RM™ plc

Annual report and Financial Statements

Year ended 30 November 2022

STRATEGIC REPORT

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

OPERATING SUMMARY

- **Revenue growth of 4%** driven by strong growth in RM Assessment and the TTS business in RM Resources
- **Adjusted operating profit* of £7.5m** (2021: £16.5m) from continuing operations, impacted by IT implementation in RM Resources and RM Technology Division turnaround
- **Adjusted operating profit* of £9.1m including discontinuing operations** associated with the RM Integris and RM Finance businesses
- A further **£2.8m of IPv4 addresses sold** in the second half were treated as other income
- **Statutory loss of £14.5m** (2021: profit of £4.2m) due to level of adjusting items primarily associated with the IT implementation
- **Proposed sale of RM Integris and RM Finance for up to £16m** aligned to strategy to simplify portfolio
- **IT implementation in Consortium now complete** following significant challenges
- **£70m banking facility extended to July 2025** with revised covenants. Adjusted net debt* of £46.8m at 31 November 2022 (2021: £18.3m)
- **No dividend proposed** as condition of extended banking facility
- **Business now on a more stable footing on which to leverage transformation** programme to deliver improved shareholder value

**Alternative performance measures (APM), see reconciliation in Note 6.*

CHAIR STATEMENT

Overview

2022 was a difficult year for the Group, dominated by the challenging deployment of the new IT system into the Consortium brand of the Resources Division. This impacted customer service in that part of the business and the financial performance of the Group overall as additional costs were incurred, putting the Group under unnecessary financial stress.

Thanks to the determination and hard work of the team, the situation is now under control. A stable footing both financially and from a systems perspective has been established. Notwithstanding the significant impact of this event on profit and shareholder value, the Group delivered 4% revenue growth, including the highest ever revenues from the Assessment Division and TTS Resources brand.

This is my first annual statement since taking over as Chair and it is helpful to set out my perspective on the Group and our priorities. RM has market leading positions, channel strength and a good product and market fit across its portfolio. The business operates in an important and resilient marketplace and is well positioned to deliver sustainable growth in response to a number of positive structural trends in the education market. However, as the team had already acknowledged, there is a need for a period of transformation to improve the way in which RM is structured and executes in order to be able to deliver effectively on these opportunities.

A requirement to change

With this in mind, at the start of the year, the Company laid out a reset of its strategy with a 2-year transition phase, with the aims of simplifying and focussing its portfolio, strengthening the leadership team and restructuring the Technology Division.

Progress continues in each of these areas, including the announcement of the sale of the RM Integris and RM Finance products from the Technology Division for up to £16m. However, the implementation phase of the internal IT system replacement and warehouse consolidation and automation programme, in development since 2018, has been a substantial setback. The difficulties in deployment and subsequent remediation of these in the Consortium business dominated the management agenda in the second half of the year and led to an even greater urgency to bring about change.

Now on a platform to progress

In response, the business has now stabilised the IT platform and made the final deployment in the Consortium business to complete this phase of the programme. A new interim Chief Technology Officer has been appointed and the wider implementation programme has been paused to enable management to reconsider the wider IT architecture. A new interim Chief Financial Officer, Emmanuel Walter, has been appointed, bringing greater financial rigour and control. To respond to the liquidity challenges the Group has been facing, the business accelerated the sale of some surplus assets of Internet Protocol v4 (IPV4) addresses from its connectivity business and restructured its £70m banking facility which is now extended to July 2025. It will also benefit from the strategic sale of the RM Integris and RM Finance businesses mentioned earlier which is anticipated to complete in the first half of 2023.

This provides a sound footing on which to continue to develop the business and focus on optimising the portfolio value of a Group that delivers significant value in the education sector. I have been working closely with the leadership team to identify the necessary actions to unlock that value and will continue to ensure that they have the Board's full support to do so.

Thanks to the team

Navigating this year has required exceptional efforts from so many of the people within the RM business and I have been impressed by their resilience and passion for our purpose and for their customers and on behalf of the Board I would like to thank the whole team.

