee, government or end-user data	N/A
Employee wellbeing	Increased illness, lower productivity and reputational damage causing higher recruitment costs	Lower recruitment costs if we become employer of choice + reduced turnover	N/A	The mental, physical and financial wellbeing of our employees and their families
Energy Usage	Rising energy prices & carbon taxes driving costs higher	Energy reductions usually result in direct cost savings	Environmental impact of GHG emissions	N/A
Inclusive employment	Increased cost of recruitment/ retention for minority groups	Diversity of thought adding value to our offer. Recruitment driver	N/A	More opportunities for disadvantaged communities. Change perceptions of what tech talent 'looks' like
Innovations in tech	Ability to keep pace with competition. Redundancy of some of our services	Gain in value and output of work harnessing new technologies	Application of new technologies taking people's jobs	New technologies enabling better outcomes for end users
Skills & training	Falling behind the skills curve and unable to keep up with the competition	Opportunity to achieve higher margins with home-grown talent	Lack of professional development - stagnation. Communities lack skills to access decent employment	Allowing more people to access high paid employment and opportunities

Non-financial and sustainability information statement

This section constitutes TPXimpact's Non-Financial and sustainability Information Statement and is produced to comply with Sections 414CA and 414CB of the Companies Act 2006.

This document acts as TPXimpact's GRI Content Index and provides a 'map' by which the reader can trace where reported information can be found.

Global Reporting Initiative (GRI) Index

GRI 1 used GRI 1: Foundation 2021

GRI standard disclosure	Location	Notes & omissions
GRI 2: General Disclosures 2021		
2-1 Organizational details	Annual Report – 'General information', page 65 Annual Report – 'People, Places Planet', page 4 Annual Report- Financial Statements - 11. Investments, pages 107 to 108 and IFC	
2-2 Entities included in the organization's sustainability reporting	ESG Reporting – 'Strong ESG foundations and governance', page 22	
2-3 Reporting period, frequency and contact point	Sustainability Report - 'Purpose Director Statement' page 4 Annual Report - ESG Committee Report, pages 49 to 50 Annual Report - Principle 2, page 45 Annual Report, page 128	
2-4 Restatements of information	Annual Report – 'Highlights page' – 'Footnote 4', IFC	
2-5 External assurance	Annual Report – 'Principle 4', page 46	Whilst we have not gone through certified external assurance this year, we have worked with a reputable external agency to review our carbon and GRI methodologies and results.
2-6 Activities, value chain and other business relationships	TPXimpact's core value chain is to recruit and train exceptional experts, who are then formed into teams to deliver client outcomes. To facilitate this, our supply chain is mainly comprised of software providers, offices, IT hardware and sundries to make the office environment productive, collaborative and comfortable. Annual report – 'Principal Activities', page 65 Annual Report – 'Risk and Risk Management' – 'Commercial', page 38 Sustainability Report – 'Clients' – 'Revenue by sector', page 27 Annual Report - Principal accounting policies - a) Basis of Consolidation, pages 87-88. Principal accounting policies a) Basis of consolidation	
2-7 Employees	Annual Report - Highlights page, IFC Sustainability Report – 'Our Workforce' – 'Workforce Growth', page 34	Data is unavailable. Following the integration of 14 businesses, some breakdowns in our employee base are currently unavailable.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE continued

GRI standard disclosure	Location	Notes & omissions
2-8 Workers who are not employees	Sustainability Report - Our Workforce – 'Workforce Growth', page 34	Data is unavailable. Following the integration of 14 businesses, some breakdowns in our employee base are currently unavailable.
2-9 Governance structure and composition	Annual Report – 'Principle 5 '– 'Maintain the Board as a well-functioning, balanced team led by the chair', pages 46 to 47 Annual Report – 'Director's commitment to TPXimpact Corporate Governance' - 'Board of Directors', pages 40 to 43 Sustainability Report – 'Diversity and Inclusion Status '– 'Specific Groups', page 39	
2-10 Nomination and selection of the highest governance body	Annual Report – 'Principle 7', pages 47 to 48 Annual Report – 'Principle 5', pages 46 to 47 Annual Report - 'Board of Directors', pages 40 to 43	
2-11 Chair of the highest governance body	Corporate Governance – 'Board of Directors', pages 40 to 43	
2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report – 'Directors commitment to TPXimpact', pages 46 to 47 Annual Report – 'Principle 9', page 48 Annual Report – 'Principle 10', page 48	
2-13 Delegation of responsibility for managing impacts	Annual Report – 'Our approach', page 22	
2-14 Role of the highest governance body in sustainability reporting	Annual Report – 'ESG reporting', pages 49 to 50	
2-15 Conflicts of interest	Annual Report - 'Board of Directors', pages 40 to 43 Annual Report – 'Principle 5', pages 46 to 47 Annual Report – 'Principle 6', page 47	
2-16 Communication of critical concerns	Annual Report – 'Principle 2', page 45 Annual Report – 'Principle 4', pages 45 to 46 Sustainability Report – 'Human Rights' – 'Training', page 45	
2-17 Collective knowledge of the highest governance body	Annual Report – 'Principle 6', page 47	
2-18 Evaluation of the performance of the highest governance body	Annual Report – 'Principle 5', pages 46 to 47 Annual Report – 'Principle 6', page 47 Annual Report – 'Principle 7', pages 47 to 48 Sustainability Report – 'Our Strategy' – 'Corporate Governance', page 7	
2-19 Remuneration policies	Annual Report, pages 56 to 59	
2-20 Process to determine remuneration	Annual Report, pages 56 to 59	

GRI standard disclosure	Location	Notes & omissions
2-21 Annual total compensation ratio	TPX's median salary is 2.9x the living wage at £35 per hour, and our CEO to median annual total compensation ratio is 6:1	
2-22 Statement on sustainable development strategy	'CEO Statement', page 2	
2-23 Policy commitments	Sustainability Report, Corporate Governance, page 7	
2-24 Embedding policy commitments	Sustainability Report, Corporate Governance, page 7	
2-25 Processes to remediate negative impacts	Annual Report – 'Principle 4', pages 45 to 46 Sustainability Report, 'Involving our workforce in decisions that affect them', page 30	
2-26 Mechanisms for seeking advice and raising concerns	Annual Report – 'Principle 5', pages 46 to 47 Sustainability Report – 'Human Rights' – 'Training', page 45	
2-27 Compliance with laws and regulations	ESG Reporting – 'Our Approach', page 22 Sustainability Report – 'Our Strategy' – 'Corporate Governance', page 40	
2-28 Membership associations		Not applicable. TPX does not have a significant or governance role in any membership associations.
2-29 Approach to stakeholder engagement	Annual Report – 'Our approach', page 22	
2-30 Collective bargaining agreements	Sustainability Report – 'People' – 'Involving our Workforce in decisions that affect them', page 30	
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	Annual Report, pages 22 to 23	
3-2 List of material topics	Annual Report, pages 23 to 24	
GRI 201: Economic Performance 2016		
3-3 Management of material topics	Annual Report – 'People, Places, Planet', pages 4 to 5	
201-2 Financial implications and other risks and opportunities due to climate change	Annual Report – 'TCFD Report', pages 52 to 55	
GRI 203: Indirect Economic Impacts 2016		
3-3 Management of material topics	Annual Report – 'Creating Value', pages 10 to 18 *(Intro/People/Places/Planet)* Annual Report – 'Our approach', page 22	
203-2 Significant indirect economic impacts	Annual Report – 'Creating Value', pages 10 to 18 *(Intro/People/Places/Planet)*	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE continued

GRI standard disclosure	Location	Notes & omissions
	GRI 207: Tax 2019	
3-3 Management of material topics	Annual Report - 'Financial Review', pages 6 to 9 Annual Report - 'Principle 6', page 47	
207-1 Approach to tax	Annual Report, page 76	The Group seeks to comply with the UK tax regime as it has no overseas operations.
207-2 Tax governance, control, and risk management	Annual Report, page 76	The CFO manages the tax affairs of the Group, including tax risk, supported by the Group Finance team and external advisers where necessary.
	GRI 302: Energy 2016	
3-3 Management of material topics	Sustainability Report – Our Strategy – 'Energy Usage and GHG Emissions', page 6 Sustainability Report – 'Organisational Impact' – 'Reduce', page 16	
302-1 Energy consumption within the organization	Annual Report - 'Energy and carbon reporting', pages 65 to 66 Sustainability Report - 'Scope 1' & 'Scope 2', page 16 Basis of Reporting available on request	
302-2 Energy consumption outside of the organization		Data is unavailable. As an office-based organisation, our energy consumption is relatively low. We have focused initially on reporting our carbon emissions and intensity, and energy sources. In the future we hope to provide more detail on our total energy consumption. Our emissions from fuel and energy are 7.82 tCO_2e.
302-3 Energy intensity	Sustainability Report - 'Scope 1' & 'Scope 2', page 16	
302-4 Reduction of energy consumption	Sustainability Report - 'Scope 1' & 'Scope 2', page 16 Basis of Reporting, available on request	
302-5 Reductions in energy requirements of products and services		Not applicable. Sold Services are not directly energy consuming.
	GRI 303: Water and Effluents 2018	
3-3 Management of material topics	Sustainability Report – 'Organisational Impact' – 'Measure', page 12	
303-5 Water consumption	Sustainability Report - 'Organisational Impact' - 'Scope 3 - waste and wastewater', page 15 Basis of Reporting, available on request	

GRI standard disclosure	Location	Notes & omissions
GRI 305: Emissions 2016		
3-3 Management of material topics	Sustainability Report – Our Strategy – 'Energy Usage and GHG Emissions', page 6 Sustainability Report – 'Organisational impact', page 12	
305-1 Direct (Scope 1) GHG emissions	Sustainability Report – 'Organisational impact', pages 12 - 15 Basis of Reporting, available on request	Biogenic CO2 emissions are not relevant to TPXimpact.
305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report – 'Organisational impact', pages 12 to 15 Basis of Reporting, available on request	
305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report – 'Organisational impact', pages 12 to 15 Basis of Reporting, available on request	Biogenic CO2 emissions are not relevant to TPXimpact.
305-4 GHG emissions intensity	Sustainability Report – 'Organisational impact', page 13 Basis of Reporting, available on request	
305-5 Reduction of GHG emissions	Sustainability Report – 'Organisational impact', pages 12 to 15	
GRI 306: Waste 2020		
3-3 Management of material topics	Sustainability Report – 'Organisational impact' – 'Measure', page 12	
306-1 Waste generation and significant waste-related impacts	Sustainability Report - 'Scope 3 - waste and wastewater', page 15	
306-2 Management of significant waste-related impacts	Sustainability Report - 'What's next', page 25	
306-3 Waste generated	Sustainability Report - 'Scope 3 - waste and wastewater', page 15 Basis of Reporting, available on request	
306-4 Waste diverted from disposal	Sustainability Report - 'Scope 3 - waste and wastewater', page 15 Basis of Reporting, available on request	
306-5 Waste directed to disposal	Sustainability Report - 'Scope 3 - waste and wastewater', page 15 Basis of Reporting, available on request	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE continued

GRI standard disclosure	Location	Notes & omissions
	GRI 401: Employment 2016	
3-3 Management of material topics	Sustainability Report – 'Our Workforce', pages 34 to 36	
401-1 New employee hires and employee turnover	Sustainability Report - Our Workforce - Workforce Growth, page 34	Data on demographics of new employee hires and new employee turnover is unavailable. TPXimpact is working towards a future solution to this.
401-3 Parental leave	Sustainability Report – 'Our Workforce' – 'Employee Value Proposition', page 35	
	GRI 403: Occupational Health and Safety 2018	
3-3 Management of material topics	Sustainability Report – 'Care Beyond Duty', page 44	
403-1 Occupational health and safety management system	Sustainability Report – 'Health and Safety', page 46	
403-2 Hazard identification, risk assessment, and incident investigation	Sustainability Report – 'Health and Safety', page 46	
403-3 Occupational health services	Sustainability Report – 'Health and Safety', page 46	
403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability Report – 'Health and Safety', page 46	Note: TPXimpact has an Employee Forum. Policies, including those related to health and safety, will be reviewed by the Employee Forum prior to approval.
403-5 Worker training on occupational health and safety	Sustainability Report – 'Health and Safety', page 46	
403-6 Promotion of worker health	Sustainability Report – 'Health and Safety', page 46 Sustainability Report - 'Health & Wellbeing', page 44	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report – 'Health and Safety', page 46 Sustainability Report – 'Our Strategy', page 40 Sustainability Report - 'Health & Wellbeing', page 44	
403-8 Workers covered by an occupational health and safety management system	The Health & Safety management system applies to all employees (in a permanent, temporary or voluntary capacity) of TPXimpact Ltd and Manifesto Digital Ltd (each a Company or TPXimpact) or suppliers delivering services (i.e. subcontractors or external consultants) to TPXimpact; and is certified to ISO45001. The management system was subject to external audit. Sustainability Report - 'Health & Safety', page 46	

GRI standard disclosure	Location	Notes & omissions
403-10 Work-related ill health		TPX has not had any fatalities as a result of work-related ill health. Other data is not available. TPXimpact hope to disclose this data in future reporting.
GRI 404: Training and Education 2016		
3-3 Management of material topics	Sustainability Report 'Skills & Development', page 37	
404-1 Average hours of training per year per employee	This year, across our Consulting and Digital Experience business units, 2,475 hours of training under this scheme were booked on timesheets. Sustainability Report – 'Skills & Development', page 37	Data is unavailable. TPX does not have data on the gender and employee category breakdowns for hours of training.
404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Report – 'Skills & Development', page 37	Data is unavailable. Information on transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment is unavailable.
404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Report – 'Skills & Development', page 37	
GRI 405: Diversity and Equal Opportunity 2016		
3-3 Management of material topics	Sustainability Report – "Closing the Gaps", pages 38 to 39 Sustainability Report – 'Delivering Brilliant Basics', page 30 Sustainability Report – 'Reward and Recognition', page 31	
405-1 Diversity of governance bodies and employees	Sustainability Report – 'Diversity and Inclusion Status' – 'Specific Groups', page 39 Annual Report – 'People, Places, Planet', pages 4 to 5	
405-2 Ratio of basic salary and remuneration of women to men	Annual Report – 'People, Places, Planet', pages 4 to 5	
GRI 406: Non-discrimination 2016		
3-3 Management of material topics	Sustainability Report – "Closing the Gaps", pages 38 to 39	
406-1 Incidents of discrimination and corrective actions taken	TPXimpact Diversity & Inclusion: 2024 Report available upon request Equality, Diversity & Dignity Policy available upon request Fair Treatment at Work Policy available upon request Whistleblowing Policy available upon request	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE continued

GRI standard disclosure	Location	Notes & omissions
GRI 409: Forced or Compulsory Labor 2016		
3-3 Management of material topics	Sustainability Report – 'Human Rights', page 45	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Report – 'Human Rights', page 45	
GRI 413: Local Communities 2016		
3-3 Management of material topics	Sustainability Report – 'Places' pages 48 to 50	
413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Report – 'Places' pages 48 to 50 Sustainability Report – Closing the Digital Divide', page 43	Data is unavailable. TPX only disclose the reported hours from operations.
GRI 414: Supplier Social Assessment 2016		
3-3 Management of material topics	Sustainability Report – Human Rights – 'Annual risk Assessment', page 45	
414-1 New suppliers that were screened using social criteria	Sustainability Report – Human Rights – 'Annual risk Assessment', page 45	This year we have implemented modern slavery risk assessments for suppliers, and are actively planning to include other social factors within these assessments in future.
414-2 Negative social impacts in the supply chain and actions taken	Sustainability Report – Human Rights – 'Annual risk Assessment', page 45	Not applicable. Based on TPXimpact's assessment of modern slavery risks, we do not currently work with high risk supplier organisations.
GRI 418: Customer Privacy 2016		
3-3 Management of material topics	Sustainability Report – 'Data Privacy & Security', page 47	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report – 'Data Privacy & Security', page 47	

CORPORATE GOVERNANCE

CHAIRMAN'S STATEMENT

Mark Smith

Chairman of the Board
TPXimpact

Overview

FY24 has been a year of both challenge and opportunity. TPXimpact has emerged stronger, fitter and well-positioned for the future. Whilst the Board is pleased by the progress made in the year, we also recognise that there is more to be done to make the business better and achieve our commercial objectives, whilst not losing sight of our purpose-driven goals.

Strategic execution

The record level of new business won in the year, including two very significant contract wins with Central Government, illustrates the potential for growth from the increased scale and competitiveness of the Company. A more straightforward organisational structure and clear brand differentiation makes our go-to-market proposition even more compelling. The simplification of the business, including the disposal of our overseas interests, was key to achieving a stable foundation for the future.

The Company has successfully navigated the challenging financial circumstances of early FY24 to emerge in a much more stable financial position, with significant organic revenue growth, increased Adjusted EBITDA margins and debt under control. Although this is only the first year of a three-year plan, the Board is pleased by what has been achieved so far, and believes the strategy of the Company to be sound. The execution of that strategy by management has been successful and we expect that momentum to continue as the plan progresses.

Although there may have been some short-term disruption from the General Election, the Board remains confident that the future prospects for the business are promising, founded upon the talent of our people and the insight they can provide to support organisations, including the new Government, to bring to life the major benefits that digital transformation can bring.

Purpose

The Company was founded upon a vision where business can and should contribute to the benefit of society as a whole, including local communities and the planet. The Board fully endorses this vision, which continues to be at the heart of what our people do, balanced with a commitment to creating value for all our stakeholders. Achieving B-Corp certification provided important, independent recognition of how we do business. The Board will continue to support management in driving forward our holistic vision of commercial success and purpose-driven goals.

People

The people initiatives taken by management in the year have been fully supported and encouraged by the Board. We have been pleased to see the PACT (Purpose, Accountability, Craft, Togetherness) values instilled throughout the business and retention rates have again improved to 88%, whilst the median gender pay gap has reduced to 8%. Some areas, nevertheless, require more work. The single office location at the Hickman Building in London has been a great success and employee engagement scores continue to improve.

The Company believes in "People-powered digital transformation". In order to succeed, we are responsible for giving our people the right mix of skills and development opportunities through engaging and insightful assignments, while providing a remuneration and benefits package that is attractive to both current and fresh talent. The Remuneration Committee is committed to providing the senior leaders of the Company with a remuneration package that is both motivational and competitive.

Corporate Governance

The Board is committed to an open and transparent governance process. We regularly evaluate the key risks facing the Group and assess the controls in place to mitigate those risks, in the context of good market practice and the expectations of our stakeholders. Whilst the Board is supportive of management, we regularly challenge and probe the assumptions around plans and forecasts, as well as the way in which management engages with clients, staff, investors and other stakeholders.

This approach is true across all the sub-committees of the Board: Remuneration, ESG, and Audit, Risk & AIM rules compliance Committees. Rachel Neaman replaced Isabel Kelly as Chair of the Remuneration Committee on 1 April 2024. Isabel remains Chair of the ESG Committee. Rachel was also appointed Senior Independent Director in December 2023, further enhancing our governance framework.

The membership of the ESG Committee evolved in the year as we actively encouraged more active contribution from within the business. Current membership is shown on page 49 and brings a diverse range of skills, experience and perspectives to the execution of our ESG strategic goals.

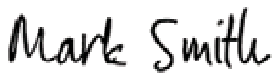
My thanks go to all the non-executive and executive directors for their valuable contribution to our discussions over the course of the last year and to Isabel, in particular, for leading the Remuneration Committee with such enthusiasm for so many years.

CFO retirement

I would also express the Board's appreciation for the contribution of Steve Winters, our CFO, over the last two years. We wish him well for the future. The search for a successor is well underway and an announcement will be made in due course.

Looking ahead

The Company performed well in FY24. We have a strong foundation for the future and are well-positioned for the year ahead. In the longer term, our strategy is clear and I am confident that the Company will continue to grow in a profitable and responsible way. On behalf of the Board, I would like to thank all our stakeholders (including investors, clients and employees) for their past and continued support as we look forward to further progress in the coming year.



Mark Smith
Chairman, TPXimpact

29 August 2024

RISK AND RISK MANAGEMENT

The success of TPXimpact depends on the proper management of risk. TPXimpact has a governance structure to identify and monitor relevant risk at all levels of the business. The risks identified are ranked by likelihood and potential impact and then tracked through regular Board meetings. Once risks are identified, management will formulate and deploy mitigating strategies.

The principal risks and uncertainties that the Board believe could have a significant adverse impact on TPXimpact are set out below. The table is not intended to be exhaustive and the principal risks are not listed in order of seriousness or potential impact.

There may also be risks that are not currently considered to be serious or which are currently unknown and risks that are outside of the business's control. Where reasonably possible, TPXimpact has taken steps to manage or mitigate the risks, or potential risks, but it cannot entirely safeguard against all of them.

Risk	Impact	Mitigation
Impact of an economic downturn	Recession could impact the digital transformation spend of our customers and impact the revenue of the Group.	Our revenue is heavily weighted towards public sector spend. This should mitigate the risk of recession impacting revenue as we anticipate that the Government will continue to invest through the economic cycle. Nonetheless, we recognise that we face a short period of uncertainty as the new UK administration settles into place and clarifies its digital spend priorities. Long term, we see digital transformation as a route to create efficiency gains and cost savings within both public and private sector contexts so we anticipate continued spending in a recessionary environment.
Inflation	Inflationary pressures may increase the cost of our workforce (employees as well as contractors) which may constrain margin growth.	Pricing of new business proposals and review of rate cards takes account of inflationary pressures on the cost base, and therefore provides margin protection. We continue to provide competitive pay and benefits to our employees, including appropriate salary increases. These increases support employee retention, which has multiple benefits to the business, including predictability of staff costs and, therefore, sustainable margins.
People	The quality of the services provided by the Group's businesses is fundamentally derived from the quality of the Group's people. The Group's performance could therefore be adversely affected if it is not able to recruit, train or retain key talent in the Group.	Our People strategy aims to attract people with skill sets matching clients' needs and then retain our people with appropriate rewards, satisfying work and a supportive environment. Our goal is to have a diverse workforce that replicates the diversity of where we operate. The Group puts togetherness and purpose at the forefront of what we do in order to become an employer of choice for employees. We actively set our KPIs to focus on the diversity of our workforce as well as our financial targets.

Risk	Impact	Mitigation
Cyber security risk	The Group relies upon the confidentiality, integrity and availability of its IT systems internally and as part of its service offerings to customers. Cyber security events are occurring more frequently, and attacks are designed with greater complexity. A major cyber security event causing loss of availability or loss of customer data could limit the Group's operations, expose the Group to fines and cause reputational damage.	The Group has received ISO27001 accreditation for Digital Transformation and manifesto and intends to broaden the scope of these accredited security standards to KITS during the next 12 months. TPXimpact utilises enterprise-grade, public cloud 'as-a-service' solutions which meet the National Cyber Security Centre (NCSC) Cloud Security Principles. Measures are in place to provide end-point protection, malware protection and data leakage prevention. Access to applications is managed with role based permission controls and a security incident management system is in place to report, assess, escalate and respond if a cyber security event occurs.
Conditions of lending	The Group is required to report against and meet certain financial performance thresholds ("Covenants") under the terms of its bank debt facility. The bank has the right to demand immediate repayment of borrowings if these performance covenants are not met. In the event that the bank made immediate demand for repayment of the current debt facility, the Group would likely face a materially higher cost of capital or, in extreme circumstances, be made insolvent.	The Group's positive financial performance through FY24 resulted in significant progress on its debt position: gross debt reduced by 50% to £12.2m over the twelve months to 30 June 2024 and the leverage ratio* reduced to less than 1.6x at 31 March 2024. These improved metrics contributed to the Group's bankers agreeing to extend the maturity of the Group's debt facility by one year to July 2026, reducing the facility from £30m to £25m to meet the ongoing needs of the business, and easing the Group's Covenants one quarter ahead of schedule. Based on the Company's profit and cash flow forecasts, management do not expect the Company to breach its lending covenants.

* *Leverage ratio: net debt (excluding lease liabilities) to rolling 12m Adjusted EBITDA*

RISK AND RISK MANAGEMENT continued

Risk	Impact	Mitigation
Commercial	TPXimpact operates in a highly competitive market against a broad spectrum of suppliers, from large global consultancies and technology companies to smaller, niche operators. The Group has to balance the dynamics of delivering high quality service alongside fair pricing to both retain clients and win additional clients whilst also delivering appropriate margin for the Group's stakeholders.	The Group's increasing scale has resulted in larger contract wins and deeper relationships with key clients (as TPXimpact becomes a more significant component of a client's supplier landscape). We are proactively building a longer term client relationship approach as we seek to bring more of the Group's service offerings to these key relationships. Our client focus is on high quality outcomes and high quality relationships. We believe this is the commercial foundation on which we can deliver appropriate returns for our stakeholders.
Compliance	The Group's increasing scale and larger public sector contract wins requires a more sophisticated approach to managing compliance risk across a broad estate – information security; data protection; insurance; ISO certifications; Modern Slavery; IR35; Health & Safety. Failure to manage these areas effectively could lead to breach of contract, business interruption, client relationship damage, new business headwinds, regulatory fines and reputational damage.	The Group's central operations model is maturing to manage and mitigate these compliance risks, with appropriate, dedicated resource. A focus on secure and scalable processes configured around ISO standards is driving an improved culture of risk management through the Group.