We have continued to evolve the Board and leadership of the Group. Most notably, Mark Cook joined as Chief Executive Officer in January 2023, replacing Neil Martin who stepped down after seven years with the Group. Mark brings with him important experience in transformation and creating shareholder value. Paul Dean will be retiring as Chair of the Audit and Risk Committee after the publication of the FY2022 preliminary results and will be replaced by Richard Smothers who joined the Board in January 2023. As mentioned, Emmanuel Walter joined as interim Chief Financial Officer in July 2022.

I would like to thank Neil and Paul for their contributions to RM and wish them both well in the future.

To support continuity through a period of change, the Company has agreed to extend the term of Patrick Martell's appointment as the senior independent Non-Executive Director by one year to 31 December 2023 which will take him into his tenth year with the Group.

During the last year, the Board has had to step up in what has been a dynamic and testing environment. I'm thankful to my fellow Board members for their efforts and commitment during this period helping RM to steer a path to a more stable position.

Dividend

A condition of the new extended and amended banking facility agreement has been to restrict dividend distribution until the Company has reduced its net debt to Last Twelve Months (LTM) EBITDA (post IFRS 16) leverage to less than 1x for two consecutive quarters and therefore, we are not able to recommend the payment of a dividend.

The Board understands the importance of dividends to our shareholders and are clear that reinstating the dividend is a key milestone on our recovery path.

Outlook

The macroeconomic backdrop remains challenging with inflation continuing to put pressure on our own operations and on school budgets. However, RM now has the benefit of a stable operating and financial platform on which to focus more fully on rebuilding and optimising shareholder value from its portfolio and I am confident in the positive progress that will be made.

Helen Stevenson
Non-Executive Chair
28 March 2023

PURPOSE, VALUES & CULTURE

RM is a purpose-led organisation with a strong culture that binds the three operating Divisions behind a common purpose. As each Division has a different market and product focus, they each deliver this vision through a different mission statement. Our purpose, vision and mission statements support our long-term sustainable growth and value for our shareholders

PURPOSE
Enriching the lives of learners

VISION
Enabling the improvement of educational outcomes around the world...

RESOURCES Mission	ASSESSMENT Mission	TECHNOLOGY Mission
...through our innovative curriculum resources, inspiring content and outstanding service.	...by enhancing the role digital assessment solutions play throughout the lifelong learning journey.	...by helping educators harness technology to improve the learning environment.

This unifying purpose is a source of pride for our employees and is tightly aligned with the sector and our customers to deliver significant value to society. Together, the Group play a role in the life of learners from the very start of the learning journey with early years learning resources, through to the high stakes assessments they take as a teenager or developing professional.

Underpinning our culture are a set of five behaviours, called *Five to Drive*, which inspire our choices and performance:

Consider it Done: We hold ourselves accountable, as individuals and as a company, for delivering on our promises. We can be relied upon to get the job done for our customers and ourselves. We are tenacious in delivering positive results and respond energetically when faced with new challenges.

Make it Simple: We make complex issues easy to understand and we strive for the simplest solutions that deliver the most significant results for our customers and ourselves. We say it as it is and don't assume that how we have done it in the past will necessarily be how we do it in the future.

Win Together: We are at our best when working with our customers and with our colleagues - motivated by the belief that diverse teams are much more successful than the sum of their parts. We strive to see things from the point of view of others, building trust, showing humility and working collaboratively to get great results.

Be Brave: We are ambitious, and we push the boundaries to deliver great results for our customers and for our business. We do not settle for less than great, or shy away from the difficult, and we don't let fear stifle our true potential.

Be Curious: We have an intense desire to understand our customers and to imagine new possibilities for our business and theirs. We are hungry to learn, seek out new ideas and best practice, to expand our networks and to develop our understanding. We are inquisitive, creative and we question how things are and can be done.

These behaviours are intended to drive positive and aligned behaviours throughout the organisation for the benefit of all stakeholders with whom we do business and is supported by our "High Five" peer-to-peer recognition scheme for employees that have demonstrated our Five to Drive behaviours that helps foster a sense of community.

The Board receives regular reports and updates from the CEO, CFO, and General Counsel as well as other members of the Executive team and the Group. These reports and updates cover a wide range of matters to ensure that policy, practices and behaviour in the Group are aligned with the Company's purpose, values and strategy and that any issues that may give rise to concerns are brought to the attention of the Board.

This has included the following.

- A new consolidated employee code of conduct document that was issued to all staff.
- Specific reviews on particular Divisions within the business and key projects.
- Workforce data including details with regard to leavers, joiners, promotions, diversity and length of service.
- Any significant customer issues, disputes.
- Compliance updates including issues, training, system availability and information security and data incidents.
- Health and safety reports.
- Environment, sustainability and governance (ESG).
- Disputes and whistle-blower concerns.

The Board requests further information on any matters that they consider relevant. The Board requires ongoing updates, seeks assurance as to the proposed actions to resolve such matters and receives information on the corrective actions taken.

CHIEF EXECUTIVE OFFICER'S STATEMENT

I am pleased to have joined RM at an important point for the Group. The attraction of the role was clear with a business in a socially important and resilient sector and with strong market positions. The organisation has a deep and rich heritage in the education sector and will celebrate 50 years of trading in 2023. It is a sector that is experiencing structural change, most notably associated with the use of technology which was advanced through its experience during the pandemic in 2020 and 2021, and this creates an interesting growth opportunity and positive inflection point for RM.

At the same time, RM acknowledged in last year's annual report, that it is a business that needs to change. I have spent the best part of my career working in technology businesses and leading business transformations. My priority is clear, to work with the Board and the leadership team to bring that experience to bear with the objective of building value for all our stakeholders. There is much to be done, but the work by the team over the last 6 months, has put RM back on a much firmer financial and operational footing, and I am firmly committed to ensuring that the Group takes full advantage of the opportunities in its chosen markets.

2022 performance

Despite a disappointing bottom line financial performance in 2022 with profitability levels materially below that of previous years, the top line gave cause for encouragement. Revenue growth was 4% and the Assessment Division and the TTS resources brand delivered record revenues benefitting from UK and international sales growth. As we have noted previously, profitability in 2022 was negatively impacted by increased costs related to the IT implementation and inflation impacts on costs, in particular international freight costs that were several multiples higher than pre-pandemic levels, combined with ongoing drag from the Technology Division pending benefits from its turnaround.

The impact of the IT implementation challenges was broader than just profitability. The requirement to stabilise the operational performance in Consortium and to fix the implementation issues drove materially higher levels of borrowing than planned. Dividends were suspended as a consequence alongside further actions to prioritise net debt, such as the accelerated sale of IPv4 addresses in the second half.

I recognise that there is much to be done to rebuild value for all our stakeholders, but we start 2023 with a more stable financial and operational position.

- Banking support has been secured with an extension of our £70m credit facility to July 2025 with covenants that are manageable within our outlook.
- The IT implementation programme is now stable with the completion of the implementation of the new system into Consortium with the Digital e-commerce platform going live in the early part of 2023.
- The proposed sale of the RM Integris and RM Finance businesses from the Technology Division for up to £16m supports the turnaround activity and simplification of the Division.
- In addition, further restructuring work is ongoing to refocus activities and to bring greater commercial clarity and simplification.

Transformation approach to continuous improvement

My near-term focus will be to continue to strengthen the Group finances alongside looking at the value creation path ahead. I am working with the management team to build a continuous improvement culture and pinpoint all opportunities that drive enterprise value utilising our expertise in the education sector, product design and the potential from a digital transformation. We are focussed on building shareholder and enterprise value in a short time frame and as a result building operating margin in each of the Divisions.

My initial observation of RM is that it has great people, customers, and a long heritage of education knowledge to design, build and deliver products and services to UK and international customers.

As we go through this inflection point and transformation of the business, we want to retain the 50 years of education IP in the Company, bringing in new talent where needed to leverage the product opportunities in the education sector and having a laser focus on customer excellence and satisfaction.

This approach will be supported with a culture of continuous improvement embedded across the organisation as part of our transformation plan and allow us to serve our education customers with care and compassion but, at the same time, with ruthless operational efficiencies from behind the scenes.

We will review our enterprise architecture to fit the needs of the strategy and the future operating model and this in turn will unlock value drivers relating to operations, working capital, and overhead.

This transformation programme will become the one stop shop to keep all of our stakeholders updated on our progress and the framework against which I will hold myself and the management team to account regarding execution.