Risk	Impact	Mitigation
Internal control & system transformation	The span of TPXimpact's consolidated operations is now broader than any of its individual legacy businesses. An increasingly mature framework of internal controls is needed to ensure that the risks implicit to scale are actively managed. The Group intends to enhance the efficiency of this internal control framework through improvements to system infrastructure and careful management of that transformation.	The Group has adopted an ISO compliant business management system to embed the internal control procedures needed for a business operating at scale. TPXimpact has received ISO9001 (Quality), ISO14001 (Environment), ISO27001 (Information Security) and ISO45001 (Health & Safety), accreditations for Digital Transformation and manifesto and intends to broaden the scope of these accredited standards to KITS during the next 12 months. The Group continues to run the Operational Board forum to bring together HR, operations and finance leads from across the business to establish and deploy the central operations framework and systems. This collaborative approach helps to assess the functional needs of the business in its current and future state and seeks to mitigate (or actively risk accept) the impact of change. External consultants are engaged to supplement internal project teams and to ensure delivery of effective outcomes and systems, which the Group can operate independently post go-live.

BOARD OF DIRECTORS

Mark William Smith

aged 69, Non-Executive Chairman

Appointed Date: December 2018

Experience, relevant skills and contributions to the Board:

Mark has held several senior roles in a variety of businesses across several sectors. He is a qualified chartered accountant and was one of the five founders of Chime Communications plc where he spent over twenty-five years as Chief Financial Officer and subsequently Chief Operating Officer until Chime was acquired by Providence Private Equity in 2016.

Mark is currently Non-Executive Chairman of Holiday Extras, a market leader in the provision of online ancillary travel services, where he has been Chairman for 7 years and a Non-Executive Director for 20. He is also Chairman of Merit Group plc (previously The Dods Group), an AIM-listed political and business intelligence company, operating in over 50 countries, and Chairman and Non-Executive Director of Cognito Europe Limited, a private consultancy specialising in marketing for Finance, Technology and Professional Services. Mark is also Chairman of the Employee Ownership Trust of Thinks Insight and Strategy.

External Appointments:

Non-Executive Chairman of Holiday Extras, Non-Executive Chairman of Merit Group, Senior Adviser to the Sanctuary Counsel, Chairman of the Employee Ownership Trust of Thinks Insight and Strategy, Non-Executive Chairman of Cognito Europe Limited.

Committee membership and Board attendance:

Audit, Risk and AIM Rules Compliance Committee; Remuneration Committee. 100% attendance.

Björn Alex Paul Conway

aged 55, Chief Executive Officer

Appointed Date: October 2022

Experience, relevant skills and contributions to the Board:

Björn joined TPXimpact as CEO in October 2022. Björn's brief was to stabilise the business, establish a new vision, strategy, and 3 year plan.

Björn has worked in professional services since 1994, as a Partner leading business transformation work at PA Consulting, and then as a Senior Partner at EY.

Between 2011 and 2016, Björn led EY's UK Government and Public Sector team operating across central government, local government, health and infrastructure. The business doubled in size over five years and was EY UK's largest market segment. In this role, he gained experience of scaled consultancy as well as an awareness of the limitations of traditional consultancy working.

Prior to joining TPXimpact, Björn most recently concentrated on building a number of private businesses.

External Appointments:
Founding Partner of DX Cubed LLP

Committee membership and Board attendance:
100% attendance.

Stephen Richard Winters

aged 56, Chief Financial Officer and Company Secretary

Appointed Date: October 2022

Experience, relevant skills and contributions to the Board:

Steve joined TPXimpact in April 2022 to lead a number of finance transformation initiatives throughout the business, subsequently being appointed CFO. Steve drives the financial and operational strategy of the business; his responsibilities include investor relations, treasury and banking, IT and operations, property, external and internal financial reporting, budgeting, and forecasting, always seeking to balance the commercial priorities of the business with its commitment to People, Places and the Planet.

Prior to TPXimpact, Steve was a long-standing member of the leadership team at WPP plc where he worked for over twenty years, most recently as Deputy Group CFO, and prior to that, as Group Chief Accountant. Steve was also a non-executive director and Audit Committee member of Chime Communications from 2016 to 2019

External Appointments:
Director of Wise Addition Limited.

Committee membership and Board attendance:
Member of the ESG Committee. 100% attendance.

BOARD OF DIRECTORS continued

Christopher Paul Sweetland

aged 69, Non-Executive Director

Appointed Date: December 2018

Experience, relevant skills and contributions to the Board:

Chris qualified as a chartered accountant with KPMG before spending 9 years overseas in a variety of financial roles with PepsiCo Inc. In 1989 when he was CFO for the Central Europe Beverages division, he was recruited by WPP plc to be part of their small central team.

Chris retired from his role as WPP's Deputy Group Finance Director in 2016, having been involved in all aspects of operations, investor relations and the many acquisitions that built that group. Chris represented WPP plc on the boards of a number of companies both in the UK and overseas.

Since his retirement, Chris has taken on a number of Non-Executive Director roles, including TPXimpact.

External Appointments:
Non-Executive Director of M&C Saatchi plc.

Committee membership and Board attendance:

Chairman of the Audit, Risk and AIM Rules and Compliance Committee; Member of the ESG Committee (until April 2024). 100% attendance.

Isabel Jane Kelly

aged 58, Non-Executive Director

Appointed Date: December 2018

Experience, relevant skills and contributions to the Board:

Isabel is the founder of Profit with Purpose, and co-founder of ESG-Experts. Both provide consultancy to companies on fulfilling their social and environmental objectives and related legal requirements. She is an Industry Careers Advisor for MBA students at the Saïd Business School, Oxford University, and sits on the Board of Big Give, the UK's largest match-funding charity.

For 12 years as International Director of the Salesforce Foundation, Isabel created a team delivering technology, grants, programmes and revenue.

Isabel worked at Oxfam and at Amnesty International for 12 years, prior to joining Salesforce.

External Appointments:
Trustee of Big Give, Fellow of the RSA, Social Impact Advisor to the Board of Simply Business, SME insurance fintech.

Committee membership and Board attendance:

Chairwoman of the Remuneration Committee (until 1 April 2024); Chairwoman of the ESG Committee. 100% attendance.

Neal Narendra Gandhi

aged 56, Founder & Non-Executive Director

Appointed Date: December 2018

Experience, relevant skills and contributions to the Board:

Neal is a serial tech entrepreneur having co-founded four companies that he exited successfully with a combined value of £117m. He co-founded his first company at the age of 21 and, under the brand name of Jungle.com, that company went on to be sold to GUS for £37m. In 1996 he co-founded Xplora and sold it to Nasdaq-listed USWeb in 1998.

Neal then co-founded Attenda, a managed services consultancy that went on to be sold for £72m; one part to Telecity plc and the other to Darwin Private Equity. In 2006 he founded QuickStart Global, an offshore IT service provider, which grew rapidly, and in 2010 was listed in the Sunday Times Tech-Track 100 at number 3, his second company in that list with Attenda having been listed at number 2 in 2001.

In 2016, Neal founded The Panoply (now TPXimpact) where he led the company through 16 acquisitions and made the strategic decision to move from a holding company model to a fully integrated group company. In September 2022, he stepped back from the CEO role and became a Non-Executive Director.

In January 2023, Neal co-founded Spin Energy, a European utility scale renewable energy development company.

Neal is also a trustee for The English Stage Company and Lumos Foundation as well as managing his own philanthropic activity through the Neal & Dominique Gandhi Foundation.

External Appointments:

Director of Spin Energy SRL, Director of Bridgelink Alpha SRL.

Committee membership and Board attendance:

100% attendance.

Rachel Cecilia Neaman

aged 59, Senior Independent Director

Appointed Date: October 2020

Experience, relevant skills and contributions to the Board:

Rachel has extensive experience in digital leadership and transformation, having held several senior positions in the public, private and not-for-profit sectors, including as a CEO.

She was the first Chief Digital Officer at the UK Department of Health where she developed its first digital strategy. She is now a business advisor, leadership coach and executive mentor and runs her own consultancy providing strategic advice to executives and Boards. She is also a High-Risk Assurance Reviewer for the Cabinet Office's Infrastructure and Projects Authority (IPA).

Rachel also brings significant additional advisory experience to the Board. She is an independent Governor of Birkbeck College, University of London, where she established and chairs its first Digital Committee, a former member of the Board of the Campaign for Social Science, part of the Academy of Social Sciences, and a member of the Advisory Board of Digital Health.London. For ten years she was on the Board of Digital Leaders of which she is a former Chair. She has been featured in Computer Weekly's list of Most Influential Women in IT since 2016.

External Appointments:

Faculty Member of Holos Change Ltd, Partner at Strengths Unleashed Ltd, Faculty Member at the Public School of Technology, Director of Neaman Consulting, Governor of Birkbeck College University of London, Advisory Board Member of DigitalHealth.London, Fellow of the RSA.

Committee membership and Board attendance:

Member of the ESG Committee (until April 2024); Chairwoman of the Remuneration Committee (from 1 April 2024). 100% attendance.

CORPORATE GOVERNANCE REPORT

TPXimpact is committed to maintaining proper standards of good corporate governance and has established a corporate governance model based on the key principles of the Quoted Companies Alliance Corporate Governance Code ("QCA Code"). As part of this commitment, we would like to outline how the Company addresses the ten broad governing principles defined in the QCA Code.

Under our corporate governance model, the Non-Executive Chairman assumes responsibility for ensuring the overall leadership of the Board and its effectiveness. This ensures that the Board operates in an accountable, transparent and ethical manner, and is aligned with the interests of all stakeholders. The Senior Independent Director offers further counsel through which effective governance, communication with stakeholders and Board accountability can be enhanced.

TPXimpact operates a business model and growth strategy that prioritises the generation of shareholder value through sustainable growth. Our approach is built on promoting professionalism, openness, honesty and integrity between our customers, staff, shareholders and suppliers. This is an integral part of our commitment to good corporate governance, and we believe it is essential for maintaining the trust and confidence of all our stakeholders.

Principle 1 – Establish a strategy and business model which promotes long-term value for shareholders.

We believe in a world enriched by people-powered digital transformation. Working in collaboration with organisations, we're on a mission to accelerate positive change and build a future where people, places and the planet are supported to thrive.

Led by passionate people, TPXimpact works closely with its clients in agile, multidisciplinary teams; challenging assumptions, testing new approaches and building confidence and capabilities. Combining our rich heritage with expertise in human-centred design, data, experience and technology, we work to create sustainable solutions with the flexibility to learn, evolve and change.

Our three-year strategy is clearly articulated (see page 3) and we carefully track our progress against these objectives in both financial and non-financial respects. The simplification of the Group into three business units (effective from 1 April 2024), each with its own distinct operating model, allows us to implement strategic decisions efficiently and effectively, for the benefit of all our stakeholders.

The business is being increasingly recognised as a leading alternative digital transformation provider to the UK public services sector, with over 90% of its client base representing public services.

Key Strengths

The Directors believe that the business's key strengths include:

- **Significant market opportunity** – Tech Market View estimates the UK Software and IT Services (SITS) market will be worth an estimated £77.9bn in 2025, with a CAGR of 6.6%. The public sector (comprising over 90% of the group's revenue) is worth an estimated £17.4bn (2025) of this total*.
- **Rich heritage in digital transformation** – Combining a rich heritage and expertise in human-centred design, data, experience and technology, we bring over 16 years of experience across the public, private and third sectors, creating sustainable solutions with the flexibility to learn, evolve and change.
- **People-Powered** – We have a huge range of capabilities which allow us to support organisations of all kinds to adopt new ways of working, new approaches and new skills to make transformation happen. But this alone doesn't tell people how we're any different from the other companies offering similar services.

  What is different about us is our personality, our passion and our ways of working. At the heart of TPXimpact, we're a group of collaborative and empathetic people who care deeply about the work we do and the impact we have in the world.
- **"People-powered" reflects:**
  - our passionate people at TPXimpact
  - the clients who go on a journey with us to create better outcomes
  - the end-users, the people at the heart of the solutions
- **Focused growth strategy** – We're on a mission to build a future where people, places and the planet are supported to thrive.

  Our ambitious three-year plan (see page 3) outlines how we will deliver our mission and make it a reality.
- **Experienced management and Board with a proven track record** – TPXimpact is managed by highly experienced executive and non-executive directors who combine strong sector, public company and international M&A expertise with a track record of building and growing exciting service companies.

*Tech Market View, UK Software & IT Services Market Trends & Forecasts 2024, July 2024

Principle 2 – Seek to understand and meet shareholder needs and expectations.

TPXimpact proactively engages with its shareholders and potential shareholders alike. This is through a series of mechanisms:

- **Statutory announcements** – As a company listed on the London Stock Exchange's (LSE) AIM, TPXimpact ensures that all formal announcements are made through the LSE's regulatory news service (RNS). Our investors can access a feed of these announcements on our website's investor area. TPXimpact reports formally to shareholders by publishing annual and half-yearly financial statements and regular trading updates.
- **Analyst and investor presentations** – TPXimpact's Executive Directors present the half-yearly and annual results to institutional and retail investors, analysts, and the media. These presentations are available on the investor section of our website.
- **Annual general meeting (AGM)** – Notification of the AGM's date is sent to shareholders at least 21 working days in advance of the meeting. Details are set out in the Notice of Meeting. The Directors are available at the AGM to answer questions, both during the meeting and informally afterwards. All relevant information can be found on the Investor announcements section of our website.
- **News releases** – Along with the statutory announcements, TPXimpact regularly presents business news and updates to shareholders through RNS Reach.
- **Interactive sessions** – TPXimpact's Executive Directors arrange regular face-to-face sessions twice a year with any interested shareholders or potential shareholders. They are also available for updates at any point in the year. Shareholders can find contact details on our website.
- **Investor-focused website** – We maintain a full section on our website dedicated to investors. This section includes real-time RNS announcements, the latest Investor Documents, presentations, and reports, share information and share dealing interactive feeds, this corporate governance statement, and a complete list of investor-related contacts.
- **LSE profile** – TPXimpact maintains a profile on the London Stock Exchange Issuer services website.
- **Investor email** – TPXimpact also manages an investor email account for any direct queries that shareholders may have - investors@tpximpact.com.

At TPXimpact, we value our relationship with major shareholders and maintain regular contact with them. The Executive Directors are responsible for ensuring that the views of major shareholders are effectively communicated to the Board. Additionally, the Chair is available to discuss governance and other matters with major shareholders. During Board meetings, the latest brokers' reports and a summary of any shareholder meetings are presented to the Board. This helps the Chair and Board to stay informed about major shareholders' opinions on governance and strategy, as well as any concerns or issues they may have.

As a potential shareholder or an existing shareholder looking to learn more about TPXimpact, we invite you to contact us through our investor email address (investors@tpximpact.com). We would be pleased to put you in touch with one of our Executive Directors who can provide you with further information about our company and answer any questions you may have.

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

Please see further details in the ESG Section of our Annual Report (pages 22 to 32). The Board is committed to a balanced focus between commercial success and acting responsibly for the benefit of People, Places and the Planet. This strategy is enshrined in the Company's Articles of Association as an accountability to all our stakeholders, including our clients and employees.

Principle 4 – Embed effective risk management, considering both opportunities and threats, throughout the organisation.

Risk management activity is overseen by the Chief Executive Officer, Chief Financial Officer and Operational Board, with the support of the Executive Management Team.

Our framework enables us to remain vigilant to all known and emerging risks and opportunities. Effective risk management supports informed decision making; enables us to minimise impact from unforeseen internal or external events; and allows us to fully exploit emerging opportunities. Our objectives for risk management are to:

- Identify, measure, control and report on the business risk that may undermine the achievement of objectives, both strategically and operationally, through appropriate analysis and assessment criteria
- Effectively allocate effort and resources for the management of key existing and emerging risks
- Build an accurate picture at the highest level of the key risks facing our business, and use this information to drive business improvements in a considered and coordinated way
- Support and develop our reputation as a well-governed and trusted organisation

CORPORATE GOVERNANCE REPORT continued

- Minimise costs and drive efficiencies in a way that allows pervasive risk to be controlled across the business
- Identify weaknesses in, and opportunities to improve, our business processes

Risk registers

At the operational level, a risk register is maintained within every business unit. Risks are reviewed monthly by the management team of each business unit and managed appropriately.

At a Group level, there is a single, aggregated risk register for the business's key risks, which records the most significant risks facing the business as a whole and the associated steps being taken to reduce and mitigate those risks.

Our framework provides a clear process for all staff to escalate issues through the appropriate risk channels (including a whistle-blowing channel) to ensure that high-impact and pervasive risks are flagged promptly to the relevant levels of management within the organisation.

Risk appetite

The Board determines the amount and type of risk that TPXimpact is willing to take on in pursuit of its strategic objectives. The Board's appetite for risk is influenced by various key factors including (but not limited to) the overall economic, regulatory and operational landscape in which we operate.

The Executive Management Team advises the Board of these key influences which enables the Board to adjust the amount of risk that TPXimpact takes on. Risk tolerance may, by business choice, differ in different parts of the company.

Review and assurance

Risk registers are updated on a monthly basis by the business units and key risks are reviewed by the Group CEO and CFO as part of the monthly board meetings with the businesses. A full review is undertaken at a Group level every six months and the highest-rated risks are then presented to the Audit, Risk & AIM Rules Compliance Committee and the Board. Further details can be found in our Risk Section of the Annual Report and Financial Accounts on pages 22 to 32, 36 to 39 and 52 to 59.

Principle 5 – Maintain the Board as a well-functioning, balanced team led by the Chair.

The PLC Board ("the Board") is responsible for the Company's corporate governance systems and processes that support good decision-making.

The Non-Executive Directors, Mark Smith (Chair), Isabel Kelly, Rachel Neaman (Senior Independent Director) and Chris Sweetland are considered independent of management and free from any business or other relationships that could materially interfere with the exercise of their independent judgement.

Rachel Neaman was appointed Senior Independent Director in December 2023. Rachel already serves as a Non-executive Director of TPXimpact and brings a wealth of experience of the UK charity and public sectors. As Senior Independent Director, Rachel's counsel helps to ensure the Board and Management deliver against the balanced needs and expectations of our stakeholders.

Neal Gandhi, the former CEO of TPXimpact and now a Non-Executive Director, is not considered an independent director due to his significant shareholding in the company, currently owning 6.6% of the Company. While Mr. Gandhi has stepped down from his executive role, his substantial ownership interest could potentially influence his decisions and actions as a board member on certain board matters. As a result, the Board has determined that he does not meet the criteria for independence set out in the QCA guidelines.

However, the Board still complies with the QCA requirement for a board to contain at least two independent Non-Executive directors and for the Board to be at least 50% independent. The current Board consists of seven members, including four independent non-executive directors, who have all been assessed by the Chairman as meeting the QCA's independence criteria.

The four independent non-executive directors bring a range of relevant skills and experience to the Board, providing an objective and unbiased perspective on matters discussed at board meetings. The Board is confident that it has the necessary balance of skills, experience, and independence to oversee the company's strategy and performance effectively.

In summary, while Mr. Gandhi's significant shareholding precludes him from being classified as an independent director, the Board has taken steps to ensure compliance with the QCA guidelines and maintain the necessary independence to make objective and unbiased decisions. Mr. Gandhi's deep knowledge of the business remains a major source of value for the Board and Company as a whole.

Mark Smith, Chris Sweetland, Isabel Kelly and Rachel Neaman own shares in TPXimpact and three independent Non-Executive Directors hold options, however, this is not considered to alter their independent status.

Each Board meeting commences with a standing agenda item that requires Board members to disclose any conflicts of interest. This process is documented in the minutes and, where conflicts are identified, a mitigation is agreed, such as excusing conflicted parties from discussion of the relevant agenda item.

Directors' commitment to TPXimpact

The Directors acknowledge the importance of the principles set out in the QCA Code.

Our Non-executive Directors have committed in their letters of appointment to attend all reasonable board and committee meetings in addition to being reasonably available at other times for TPXimpact business. The Executive Directors have entered into employment contracts which require them to attend all board meetings. The CEO is invited to attend all meetings of the Remuneration Committee and certain meetings of the Audit, Risk & AIM Rules Compliance Committee, whilst the Group CFO is invited to attend all meetings of the Remuneration Committee, the Audit, Risk & AIM Rules Compliance Committee and the ESG Committee, the last of which he is also a member.

The Non-Executive Directors meet at least once a year without the Executive Directors present. One third of all Directors submit themselves for re-election each year at the Annual General Meeting ("AGM") of the Company.

The Board meets at least four times each year with additional meetings when circumstances and urgent business dictate. At each meeting, the Board reviews a schedule of reserved matters including trading performance, financial strength, strategy (including investment and acquisition opportunities), reports to shareholders and succession management.

The Directors have established three committees of its Board, namely the Audit, Risk & AIM Rules Compliance Committee, the Remuneration Committee and the Environmental, Social and Governance Committee (ESG Committee).

The Audit, Risk & AIM Rules Compliance Committee is chaired by Chris Sweetland and has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on, and reviewing reports from the Company's auditors relating to the Group's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit, Risk & AIM Rules Compliance Committee meets at least twice a year. Mark Smith is the other member of the Audit, Risk & AIM Rules Compliance Committee. Steve Winters, CFO, attends Audit, Risk & AIM Rules Compliance Committee meetings by invitation.

The Remuneration Committee is chaired by Rachel Neaman (since 1 April 2024, when she succeeded Isabel Kelly in the role), and reviews the performance of the Executive Directors and determines their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of Shareholders. The Remuneration Committee meets at least twice a year. Mark Smith is the other member of the Remuneration Committee.

The Remuneration Committee also considers Board policy in relation to the remuneration of the Chairman of the Board. Non-Executive Director remuneration is a matter for the Chairman and the executive members of the Board. No Director is involved in any decisions as to their own remuneration or benefits.

The Environmental, Social and Governance Committee (ESG Committee) is chaired by Isabel Kelly, and has the primary responsibility to assist Executive Management in setting the Company's general strategy with respect to ESG matters and to consider and recommend policies, practices, and disclosures that conform with the strategy.

The ESG Committee meets at least twice a year and currently comprises a number of leaders from within the business, including the CFO, Steve Winters.

Principle 6 – Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.

The Board members and their relevant experience and skills are detailed on pages 40 to 43. The Non-Executive Chairman believes that, as a whole, the Board has a suitable mix of skills and competencies covering all essential disciplines bringing a balanced perspective that is beneficial both strategically and operationally and is well-placed to enable the Company to deliver its strategy.

The Board is composed of seven members, including two executive directors and five Non-Executive directors. With the exception of Neal Gandhi, who is considered a Non-Independent director due to his previous role as CEO and significant ownership stake, all other non-executive directors are independent.

The Board meets the QCA requirement for a board to have at least two independent non-executive directors and be at least 50% independent. This is because there are four independent non-executive directors, which is more than the required minimum of two. The nature of the Company's business requires the Directors to keep their skillset up to date. Updates to the Board on regulatory matters are given by Company's professional advisers as and when appropriate.

In addition to the support provided by the Company's retained professional advisers (Nominated Adviser, lawyers and auditors), external consultants have been engaged to advise on a number of matters including the structure and quantum of incentives. External advisers attend Board meetings or committee meetings as and when invited by the Chairman to report and/or discuss specific matters relevant to the Company.

Principle 7 – Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

Board performance effectiveness process

The Chairman is responsible for the regular evaluation of the Board's performance and that of its committees and individual Directors.

The Board conducted a review of its effectiveness in June 2023, with the assistance of an independent third party. The review concluded the Board was effective. The Board seeks continuous improvement in its performance, which includes positive engagement with the leadership of the business units and mentoring a number of employees on a one-to-one basis.

CORPORATE GOVERNANCE REPORT continued

Succession planning and Board appointments

The remit of the Remuneration Committee includes the consideration of the appointment of new senior executive and non-executive directors, although the Board as a whole takes responsibility for succession planning. Board members all have appropriate notice periods so that if a Board member indicates his/her intention to step down, there would be sufficient time to appoint a replacement, whether internal or external.

The Company's Articles of Association require that one-third of the Directors must stand for re-election by shareholders annually in rotation and that any new Directors appointed by the Board during the relevant year must stand for election at the annual general meeting immediately following their appointment. The normal maximum term for Directors will be nine years. Any Directors who are not employed by the Company or holding executive office who have served on the Board for at least nine years will be subject to annual re-election.

Board appointments are made after consultation with advisers including the Nominated Adviser who undertakes due diligence on all new potential Board candidates.

Principle 8 – Promote a corporate culture that is based on ethical values and behaviours.

Our values are at the core of TPXimpact as they guide our behaviours and decision-making. Developing these values involved an extensive process of consultation, including consideration of feedback from Pulse surveys, team members, leadership and clients.

Through this process, we established our values framework known as PACT; Purpose, Accountability, Craft and Togetherness.

Purpose

The beating heart of our organisation—the impact we make on people, places, and the planet. Purpose is our driving force and at the core of our organisation.

Accountability

As we apply flexibility, pace and growth through our self-organisation, we are accountable to all of our stakeholders.

Craft

Craft highlights our dedication to bringing precision, problem-solving, and creativity to our work, both with our clients and internally.

Togetherness

Togetherness is 'how' we work - it captures the energy, fun, and user-centred approach that we embrace. It signifies the collaborative spirit we bring to our work, including people at every level and creating a sense of belonging to our teams.

By integrating our PACT values into everything we do, including performance narratives, policy updates, and procedures, we aim to infuse TPXimpact with a distinctive vision and set of values that shapes our behaviour, decision-making, and overall approach as an organisation.

Principle 9 – Maintain governance structures and processes that are fit for purpose and support good decision making by the Board.

The CEO, acting on behalf of the Board, holds ultimate responsibility for overseeing the day-to-day operations of the Company. The Board is accountable for monitoring performance in relation to the business's goals and objectives. Detailed information about the specific responsibilities, contributions, and skills of individual Board members can be found on pages 40 to 43.

To ensure effective governance and oversight, the Board has established three standing Committees: the Audit, Risk, & AIM Rules Compliance Committee, the Remuneration Committee, and the Environmental, Social, and Governance Committee (ESG Committee).

These Committees include representatives from both Non-Executive and Executive board positions. This governance structure enables a comprehensive and well-rounded approach to the decision-making process.

Principle 10 – Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Company maintains a consistent and open dialogue with key stakeholders, including shareholders, to ensure that interested parties can make well-informed decisions regarding the business and its performance. The Group's CEO and CFO meet regularly with current and potential investors, largely structured around the Group's preliminary and interim results announcements and regular trading updates.

You can find historical annual reports and notices of general meetings in the Financial Reports section of our Group's website.

The results of Annual General Meetings are disclosed by the Board and can be accessed in the Regulatory News section of our website.

For more detailed information about the Directors' engagement with stakeholders, please refer to Section 172 on pages 19 to 21.

ESG COMMITTEE REPORT

As of 31 March 2024, the Committee consisted of three independent Non-Executive Directors, the Chief Financial Officer (biographies are available on pages 40 to 43) and three members of the Senior Management Team.

Member	Member Since
Isabel Kelly	2020
Christopher Sweetland*	2020
Rachel Neaman*	2020
Bryony Wilde	2020
Luke Murphy	2020
Ching Chong	2021
Steve Winters	2022
Oliver Rigby*	2022
Mark Madden**	2024
Lizzie Insall**	2024

* *Christopher Sweetland and Rachel Neaman left the ESG Committee on 1 April 2024; Oliver Rigby left the ESG Committee on 28 September 2023*

** *Joined post year end*

Main responsibilities

The Committee's main responsibilities for the 2024 financial year (FY24) were as follows:

- Assisting Executive Management in setting the Company's general strategy concerning ESG matters and recommending policies, practices, and disclosures that align with the strategy.
- Overseeing the Company's reporting and disclosure of ESG matters in compliance with existing and future legislation set by the Financial Conduct Authority (FCA) and relevant standards on environmental, social impact, and diversity and inclusion (D&I) related legislation.
- Advising Executive Management in overseeing internal and external communications regarding the Company's position or approach to ESG matters.
- Identifying and bringing to the attention of Executive Management and the Board current and emerging ESG matters that may affect the business, operations, performance, or public image of the Company, and making recommendations on how the Company's policies, practices, and disclosures can adjust to or address these trends.
- Discussing and deciding on the procedure of assessing controversial clients and their adherence to the company's controversial clients framework, while making recommendations on how the Company should proceed.
- Providing advice to Executive Management on shareholder proposals and other significant stakeholder concerns related to ESG matters.
- Assessing and advising on the impact of the existing ESG strategy.

Sustainable Development in FY24

This year, TPXimpact has made significant strides in enhancing its sustainability efforts under the oversight and guidance of the ESG Committee. Key actions include formalising a commitment to all stakeholders through amended articles of association and achieving B Corp certification, underscoring our dedication to high social and environmental standards.

Further to this I am pleased that staff retention improved to 88%, from 84% last year. The median gender pay gap narrowed to 8% from 14%, with overall female representation at 51% and senior female representation at 40%. Minority ethnic representation increased to 22%, but the ethnicity pay gap widened to 15% from 8% due to fewer diverse senior leaders. Despite progress, recognised by the 2024 Small Cap Award for Diversity, Inclusivity, and Engagement, there is still work to be done.

TPXimpact remains committed to delivering impactful digital transformation, responsibly, at scale. We are building sustainable futures for our People, our Planet and our Communities.

The past few years have seen social and environmental concerns pushed up the corporate agenda, as organisations have increasingly woken up to their responsibilities beyond shareholder profit. We must now take our place alongside government and not-for-profits to help tackle some of society's biggest problems. TPXimpact was founded as an impact-driven business. We are proud of the work that we do to ensure that as the business grows, it does so responsibly, with the best interests of our People, Places and the Planet.

We have advanced our net zero targets, conducted a comprehensive double materiality assessment in line with the Corporate Sustainability Reporting Directive (CSRD) methodology, to prioritise critical ESG issues, and integrated Social Value commitments into client contracts, particularly within the public sector. Our initiatives have been guided by a set of non-financial KPIs, contributing to the United Nations Sustainable Development Goals, especially Goal 8: Decent Work and Economic Growth.

Additionally, we've made notable progress in diversity, equity, and inclusion (DEI). Our commitment to radical transparency and robust reporting has seen our FY24 reporting align with Global Reporting Initiative (GRI) Standards. Our double materiality assessment enabled us to identify the ten ESG impacts most material to all our stakeholders, which will shape our future direction, focusing on inclusive employment, employee wellbeing, client values alignment, energy usage and GHG emissions reduction, accessibility of services, data privacy and security, and climate change initiatives.

Skills and training have been prioritised through professional development programs and an in-house programme to support diverse young entrepreneurs. These actions reflect

ESG COMMITTEE REPORT continued

our commitment to sustainable practices and delivering value for all stakeholders.

Throughout the financial year, the Committee held four meetings.

Committee Membership Changes

In the second half of the year, the ESG Committee undertook an extensive internal recruitment process to bring fresh talent into its membership and so more deeply integrate ESG strategy into the day-to-day activities of the business. At the present time, the Committee comprises the Chair, Isabel Kelly, a non-executive director of the Company, and a number of representatives from executive leadership including the Purpose Director and Chief Financial Officer.

ESG reporting

We currently provide a full sustainability report annually as part of our annual report, and release some sustainability updates as part of our half year results. A quarterly carbon report is shared with our ESG committee.

The Committee reviewed and evaluated the appropriateness of the annual ESG report with management, specifically focusing on the following aspects:

- Clarity of disclosures and compliance with the GRI, TCFD, GHG protocol, WEF Disclosure pillars, the UN's Sustainable Development Goals (SDGs), Streamlined Energy and Carbon Reporting (SECR), and relevant financial and governance legislation.

Highlights:

  - We are reporting in accordance with GRI standards for the first time this year, having referenced GRI in last year's reporting.
  - We have reported on Scope 3 Waste and Water for the first time this year.
  - We measure our annual emissions using the GHG protocol. This was important to how we re-benchmarked our emissions due to divestments at a scale of more than 5% revenue. This is explained in our Planet report.

- Fairness of methodologies used for data collection and aggregation, along with reasonable proxies and assumptions for benchmarking.
- Questioning management at both Group and business unit levels to gain further insight into the issues addressed in the reports.
- Key ESG reporting sections and outputs are located on pages 22 to 32 with further detailed information located in our separate Sustainability Report.

To hold ourselves to a higher standard, we have voluntarily submitted to and drawn upon further standards:

- Certification for the IS14001 Standard for Environmental Management
- B-Corp Certification, due for renewal in 2027
- Using SBTI to inform our reporting targets, where appropriate

Towards ESG reporting excellence in the longer term, in the coming year we are working on:

- A TCFD Scenario Plan
- Making CDP submissions with a view to future certification

The role of the board

The Chief Executive Officer along with the TPXimpact Board have the highest level of responsibility on all ESG matters. The role of the Board is to maintain close oversight of the ESG programme, ensuring the long-term sustainable success of the business.

The ESG Committee assists the Board in incorporating ESG considerations in business strategy and decision-making.

The ESG Committee receives a detailed update on TPXimpact's sustainability strategy and climate-related goals at least twice a year, from members of the Executive Committee and the Purpose Director. The update from the Committee and any associated recommendations are then put forward to the Board for consideration.

The ESG Committee also informs the working of other Board Committees with ESG considerations that may be relevant to remuneration or audit/risk matters.

Management responsibility

The CEO leads the Executive Committee. The Purpose Director is a member of the Extended Leadership Team (ELT) and is responsible for creating a sustainability strategy for the business. Individual ELT members including Jen Bryne (MD of Digital Transformation), Rebecca Hull (MD of manifesto) and Grant Harris (MD of KITS), are responsible for leading on the delivery of environmental and social programmes relevant to their areas of responsibility. Given our commitment to a purpose-driven approach, the Executive Committee and ELT understand their responsibility to fully and proactively engage with efforts to continually improve our impact.

The Executive Committee and ELT receive bi-monthly updates on ESG matters, including progress against the annual ESG targets.

At the operational level, the day-to-day management of ESG initiatives is managed by the members of the Impact team and business unit leaders. Both these groups include several

Governance of ESG Matters at TPXimpact

Board of Directors Chaired by Mark Smith		
Audit, Risk & AIM Rules Compliance Committee Chaired by Chris Sweetland	**Remuneration Committee** Chaired by Rachel Neaman	**ESG Committee** Chaired by Isabel Kelly
Key Responsibilities: • The integrity of external ESG reporting and KPIs • Risk management including TCFD	Key Responsibilities: • Aligning both Executive and group compensation with ESG goals • Ensuring clarity of ESG metrics and KPIs within compensation targets	Key Responsibilities: • Drive board focus on ESG • Provide oversight, guidance and scrutiny of the ESG strategy and its delivery
Executive Committee Chaired By Björn Conway		
Extended Leadership Team Chaired By Björn Conway Includes the Purpose Director, who is responsible for creating the sustainability strategy for the business		

members of the Senior Leadership team, which ensures senior-level ownership and oversight of implementation plans and streamlines communication to the wider Executive Committee and the Board.

Ownership and accountability

ESG considerations are embedded across the business, ensuring there is clear oversight and accountability at each level – at the Board level, at the Executive level and at the operational delivery level.

Isabel Kelly
Chair of the Environmental, Social and Governance Committee

29 August 2024

TCFD REPORT

Task Force on Climate-Related Financial Disclosures

We applied the recommendations of the Task Force on Climate-Related Financial Disclosures and requirements under the UK Climate-Related Financial Disclosure (CFD) regulations to identify climate-related risks and opportunities that could impact our business. Our core objective in implementing these recommendations is to reduce our business's exposure to climate-related risks and enable us to capitalise on the associated opportunities. To develop our disclosure report, we followed the established TCFD recommendations across the four thematic areas: governance, strategy, risk management, and metrics and targets. We have assessed that we fully comply with the mandatory CFD requirements.

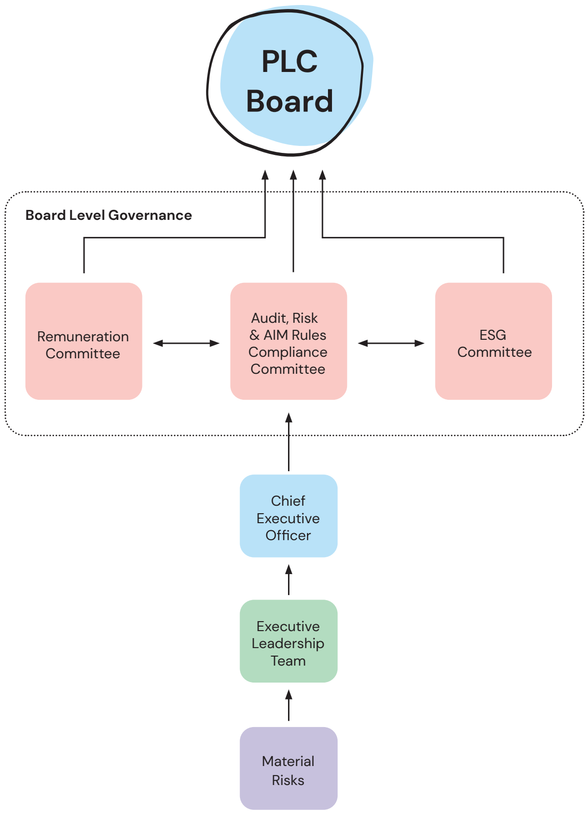
Governance

Board's oversight

The Board and its committees play a vital role in overseeing climate-related matters, ensuring a high level of ambition in our plans. We have a robust governance and risk framework in place that enables us to identify and assess all risks, including climate-related risks and opportunities, with clear accountabilities. Our Chief Executive Officer holds overall responsibility for integrating climate-related issues into our strategy, ensuring their seamless integration throughout the organisation. Additionally, we have established an ESG Committee dedicated to driving our environmental, social, and governance initiatives, providing further oversight and expertise in these areas. Together, we are committed to proactively addressing climate-related challenges and maximising the opportunities that arise from a sustainable approach to business.

Our governance framework identifies and reviews climate-related risks and opportunities, with clear accountability. The Chief Executive Officer has overall responsibility, and our diagram shows how accountability is delegated. This structure ensures effective management of climate-related matters and promotes sustainable outcomes.

The full details of our ESG Governance Structure can be found in the ESG Committee's Report on pages 49 to 51 of this Annual Report.



Strategy

This year we made a step forward in our Planet strategy by developing a TCFD scenario plan.

To further understand the impact that climate change could have on the business, we performed a high level assessment of the impact of 1.5°C (aligned with the aspirations of the Paris Agreement), 3°C and 4°C global warming scenarios. The scenarios are constructed on the basis that average global temperatures will have increased by 1.5°C, 2°C and 4°C in the year 2100 above pre-industrial levels.

Between today and 2100 there will be gradual changes towards these endpoints and we have looked at the impact on our business in 2034 assuming we have the same business activities as we do today.

Models applied

We have used Shared Socioeconomic Pathways (SSPs) from the Intergovernmental Panel on Climate Change's (IPCC) sixth assessment report to model our scenarios. They present five different 'storylines' for the future of humanity. They set the stage for five versions of the future (2100) in order to model social and economic factors.

In particular, the scenarios we have used to consider the impact on the business are:

SSP1-1.9, a low emissions scenario where emissions decline to net zero around 2050.

SSP3-7 a medium emissions scenario where emissions remain around current levels until 2050.

SSP5-8.5 a high emissions scenario where emissions roughly double from current levels by 2050.

Climate change impacts are to be placed in the context of vulnerabilities and the possibilities for adapting and mitigating climate change.

Scenarios

These scenarios are based on the Medium-term time horizon between 2024 and 2034 assuming we have the same business activities as we do today.

High transition risks ⟷ **High physical risks**

Scenario Settings	Very low (1.5 °C)	High (3°C)	Very High (4 °C)
World View	An increasingly sustainable world. Global commons are being preserved, the limits of nature are being respected. The focus is more on human well-being than on economic growth. Income inequalities between states and within states are being reduced. Consumption is oriented towards minimising material resource and energy usage.	A revival of nationalism and regional conflicts pushes global issues into the background. Policies increasingly focus on questions of national and regional security. Investments in education and technological development are decreasing. Inequality is rising. Some regions suffer drastic environmental damage.	Global markets are increasingly integrated, leading to innovations and technological progress. The social and economic development, however, is based on an intensified exploitation of fossil fuel resources with a high percentage of coal and an energy-intensive lifestyle worldwide. The world economy is growing and local environmental problems such as air pollution are being tackled successfully.
Reference Scenario	IPCC AR6 SSP1-1.9	IPCC AR6 SSP3-7	IPCC AR6 SSP5-8.5
Features	• Lowest population growth • High GDP growth • Equitable development • High urbanisation • Lowest CO2 emissions • Lowest mean temperatures, 1.4°C	• Highest population growth • Lowest growth in GDP • High inequality • Low urbanisation • Medium growth in emissions • Medium mean temperature, 3.6°C	• Low population growth • High GDP growth • Equitable development • High urbanisation • Highest CO2 emissions • Highest mean temperature, 4.4°C

TCFD REPORT continued

Our exposure to risk and our resilience

Transition Risk and Resilience

Shifts in policy or regulation, technological developments, shifts in consumer or employee sentiment

- Low direct GHG emissions where policy may incur additional costs (reporting requirements, carbon taxes) however we have a medium/ high reliance on energy intensive resources in supply chain in the form of data centres
- Strong reputation for investment in ESG which offsets risk of sentiment changing to favour more responsible business
- Medium exposure to technological developments, this could be an opportunity for TPXimpact

Physical Risks and Resilience

Business disruptions due to acute events or chronic environmental shifts such as water scarcity, ocean acidification, rising sea levels etc.

- Few fixed assets in operations which limit the risk of physical climate related damage
- Professional services require low resource intensity in operations meaning that we have little exposure to resource scarcity
- Operations are currently based in the UK and not in climate sensitive regions
- Low reliance in the value chain on the availability of water

This table is based on the Medium-term time horizon between 2024 and 2034 assuming we have the same business activities as we do today.

				Financial Impact			
	Scenario Driver	Type		1.5 °C	3 °C	4 °C	Business response
Risk	Increase in energy costs due to carbon pricing	Transition	Policy	High	Medium	Low	Reduce GHG emissions
Risk	Inadequate climate change efforts and disclosure	Transition	Policy	High	Medium	Medium	Investment in carbon reporting and adherence to our net zero targets
Risk	Worsening of working conditions due to extremely high temperatures, lower employee productivity and increased rate of absence due to increasing incidence of diseases caused by climate change	Physical	Chronic	Low	Medium	High	Policy in place for heatwaves and remote working capabilities allowing us to manage pandemics and limit spread of disease
Risk	Weather damage (heat/ flood/ hurricane) causing outage of data centres	Physical	Acute	Low	Medium	High	Diversification of servers
Opportunity	Increased awareness of sustainability amongst consumers may give preference to companies investing in ESG	Transition	Market	Medium	Medium	Low	Maintain B Corp certification and promote ESG focus and performance
Opportunity	Increased demand for support to transition to low carbon infrastructure	Transition	Products & Services	High	Low	Low	Position the business as able to support clients with green transition

Risk Management

The impact of climate risk is integrated with our overall approach to risk management. Full details of this can be viewed on pages 36 to 39 of this Annual Report.

a) Risk identification

- Climate risks have been identified through our scenario planning and material issue assessment and provided to our central operations team to include in the Group's business-wide risk register.

b) Risk management

- As with any risk facing our business, Planet risks are managed in accordance with TPXimpact's risk management framework. Following identification, planet risks are:
  - i. Recorded;
  - ii. assessed to evaluate likelihood, impact and an appropriate response (terminate, tolerate or treat); and
  - iii. then monitored to ensure that treatment plans are implemented.

c) Connection with wider risk management process

- Planet risks are integrated and managed within the same group-wide risk framework as operational risks. The framework sets out a systematic cycle of identification, assessment, treatment and monitoring.

Metrics and Targets

The organisation uses various climate-related metrics to measure performance in this area:

Metrics	FY24 performance	FY23 performance
Absolute emissions data to keep track of our total impact on the planet. You can read more about our emissions in our Sustainability Report	1,292 tCO2e	1,266 tCO2e
Internal carbon pricing (£) *to determine how much capital we invest in the removal and avoidance of carbon emissions to repay our debt to the planet according to our annual activities.*	£59	£40
Percentage of revenue from climate related projects (%) *allows us to understand how much meaningful work we are delivering as a business to help fight the climate emergency and shows how we use our reputation as a climate conscious business to attract new opportunities.*	1.8%	3.5%
Revenue exposed to transition risks. *Measuring the percentage of our revenue coming from clients who are potential climate conflicts allows us to understand how much of our work is exposed to transition risks.*	1.1%	2%

Emissions disclosure

- Since FY20 we have published a full carbon footprint disclosure annually within our Annual Report. We have progressed from using a third party consultancy to hiring an in-house analyst and we are constantly improving our methodology to more accurately estimate our emissions.
- We report on scope 1, 2 and 3 emissions and aim to declare as much data as is materially relevant to our operations. Internally we report on carbon emissions quarterly so that we can use the data to promptly drive business decisions and make larger impacts more immediately.

Targets

We set reduction targets in FY22 using the Science Based Targets Initiative's methodology to limit global warming to 1.5 degrees. From an FY22 baseline we aim to:

- Scope 1: Reduce absolute scope 1 emissions by 42% by 2030 and by 90% by 2050.
- Scope 2: Use 100% renewable electricity across our offices by 2030.
- Scope 3: Reduce the economic intensity of our scope 3 emissions by 52% by 2030 and by 97% by 2050.

What's next

We will continue to raise awareness of, and make plans to address, the carbon impact of our office portfolios:

- Reviewing options to reduce the carbon footprint of our Canterbury office.
- The biggest contribution to Scope 2 emissions in Q4 was from the Hickman office. Now we have reached our Net Zero Target of using 100% renewable energy we have put next steps in place in our EOY plan to continue to decrease our emissions in Scope 2 going forward.
- We will review how we can mobilise our workforce within our offices to reduce our carbon footprint and increase recycling, through various employee engagement exercises.

To improve our Planet data and awareness we will:

- Improve data collection on our business travel emissions by using data from Trainline and Uber corporate accounts;
- Improve data collection methods around accommodation, towards a reduction in our Scope 3 emissions.

To act upon our carbon removal commitment we will:

- Invest the carbon removal budget associated with our FY24 carbon emissions, in carbon removal initiatives selected by our Planet ERG.

As part of exercising good governance for our Planet strategy we will:

- Continue to ensure climate risks are integrated into our governance;
- Apply our commercial and procurement policy, including continuing to review our practices around Scope 3 emissions by analysing our supply chain, and taking appropriate action where possible.

REMUNERATION COMMITTEE REPORT

During the 2024 financial year (FY24), the Remuneration Committee ("the Committee") comprised Isabel Kelly (Chair) and Mark Smith. Katie Sloggett (Chief People Officer) is an adviser to the Committee. The Committee also invited relevant specialists and Executive Directors, including Björn Conway (CEO) and Steve Winters (CFO), to the Committee's meetings as and when appropriate. With effect from 1 April 2024 Rachel Neaman replaced Isabel Kelly as Chair of the Committee.

Main responsibilities

The Remuneration Committee determines, on behalf of the Board, the Group's policy for executive remuneration and the individual remuneration packages for the Executive Directors and senior employees (defined as anyone reporting to an Executive Director). The objective is that pay policy enables attraction, retention and motivation of the required quality of employee, with due regard to benchmarking, shareholder and stakeholder views.

Operating Policy

The Committee's Terms of Reference were last updated in the year ended 31 March 2023 and its Operating Policy includes the following duties:

- Consider and recommend the remuneration for Executive Directors and senior employees ("the executive").
- When setting remuneration policy for the Executive have regard to pay and employment conditions across the company.
- Approve the appointment and contractual terms of all Executive Directors.
- Review and oversee any major changes in the company's employee benefits structure.
- Review and approve expenses incurred by the Executive Directors.

Scope of Responsibilities

The scope of the Remuneration Committee's responsibilities includes:

- Executive Directors (comprising the CEO and CFO)
- Anyone in the Group earning a salary of £150,000 or more
- Anyone being hired into the Group where salary exceeds £150,000 (or total remuneration package exceeds £190,000)
- Any new hire being offered a cash or share incentive on joining of over £20,000
- Any expenses or severance terms in relation to Executive Directors
- Any new, or materially different, bonus or incentive schemes
- Any non-budgeted salary increases greater than 25% or £25,000

The Remuneration Committee will make decisions based on recommendations made by the Executive Directors about salary increases for those included in the above scope, except that Executive Director(s) should not propose their own increases. For these individuals, the Committee will initiate its own recommendations based on market-based benchmarking.

The Company's intention is to offer salaries based on benchmarking against businesses which conduct similar activities in comparable sectors and markets to the Company. The Remuneration Committee will maintain a Company-wide overview of employee pay, notice periods & benefits, to ensure executive salaries are within an acceptable range compared to Company employees. The Remuneration Committee will ask for support for benchmarking from both internal and external experts as appropriate.

New bonus or incentive schemes, or material changes to existing bonus or incentive schemes, will be approved by the Committee in advance of implementation.

Summary of activities in FY24

During the year, the Remuneration Committee considered the appropriateness of incentive schemes for senior leadership (including the executive directors of the Company) and, in particular, the scope for introducing wider incentive schemes that might drive further revenue growth and margin expansion, as well as encourage retention of key individuals. The Committee engaged specialist external advisers (Deloitte) to provide insight and advice in relation to the structure, terms and market-based best practice of potential incentive schemes. One outcome of these discussions was a recommendation to adopt an FY25 STIP share award plan for a targeted group of employees, which the Committee intends to adopt.

The Committee also considered a number of topics during the year which included: the market benchmarking of executive roles, where the Committee engaged external specialists (Mercer) to support this assessment, reviewing management's approach to proposed employee salary increases for FY25, the financial and ESG performance of certain pension providers, the appropriateness of notice periods for certain leadership roles, and the assessment of performance criteria for the FY24 STIP share awards applicable to the CEO and CFO.

Remuneration of Executive Directors

The remuneration packages for the executive directors are summarised below. In its assessment of an appropriate level of remuneration, the Committee has considered the skills, knowledge and experience necessary to perform these roles at a suitably accomplished level, as well as external benchmarking of both the amount and mix (fixed and variable components) of remuneration. The Board members and their relevant experience and skills are detailed on pages 40 to 43.

Chief Executive Officer – Björn Conway

Notice period – twelve months on either side (extended from six months notice with effect from May 2024)

Base salary – following the outcome of a benchmarking exercise completed by the Remuneration Committee in 2023, base salary was increased from £275,000 to £340,000 pa with effect from 1 April 2023. Salary is reviewed from time to time as the Remuneration Committee determines, with no obligation to increase.

Short-term incentive plan (STIP)

FY23
The Remuneration Committee assessed the performance of the CEO against a number of performance objectives (disclosed in the FY23 Annual Report). The outcome of this assessment was a maximum award of 100% of salary pro rata for the period from date of appointment to 31 March 2023. The FY23 STIP award was therefore determined as £137,500, which was granted in the form of nominal cost share options, 67% of which became exercisable on 1 April 2024 (and were exercised on 5 April 2024) and 33% will become exercisable on 1 April 2025, provided the CEO continues to be employed by the Group at that date. Although the CEO had the right to receive this STIP award immediately in cash, he elected to receive it in the form of nominal cost share options, with a deferred vesting over the following two years.

FY24
The Remuneration Committee assessed the performance of the CEO against a number of performance objectives in relation to FY24, including: revenue and Adjusted EBITDA growth targets against budget, improved commercial performance (eg. staff utilisation rates and new business targets), establishment of (and compliance with) new banking covenants, and employee engagement scores exceeding those in FY23. The outcome of this assessment was a maximum award of 100% of salary. The FY24 STIP award was therefore determined as £340,000, which was granted in the form of nominal cost share options (rather than cash, at the election of the CEO) on 5 August 2024 and exercised on 6 August 2024.

Long-term incentive Plan (LTIP)

FY23 LTIP
The CEO participates in the Company's FY23 LTIP and was granted a maximum of 300,000 nominal cost share options in the Company with an exercise price of 1p per share and a vest date of 30 November 2025, subject to continued employment with the Company and a number of performance criteria and conditions as described further below.

FY24 LTIP
The CEO also participates in the FY24 LTIP and has been granted post year end a maximum of 874,036 nominal cost share options in the Company with an exercise price of 1p per share and a vest date of 1 November 2026, subject to continued employment with the Company and a number of performance criteria and conditions as described further below.

Other benefits – private medical insurance cover and pension (paid in the form of supplementary salary equivalent to 5% (on a post-tax basis) of base salary), plus annual leave, sick pay and life insurance arrangements.

Chief Financial Officer – Steve Winters

Notice period – six months on either side. In May 2024, the CFO notified the Board of his intention to retire from the Company with effect from 31 December 2024.

Base salary – The CFO's base salary was increased from £250,000 pa to £262,500 (a 5% increase) with effect from 1 October 2023. No future raises will be provided to the current CFO due to his announced intention to retire on 31 December 2024.

Short-term incentive plan (STIP) – Performance objectives for FY24 were in line with those of the CEO and, following an assessment of performance against those objectives, the Remuneration Committee has awarded the CFO a STIP award of £65,625, being 25% of base salary, which was granted in the form of nominal cost share options on 5 August 2024 and exercised on 6 August 2024.

Long-term incentive plan (LTIP) – participation in the Company's FY23 LTIP, with a grant of 200,000 nominal cost share options, vesting 30 November 2025, subject to the performance criteria and conditions described further below. Following the announcement of his intention to retire from the Company with effect from 31 December 2024, the Remuneration Committee has deemed the CFO to be a "Good Leaver" under the terms of the Company's share plan rules. Consequently, the CFO's

REMUNERATION COMMITTEE REPORT continued

entitlement to the FY23 LTIP award is expected to become exercisable as anticipated in November 2025 (subject to the relevant performance conditions), except that the number of share options awarded will be prorated in line with the proportion of time served to the length of the vesting period to 30 November 2025.

Retention share award – 150,000 stock options granted on 14 February 2023, with an exercise price of 1p per share and vesting in equal proportions on 31 October 2023 and 31 October 2024, subject to continued employment at the respective vest dates. The first tranche of this award vested as anticipated in October 2023 and was exercised in full by the CFO at that time. The remaining tranche is expected to become exercisable on 31 October 2024 as anticipated, given the CFO's status as a "Good Leaver".

Other benefits – private medical insurance cover and pension (with an employer contribution equivalent to 5% of base salary), plus annual leave, sick pay and life insurance arrangements.

Long-term incentive plans

FY23 LTIP scheme

On 14 February 2023, the Remuneration Committee approved the implementation of an LTIP for the Executive Directors and certain key members of the senior leadership team, focused on aligning performance measurement with the interests of all stakeholders. The number of share options that will vest is dependent on a number of performance criteria, including continued employment with the Company. Exercise price is 1p per share and vest date will be 30 November 2025.

The LTIP performance measurement criteria were originally set based on a combination of TSR, EPS and ESG objectives, weighted 50%, 35% and 15% respectively. During FY24, the Remuneration Committee reviewed these performance criteria and concluded the EPS target should be replaced by further weighting to TSR in view of the base year for EPS performance measurement being FY22, in which year the Company achieved an adjusted diluted EPS of 11.3p. While the three-year plan adopted by the Board in FY23 is demanding and calls for substantial profit and margin growth over the three years, it is nevertheless unlikely that Adjusted diluted EPS will reach a level comparable with that of FY22, which was an exceptional year. As a result, the EPS target was deemed to be an unrealistic goal which would not motivate key management, whilst TSR is believed to be a more appropriate indicator of progress against FY22.

The following table sets out the performance measurement criteria, targets and weighting of each category of performance for the FY23 LTIP, which is now focused on two measurement criteria: TSR and ESG targets.

Performance category	Weighting	Measurement criteria	Performance period
Total shareholder return (TSR) benchmarked against the AIM AllShare Index	85%	• 0% vesting below median performance; • 25% vesting for performance in line with median; • 100% vesting for upper quartile performance or greater; • Straight-line vesting between these points	1 October 2022 to 30 September 2025
ESG goals	15%	• Achieve and maintain B-Corp Certification over the performance period; • Achieve and maintain median Employee wellbeing & satisfaction scores >7.5 over the performance period; • Halve at least 75% of the Representation, Pay and Inclusion 2021 Gaps; • Each of these ESG goals equates to 1/3 of the overall 15% weighting	1 October 2022 to 30 September 2025

FY24 LTIP

In August 2024, the Remuneration Committee approved the adoption of the FY24 LTIP in which the CEO will participate. The terms of the plan are intended to align the interests of participants with the Company's stakeholders over the performance period.

Other than continued employment during the vesting period, the performance criteria are as follows:

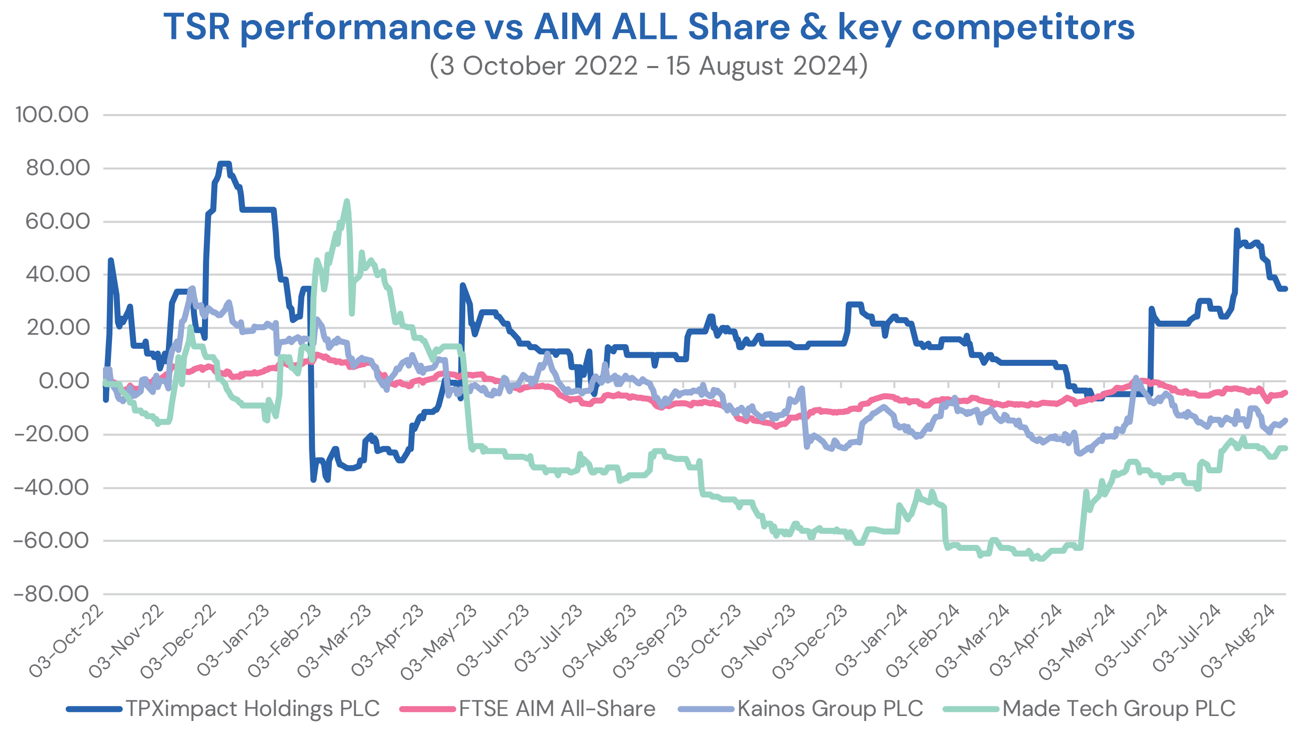
Performance category	Weighting	Measurement criteria	Performance period
Total shareholder return (TSR) benchmarked against the AIM AllShare Index	50%	• 0% vesting below median performance; • 25% vesting for performance in line with median; • 100% vesting for upper quartile performance or greater; • Straight-line vesting between these points	1 April 2023 to 31 March 2026
ESG goals	15% A = 5% B = 5% C = 5%	• Achieve and maintain median Employee wellbeing & satisfaction scores >7.5 over the performance period; • Halve at least 85% of the Representation, Pay and Inclusion 2021 gaps; • Achieve an average annual 10% reduction in carbon intensity per £1m of revenue over the performance period; • Each of these ESG goals equates to 1/3 of the overall 15% weighting	Three financial years to 31 March 2026, with y/e 31 March 2023 as the base year
Growth in EPS (CAGR)	35%	• 3 Year EPS CAGR (where "EPS" is defined as Adjusted Diluted EPS); • 0% vesting below 10%; • 25% vesting for 10% growth; • 50% vesting for 15% growth; • 100% vesting for 25% growth; • Straight-line vesting between these points	Three financial years to 31 March 2026, with y/e 31 March 2023 as the base year

The Remuneration Committee continues to have discretion to amend these terms to ensure that any performance targets remain appropriate.

REMUNERATION COMMITTEE REPORT continued

TSR performance

The following graph shows the status (at 15 August 2024) of the Company's TSR performance against the AIM All-Share Index since 3 October 2022, the first trading day after the commencement date of the FY23 LTIP. The Company is currently ranked within the second quartile based on this key performance indicator. However, future performance (and ultimate LTIP payout) is dependent upon TSR performance of both the Company and the AIM All-Share Index over the remainder of the performance period.



Remuneration of Non-Executive Directors

The fees paid to the Non-Executive Directors are determined by the Remuneration Committee. Following a review in FY24, these fees are currently set as follows:

Non-Executive Chairman - £50,000

Non-Executive Director base fee - £35,000

Additional fee for chairing a Committee of the Board - £5,000

Non-Executive directors are not entitled to receive any bonus or other benefits* but did receive unapproved share options at the time of their appointment. Neal Gandhi also retains the share options granted in his prior role as CEO.

Non-Executive Directors are subject to three months notice on either side.

* *with the exception of Neal Gandhi who (since 1 October 2023) has subscribed to receive private medical insurance cover as a voluntary benefit, whereby he substitutes a monthly salary deduction equivalent to the monthly insurance premium. Prior to that date, he received private medical insurance as a contractual benefit.*

Directors' remuneration

Details of individual Directors' emoluments for the year (excluding employer's National Insurance contributions) are shown in the following table.

	Salary/ fee £'000	Pension £'000	Share options* £'000	Other benefits £'000	2024 total £'000	2023 total £'000
Non-Executive						
Mark Smith	50	–	–	–	50	50
Neal Gandhi	32	–	–	5	37	21
Isabel Kelly	38	–	–	–	38	35
Rachel Neaman	35	–	–	–	35	35
Christopher Sweetland	38	–	–	–	38	35
Executive						
Björn Conway (CEO)	371	–	–	6	377	152
Steve Winters (CFO)	256	13	29	6	304	133
Neal Gandhi**	–	–	–	–	–	430
Oliver Rigby**	–	–	–	–	–	294
Total	**820**	**13**	**29**	**17**	**879**	**1,185**

*Share options are based on awards which were exercised during the year.
**Neal Gandhi and Oliver Rigby resigned as executive directors on 30 September 2022.

Directors' interests in shares

The interests of the Directors in the Ordinary Shares of the Company at 31 March 2024 were as follows:

Name of Director	31-Mar 2024 Number	31-Mar 2023 Number
Mark Smith	122,000	122,000
Neal Gandhi	6,046,644	9,396,644
Isabel Kelly	2,325	2,325
Rachel Neaman	14,585	14,585
Christopher Sweetland	110,000	110,000
Steve Winters	714,906	500,000
Total	**7,010,460**	**10,145,554**

REMUNERATION COMMITTEE REPORT continued

Directors' interests in share options

The directors have been granted options over the shares of the Company as follows:

	31-Mar-23	Granted in FY24	Exercised in FY24	31-Mar-24	Granted in FY25*	Exercised in FY25*	Award type	Exercise price	Date when exercisable
Mark Smith	33,834	–	–	33,834	–	–	Unapproved scheme	74p	31/03/21
Mark Smith	33,834	–	–	33,834	–	–	Unapproved scheme	74p	31/03/22
Mark Smith	33,836	–	–	33,836	–	–	Unapproved scheme	74p	31/03/23
Neal Gandhi	135,338	–	–	135,338	–	–	EMI scheme	74p	31/03/21
Neal Gandhi	135,338	–	–	135,338	–	–	EMI scheme	74p	31/03/22
Neal Gandhi	135,340	–	–	135,340	–	–	EMI scheme	74p	31/03/23
Isabel Kelly	20,300	–	–	20,300	–	–	Unapproved scheme	74p	31/03/21
Isabel Kelly	20,300	–	–	20,300	–	–	Unapproved scheme	74p	31/03/22
Isabel Kelly	20,302	–	–	20,302	–	–	Unapproved scheme	74p	31/03/23
Christopher Sweetland	20,300	–	–	20,300	–	–	Unapproved scheme	74p	31/03/21
Christopher Sweetland	20,300	–	–	20,300	–	–	Unapproved scheme	74p	31/03/22
Christopher Sweetland	20,302	–	–	20,302	–	–	Unapproved scheme	74p	31/03/23
Björn Conway	300,000	–	–	300,000	–	–	LTIP scheme	1p	30/11/25
Björn Conway	–	294,000	–	294,000	–	(294,000)	2023 STIP	1p	1/04/24
Björn Conway	–	147,000	–	147,000	–	–	2023 STIP	1p	1/04/25
Björn Conway	–	–	–	–	765,766	(765,766)	2024 STIP	1p	6/08/24
Björn Conway	–	–	–	–	874,036	–	LTIP scheme	1p	1/11/26
Steve Winters	200,000	–	–	200,000	–	–	LTIP scheme	1p	30/11/25
Steve Winters	75,000	–	(75,000)	–	–	–	2023 "Special" Share Award	1p	31/10/23
Steve Winters	75,000	–	–	75,000	–	–	2023 "Special" Share Award	1p	31/10/24
Steve Winters	–	–	–	–	147,804	(147,804)	2024 STIP	1p	6/08/24

* *As at 15 August 2024.*

Rachel Neaman
Chair of the Remuneration Committee

29 August 2024

AUDIT, RISK AND AIM RULES COMPLIANCE COMMITTEE REPORT

During the year The Audit, Risk and AIM Rules Compliance Committee ("the Committee") comprised Christopher Sweetland and Mark Smith. Both members are independent Non-Executive Directors and details of their skills, experience and qualifications are set out on pages 40 to 43. The Chief Financial Officer and the Group Financial Director attend the meetings. The Committee also invites relevant specialists and the external auditors to the Committee's agenda as and when appropriate.

Main responsibilities

The terms of reference for the Committee are based on the Guidance on Audit Committees issued by the Financial Reporting Council. The main responsibilities of the Committee are summarised below:

- Review the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance
- Review the Group's internal controls established to identify, assess, manage and monitor risks, and receive reports from management on the effectiveness of the systems it has established, and the conclusions of any testing performed by the internal finance department and the external auditor
- Make recommendations to the Board in relation to the appointment of the external auditor and approve the remuneration and terms of engagement of the external auditor
- Assess the independence, objectivity and effectiveness of the external auditor and develop and implement policy on the engagement of the external auditor to supply non-audit services
- Review the integrity of the statement in the Annual Report on being fair, balanced and understandable, as required under the Companies Act 2006

Summary of activities in 2024

In 2024, the Committee's core work programme focused on risk management (including the Group's internal control framework and insurance arrangements) and a number of significant accounting judgements where the Committee believed the highest level of judgement was required and with the highest potential impact on the Group's financial statements. The Committee also reviewed management's forecasts of cash flows and liquidity as part of the Group's engagement with its lenders over financing requirements in the first half of the year. There were six meetings held in the year from 1 April 2023 to 31 March 2024.

Risk management

The Committee reviewed management's approach to risk management and appropriate mitigations and internal controls. The Committee assessed the Risk Registers prepared by business units and the judgement management had applied in prioritising key risks, with which the Committee concurred. The Risk Management section on pages 36 to 39 summarises the outcome of this process.

Financial reporting

The Committee reviewed and evaluated the appropriateness of the interim and annual financial statements (including the announcements thereof to the London Stock Exchange) with both management and the external auditor, including the following:

a) At the Board's request, whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy

b) The clarity of disclosures and compliance with financial reporting standards and relevant financial and governance requirements

c) Discussing the critical accounting policies and use of assumptions and estimates, as noted on pages 87 to 94 of this Annual Report and Financial Statements, and concluding that the estimates, judgements and assumptions used were reasonable based on the information available and had been used appropriately in applying the Group's accounting policies

d) Reviewing the going concern and viability of the Group over the longer term as part of its assessment of risks to the Group

The Committee is able to, and did question management at both Group and business unit levels to gain further insight into the issues addressed in these reports. The key significant financial reporting and other accounting judgements are set out below and further explained on pages 92 to 94 under the section critical accounting judgements and key sources of estimation uncertainty.

Significant accounting judgements

- **Revenue recognition**
  The Committee from time to time discusses revenue recognition policies within the Group and whether they are aligned to IFRS 15. This includes assessing any new significant contracts.

- **Carrying value of goodwill and other intangibles**
  The judgement largely relates to the assumptions underlying the value in use of the cash-generating units, primarily in relation to projected growth in revenues and profit margins, as well as the macroeconomic assumptions (such as discount rates) underpinning the valuation process. The Committee received reports from management outlining the impairment model and the assumptions used.

AUDIT, RISK AND AIM RULES COMPLIANCE COMMITTEE REPORT continued

- **Carrying value of investments**
  The judgement largely relates to the assumptions underlying the value of investments held by the Group and parent company. The Committee received reports from management indicating their assessment of the carrying value and potential impairment of investments including consideration of triggering events, the calculation of value in use and discount rates and sensitivity analysis.
- **Going concern**
  In order to satisfy itself that the Group has adequate resources to continue in operation for the foreseeable future and that there are no material uncertainties that could lead to significant doubt as to the Group's ability to continue as a going concern, the Committee considered the Group's budgets and forecasts, cash position (both existing and projected), bank facilities and covenants.

External auditor independence and effectiveness

The Committee carries out a formal review each year, to assess the independence and effectiveness of the external auditor, CLA Evelyn Partners Limited. The Committee has satisfied itself as to CLA Evelyn Partners Limited independence. The Committee were also informed of the appointment of a new lead audit partner in respect of the 2024 audit. There was prompt engagement with the new audit partner following the appointment.

Christopher Sweetland

Christopher Sweetland
Chair of the Audit, Risk and AIM Rules and Compliance Committee

29 August 2024

DIRECTORS' REPORT

The Directors present their Annual Report on the affairs of the Business, together with the Financial Statements and Auditor's report, for the year ended 31 March 2024.

Principal activities

The principal activity of the Group is the provision of digital transformation services to clients within the Public, Private and Third sectors.

Further information can be found in the Strategic Report on pages 2 to 32.

General information

TPXimpact Holdings plc is a public limited company listed on the AIM market of the London Stock Exchange on 4 December 2018 and is incorporated and domiciled in the UK. The Company's registered number is 10533096.

The Articles of Association for TPXimpact were amended on 30 September 2022 to ensure we consider the interests of all stakeholders, not just shareholders, when making important decisions - to align ourselves with achieving B Corp Certification, which was subsequently achieved in January 2024. The Articles can be accessed on the website at www.tpximpact.com/investor-relations/.

An updated version of our major shareholders table is available on our website.

Corporate governance

The statement on corporate governance on pages 65 to 66 is included in the Directors' Report by way of reference.

Dividends

No Dividend has been declared for the year ended 31 March 2024 (FY23: 0.3 pence per share).

Strategic review

The information satisfying the strategic review requirements is set out in this report on pages 2 to 32.

Going concern

TPXimpact business activities, together with the factors likely to affect its future development, performance and position are set out on pages 2 to 32. The financial performance of the business, its revenues and profitability are described on pages 69 to 127. Details of the key risks and uncertainties that might impact the business, together with mitigating factors are presented on pages 36 to 39.

Having considered the Company's cash flows, liquidity position and borrowing facilities, and after reviewing the budgets and cash projections for the next twelve months and beyond, the Directors believe that the Company has adequate resources to continue operations for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the financial statements.

Directors

The current Board directors, together with biographical details are shown on pages 40 to 43.

During the year under review, the Non-Executive Directors, excluding Neal Gandhi (by virtue of his significant shareholding in the Company), were considered independent of management and free from any business or other relationships that could materially interfere with the exercise of their independent judgement.

Details of Directors' interests in the Company's shares, and remuneration are set out in the Directors' Remuneration Report on pages 56 to 62.

Post balance sheet events

Details of post-balance sheet events are given in note 29 to the financial statements.

Political donations

The Group has not made any political donations during the year (2023: £nil).

Energy and carbon reporting

We are committed to reducing any negative impact we have on the planet and have invested in expertise and technology to identify our greenhouse gas emissions and reduce our impact on the planet.

This is the fifth year we have reported our emissions formally in-line with the UK Government's Streamlined Energy and Carbon Reporting (SECR) requirement. More in depth data, analysis and commentary on our environmental impact are included in the ESG section of this annual report (pages 22 to 32), and our dedicated Sustainability Report which can be viewed on our website.

Metric	FY24	FY23
Annual global GHG emissions from activities for which the company is responsible, including combustion of fuel and operation of any facility, and the annual emissions from the purchase of electricity, heat, steam or cooling by the company for its own use.	**Scope 1:** 2.77 tCO_2e	**Scope 1:** 2.37 tCO_2e
	Scope 2: location-based: 22.48 tCO_2e	**Scope 2: location-based:** 14.47 tCO_2e
	Scope 2 market-based: 0 tCO_2e	**Scope 2 market-based:** 2.31 tCO_2e
	Scope 3: 1,266.8 tCO_2e	**Scope 3:** 1,250.1 tCO_2e
Underlying global energy use	**Total scope 1 gas consumption used within the organisation:** 54,437 MJ.	**Total scope 1 gas consumption used within the organisation:** 47,055 MJ.
	Total scope 2 electricity consumption used within the organisation (which is from 100% renewable sources): 390,816 MJ.	**Total scope 2 electricity consumption used within the organisation:** 251,639 MJ.

DIRECTORS' REPORT continued

Metric	FY24	FY23
At least one emissions intensity ratio	**Revenue carbon intensity:** 15.33 tCO_2e/£1m **Scope 1 & location based Scope 2:** 0.30 tCO_2e/£1m **Scope 1, 2 and owned 3 emissions:** 6.26 tCO_2e/£1m **Scope 1, 2 and 3 emissions:** 15.33 tCO_2e/£1m **FTE carbon intensity:** 2.45 tCO_2e/FTE	**Revenue carbon intensity:** 18.18 tCO_2e/£1m **Scope 1 & location based Scope 2:** 0.24 tCO_2e/£1m **Scope 1, 2 and owned 3 emissions:** 7.25 tCO_2e/£1m **Scope 1, 2 and 3 emissions:** 18.18 tCO_2e /£1m **FTE carbon intensity:** 2.76 tCO_2e/FTE
Narrative on energy efficiency measures	Our endeavours to use energy efficiently and to minimise GHG emissions and reduce our impact on the planet include: • Moving away from offices requiring gas • Working with landlords to move to renewable electricity tariffs • Reducing energy consumption in offices through the delivery of our energy management plans • Improving data around our supply chain to ensure that it is as lean and green as possible • Ensuring that our policies are promoting a reduction in energy consumption	
Details of methodology used	Emissions are calculated in line with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development. *Further information is available in the basis of reporting document can be viewed upon request.*	

Employee engagement

Details on the engagement with our people can be found in our Creating Value: People section, please see page 14.

Engagement with suppliers, partners and customers

Details on the engagement with our suppliers and partners can be found in section 172(2) on pages 19 to 21 and details regarding customers can be found in our case study section on pages 14 to 16.

Anti-corruption

There were no known incidents of corruption in the year.

Share capital

As at 31 March 2024, TPXimpact had 92,159,555 ordinary shares (£0.01) in issue, listed on AIM. These shares hold the right to vote at a general meeting.

The Company did not purchase any of its own shares in the year.

As at 31 March 2024, the Employee Benefit Trusts of the Group (EBT's) owned 1,065,079 ordinary shares.

Details of the number of share options held under the employee share schemes are shown in note 5.5 to the financial statements.

Shares to be issued

As at 31 March 2024, the Company had no outstanding obligations to issue shares.

Financial risk management and objectives

Details of financial risk management and objectives are contained in pages 36 to 39.

Awareness of relevant audit information

Each of the Directors who held office at the date of approval of this Directors' Report confirms that, so far as they are aware:

- there is no relevant audit information of which the Auditor is unaware; and
- the Directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Annual General Meeting

The Annual General Meeting will be held on 26 September 2024 - at 10:00 am at the offices of Stifel Nicolaus Europe Limited, 150 Cheapside, Fourth Floor, London, EC2V 6ET. Notice of the Annual General Meeting will be sent to shareholders on 30 August 2024.

Independent auditor

CLA Evelyn Partners Limited was appointed as auditor to the Group on 12 September 2018. There are no contractual obligations in place that restrict our choice of statutory auditor.

By order of the Board

Steve Winters
Company Secretary

29 August 2024

STATEMENT ON DIRECTORS' RESPONSIBILITY

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

Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards (IFRSs) and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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

(i) select suitable accounting policies and then apply them consistently;

(ii) make judgements and accounting estimates that are reasonable and prudent;

(iii) state whether applicable IFRSs accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

(iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions, disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

The Directors are responsible for ensuring that the Directors' Report and the Strategic Report, in addition to any other information included in the Annual Report and Financial Statements, is prepared in accordance with United Kingdom company law. They are also responsible for ensuring that the Annual Report & Financial Statements include information required by the AIM Rules.

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

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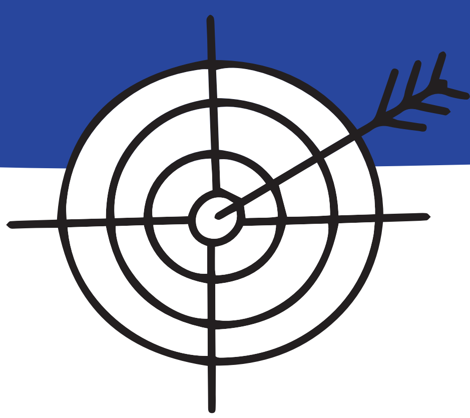
FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TPXIMPACT HOLDINGS PLC

Opinion

We have audited the financial statements of TPXimpact Holdings PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Income Statement, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our approach to the audit

Of the group's 21 reporting components, we subjected 9 to audits for group reporting purposes and 12 to specific audit procedures where the extent of our audit work was based on our assessment of the risk of material misstatement and of the materiality of that component. The latter were not individually significant enough to require an audit for group reporting purposes but were still material to the group.

The components within the scope of our work covered 98% of group revenue, 96% of group loss before tax, and 87% of group net assets.

For the remaining 12 components, we performed analysis at a group level to re-examine our assessment that there were no significant risks of material misstatement within these.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Description of risk	How the matter was addressed in the audit
Revenue – Group (See note 3)	The Group's activities include the provision of business IT Management, design, implementation, and support services. These services have multiple deliverables and can be a fixed or variable price. A number of contracts are expected to span the year end. Judgement will be involved in determining the levels of revenue to be recognised in line with IFRS 15 'Revenue recognition', particularly for contracts which span the year end.	As part of our procedures we: • Gained an understanding of the design and implementation of controls over revenue recognition which have been designed by the Group to prevent and detect fraud and errors in revenue recognition. • Reviewed terms of major customer contracts and assessed the accounting for each revenue stream for compliance with IFRS 15. • Performed tests of details on the different revenue streams starting tests from invoice and separately from contracts. • Performed cut off testing around the year-end to determine if revenue is recognised in the correct period. • Performed completeness testing to determine that all attributable revenue per timesheets has been recognised in the year. • Performed testing on post year end credit notes to determine whether an adjustment was required to year end revenue. • We assessed the adequacy of disclosures in the financial statements over this area in notes 2(d) and 2(n).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TPXIMPACT HOLDINGS PLC continued

Key audit matter	Description of risk	How the matter was addressed in the audit
Carrying value of goodwill – Group (See Notes 2(c), 2(n) and 9)	The Group has a significant carrying value of goodwill arising on the acquisition of businesses in prior years. An annual impairment review is required to assess the carrying value of goodwill for each cash generating unit (CGU). Management uses a discounted cash flow model and compares the resulting valuation to the carrying value of goodwill for each CGU to assess if any impairment is required. There are significant judgements and assumptions, such as revenue growth rates, EBITDA and discount rate, used by management in determining the valuation.	We reviewed management's assessment of impairment of goodwill. We challenged assumptions and assertions made by management in their assessment and considered whether the value in use (VIU) of the CGU to which goodwill has been allocated indicated that an impairment charge was required. As part of our audit procedures we: • Obtained the discounted cash flow models and the underlying valuations for each cash generating unit and checked the mathematical accuracy of these. Confirmed the basis of support for judgements and assumptions used by management through the procedures performed below. • Reviewed and challenged management's forecasts of future results which underpin how the VIU of the CGU to which goodwill has been allocated is calculated. • Compared historical forecasts against actual results and corroborated management's assertions that were reasonably practicable. • Used our internal valuations team to assess the valuation models and the appropriateness of the discount rates applied. • Considered the market capitalisation value of the group as at 31 March 2024. • Reviewed management's sensitivity analysis and additionally performed our own sensitivity analysis on key assumptions used in the calculations. • We assessed the adequacy of disclosures in the financial statements over this area in notes 2(c), 2(n) and Note 9.

Key audit matter	Description of risk	How the matter was addressed in the audit
Carrying value of investments in subsidiaries – Company (See Notes 2(f), 2(n) and 11)	The Company has significant balances relating to investments in subsidiaries. The carrying value of the investments in subsidiaries is also underpinned by the future operations and financial performance of the subsidiaries.	We reviewed management's assessment of impairment of the carrying value of investments in subsidiaries. As part of our audit procedures: • We challenged assumptions and assertions made by management in their assessment of the investment balances and considered whether the presence of impairment indicators resulted in the requirement for carrying out detailed impairment tests. • Reviewed the forecasted results of the subsidiaries and corroborated that management's assertions were reasonably practical. • Discussed with management the underlying future and planned activities of the subsidiaries. • Reviewed any third-party reports such as investor analysis • Obtained the discounted cash flow models and assessed the mathematical accuracy of each valuation. • Considered the market capitalisation value of the group as at 31 March 2024. • Reviewed management's sensitivity analysis and additionally performed our own sensitivity analysis on key assumptions used in the calculations. • We assessed the adequacy of disclosures in the financial statements over this area in notes 2(f), 2(n) and Note 11.

Emphasis of matter – Carrying values of group's goodwill, other intangible assets and carrying values of parent company's investments in subsidiaries

We draw attention to the disclosures made in notes 2(n)1, 2(n)2, 9, 10, and 11 of the financial statements regarding Key sources of estimation uncertainty, carrying value of goodwill and other intangible assets, and investments in subsidiaries.

The carrying value of goodwill and other intangible assets in respect of the Digital Experience CGU of £6,212,000 and investments in subsidiaries of £6,212,000 related to the Digital Experience CGU are dependent on future sales growth and improvement in EBITDA margins which may not be achieved. The underlying assumptions related to the forecasts are highly judgemental in nature and cannot be reasonably corroborated.

The ultimate outcome of these matters cannot presently be determined due to the inherent uncertainty of these assumptions, and the group and parent company financial statements do not reflect any additional provision that may be required if the group cannot achieve the forecast sales and EBITDA margins which may result in further impairments being realised. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TPXIMPACT HOLDINGS PLC continued

Our application of materiality

The materiality for the group financial statements as a whole ("group FS materiality") was set at £1,685,000. This has been determined with reference to the benchmark of the group's revenue, which we consider to be one of the principal considerations for members of the parent company in assessing the group's performance. Group FS materiality represents 2% of the group's revenue as presented on the face of the Consolidated Income Statement.

The materiality for the parent company financial statements as a whole ("parent FS materiality") was set at £1,095,250. This has been determined with reference to the benchmark of the parent company's gross assets as it exists only as a holding company for the group and carries on no trade in its own right. Parent FS materiality represents 1% of the parent company's gross assets as presented on the face of the parent company Statement of Financial Position.

Performance materiality for the group financial statements was set at £1,095,250, being 65% of group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds group FS materiality. We judged this level to be appropriate based on our understanding of the group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits.

Performance materiality for the parent company financial statements was set at £821,438, being 75% of parent FS materiality. It was set at 75% to reflect the number of areas of accounting estimates and judgments required within the financial statements. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds group FS materiality. We judged this level to be appropriate based on our understanding of the group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits.

Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

Challenging the assumptions used in the future cash projections prepared by management;

- Assessing the mathematical accuracy of the future cash projections provided by management;
- Challenging the assumptions used by management in their cash projections, corroborating their judgements to supporting documentation;
- Comparing cash projections with actuals in the year and post year-end, to consider management's forecasting ability;
- Considering the sensitivity of the assumptions and re-assessing headroom after sensitivity, including the sensitivity of not achieving revenue and EBITDA targets and the effect on cashflows over the next twelve months;
- Considering the group's funding position and reviewing the group's new funding arrangements; and
- Reviewing and challenging management's calculations suggesting the Group is able to comply with all loan facility covenants in the twelve months from approval of the financial statements.

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 67, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We obtained a general understanding of the legal and regulatory framework applicable to the group as well as the laws and regulations applicable and considered these throughout our testing. We obtained an understanding of the entity's policies and procedures by discussions with management. We also drew on our existing understanding of the group's industry and regulation.

We understand the group complies with requirements of these frameworks through:

- The Executive Directors updating operating procedures, manuals and internal controls as legal and regulatory requirements change.
- The Executive Directors' close involvement in the running of the business and internal reporting at Board meetings meaning that any litigation or claims would come to their attention directly.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TPXIMPACT HOLDINGS PLC continued

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the group's ability to conduct business; and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the group:

- The Companies Act 2006 and UK-adopted international accounting standards in respect of the preparation and presentation of the financial statements;
- British tax legislation; and
- AIM regulations and Market Abuse Regulations.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above;

- Made enquiries with management as to any legal or regulatory issues during the year:
- We have reviewed Board minutes for evidence of non-compliance; and
- We have obtained representation from management that they have disclosed to us all known instances of non-compliance or suspected non-compliance with laws and regulations.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals, revenue cut-off and overstatement of investments, intangible asset values and goodwill. This was communicated to the other members of the engagement team who were not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of revenue, carrying value of goodwill and carrying value of investments in subsidiaries as explained in the Key Audit Matters section; and
- Testing of manual journal entries, selected based on specific risk assessments applied based on the company's processes and controls surrounding manual journals.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

Carl Deane
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

Portwall Place
Portwall Lane
Bristol
BS1 6NA
29 August 2024

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2024

	Note	2024 £'000	Restated* 2023 £'000
Continuing operations			
Revenue	3	84,269	69,672
Cost of sales		(63,090)	(50,816)
Gross profit		21,179	18,856
Administrative expenses		(44,384)	(38,377)
Other income		404	492
Operating loss	4	(22,801)	(19,029)
Finance costs	4	(2,046)	(1,084)
Loss before taxation		(24,847)	(20,113)
Taxation	6	2,664	1,494
Loss for the year from continuing operations	27	(22,183)	(18,619)
Discontinued operations			
Profit after tax from discontinued operations	27	1,811	1,061
Loss for the year	27	(20,372)	(17,558)
Other comprehensive income for the year:			
Exchange differences on translation of foreign operations		(22)	20
Exchange adjustments recycled to the income statement on disposal of discontinued operations		94	–
Total comprehensive loss for the year		(20,300)	(17,538)
Earnings per share from continuing and discontinued operations	7		
Basic (p)		(22.5p)	(19.5p)
Fully diluted (p)		(22.5p)	(19.5p)
Earnings per share from continuing operations			
Basic (p)		(24.5p)	(20.6p)
Fully diluted (p)		(24.5p)	(20.6p)

* *2023 was restated due to discontinued activities and the results of those activities has been disclosed separately for the current and prior year consolidated income statement.*

The accompanying accounting policies and notes on pages 87 to 94 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Goodwill	9	40,167	59,486
Other intangible assets	10	14,173	23,458
Property, plant and equipment	12	220	473
Right of use assets	13	1,546	1,438
Other investments	11	2,188	2,188
Deferred tax assets	22	613	159
Total non-current assets		58,907	87,202
Current assets			
Trade and other receivables	14	11,449	17,812
Contract assets	18	3,214	2,999
Corporate tax asset		437	335
Cash and cash equivalents	15	8,934	6,772
Total current assets		24,034	27,918
Total assets		82,941	115,120
Current liabilities			
Trade and other payables	16	(7,762)	(8,943)
Other taxes and social security costs	19	(4,250)	(4,073)
Deferred and contingent consideration	20	–	(225)
Lease liabilities	13	(714)	(564)
Contract liabilities	18	(1,784)	(3,608)
Total current liabilities		(14,510)	(17,413)

	Note	2024 £'000	2023 £'000
Non-current liabilities			
Deferred tax liabilities	22	(3,537)	(5,796)
Borrowings	17	(16,050)	(24,317)
Lease liabilities	13	(1,009)	(909)
Total non-current liabilities		(20,596)	(31,022)
Total liabilities		(35,106)	(48,435)
Net assets		47,835	66,685
Equity			
Share capital	21	922	919
Own shares	21	(955)	(983)
Share premium	21	6,538	6,538
Merger reserve	21	50,449	73,474
Capital redemption reserve	21	15	15
Foreign exchange reserve	21	–	(72)
Retained earnings	21	(9,134)	(13,206)
Total equity		47,835	66,685

These financial statements were approved and authorised for issue by the Board of Directors on 29 August 2024. Signed on behalf of the Board of Directors by

Björn Conway
Director

Steve Winters
Director

The accompanying accounting policies and notes on pages 87 to 94 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2024

	Share capital £'000	Share premium £'000	Merger reserve £'000	Capital redemption reserve £'000	Own shares £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2023	919	6,538	73,474	15	(983)	(72)	(13,206)	66,685
Loss for the year	–	–	–	–	–	–	(20,372)	(20,372)
Transfer to retained earnings	–	–	(23,254)	–	–	–	23,254	–
Exchange differences on translation of foreign operations	–	–	–	–	–	(22)	–	(22)
Exchange adjustments recycled to the income statement on disposal of discontinued operations	–	–	–	–	–	94	–	94
Transactions with owners								
Shares issued	3	–	229	–	–	–	–	232
Own shares transferred from EBT	–	–	–	–	28	–	(28)	–
Share-based payments	–	–	–	–	–	–	1,218	1,218
Equity at 31 March 2024	**922**	**6,538**	**50,449**	**15**	**(955)**	**–**	**(9,134)**	**47,835**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Capital redemption reserve £'000	Own shares £'000	Foreign exchange reserve £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2022	874	6,449	78,705	15	(356)	(92)	1,089	(8,123)	78,561
Reclassification to retained earnings*	–	–	–	–	–	–	(1,089)	1,089	–
Loss for the year	–	–	–	–	–	–	–	(17,558)	(17,558)
Transfer to retained earnings	–	–	(12,147)	–	–	–	–	12,147	–
Exchange differences on translation of foreign operations	–	–	–	–	–	20	–	–	20
Transactions with owners									
Shares issued	45	89	6,916	–	(90)	–	–	–	6,960
Own shares transferred from EBT	–	–	–	–	11	–	–	(11)	–
Dividends paid	–	–	–	–	–	–	–	(815)	(815)
Share-based payments	–	–	–	–	–	–	–	65	65
Own shares purchased by EBT	–	–	–	–	(548)	–	–	–	(548)
Equity at 31 March 2023	**919**	**6,538**	**73,474**	**15**	**(983)**	**(72)**	**–**	**(13,206)**	**66,685**

* *In the year ended 31 March 2023, the share option reserve was reclassified to form part of retained earnings.*

The accompanying accounting policies and notes on pages 87 to 94 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2024

	Note	2024* £'000	2023* £'000
Cash flows from operating activities:			
Loss before taxation from total operations		(23,014)	(18,971)
Adjustments for:			
Depreciation	12, 13	931	706
Amortisation of intangible assets	10	7,681	6,347
Impairment of intangible assets	10	1,673	1,770
Impairment of goodwill	9	14,492	9,995
Impairment of goodwill and intangibles assets on classification as held for sale		1,848	–
Share-based payments		1,390	65
Foreign exchange losses/(gains)		38	(1)
Finance costs		2,057	1,105
Loss from fair value movement of contingent consideration	20	7	188
Loss on disposal of property, plant and equipment		16	6
Gain on sale of discontinued operations	27	(3,580)	(1,606)
Working capital adjustments:			
Decrease in trade and other receivables		4,111	1,271
Decrease in trade and other payables		(346)	(1,141)
Net cash generated from/(used in) operations		7,304	(266)
Tax received/(paid)		236	(1,522)
Net operating cash flows		7,540	(1,788)

CONSOLIDATED STATEMENT OF CASH FLOWS continued

for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Cash flows from investing activities:			
Net cash paid on acquisition of subsidiaries		–	(1,969)
Disposal of subsidiaries**	27	6,071	(127)
Purchase of property, plant and equipment	12	(37)	(340)
Additions to intangibles	10	(170)	(244)
Proceeds from sale of property, plant and equipment		12	–
Net cash generated from/(used in) investing activities		5,876	(2,680)
Cash flows from financing activities:			
New borrowings	26	–	6,300
Repayment of borrowings	26	(8,300)	–
Purchase of own shares		–	(548)
Payment of lease liabilities		(718)	(445)
Interest paid		(2,211)	(1,146)
Dividends paid		–	(815)
Net cash (used in)/generated from financing activities		(11,229)	3,346
Net increase/(decrease) in cash and cash equivalents		2,187	(1,122)
Cash and cash equivalents at beginning of the year		6,772	7,948
Effect of exchange rate fluctuations on cash held		(25)	(54)
Cash and cash equivalents at end of the year	15	8,934	6,772
Comprising:			
Cash at bank and in hand		8,882	6,717
Cash held by trust	15	52	55
Cash and cash equivalents at end of the year		8,934	6,772

* *The cash flows of discontinued operations are immaterial to the Consolidated Statement of Cash flows so have not been presented separately for the current or previous financial year.*

** *In the year ended 31 March 2024, disposals of subsidiaries comprises cash consideration received of £7.5 million less cash disposed of £1.4 million.*

The accompanying accounting policies and notes on pages 87 to 94 are an integral part of these Consolidated Financial Statements.

COMPANY STATEMENT OF FINANCIAL POSITION

at 31 March 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Investments	11	82,592	104,185
Deferred tax assets		–	118
Property, plant and equipment		–	2
Total non-current assets		82,592	104,305
Current assets			
Trade and other receivables	14	564	1,105
Amounts owed by Group undertakings		9,104	11,057
Cash and cash equivalents	15	8,586	3,318
Total current assets		18,254	15,480
Total assets		100,846	119,785
Current liabilities			
Trade and other payables	16	(1,004)	(1,621)
Other taxes and social security costs	19	(3,242)	(45)
Deferred and contingent consideration	20	–	(225)
Amounts owed to Group undertakings		(28,826)	(16,686)
Total current liabilities		(33,072)	(18,577)
Non-current liabilities			
Borrowings	17	(16,050)	(24,317)
Deferred tax liabilities		(17)	–
Total non-current liabilities		(16,067)	(24,317)
Total liabilities		(49,139)	(42,894)
Net assets		51,707	76,891

COMPANY STATEMENT OF FINANCIAL POSITION continued

at 31 March 2024

	Note	2024 £'000	2023 £'000
Equity			
Share capital	21	922	919
Own shares	21	(955)	(347)
Share premium	21	6,538	6,538
Merger reserve	21	32,514	59,746
Capital redemption reserve	21	15	15
Retained earnings		12,673	10,020
Total equity		51,707	76,891

TPXimpact Holdings plc has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the Company profit and loss account.

The Company's loss for the year ended 31 March 2024 was £(26.0)m (2023: £(28.1)m).

The financial statements were approved by the Board of Directors on 29 August 2024 and were signed on its behalf by:

Björn Conway
Director

Steve Winters
Director

The accompanying accounting policies and notes on pages 87 to 94 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2024

	Share capital £'000	Share premium £'000	Merger reserve £'000	Own shares £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2023	919	6,538	59,746	(347)	15	10,020	76,891
Loss and total comprehensive loss for the year	–	–	–	–	–	(25,987)	(25,987)
Transfer to retained earnings	–	–	(27,461)	–	–	27,461	–
Shares issued	3	–	229	–	–	–	232
Shares-based payments	–	–	–	–	–	1,218	1,218
Own shares transferred from EBT	–	–	–	11	–	(11)	–
Reclassification of EBT*	–	–	–	(619)	–	(28)	(647)
Equity at 31 March 2024	922	6,538	32,514	(955)	15	12,673	51,707

	Share capital £'000	Share premium £'000	Merger reserve £'000	Own shares £'000	Capital redemption reserve £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2022	874	6,449	78,705	(257)	15	1,089	11,865	98,740
Reclassification to retained earnings**	–	–	–	–	–	(1,089)	1,089	–
Loss and total comprehensive loss for the year	–	–	–	–	–	–	(28,059)	(28,059)
Transfer to retained earnings	–	–	(25,875)	–	–	–	25,875	–
Shares issued	45	89	6,916	(90)	–	–	–	6,960
Share-based payments	–	–	–	–	–	–	65	65
Dividends paid	–	–	–	–	–	–	(815)	(815)
Equity at 31 March 2023	919	6,538	59,746	(347)	15	–	10,020	76,891

* *During the year, the EBT was consolidated in the Company's balance sheet resulting in a reclassification between other debtors and own shares/retaining earnings within equity.*

** *In the year ended 31 March 2023, the share option reserve was reclassified to form part of retained earnings.*

The accompanying accounting policies and notes on pages 87 to 94 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

TPXimpact Holdings plc is a public limited company incorporated in England and Wales under the Companies Act 2006 with registered number 10533096. The Company's shares are publicly traded on the AIM as part of the London Stock Exchange.

The address of the registered office is 7 Savoy Court, London, England, WC2R 0EX. The principal activity of the Group is the provision of digitally native technology services to clients within the commercial, government and non-government organisation (NGO) sectors.

The following subsidiaries included in the consolidated financial statements of TPXimpact Holdings plc have taken advantage of the exemption from audit conferred by s479A of the Companies Act 2006:

- Manifesto Digital Limited (formerly TPXimpact Experience Limited) (Registered number 07885631)
- Foundry 4 Consulting Limited (Registered number 10686321)
- TPXimpact Global Group Limited (formerly Questers Global Group Limited) (Registered number 08116392)
- Deeson Group Holdings Limited (Registered number 11418077)
- Deeson Group Limited (Registered number 01073356)
- TPXimpact Limited (Registered number 06472420)
- Ameo Professional Services Limited (Registered number 09786677)
- Difrent Limited (Registered number 09227500)
- Keep IT Simple Limited (Registered number 10443621)
- Nudge Digital Limited (Registered number 05805455)
- RedCortex Limited (Registered number 10335104)
- TPXimpact Data Limited (Registered number 06704556)
- TPXimpact Scotland Limited (Registered number SC337356)

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance UK-adopted international accounting standards, with the Companies Act 2006 and the AIM rules for Companies. The measurement bases and principal accounting policies of the Group are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Group financial statements include the financial results of the subsidiaries listed in note 11 for the full year. All subsidiaries are incorporated in the UK unless otherwise stated.

The Company meets the definition of a qualifying entity under FRS 100 issued by the Financial Reporting Council. Accordingly, in the year ended 31 March 2024 the Company has changed its accounting framework to FRS 101 as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of a cash-flow statement and certain related party transactions.

Employee Benefit Trusts ('EBTs') are accounted for under IFRS 10 and are consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included on the consolidated and parent balance sheets and shares held by the EBT in the Company are presented as a deduction from equity in the consolidated and parent balance sheets. TPXimpact Holdings plc Employee Benefit Trust is consolidated in the group and parent financial statements.

1.2 Going concern

As detailed further in the Directors' report, after reviewing the budgets and cash projections for the next twelve months and beyond, the Directors believe that the Group and the Company have adequate resources to continue operations for the foreseeable future and for this reason they have adopted a going concern basis in preparing these financial statements.

In considering the business activities for the forthcoming 12 months, the directors have assessed the impact of principal risks and uncertainties through scenario modelling. This includes an assessment of the ongoing impact of inflation on our services, sector, customers and through looking at trends in the digital transformation sector.

In June 2023, management and HSBC agreed a reset of the Group's lending covenants based on minimum levels of liquidity at each month end and minimum Adjusted EBITDA levels at each quarter-end. The Group satisfied these revised covenants throughout the period from inception to the year end 31 March 2024. In June 2024, management and HSBC agreed to ease the covenants one quarter ahead of schedule. The covenants now comprise two measures to be assessed at each quarter end: (i) Net debt (excluding lease liabilities) to rolling twelve month Adjusted EBITDA of 2.5x or less; and (ii) rolling twelve month Adjusted EBITDA to net finance costs of at least 3.0x for the periods ending 30 September and 31 December 2024 and 3.5x for the year ending 31 March 2025 and thereafter.

After performing all the above assessments and through modelling scenarios, management are confident in the Group and Company's ability to meet the lending covenant tests and in the event of a potential breach, believe a waiver would be granted by the lenders.

New IFRS accounting standards adopted in the year

Developments adopted by the Group in 2024 with no material impact on the Group's financial statements

The following IFRS and endorsed standards and amendments, improvements and interpretations of published standards are effective for the current year and have been adopted with no material impact on the Group's financial statements:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes – Deferred Tax Related to Assets and Liabilities arising from a Single Transactions

Developments expected in future periods of which the impact on the Group's financial statements is still being assessed

There are new IFRS accounting standards and amendments to existing accounting standards effective for accounting periods beginning on or after 1 January 2024 but none of these are expected to have a material impact on the Group in the following financial period. These are as follows:

- Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 Presentaton of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

2. Principal accounting policies

a) Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 March 2024. A subsidiary is an entity controlled by the Company. Control is achieved where the Company has existing rights that give it the current ability to direct the activities that affect the Company's returns and exposure or rights to variable returns from the entity. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with using the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the Consolidated Statement of Financial Position at their fair values, which are also used as the cost bases for subsequent measurement in accordance with the Group accounting policies.

The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the profit or loss immediately.

Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts, to the extent that they exceed the settlement amounts, are generally recognised in the profit or loss. Any deferred contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of consideration payable over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

The Group disposed of its subsidiaries Questers Resourcing Limited and Questers Bulgaria EOOD ("Questers") on 18 September 2023 and also disposed of its equity interests in TPXimpact Norway AS on 13 October 2023. In prior year, the Group disposed of its subsidiary Greenshoot Labs Limited ('GSL') on 24 May 2022. The operations of Questers, TPXimpact Norway and GSL are therefore presented as discontinued operations. Note 27 sets out the details and impact of discontinued operations.

b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker as required by IFRS 8 "Operating Segments". The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The accounting policies of the reportable segments are consistent with the accounting policies of the Group as a whole. Segment adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation, impairments, share-based payments, fair value of contingent consideration and restructuring costs. This is the measure of profit that is reported to the Board of Directors for the purpose of resource allocation and the assessment of segment performance.

There were 5 segments in the current year for continuing operations compared to 7 in the prior year, reflecting the disposal of both Questers and TPXimpact Norway. Where numbers for each segment have been disclosed for the current year, the prior year comparatives have been restated to reflect the continuing operations.

The Group is organised into, and managed through, the following operating segments, which are based on service and supported by central functions:

- Consulting
- Digital Experience
- Data & Insights
- RedCortex
- Keep IT Simple (KITS)

With effect from 1 April 2024, the Consulting, Data & Insights and RedCortex operating segments were combined into a new operating segment, Digital Transformation. The Digital Experience segment was also re-branded as manifesto effective from the same date.

The Group will therefore have three operating segments in the year ending 31 March 2025: Digital Transformation, manifesto and Keep IT Simple.

c) Goodwill and impairment

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired, and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

Goodwill is carried at cost less accumulated impairment losses. Impairment review is carried out annually. If there is an impairment, the cost is reduced by the accumulated impairment amount.

Impairment reviews are tested at cash generating unit ("CGU") level. Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination.

Impairment reviews are carried out using multi-year cash flow projections from the approved budgets of the Group. These are discounted using a weighted average cost of capital ("WACC") specific to each CGU. The internal rate of return for each CGU reflects the time value of money and the nature and risks of the CGU. Cash flows are estimated over a maximum of five years and a terminal value.

An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses are credited to the carrying amount of the relevant goodwill.

d) Revenue and revenue recognition

Revenue consists of the value of work delivered to clients during the year exclusive of VAT and is recognised as performance obligations are met in accordance with the terms of the contract which are primarily on a time and materials basis. Revenue is wholly attributable to the principal activities of the Group. The Group adopts IFRS 15 principles in recognising the revenue. Revenue recognised in excess of invoices raised is included within contract asset. Where amounts have been invoiced in excess of revenue recognised, the excess is included within contract liability.

The majority of the services are provided on a time and material basis where clients are billed monthly for the time spent on a project which corresponds directly with the value to the customer of the entity's performance completed to date and accordingly revenue is recognised at the amount billed. For fixed-price contracts where criteria to recognise performance obligations over time have been met, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined by actual labour hours and cost incurred relative to the total expected labour hours and cost. The use of labour hours and costs is a faithful depiction of the transfer of services as it directly relates to the effort required to satisfy the performance obligation. Only inputs relating directly to the performance in transferring the services are included when measuring progress to date. Due to changing circumstances, extent of progress and completion may be revised which may affect revenue and costs. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The majority of the contracts are one single performance obligation. However, some contracts include multiple deliverables. In most cases, the deliverable is separately identifiable from other promises in the contract; therefore, it is accounted for as a separate performance obligation. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

Standard terms of payment within 30 days are typically adopted. There is therefore no financing component.

Revenue is recognised when the Group satisfies the performance obligations, the timing of which is set out in note 3.2. For the majority, contracts are for performance obligations that are satisfied over time. However, there are some contracts which contain performance obligations that are only satisfied at a point in time. The revenue for these contracts is recognised when the performance obligation has been satisfied, for project development work this occurs when the customer accepts the final output.

A small number of contracts have variable consideration associated with it, whereby a bonus is paid if certain cost savings are made by the client. These are recognised using the 'most likely amount method' once it has been identified that a significant reversal in the amount of cumulative revenue will not occur.

e) Other intangible assets

In accordance with IFRS 3 "Business Combinations", an intangible asset acquired in a business combination is recognised at fair value at the acquisition date. A fair value calculation is carried out based on evaluating the net recurring income stream from each type of intangible asset. Intangibles are initially recognised at fair value, and are subsequently carried at this fair value, less accumulated amortisation and impairment. The following items were identified as part of the acquisitions of entities by the Group and were still owned at 31 March 2024:

- Brand amortised over 2 – 5 years;
- Customer lists amortised over 3 – 6 years; and
- Software over 2 – 5 years.

The identification and valuation of intangible assets affect the calculation of goodwill recognised in respect of an acquisition and as such represent a key source of estimation uncertainty.

f) Investment in subsidiaries and impairment

The investment in the Company's subsidiaries is recorded at cost less provisions for impairment. Carrying values are reviewed for impairment annually to determine if there is any indication that any of the investments might be impaired. The Company uses forecast cash flow information and estimates of future growth to assess whether investments are impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

If the results of operations in a future period are adverse to the estimates used for impairment testing, an impairment may be triggered at that point.

g) Taxation

Current tax is the tax currently payable based on taxable profit for the year. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Income Statement, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

h) Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group or Company becomes a party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets as follows:

Amortised cost

These assets arise principally from the provision of services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at the transaction price that is directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables and contract assets are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables and contract assets is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administration expenses in the Consolidated Income Statement. On confirmation that the trade receivable and contract assets will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for loans between the Company and its subsidiaries are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group and Company are classified in accordance with the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group and Company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated and Company Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Fair value on contingent consideration

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised through profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

i) Employee benefits

Share-based payments – equity-settled

All share-based payment arrangements are recognised in the financial statements. All goods and services received in exchange for the grant of any share-based remuneration are measured at their fair values. Fair values of employee services are indirectly determined by reference to the fair value of the share-based payments awarded.

Their value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

The fair value for the share-based payment is determined by the market price on grant date or the application of an option pricing model, depending upon the characteristics of the scheme concerned.

All share-based remuneration is ultimately recognised as an expense in the Consolidated Income Statement with a corresponding credit to retained earnings. If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share-based payments expected to vest. Estimates are subsequently revised if there is any indication that the number of share-based payments expected to vest differs from previous estimates.

Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share-based payments ultimately exercised are different to that estimated on vesting.

Upon exercise of share-based payments, the proceeds received, net of attributable transaction costs, are credited to share capital and share premium.

j) Pensions

Contributions to defined contribution schemes are charged to the Consolidated Income Statement as they accrue in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Consolidated Statement of Financial Position.

k) Presentation of results

In some instances, Alternative Performance Measures (APMs) such as adjusted EBITDA (refer to Financial Review on pages 6 to 9) are used by the Group to provide 'adjusted' results. This is because Management are of the view that these APMs provide a more appropriate basis on which to analyse business performance and is consistent with the way that financial performance is measured by Management and reported to the Board.

Adjusted EBITDA is a non-IFRS measure, defined as the Group's operating profit before expensing depreciation of tangible fixed assets, amortisation, acquisitions and restructuring costs, impairment, gain or loss on fair value movement contingent consideration and share-based payments.

There are further APMs discussed within the Annual Report. See note 28 for further details.

l) Leases

Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for annual lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful economic lives

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

of the right-of- use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liabilities comprise the following:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonable certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising for a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right- of-use asset, or is recorded in the profit and loss If the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low value assets including IT equipment. Assets with a value less than £5,000 are considered low value. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

m) Other investments

The Group has elected to designate certain equity investments as fair value through other comprehensive income.

n) Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, management is required to make estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgement at the date of these financial statements, will not necessarily equal the subsequent actual amounts. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below.

Critical judgements:

1. Revenue recognition

The main judgements are:

- Deciding what are the performance obligations in a contract
- Deciding whether the contract should be measured over time or at a point in time
- The cost to complete contracts to determine the percentage completion

Under IFRS 15, measurement and recognition of revenue requires the Group to make judgements and estimates. In particular, there are a number of contracts within the business which may require contract interpretation to determine the appropriate accounting such as whether promised goods and services specified in an arrangement are distinct performance obligations and based on the contract terms, and whether the performance obligation should be recognised at a point in time or over time (refer to note 3.2).

2. Cash generating units (CGUs)

IFRS 3 Business combinations requires management to assess the Cash Generating Unit (CGU) as part of the purchase price allocation process. The Board uses their judgement in deciding the number of CGU per entity acquired during the year. CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

There were 5 CGUs in the year for continuing operations compared to 7 in the prior year, reflecting the disposal of both Questers and TPXimpact Norway. Management's view is that the CGU structure better aligns with the entities' operations mainly as it relates to its revenue-generating activities and how the entities are managed and reported internally for decision making purposes.

The cash generating units in the year were as follows:

- Consulting – including Foundry4, Human Plus, Arthurly, TPXimpact, Ameo, and Difrent
- Digital Experience (DX) – including manifesto (formerly TPXimpact Experience), Deeson and Nudge
- Data & Insights – including TPXimpact Data (formerly Peak Indicators), TPXimpact Scotland (formerly Swirrl IT)
- RedCortex
- Keep IT Simple

Where numbers for each CGU have been disclosed for the current year, prior year comparatives have been restated to reflect the continuing operations.

With effect from 1 April 2024, the Consulting, Data & Insights and RedCortex business units were combined into a new business unit, Digital Transformation. The Digital Experience business unit was also re-branded as manifesto effective from the same date.

The Group will therefore have three CGUs in the year ending 31 March 2025: Digital Transformation, manifesto and Keep IT Simple.

3. Intangible assets from acquisition

Acquiring a business entity would include purchasing its intangible assets even when there are no intangible assets on its Statement of Financial Position. The board uses judgement in identifying the types of intangible assets as a result of a business combination. During the year the board identified several intangible assets such as customer lists, brands, client databases and software. Details of intangible assets identified on acquisitions are in note 10.

Key source of estimation uncertainty:

1. Impairment of goodwill and other intangibles (Group)

Goodwill and other intangibles are subject to an annual impairment review. The key estimate for the carrying value of CGU is the cash flows associated with the CGU and the WACC. Each of the CGU held by the Group is measured regularly to ensure that they generate sufficient positive cash flows to justify no impairment.

The Group performs an impairment review of CGUs on at least an annual basis. This requires an estimation of the 'value in use' of the cash-generating units to which the intangible value is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Where there is indication of impairment, the goodwill and other intangibles are impaired by a charge to the Consolidated Income Statement. The key areas of uncertainty are projected growth in revenues and EBITDA. Management perform sensitivity analysis to ascertain the level of growth rate that may indicate an impairment. Further explanation is included in note 9 – Goodwill and impairment.

2. Impairment of investment in subsidiaries (Company)

An assessment of impairment of investments is performed if there is an indicator of impairment. The key estimate for the carrying value of the investment is the cash flows associated with the investment and the WACC. Each investment is reviewed regularly to ensure that they generate positive discounted cash flows.

The same principles used in the assessment of impairment of goodwill are used for estimating the 'value in use' of the cash flows of the investment. Where there is an indication of impairment, the investment is impaired by a charge to the company income statement. The key area of uncertainty is the projected revenue growth. On an annual basis, management perform sensitivity analysis to ascertain the level of growth rate that may indicate an impairment of the investment.

3. Fair value of other investments (Group and Company)

The fair value of other investments has been estimated on the basis of information from external sources using the most appropriate valuation technique.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

4. Impairment of inter-group balances (Company)

An assessment of the recoverability of intercompany balances is performed by reviewing the future cash flows of the subsidiary. Where there is an indication of impairment, a provision for doubtful debt is recorded by a charge to the Company income statement.

o) Non-current assets held for sale and discontinued operations

Under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, where certain conditions are met, an asset or disposal group that is for sale is recognised as "held for sale". The Group has classified a disposal group as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. Such assets are measured at the lower of carrying amount and fair value less costs to sell, and are not depreciated or amortised, excluding certain assets that are carried at fair value under IFRS 5.

3. Segment reporting

The Group has identified its operating segments based on the internal reports reviewed and used by the Chief Operating Decision Maker (CODM), being the Board of Directors, in assessing the Group's performance and in determining the allocation of resources.

The Board has concluded that it monitors the Group's performance and makes business decisions around investments, resource allocation and acquisitions based on the Group's services. These services are noted below and consist of 5 reportable segments (7 in the previous financial year including Questers and TPXimpact Norway, which were discontinued in the year). Comparatives have been restated to present continuing operations.

- Consulting
- Digital experience
- Data and Insights
- KITS
- RedCortex

The Board of Directors primarily uses a measure of revenue and adjusted EBITDA which is taken as earnings before interest, tax, depreciation, amortisation, costs directly attributable to business combinations, restructuring and transformation costs, impairments of goodwill and intangible assets, share-based payments and fair value movement in contingent consideration to assess the performance of the operating segments. Information about segment revenue is disclosed in the tables below.

3.1.1 Revenue

i) Revenue by service

Included in revenues arising from Consulting services are revenues of £21.2m (2023: £4.8m) which arose from the Group's largest customer and represents approximately 25% of the Group's total revenue.

Segment	2024 £'000	Restated* 2023 £'000
Consulting	60,552	34,915
Digital Experience	11,577	13,935
Data and Insights	7,811	7,772
KITS	8,034	10,887
RedCortex	4,404	7,038
Intersegment eliminations	(8,109)	(4,875)
Total revenue	84,269	69,672

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

ii) Revenue by geography

	2024 £'000	Restated* 2023 £'000
UK	83,612	67,424
Switzerland	494	1,523
Germany	–	137
United States	–	247
Malaysia	67	98
Other	96	243
Total revenue	84,269	69,672

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

3.1.2 Adjusted EBITDA by segment

	2024 £'000	Restated* 2023 £'000
Consulting	9,577	4,178
Digital Experience	1,335	1,484
Data and Insights	1,908	1,695
KITS	1,872	2,413
RedCortex	(1,906)	797
Central services	(8,157)	(8,263)
Total adjusted EBITDA	4,629	2,304
Finance costs	(2,046)	(1,084)
Depreciation and amortisation	(8,446)	(6,526)
Restructuring and transformation costs	(1,387)	(2,541)
Costs directly attributable to business combinations	–	(229)
Loss from fair value movement of contingent consideration	(7)	(188)
Goodwill and intangible asset impairment	(16,165)	(11,765)
Share-based payments**	(1,425)	(84)
Loss before tax from continuing operations	(24,847)	(20,113)

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

** *Includes social security costs.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

3.2 Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time and at a point in time in the following service line:

Year ended 31 March 2024	Consulting £'000	Digital Experience £'000	Data and Insights £'000	KITS £'000	RedCortex £'000	Other & Eliminations* £'000	Total £'000
External revenue	60,134	10,869	4,245	5,840	3,181	–	84,269
Inter-segment revenue	418	708	3,566	2,194	1,223	(8,109)	–
Total revenue	60,552	11,577	7,811	8,034	4,404	(8,109)	84,269
Recognised over time	60,552	11,577	7,811	8,034	4,404	(8,109)	84,269
Total revenue	60,552	11,577	7,811	8,034	4,404	(8,109)	84,269

Year ended 31 March 2023	Consulting £'000	Digital Experience £'000	Data and Insights £'000	KITS £'000	RedCortex £'000	Other & Eliminations* £'000	Restated** Total £'000
External revenue	33,539	13,513	6,932	9,202	6,486	–	69,672
Inter-segment revenue	1,376	422	840	1,685	552	(4,875)	–
Total revenue	34,915	13,935	7,772	10,887	7,038	(4,875)	69,672
Recognised at a point in time	–	–	186	–	–	–	186
Recognised over time	34,915	13,935	7,586	10,887	7,038	(4,875)	69,486
Total revenue	34,915	13,935	7,772	10,887	7,038	(4,875)	69,672

* *Inter-segment revenues are eliminated on consolidation and reflected in the adjustments and eliminations column.*

** *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

3.3 Non-current assets by geography

	2024 £'000	2023 £'000
United Kingdom	58,294	81,257
Norway	–	1,861
Bulgaria	–	3,925
Total non-current assets*	58,294	87,043

* *Non-current assets excluding deferred tax.*

4. Operating loss

	2024 £'000	Restated 2023* £'000
Operating loss is stated after charging/(crediting):		
Depreciation of property, plant & equipment	191	214
Depreciation of right-of-use assets	598	157
Amortisation of intangible assets	7,657	6,155
Impairment of intangible assets (note 10)	1,673	1,770
Impairment of goodwill (note 9)	14,492	9,995
Employee costs	40,273	32,935
Costs directly attributable to business combinations	–	229
Restructuring and transformation costs**	1,387	2,541
Loss on disposal of fixed assets	16	6
Loss from fair value movement of contingent consideration (note 20)	7	188
Share-based payments (note 5.5)	1,254	84
Short-term leases (note 13)	518	713
Net foreign exchange losses/(gains)	38	(1)

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

** *Restructuring and transformation costs incurred in both current and prior year relate to rationalisation of the Group's property portfolio, systems transformation initiatives, and restructuring of personnel and aggregation of activities to a divisional structure.*

4.1 Auditors remuneration

	2024 £'000	2023 £'000
Fees payable to the Company's auditors and its associates for the audit of parent company and consolidated financial statements	320	346
Fees payable to Company's auditors and its associates for the audit of Company's subsidiaries	–	23
Fees payable to Company's auditors and its associates for other services:		
Audit-related assurance services	12	9
Totals	332	378

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

4.2 Finance costs

	2024 £'000	Restated 2023* £'000
Interest payable on bank loan and overdrafts	1,916	1,058
Interest and finance charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	130	26
Finance costs	2,046	1,084

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

5. Employee costs

5.1 Directors and employees

The average number of staff employed by the Group during the financial year is 662 (2023: 735) for total operations.

5.2 Employee remuneration

Employee remuneration for total operations is as follows:

	2024 £'000	2023 £'000
Wages and salaries	38,706	38,572
Pension contributions	1,525	1,514
Share-based payments	1,218	65
Social security costs	4,472	4,054
Other benefits	328	216
Total	46,249	44,421

Directors' remuneration is disclosed in the Remuneration Committee Report on pages 56 to 62 of this Annual Report.

5.3 Key management personnel headcount

	2024	2023
Number of key management personnel for the Group	11	12

The Group's key management personnel comprises the Board as well as the Group's Senior Leadership Team.

5.4 Key management emoluments

The total emoluments for the Group's management key personnel for the year:

	2024 £'000	2023 £'000
Wages and salaries	1,717	1,326
Pension contributions	54	51
Share-based payments	556	88
Social security costs	235	169
Other payments	–	490
Other benefits	21	10
Total	2,583	2,134

Further details of compensation for the Board are disclosed in the Remuneration Committee Report on pages 56 to 62.

5.5 Share-based payments

The Group has the following equity-settled share plans:

Enterprise Management Incentive Scheme 'EMI'

Share options granted to employees as determined by key management personnel and the Remuneration Committee at IPO of the company. No further EMI options can be granted by the Group. The options cannot be exercised within two years unless specific criteria are met and have a maximum life of 10 years. Exercise of the options will be settled by the issue of shares and there are no cash alternatives. Options ordinarily are forfeited if the employee leaves the Group before the options vest.

Company Share Option Plan 'CSOP'

Share options granted to employees as determined by key management personnel and the Remuneration Committee. The CSOP permits the Company to grant CSOP options which have tax advantages pursuant to the provisions of Schedule 4 to the Income Tax (Earnings & Pensions) Act 2003 ("Schedule 4"). The options cannot be exercised within one year unless specific criteria are met and have a maximum life of 10 years. Exercise of the options will be settled by the issue of shares and there are no cash alternatives. Options ordinarily are forfeited if the employee leaves the Group before the options vest.

Unapproved Share Option Plan 'Unapproved scheme'

Unapproved share options are typically granted to employees based outside of the UK as determined by key management personnel and the Remuneration Committee. The options cannot be exercised within two years unless specific criteria are met and have a maximum life of 10 years. Exercise of the options will be settled by the issue of shares and there are no cash alternatives. Options ordinarily are forfeited if the employee leaves the Group before the options vest.

UK Share Incentive Plan (SIP)

Under the Share Incentive Plan all eligible UK employees are able to purchase ordinary shares 'Partnership shares' through tax-efficient salary sacrifice. Each Partnership share offers a free matching award of ordinary shares ('Matching Shares') on a one-to-one basis. The shares are held in trust by Cytec Solutions Corporate Trustees who also administer the scheme. A minimum period of three years is imposed before the employee can withdraw.

LTIP

LTIP awards are retention awards granted to key executives of the Group. Awards vest three years after grant, provided the participant is still employed within the Group.

Executive LTIP

Executive LTIP awards are granted to the most senior executives of the Group (including the executive directors). The performance period is three years with the vest date in the November following the end of the performance period (e.g. for the LTIP granted in February 2023, the performance period is 1 October 2022 to 30 September 2025, with vesting in November 2025). Vesting is conditional on continued employment throughout the vesting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

There are two performance criteria, TSR growth and ESG targets each constituting 85% and 15% respectively of the vesting value, and each measured over a three-year period:

(i) TSR against the FTSE AIM All Share Index. Vesting for performance as follows:

- 0% vesting below median performance
- 25% vesting for performance in line with median
- 100% vesting for upper quartile performance or greater
- with straight-line vesting for performance in between

(ii) ESG. Three performance criteria, each constituting one-third of the 15% allocated to ESG performance criteria:

- Achieve and maintain B-Corp Certification over the performance period
- Achieve and maintain median employee wellbeing & satisfaction scores >7.5 over the performance period
- Halve at least 75% of the Representation, Pay and Inclusion 2021 Gaps

EPS growth targets were removed in the year ending 31 March 2024. These represented 35% in prior year and have now been combined with TSR growth, increasing from 50% to 85%.

Other

Other share awards represent "special" one-off recruitment or retention awards which have vesting periods of between two and three years and are generally not subject to any vesting criteria other than the employee's continued employment.

Valuation methodology

For all plans the valuation methodology is based upon fair value on grant date which is determined by the market price on that date or the application of an option pricing model, depending upon the characteristics of the scheme concerned.

The fair value of the options granted in the current period under the LTIP and Other plans have an exercise price at nominal value. The fair value of these options is approximated by the market price at date of grant.

The number of outstanding options under other valuation approaches are as follows:

	Binomial model	Monte Carlo Model
Number of outstanding options as at 31 March 2024	1,116,877	1,651,036

The total share-based payments expense included in the Consolidated Income Statement is:

	2024 £'000	Restated 2023* £'000
Share-based payments to employees	1,254	84

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

The total share-based payments expense relating to Directors of the Company is £498k (2023: £40k).

The total share-based payments expense relating to key management personnel of the Group is £556k (2023: £88k).

The Group deferred tax asset as at 31 March 2024 in respect of share options which have been issued to date was £277k (2023: £nil).

Movements on options granted (ordinary shares)

	Outstanding 1 April 2023	Granted	Forfeited	Exercised	Outstanding 31 March 2024	Exercisable 31 March 2024
EMI	1,133,020	–	(193,166)	–	939,854	939,854
CSOP	422,137	–	(18,880)	–	403,257	195,325
Unapproved scheme	833,772	–	(301,470)	–	532,302	524,779
SIP	304,275	358,150	(68,598)	(40,353)	553,474	7,092
LTIP	4,177,902	–	(455,657)	–	3,722,245	–
Executive LTIP	1,050,000	–	–	–	1,050,00	–
Other	649,680	984,113	(257,734)	(75,000)	1,301,059	–

Weighted average exercise price (p)

	Outstanding 1 April 2023	Granted	Forfeited	Exercised	Outstanding 31 March 2024	Exercisable 31 March 2024
EMI	74	–	(74)	–	74	74
CSOP	82	–	(82)	–	83	82
Unapproved scheme	74	–	(74)	–	75	74

The weighted average exercise price for LTIP, Executive LTIP and Other options is nominal value (1p). The SIP options represent the 'Matching shares' which are free under the SIP scheme.

For share options outstanding at 31 March the range of exercise prices was nil-185p with a weighted average remaining contractual life of 92 months.

6. Taxation

Current tax	2024 £'000	Restated 2023* £'000
UK corporation tax for the period at 25% (2023: 19%)	–	(3)
Adjustments in respect of prior period provisions	(34)	(93)
Total current tax	(34)	(96)
Deferred tax		
Current year	2,451	1,571
Adjustments in respect of prior periods	247	19
Total deferred tax	2,698	1,590
Total tax credit/(charge)	2,664	1,494

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

During 2024 a deferred tax credit of £2,262k (2023: £1,468k) was attributable to deferred tax on intangible assets acquired as part of business combinations. For further deferred tax information – see note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The relationship between expected tax credit based on the effective tax rate of the Group of 11% (2023: 7%) and the tax credit recognised in the Consolidated Income Statement can be reconciled as follows:

	2024 £'000	Restated 2023* £'000
Loss for the year before tax from continuing operations:	(24,847)	(20,113)
Tax rate	25%	19%
Expected tax credit	6,212	3,821
Principal differences due to:		
Expenses not deductible for tax purposes	(96)	(11)
Impairment charges	(4,000)	(2,175)
Non taxable income	135	111
Losses carried back	–	(130)
Other timing differences leading to increase/decrease	(137)	73
Adjustments in respect of prior period provisions	(34)	(137)
Adjustments in respect of prior period deferred tax	247	19
Deferred tax assets on losses not recognised	–	(105)
Other deferred tax movements	265	28
Other adjustments	72	–
	2,664	1,494

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

7. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. The weighted average number of shares excludes shares held by an Employee Benefit Trust (see note 21) and has been adjusted for the issue/purchase of shares during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share-based payments (see note 5) granted to employees where the exercise price is less than the average market price of the Company's ordinary shares and share purchase agreements where the terms and conditions could affect the measurement of basic and diluted earnings per share during the year ended 31 March 2024.

A number of shares that were issued during the period are contingent on certain conditions being met and therefore these have been excluded from the calculation of the weighted average number of Ordinary Shares in issue.

The Group has also chosen to present an alternative earnings per share measure, adjusted earnings per share, with profit adjusted for non-underlying items because it better reflects the Group's underlying performance. This measure is defined in note 28.

	2024 Number of shares 000	2023 Number of shares 000
Weighted average number of shares in issue, basic	92,107	90,613
Contingent consideration where all conditions are met	–	284
Less: Shares held by the Employee Benefit Trust (weighted average)	(499)	(530)
Less: Shares held by the SIP (weighted average)	(1,240)	(182)
Weighted average number of shares for calculating basic earnings per share	90,368	90,185
Weighted average number of dilutive shares	3,142	3,839
Weighted average number of shares for calculating diluted earnings per share	93,510	94,024

	2024 £'000	Restated 2023* £'000
Loss after tax from continuing operations	(22,183)	(18,619)
Profit after tax from discontinued operations	1,811	1,061
Loss after tax from total operations	(20,372)	(17,558)
Adjusted profit after tax from continuing operations**	1,919	875

Earnings per share is calculated as follows:

	2024	Restated 2023*
Basic earnings per share from continuing operations	(24.5p)	(20.6p)
Basic earnings per share from discontinued operations	2.0p	1.1p
Basic earnings per share from total operations	(22.5p)	(19.5p)
Adjusted basic earnings per share from continuing operations	2.1p	1.0p

	2024	Restated 2023*
Diluted earnings per share from continuing operations***	(24.5p)	(20.6p)
Diluted earnings per share from discontinued operations***	2.0p	1.1p
Diluted earnings per share from total operations***	(22.5p)	(19.5p)
Adjusted diluted earnings per share from continuing operations	2.1p	0.9p

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

** *Adjusted profit after tax on continuing operations is defined in note 28.*

*** *The weighted average shares used in the basic EPS calculation has also been used for reported diluted EPS due to the anti-dilutive effect of the weighted average shares calculated for the reported diluted EPS calculation. This approach has been applied to the calculation of diluted EPS in both current and prior years.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

8. Business combinations

During the prior year the Company completed the acquisitions of TPXimpact Data Limited ("TPXD") and TPXimpact Scotland Limited ("TPXS"). A further £10k of cash consideration was paid during the year ended 31 March 2024 for the acquisition of TPXS. There were no other acquisitions during the year.

9. Goodwill and impairment

	Cost £'000	Accumulated impairment £'000	Carrying amount £'000
At 1 April 2022	66,157	–	66,157
On acquisition	3,324	–	3,324
Impairment charge for the year	–	(9,995)	(9,995)
At 31 March 2023	69,481	(9,995)	59,486
On acquisition/additions	10	–	10
Impairment on classification as held for sale	–	(1,845)	(1,845)
Impairment charge for the year	–	(14,492)	(14,492)
Disposals	(4,837)	1,845	(2,992)
At 31 March 2024	**64,654**	**(24,487)**	**40,167**

Impairment tests for goodwill and intangible assets

The value of CGUs is assessed according to the projected performance of the relevant businesses. This is performed by calculating the recoverable amount of all CGUs based on value in use calculations. These calculations use a post-tax cash flow projection based on latest forecasts by each CGU which are extrapolated to cover a 5 year period. A risk-free discount rate is based on WACC using the CAPM model. As the WACC used in the value in use calculation is the post-tax WACC, the implied pre-tax WACC has been subsequently calculated and disclosed below.

Each reporting period, management compares the resulting cash flow projections by CGU to the carrying value of goodwill. If the carrying value of goodwill materially exceeds value in use in this calculation, a resulting impairment charge is recorded in the Consolidated Income Statement. The following table sets out the key assumptions for the CGUs. The revenue growth rate used varies between years, with the 5 year CAGR shown in the table below.

As well as the following assumptions, EBITDA margins based on latest forecasts have been used for each CGU and range from 0% to 24%. A long-term growth rate of 3% was used to extrapolate cash flows beyond the budget period.

CGU	Goodwill Carrying value 31 March 2024 £'000	Intangible Assets Carrying value 31 March 2024 £'000	Revenue growth (5 year CAGR) %	Pre-tax discount rate %
Consulting	31,046	2,100	13%	15%
Digital Experience	5,906	204	4%	15%
Data and Insights	3,215	1,852	9%	15%
KITS	–	10,017	12%	15%
RedCortex	–	–	8%	15%

Based on the impairment review carried out at the end of 31 March 2024, management believes that the present value of projected cash flows from the CGUs exceeds the carrying value of the goodwill and acquired intangible assets except for RedCortex and Digital Experience where a £10.4m and £4.1m respectively impairment of goodwill has been recorded. Furthermore, a £1.5m impairment of acquired intangible assets has been recorded in RedCortex.

Sensitivity analysis:

Management concluded that the key factor for sensitivity analysis is the revenue growth rate from FY25 onwards. The discount factor is assumed to be determined by way of the estimated risk of the market and the cost of debt which is based on the credit facility from HSBC at 2.75% plus SONIA as at 31 March 2024.

For all CGUs, with the exception of Digital Experience, the revenue growth rate would need to reduce by over 10% across the projection period to suggest an impairment may be required.

With respect to Digital Experience, although any reduction in revenue across the projection period would suggest further impairment may be required, management believe that there are mitigation actions that could be taken to increase profitability. These include controls over discretionary spend and operational efficiency initiatives. If the efficiencies did not materialise then further impairment may be required.

The assumptions used in the impairment review are subjective and provide key sources of estimation uncertainty, specifically in relation to growth assumptions, future cashflows and the determination of discount rates. The actual results may vary and accordingly may cause adjustments to the Group's valuation in future years. Sensitivity analysis performed on the impairment review, with the exception of Digital Experience, indicates sufficient headroom in the event of reasonably possible changes in key assumptions.

10. Other intangible assets

Intangible assets are non-physical assets which have been obtained as part of an acquisition or research and development activities, such as innovations, introduction and improvement of products and procedures to improve existing or new products. All intangible assets have an identifiable future economic benefit to the Group at the point the costs are incurred. Customer lists and brands are amortised over a maximum period of six years from the date of acquisition.

Intangible assets	Brand £'000	Customer list £'000	Database £'000	Software £'000	Total £'000
Cost					
At 1 April 2022	2,967	34,487	50	653	38,157
Acquired on acquisition	–	2,649	–	189	2,838
Additions	–	–	–	244	244
At 31 March 2023	2,967	37,136	50	1,086	41,239
Additions	–	–	–	170	170
Disposals	(328)	(764)	–	–	(1,092)
At 31 March 2024	**2,639**	**36,372**	**50**	**1,256**	**40,317**
Amortisation and impairment					
At 1 April 2022	1,355	8,210	32	67	9,664
Charge for the year	590	5,440	10	307	6,347
Impairment	482	887	–	401	1,770
At 31 March 2023	2,427	14,537	42	775	17,781
Charge for the year	230	7,265	8	178	7,681
Disposals	(298)	(696)	–	–	(994)
Impairment on classification as held for sale	–	3	–	–	3
Impairment	124	1,335	–	214	1,673
At 31 March 2024	**2,483**	**22,444**	**50**	**1,167**	**26,144**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Intangible assets	Brand £'000	Customer list £'000	Database £'000	Software £'000	Total £'000
Net book value					
At 31 March 2024	**156**	**13,928**	**–**	**89**	**14,173**
At 31 March 2023	540	22,599	8	311	23,458
At 1 April 2022	1,612	26,277	18	586	28,493

See note 9 goodwill and impairment for details on the valuation methodology applied and considerations around intangible assets impairment.

11. Investments

	Company Subsidiary undertakings £'000	Group and Company Other investments £'000	Total £'000
Cost			
At 1 April 2022	118,369	–	118,369
Additions	9,579	2,188	11,767
Disposals	(249)	–	(249)
At 31 March 2023	127,699	2,188	129,887
Additions	5,731	–	5,731
Disposals	(2,829)	–	(2,829)
At 31 March 2024	**130,601**	**2,188**	**132,789**
Accumulated impairment			
At 1 April 2022	610	–	610
Impairment	25,092	–	25,092
At 31 March 2023	25,702	–	25,702
Disposal	(610)	–	(610)
Impairment	25,105	–	25,105
At 31 March 2024	**50,197**	**–**	**50,197**
Net book value			
At 31 March 2024	**80,404**	**2,188**	**82,592**
At March 2023	101,997	2,188	104,185
At 1 April 2022	117,759	–	117,759

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid plus the fair value of contingent consideration determined at the acquisition date.

The Company annually tests the carrying value of investments for impairment. The 2024 review assessed whether the carrying value of investments was supported by the net present value of future cash flows derived from the assets. As a result of this review an impairment charge of £25.1m (2023: £25.1m) was recognised in the year ended 31 March 2024. Further details of the assumptions used in the review are provided in note 9.

The Group disposed of its subsidiaries Questers Resourcing Limited and Questers Bulgaria EOOD ("Questers") on 18 September 2023 for cash consideration of £7.5m. The Group disposed of its equity interests in TPXimpact Norway AS on 13 October 2023 to companies controlled by the managing partners of the business for a nominal consideration of £1.

Other investments comprise a 13.3% equity stake in OpenDialog AI Limited, a company registered in England & Wales, which is carried at fair value through other comprehensive income. The equity stake reduced from 17.1% in prior year due to the company undertaking a Series A capital raise during the year. Management have assessed fair value on the basis of financial information from the company and other external data.

At 31 March 2024, the Company had the following subsidiaries:

Companies	Country of incorporation	Registered address	Principal activity	Shareholding[1]
Foundry4 Consulting Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Digital service consultancy, software development, data and automation	100%
Human Plus Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Dormant	100%[2]
iDisrupted Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Dormant	100%
Manifesto Digital Limited (formerly TPXimpact Experience Limited)	England & Wales	2nd Floor, The Hickman, 2 Whitechapel Road, London E1 1EW	Digital experience agency	100%
TPXimpact Experience Limited (formerly Manifesto Digital Limited)	England & Wales	7 Savoy Court, London, WC2R 0EX	Dormant	100%
TPXimpact Global Group Limited (formerly Questers Global Group Limited)	England & Wales	2nd Floor, The Hickman, 2 Whitechapel Road, London, E1 1EW	Holding company	100%
Arthurly Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Dormant	100%
Difrent Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Digital transformation consultancy	100%
Keep IT Simple Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Delivers managed services with expertise in service integration & management	100%
Deeson Group Holdings Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Holding company	100%
Deeson Group Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Digital experience agency	100%[3]
TPXimpact Limited	England & Wales	2nd Floor, The Hickman, 2 Whitechapel Road, London E1 1EW	Digital and service design consultancy	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Companies	Country of incorporation	Registered address	Principal activity	Shareholding[1]
US-Creates Limited	England & Wales	2nd Floor, The Hickman, 2 Whitechapel Road, London E1 1EW	Dormant	100%[4]
Ameo Professional Services Limited	England & Wales	2nd Floor, The Hickman, 2 Whitechapel Road, London E1 1EW	Strategic and management consultancy focusing on digital transformation	100%
Nudge Digital Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Digital experience agency	100%
RedCortex Limited	England & Wales	Brunel House, 2 Fitzalan Road, Cardiff, CF24 0EB	Cloud transformation, architecture and programme management	100%
TPXimpact Data Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Data science services and analytics consultancy	100%
Peak Indicators Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Dormant	100%
Futuregov. Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Dormant	100%
The Panoply Holdings Limited	England & Wales	7 Savoy Court, London, WC2R 0EX	Dormant	100%
TPXimpact Scotland Limited	Scotland	Macfarlane Gray House, Castlecraig Business Park, Springbank Road, Stirling, FK7 7WT	Cloud-based open data consultancy	100%
Swirrl IT Limited	Scotland	Macfarlane Gray House, Castlecraig Business Park, Springbank Road, Stirling, FK7 7WT	Dormant	100%

1 *Shareholdings are all in ordinary shares*

2 *Foundry4 Consulting Limited owns 100% of Human Plus Limited*

3 *Deeson Group Holdings Limited owns 100% of Deeson Group Limited*

4 *TPXimpact Limited owns 100% of US Creates Limited*

12. Property, plant and equipment

Group	IT equipment £'000	Fixtures & Fittings £'000	Total £'000
Cost of assets			
At 1 April 2023	707	177	884
Additions	37	–	37
Disposals	(150)	(115)	(265)
At 31 March 2024	**594**	**62**	**656**
Depreciation			
At 1 April 2023	337	74	411
Charge for the year	191	8	199
Disposals	(122)	(52)	(174)
At 31 March 2024	**406**	**30**	**436**
Net book value			
At 31 March 2024	**188**	**32**	**220**
At 1 April 2023	370	103	473

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Group	IT equipment £'000	Fixtures & Fittings £'000	Total £'000
Cost			
At 1 April 2022	463	87	550
Acquisition of subsidiaries	34	42	76
Additions	290	50	340
Disposals	(80)	(2)	(82)
At 31 March 2023	707	177	884
Depreciation			
At 1 April 2022	226	27	253
Charge for the year	183	45	228
Exchange adjustments	1	–	1
Impairment	3	2	5
Disposals	(76)	–	(76)
At 31 March 2023	337	74	411
Net book value			
At 31 March 2023	370	103	473
At 1 April 2022	237	60	297

13. Right of use assets/Lease liabilities

The Group leases various offices, electric vehicles and office equipment. Rental contracts vary from rolling 3 month contracts to fixed contracts for up to several years.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Amounts recognised in the Statement of Financial Position

Right-of-use assets relate to property and electric vehicles rentals where the lease term is greater than 12 months in duration. Items that do not meet the criteria of a right-of-use asset have been recorded in the income statement and are summarised below.

The Statement of Financial Position shows the following amounts relating to leases:

Right-of-use assets	2024 £'000	2023 £'000
Leased buildings	736	751
Electric vehicles	810	687
	1,546	1,438
Lease liabilities		
Current	714	564
Non-current	1,009	909
	1,723	1,473

The maturity profile of the Group's lease liabilities is as follows:

	£'000	£'000
Within one year	815	601
In more than one year but less than two years	758	580
In more than two years but less than three years	283	296
In more than three years	29	82
	1,885	1,559
Effect of discounting	(162)	(86)
Lease liability	1,723	1,473

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Right-of-use assets	Leased buildings £'000	Electric vehicles £'000	Total £'000
Cost			
At 1 April 2022	2,682	260	2,942
Additions	–	719	719
Disposals	(862)	(147)	(1,009)
At 31 March 2023	1,820	832	2,652
Additions	1,012	549	1,561
Disposals	(1,820)	(132)	(1,952)
At 31 March 2024	**1,012**	**1,249**	**2,261**
Depreciation			
At 1 April 2022	1,610	39	1,649
Charge for the year	321	157	478
Disposals	(862)	(51)	(913)
At 31 March 2023	1,069	145	1,214
Charge for the year	410	322	732
Disposals	(1,203)	(28)	(1,231)
At 31 March 2024	**276**	**439**	**715**
Net book value			
At 31 March 2024	**736**	**810**	**1,546**
At 31 March 2023	751	687	1,438
At 1 April 2022	1,072	221	1,293

The income statement shows the following amounts relating to leases:

	2024 £'000	Restated 2023* £'000
Interest on lease liabilities	130	26
Expenses related to short term leases	518	713
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	10	13
	658	752

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

14. Trade and other receivables

Group	2024 £'000	2023 £'000
Trade receivables	9,895	16,333
Prepayments	1,054	828
Other receivables	500	651
Trade and other receivables	11,449	17,812

Trade receivables at the reporting date comprise amounts receivable from the provision of the Group's products and services.

The average credit period taken on the provision of these services is 43 days (2023: 71 days).

Trade receivables are non-interest bearing and generally have a 30 day payment term. The age of trade receivables before impairment is as follows:

	2024 £'000	2023 £'000
Not yet due	8,075	14,352
Past due 1-30 days	1,444	1,597
Past due 31–60 days	161	326
Past due 61–90 days	17	41
Past due 91–120 days	140	16
Past due 121+ days	67	158
Trade receivables before impairment	9,904	16,490
Provision for bad debt	(9)	(157)
Trade receivables as at 31 March	9,895	16,333

Loss rates are calculated based on actual credit losses over the past three years and adjusted to reflect differences between the historical credit losses and the Group's view of the economic conditions over the expected lives of the receivables.

Company	2024 £'000	2023 £'000
Prepayments	312	316
Other receivables	252	789
Trade and other receivables	564	1,105

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

15. Cash and cash equivalents

Group	2024 £'000	2023 £'000
Cash at bank and in hand	8,882	6,717
Cash held by trust	52	55
Total cash and cash equivalents	8,934	6,772

Cash balances are held with a small number of counterparties, with high credit ratings. No borrowings were taken out during the year. This is discussed further in note 17.

Company	2024 £'000	2023 £'000
Cash at bank and in hand	8,586	3,318
Total cash and cash equivalents	8,586	3,318

The Directors consider that the carrying amount of these assets is a reasonable approximation of their fair value. The credit risk on liquid funds is limited because the counterparty is a bank with high credit ratings.

16. Trade and other payables

Group	2024 £'000	2023 £'000
Trade payables	4,892	4,468
Accruals and other payables	2,870	4,475
Trade and other payables	7,762	8,943

Company	2024 £'000	2023 £'000
Trade payables	318	622
Accruals and other payables	686	999
Trade and other payables	1,004	1,621

17. Borrowings

At 31 March 2024, the Group had a revolving credit facility with HSBC of £30m with a £15m accordion of which £16.2m had been drawn down following repayments during the year of £8.3m.

In June 2023, management and HSBC agreed a reset of the Group's lending covenants based on minimum levels of liquidity at each month end and minimum Adjusted EBITDA levels at each quarter-end. The Group satisfied these revised covenants throughout the period from inception to the year end 31 March 2024. In June 2024, management and HSBC agreed to ease the covenants one quarter ahead of schedule. The covenants now comprise two measures to be assessed at each quarter end: (i) Net debt (excluding lease liabilities) to rolling twelve month Adjusted EBITDA of 2.5x or less; and (ii) rolling twelve month Adjusted EBITDA to net finance costs of at least 3.0x for the periods ending 30 September and 31 December 2024 and 3.5x for the year ending 31 March 2025 and thereafter.

In June 2024, a further £4.0m was repaid and the Group and HSBC also agreed to extend the maturity of the revolving credit facility by one year to July 2026 while reducing the amount of the facility from £30m to £25m.

Group and Company secured	2024 £'000	2023 £'000
Bank loans	16,050	24,317
Total borrowings	16,050	24,317

18. Assets and liabilities related to contracts with customers

All revenue relates to contracts with customers. The Group have a number of contracts where it receives payments from customers based on a billing schedule. Revenue recognised in excess of invoices raised is included within contract assets. Where amounts have been invoiced in excess of revenue recognised, the excess is included within contract liabilities.

Group	2024 £'000	2023 £'000
Contract assets	3,214	2,999
Loss allowance	–	–
Total contract assets	3,214	2,999
Contract liabilities	1,784	3,608
Total contract liabilities	1,784	3,608

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

Group	2024 £'000	2023 £'000
Revenue recognised that was included in the contract liability taken over on acquisition	–	409
Revenue recognised that was included in the contract liability balance at the beginning of the period	3,300	4,536
Revenue recognised from performance obligations satisfied in previous periods	–	–

Unsatisfied long-term contracts

The majority of customer contracts for the Group as at 31 March 2024 are 12 months or less. Long term contracts with unsatisfied performance obligations as at 31 March 2024 are £nil (2023: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

19. Other taxes and social security costs

Group

Current liability	2024 £'000	2023 £'000
VAT	3,196	3,242
Other taxes and social security costs	1,054	831
Total	4,250	4,073

Company

Current liability	2024 £'000	2023 £'000
VAT	3,209	–
Other taxes and social security costs	33	45
Total	3,242	45

20. Deferred and contingent consideration

The consideration payment for the acquired businesses includes deferred consideration, in the form of equity payment, contingent upon certain results being achieved over relevant periods.

Group & Company	2024 £'000	2023 £'000
Opening fair value at 1 April	225	3,371
Settlement of deferred consideration (shares)	(232)	(3,334)
Movement in fair value of contingent consideration	7	188
Fair value at 31 March	–	225
Total	–	225
Deferred and contingent consideration as at 31 March:		
Deferred and contingent consideration due more than one year	–	225
As at 31 March	–	225

The contingent consideration liability of £225k at 31 March 2023 was settled in shares on 6 June 2023.

The loss from fair value movement of contingent consideration of £7k in the year (2023: £188k) resulted from the unwinding of the discount.

21. Share capital and reserves

Share capital and reserves comprise of the following categories:

- Share capital: The nominal value of shares in issue.
- Share premium: The excess of the value received for shares issued over their nominal value less transaction costs and amounts used to fund bonus issues.
- Merger reserve: Under section 612 of the Companies Act 2006, where a company issues equity shares in consideration for shares in another company and secures at least 90% equity holding in another company, then the excess consideration over the nominal value of the shares issued should be recorded as a merger relief reserve. Amounts transferred from the merger reserve to retained earnings during the year relate to realised profits as a result of impairments and disposals.
- Capital redemption reserve: The nominal value of shares cancelled.
- Foreign exchange reserve: Cumulative gains or losses recognised on retranslation of overseas operations.
- Share option reserve: The cumulative charge recognised under international financial reporting standards less amounts exercised. This was reclassified to retained earnings in the year ended 31 March 2023.
- Retained earnings: Cumulative gains or losses not recognised elsewhere, less amounts distributed to shareholders.
- Own shares: the value of shares held by the Employee Benefit Trust and the Employee Share Incentive Plan.

Share capital allotted, called up and fully paid	2024	2023
Ordinary shares of £0.01 each		
At 31 March	92,159,555	91,876,019

Shares issued and fully paid	Number of shares 000	Par value £'000
At 1 April 2022	87,387	874
Acquisition of subsidiaries	1,828	18
Settlement of contingent consideration	2,560	26
Shares issued to SIP scheme	101	1
At 31 March 2023	91,876	919
Settlement of contingent consideration	284	3
At 31 March 2024	92,160	922

Own Shares

Holding of own shares are stated at cost and represent shares purchased by TPXimpact Holdings plc Employee Benefit Trust (EBT) in the Company for the purpose of funding the Group's share-based incentive plans. In addition, own shares also include shares held by the Share incentive plan (SIP) on behalf of employees until vesting conditions have been met. Details of these arrangements are disclosed in note 5.5 on pages 99 to 101. The trustees of the EBT purchase the Company's ordinary shares in the open market using funds provided by the Company. The Company has provided a loan facility to the EBT which is drawn down monthly by the Trust to enable it to meet its administrative costs. As part of the SIP scheme the company gives 1 free 'Matching Share' for every 1 Partnership Share purchased by the employee. Details of the number and value of shares has been disclosed below:

	EBT	SIP Scheme
Number of shares	1,065k	1,135k
Market value of shares at 31 March 2024	£389k	£414k

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. Deferred tax

Deferred tax liability

Group	2024 £'000	2023 £'000
At 1 April	5,796	6,696
Deferred tax arising from acquisition of subsidiaries	–	685
Movement in income statement for the year	(2,244)	(1,545)
Disposals	(11)	–
Other movements	(4)	(40)
At 31 March	3,537	5,796

In prior year, the Government announced an increase in corporation tax rate to 25% which became effective 1 April 2023.

Deferred tax asset

Unused tax losses and share based payments	2024 £'000	2023 £'000
At 1 April	159	47
Movement in income statement for the year	454	112
At 31 March	613	159

23. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. All other transactions and balances with related parties are detailed below.

Transactions with directors

Details of Directors' interests in the Company's shares, service contracts and remuneration are set out in the report of the Remuneration Committee to members on pages 56 to 62. Total dividends paid to directors during the year was £nil (2023: £13k).

Director's loan to Neal Gandhi £nil (2023: £40k)

£9k of the loan from Questers Resourcing Limited (a subsidiary of the Company until 18 September 2023) was settled in cash during the year. The remainder was written off to the income statement.

Consulting services from Oliver Rigby £8k (2023: £12k)

Oliver Rigby (former CFO and Executive Director) provided consulting services to the Company in the first half of the financial year. These services ceased with effect from August 2023.

TPXimpact Norway disposal

On 13 October 2023, The Group disposed of its equity interests in TPXimpact Norway AS to companies controlled by the managing partners of the business for a nominal consideration of £1. This disposal was considered a related party transaction and the directors consider, having consulted with its nominated adviser, that the terms of the transaction were fair and reasonable insofar as its shareholders are concerned.

24. Financial instruments

In common with other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. The significant accounting policies regarding financial instruments are disclosed in note 2.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents

- Trade and other payables
- Contract assets
- Deferred and contingent consideration
- Lease liabilities
- Borrowings

Financial assets and liabilities measured at amortised cost

The book values of the financial instruments (excluding equity shares) used by the Group, from which financial risk arises, are as follows:

Group

Financial assets at amortised cost*	2024 £'000	2023 £'000
Trade receivables	9,895	16,333
Other receivables	1,554	651
Contract assets	3,214	2,999
Cash and cash equivalents	8,934	6,772
At 31 March	23,597	26,755

* *The fair value of financial assets carried at amortised cost approximates to the carrying amounts because of the short maturity of these instruments.*

Financial assets at amortised cost include the following debt investments which are included within 'Other receivables':

	2024 £'000	2023 £'000
Loans to related parties	–	40
At 31 March	–	40

Financial liabilities at amortised cost less than one year	2024 £'000	2023 £'000
Trade payables	4,892	4,468
Other payables	905	2,278
Accruals	1,965	2,197
Lease liabilities	714	564
At 31 March	8,476	9,507

Financial liabilities at amortised cost greater than one year	2024 £'000	2023 £'000
Borrowings	16,050	24,317
Lease liabilities	1,009	909
At 31 March	17,059	25,226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Fair value measurement

Financial instruments in the category "fair value through profit or loss" are measured in the Consolidated Statement of Financial Position at fair value. In determining fair value, the group has classified its financial instruments into three levels of fair value measurement hierarchy:

- Level 1 – Quoted prices (unadjusted) in an active market for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 – Inputs for asset or liability that are not based on observable market data (that is unobservable inputs)

Other investments included in level 3 are unlisted securities, where market value is not readily available. The Group has estimated relevant fair values on the basis of information from outside sources using the most appropriate valuation technique, which may include external funding rounds, revenue and EBITDA multiples and discounted cash flows.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2024:

	2024			2023		
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Contingent consideration	–	–	–	–	–	225
Other investments	–	–	2,188	–	–	2,188

Reconciliation for level 3 is shown below:	Other investments £'000	Deferred and contingent consideration £'000
At 1 April 2022	–	3,371
Additions	2,188	–
Settlements	–	(3,334)
Fair value movement of deferred contingent consideration (reflected in Consolidated Income Statement)	–	188
At 31 March 2023	2,188	225
Settlements	–	(232)
Fair value movement of deferred contingent consideration (reflected in Consolidated Income Statement)	–	7
At 31 March 2024	2,188	–

25. Risk management

The Group finances its activities through equity and bank financing. No speculative treasury transactions are undertaken, and no derivative contracts were entered into. Financial assets and liabilities include those assets and liabilities of a financial nature, namely cash and borrowings. The Group is exposed to a variety of financial risks arising from its operating activities, which are monitored by the Directors and are reported in the Risk and Risk Management section on pages 36 to 39.

25.1 Cash and liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group policy throughout the year has been to ensure continuity of funding through available bank facilities. The following table shows the contractual maturities of financial liabilities measured at amortised cost:

Contractual maturities of financial liabilities at 31 March 2024:

	Group				
	Less than 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	Effect of discounting £'000	Total £'000
Trade and other payables (note 16)	7,762	–	–	–	7,762
Borrowings (note 17)	991	936	16,283	(2,160)	16,050
Lease Liabilities (note 13)	815	758	312	(162)	1,723
	9,568	1,694	16,595	(2,322)	25,535

Contractual maturities of financial liabilities at 31 March 2023:

	Group				
	Less than 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	Effect of discounting £'000	Total £'000
Trade and other payables (note 16)	8,943	–	–	–	8,943
Borrowings (note 17)	1,625	1,625	24,723	(3,656)	24,317
Lease Liabilities (note 13)	601	580	378	(86)	1,473
	11,169	2,205	25,101	(3,742)	34,733

25.2 Capital risk management

The Group's policy on capital structure is to maintain a level of gross cash available, which the Board considers to be adequate to fund a range of potential EBITDA movements, taken from a series of business projections and scenarios. Based on these business projections the Board believes it has sufficient cash resources at its disposal to pursue its chosen strategy of maximising shareholder returns from its customer base.

The Group manages its capital to ensure that trading entities in the Group will be able to continue as a going concern, while maximising the returns to shareholders through the efficient use of cash and equity. The capital structure of the Group consists of cash at bank and in hand and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity on page 80.

The Directors seek to promote recurring revenues to a wide range of business customers, to reduce the risks associated with fluctuations in the UK economy and to increase the long-term value to customers and shareholders.

The declaration and payment by the Group of any future dividends on the Ordinary Shares and the amount will depend 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. In order to maintain or adjust the capital structure, the Group may adjust the amount of any pay-outs to the shareholders, return capital to the shareholders, issue new shares and make borrowings or sell assets to reduce debt.

25.3 Credit risk

The Group's policy is to monitor trade and other receivables and avoid significant concentrations of credit risk. The principal credit risk arises from trade receivables. Aged receivables reports are reviewed monthly as a minimum. The majority of the Group's trade receivables are due from Central Government clients where the risk of default is considered low. In a limited number of cases, legal action has been pursued. An aged analysis of receivables is shown in note 14 to the financial statements.

In line with IFRS 9, the Group assesses the credit risk balances at each reporting date, to assess whether the credit risk on a financial instrument has increased significantly since initial recognition. The simplified approach has been applied to trade debtors to measure the loss allowance at an amount equal to the lifetime expected credit loss (ECL) at initial recognition and throughout its life. The credit risk is assessed by reviewing the contract income amount compared to the amount subsequently recovered. The Group does not identify specific concentrations of credit risk with regards to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers, including some government authorities. Assessment of the average expected credit loss across the Group is deemed to be low over a period of 36 months to 31 March 2024. The bad debt provision as at 31 March 2024 was assessed to be £9k (2023: £157k). This impairment has been determined by reference to known issues.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Write-offs are made when the irrecoverable amount becomes certain. There was no bad debt written off during the year. The Group's main risk relates to trade receivables which are stated net of the provisions above. No collateral is held as security against these debtors and the carrying value represents the fair value.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 March 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward- looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

25.4 Foreign currency risk

The Group's main foreign currency risk is the short-term risk associated with accounts receivable and payable denominated in currencies that are not the subsidiaries' functional currency. The risk arises on the difference in the exchange rate between the time invoices are raised/received and the time invoices are settled/paid. For sales denominated in foreign currencies the Group will try to ensure that the purchases associated with the sale will be in the same currency. Most monetary assets and liabilities of the Group were denominated in pounds sterling except for those foreign currency amounts which are included in the financial statements at the sterling value based on the exchange rate ruling at the Statement of Financial Position date.

Sensitivity analysis in foreign exchange rates shows an increase or decrease by 10% in exchange rates against GBP, with all other variables held constant, would increase or decrease net assets attributable to shareholders by approximately £3k (2023: £105k). The risk has reduced at 31 March 2024 following the disposal of Questers and TPXimpact Norway during the year.

The maximum exposure to foreign currency risk for the Group trade receivables, trade payables and cash at the reporting date was £nil (2023: £446k), £10k (2023: £173k) and £42k (2023: £880k) respectively.

25.5 Interest rate risk

At 31 March 2024, the Group has drawn down £16.2m on its RCF facility denominated in GBP. As at 31 March 2024, the facility has a floating rate basis (SONIA) for a period of 3 years up to July 2025. Post year-end the Group and HSBC agreed to extend the maturity of the RCF by one year to July 2026. Interest rate risk arises on the change in SONIA which affects the interest payable by the Group as well as the leverage to Adjusted EBITDA ratio, which determines the margin applied to SONIA by our lender.

Sensitivity analysis in interest rates show that with an increase or decrease in 100 basis points, with all other variables held constant, the net assets attributable to shareholders would increase or decrease by approximately £162k (2023: £245k).

26. Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Partial settlement of a business combination through the issue of shares (note 8)
- Acquisition of right-of-use assets (note 13)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Group	Liabilities from financing activities				
	Borrowings £'000	Lease liabilities £'000	Sub-total £'000	Cash and cash equivalents £'000	Total £'000
Net (debt)/cash at 1 April 2022	(18,020)	(1,294)	(19,314)	7,914	(11,400)
Cash flows	(6,300)	445	(5,855)	(1,813)	(7,668)
Acquisition of subsidiary	–	–	–	798	798
Disposal of subsidiary	–	–	–	(127)	(127)
New leases	–	(624)	(624)	–	(624)
Other	3	–	3	–	3
(Net debt)/cash at 31 March 2023	(24,317)	(1,473)	(25,790)	6,772	(19,018)
Cash flows	8,300	718	9,018	(3,909)	5,109
Disposal of subsidiary	–	–	–	6,071	6,071
New leases	–	(968)	(968)	–	(968)
Other	(33)	–	(33)	–	(33)
Net (debt)/cash at 31 March 2024	(16,050)	(1,723)	(17,773)	8,934	(8,839)

Company	Liabilities from financing activities				
	Borrowings £'000	Inter company loans £'000	Sub-total £'000	Cash and cash equivalents £'000	Total £'000
Net cash at 1 April 2022	(18,020)	555	(17,465)	514	(16,951)
Cash flows	(6,300)	(7,734)	(14,034)	2,804	(11,230)
Other	3	–	3	–	3
Net (debt)/cash at 31 March 2023	(24,317)	(7,179)	(31,496)	3,318	(28,178)
Cash flows	8,300	(12,543)	(4,243)	5,268	1,025
Other	(33)	–	(33)	–	(33)
Net (debt)/cash at 31 March 2024	(16,050)	(19,722)	(35,772)	8,586	(27,186)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

27. Discontinued operations

On 18 September 2023 the Group completed the sale of Questers Resourcing Limited and Questers Bulgaria EOOD, "Questers", for cash consideration of £7.5m.

On 13 October 2023, The Group disposed of its equity interests in TPXimpact Norway AS to companies controlled by the managing partners of the business for a nominal consideration of £1. This disposal was considered a related party transaction and the directors consider, having consulted with its nominated adviser, that the terms of the transaction were fair and reasonable insofar as its shareholders are concerned.

In the prior year, the Group disposed of its wholly owned subsidiary Greenshoot Labs Limited, "GSL", to OpenDialog AI Limited (ODAL) for a total aggregate price of £2.2m. The price was satisfied on completion of the transaction by the allotment and issue by ODAL to TPXH of 800,000 ordinary shares of £0.00001 each in the capital of the Buyer, such Consideration Shares having an aggregate value of £2.2m and being equal to 17.1% of the share capital of ODAL. This consideration is presented as an "Other investment" on the Group's consolidated statement of financial position. GSL is reported in the prior year as a discontinued operation in the consolidated income statement. The GSL disposal generated a gain of £1.6m included in the profit after tax on discontinued operations in the year ended 31 March 2023.

Financial information relating to the discontinued operations for the Group is set out below.

	2024 £'000	Restated 2023* £'000
Revenue	7,171	14,035
Cost of sales	(6,102)	(12,017)
Gross profit	1,069	2,018
Administrative expenses	(2,852)	(2,488)
Gain on sale of discontinued operations	3,580	1,606
Other income	47	27
Operating profit	1,844	1,163
Finance costs	(11)	(21)
Profit before tax	1,833	1,142
Taxation	(22)	(81)
Profit for the year	1,811	1,061

* *Prior year figures have been re-presented to include Questers and TPXimpact Norway as discontinued operations.*

The gain on sale of discontinued operations is calculated as follows:

	TPXimpact Norway £'000	Questers £'000	2024 £'000	2023 £'000
Goodwill	–	2,992	2,992	–
Other intangible assets (net of deferred tax)	–	87	87	591
Right of use assets	–	617	617	–
Property, plant and equipment	4	61	65	7
Trade and other receivables	559	1,594	2,153	11
Cash and cash equivalents	165	1,264	1,429	127
Contract assets	3	–	3	19
Trade and other payables	(620)	(1,594)	(2,214)	(95)
Other taxes and social security costs	(96)	(406)	(502)	(19)
Contract liabilities	(6)	(646)	(652)	(97)
Lease liabilities	–	(629)	(629)	–
Total net assets disposed of	9	3,340	3,349	544
Consideration received in cash and cash equivalents	–	7,500	7,500	–
Consideration received in shares	–	–	–	2,188
Transaction costs*	(48)	(429)	(477)	(38)
Total consideration received	(48)	7,071	7,023	2,150
Exchange adjustments recycled to the income statement	(67)	(27)	(94)	–
(Loss)/gain on disposal	(124)	3,704	3,580	1,606

* *Transaction costs include adviser fees of £265k (2023: £38k)*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Income statement reconciliation:

	Continuing operations 2024 £'000	Discontinued operations 2024 £'000	Total 2024 £'000	Continuing operations 2023 £'000	Discontinued operations 2023* £'000	Discontinued operations 2023 re-presented** £'000	Total 2023 £'000
Revenue	84,269	7,171	91,440	69,672	27	14,008	83,707
Cost of sales	(63,090)	(6,102)	(69,192)	(50,816)	(58)	(11,959)	(62,833)
Gross profit/(loss)	21,179	1,069	22,248	18,856	(31)	2,049	20,874
Administrative expenses	(44,384)	(2,852)	(47,236)	(38,377)	(76)	(2,412)	(40,865)
Gain on sale of discontinued operations	–	3,580	3,580	–	1,606	–	1,606
Other income	404	47	451	492	–	27	519
Operating (loss)/profit	(22,801)	1,844	(20,957)	(19,029)	1,499	(336)	(17,866)
Finance costs	(2,046)	(11)	(2,057)	(1,084)	-	(21)	(1,105)
(Loss)/profit before tax	(24,847)	1,833	(23,014)	(20,113)	1,499	(357)	(18,971)
Taxation	2,664	(22)	2,642	1,494	(54)	(27)	1,413
(Loss)/profit for the year	(22,183)	1,811	(20,372)	(18,619)	1,445	(384)	(17,558)

* *In the year ended 31 March 2023 discontinued operations represents Greenshoots Lab Limited ('GSL'), a subsidiary of the Group which was disposed of in May 2022.*

** *Prior year figures have been re-presented to include Questers and TPXimpact Norway as discontinued operations.*

28. Alternative performance measures

Our consolidated financial statements are prepared in accordance with UK-adopted international accounting standards. In measuring our performance, the financial measures that we use include those which have been derived from our reported results in order to eliminate factors which distort period-on-period comparisons. These are considered non-GAAP financial measures, and include measures such as like-for-like revenue, adjusted EBITDA and net debt (excluding lease liabilities). We believe this information, along with comparable GAAP measurements, is useful to shareholders and analysts in providing a basis for measuring our financial performance. The adjusted EBITDA is based on the results of continuing operations.

Like-for-like

Like-for-like comparisons are calculated by comparing current year results (which includes acquisitions from the relevant date of completion) to prior year results, adjusted to include the results of acquisitions for the commensurate period in the prior year. In the year ended 31 March 2024, there were no differences in the like-for-like and reported comparisons due to there being no acquisitions in either period.

Reconciliation of operating loss to adjusted EBITDA:

	2024 £'000	Restated 2023* £'000
Operating loss	(22,801)	(19,029)
Amortisation of intangible assets	7,657	6,155
Depreciation	789	371
Loss from fair value movement of contingent consideration	7	188
Impairment of intangible assets	1,673	1,770
Impairment of goodwill	14,492	9,995
Share based payments**	1,425	84
Costs directly attributable to business combinations	–	229
Restructuring and transformation costs	1,387	2,541
Adjusted EBITDA	4,629	2,304

Reconciliation of loss before tax to adjusted profit after tax:

	2024 £'000	Restated 2023* £'000
Loss before tax on continuing operations	(24,847)	(20,113)
Amortisation of intangible assets	7,657	6,155
Loss from fair value movement of contingent consideration	7	188
Impairment of intangible assets	1,673	1,770
Impairment of goodwill	14,492	9,995
Share based payments**	1,425	84
Costs directly attributable to business combinations	–	229
Restructuring and transformation costs	1,387	2,541
Adjusted profit before tax on continuing operations	1,794	849
Tax (excluding impact of amortisation of intangible assets and share based payments)	125	26
Adjusted profit after tax on continuing operations	1,919	875

* *As described in the accounting policies, Questers and TPXimpact Norway were disposed during 2024. Prior year comparatives have been re-presented to reflect continuing operations.*

** *Includes social security costs.*

Net debt (excluding lease liabilities)

Net debt (excluding lease liabilities) at a period end consists of cash and cash equivalents and borrowings due after one year.

29. Post balance sheet events

At 31 March 2024, the Group had a revolving credit facility with HSBC of £30m with a £15m accordion of which £16.2m had been drawn down.

In June 2024, the Company and its bankers agreed to ease the Group's lending covenants one quarter ahead of schedule. The covenants now comprise two measures to be assessed at each quarter end: (i) Net debt (excluding lease liabilities) to rolling twelve month Adjusted EBITDA of 2.5x or less; and (ii) rolling twelve month Adjusted EBITDA to net finance costs of at least 3.0x for the periods ending 30 September and 31 December 2024 and 3.5x for the year ending 31 March 2025 and thereafter.

In June 2024, a further £4.0m was repaid and the Group and HSBC also agreed to extend the maturity of the revolving credit facility by one year to July 2026 while reducing the amount of the facility from £30m to £25m.

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Chris Sweetland
Non-Executive Director

Isabel Kelly
Non-Executive Director

Rachel Neaman
Non-Executive Senior Independent Director

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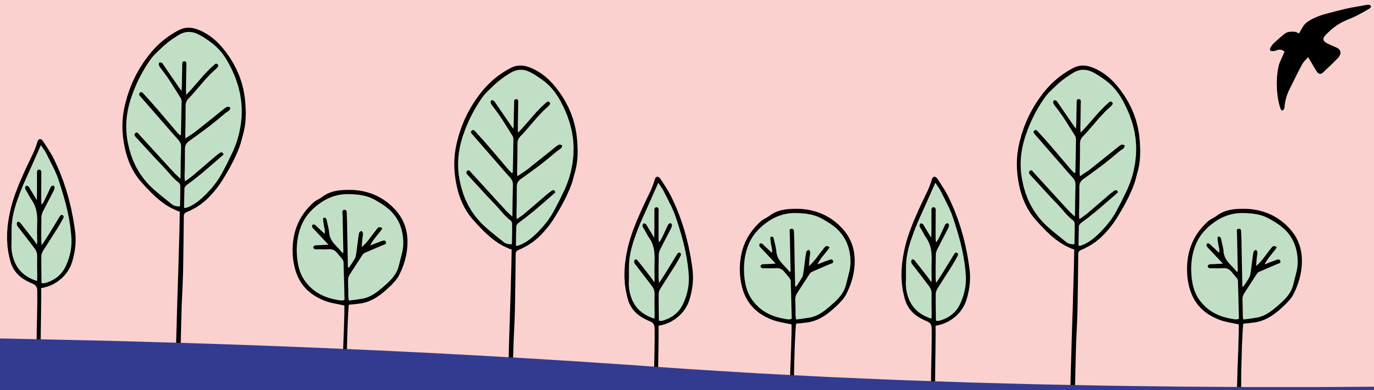

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