Looking ahead at the priorities

The market fundamentals and trends that underpin the current strategy are clear and well founded and create opportunity for RM.

- Increasing use of technology in education
- Digital delivery of assessment
- Aggregated school procurement

These trends are providing opportunity in the near term and will only strengthen further over time. They played a role in helping the business deliver revenue growth in 2022, particularly in a number of the contract wins delivered in the Assessment and Technology Divisions.

I see RM as having autonomous operating Divisions with strong market positions and channel strength in their own right and where the corporate governance offers a control framework in which our business leaders have clear decision-making authority. As a result, the central overhead functions should be small and use short lines of communication to ensure prompt and unambiguous decision making. These functions will also provide specialist resource that provides synergy and access to expertise and a programme management cadence for the overall transformation execution.

I will continue to evaluate and review the strategy and core operating business units over the coming months alongside the continuous improvement work that is in progress.

IT programme

Given the delays and overspend associated with the Group IT programme, a priority is to reset these plans. The programme is at a natural review point following the completion of the implementation of the end-to-end system into the Consortium resources brand in the early part of 2023. We have also implemented ServiceNow into the Technology Division and Group IT and an updated HR system across the Group.

The front-end website of the system, back-end support and automated distribution centre will bring great value to the Consortium business and represent a step change in its digital and operational capabilities and customer experience, providing a wealth of new functionality, automation and data transparency.

This new digital experience ranges from the simplicity of customer self-service options and improved product shopping list functionality to new product comparison and predictive search functionality. This is coupled with personalised content for specific customer account types, and a shared shopping basket across complex users.

With the IT system now fully implemented into Consortium, we will use the period of stability and reduced spend levels to remove the dependency of expensive 3rd party resources that were heavily used through the implementation phase and develop our own capabilities to retain knowledge and IP inside RM.

Importantly, we will review the IT enterprise architecture and structural requirements of the wider business alongside a review of the future operating model. We will be open minded about what is required in each area rather than assume that the current architecture is deployed throughout and no further deployment phases are planned in 2023.

Revenue and Gross Margin development

We continue to see growth opportunities in each Division. These are in part from leveraging the structural growth opportunities that exist around the increasing use of technology and the clearer customer targeting of larger School buying groups that are increasing through the Academisation process in English Schools. Furthermore, there are opportunities associated with continuing to improve execution and the development of a more commercial culture.

There is a specific focus on gross margin development which is of increased importance given the inflationary backdrop. All areas of the business have been challenged to improve their commercial response to managing indexation, pricing and account management which is being centrally coordinated and reviewed.

There is also a focus on customer and product profitability and ensuring that all contractual relationships are profitable for the Group. This is a key aspect of the turnaround in the Technology Division.

Spend and Working Capital

There are a number of initiatives in train around improving working capital cycles and inventory management and reviewing spending plans across the Group. It is important to me that we mirror the spending behaviour of our customers where budgets are currently challenged or uncertain as a result of the macroeconomic backdrop and ensure that all of our spend is essential. We have established a Technology Board to review all plans in this area across the Group covering structures, spend, licensing and asset management and also a Staffing Board to regularly review all hiring decisions and employment levels.

People

Talent and culture remain a focus and RM has a strong purpose-led culture and committed employees who care about education and learners. This has been immediately evident to me throughout my early interactions with people regularly demonstrating that they care about the work that we do within education. On behalf of the Executive team, I would like to thank everyone in RM for their incredible commitment through 2022 and the warm welcome that they have shown me and I look forward to working with them in the year ahead.

Outlook

The government continues to make education a priority and it is one of the few departments that has received increased funding. The wider macroeconomic backdrop however continues to create uncertainty and challenges for school budgets with higher than expected pay increases, persistently high energy prices and high inflation. In turn this puts pressure on our own operations and, as outlined, ensuring we have the right cost base will remain a key priority.

That said, growth is expected in each of our Divisions in the year ahead. The Resources Division is most sensitive to inflationary environments, but we are optimistic for the recovery in the Consortium brand following the disruption of the previous year and now that we have a stable and materially improved technology platform with strong digital capabilities. We also expect the International markets to be more resilient and continue the strong underlying growth we have experienced over a number of years.

Assessment should continue to grow on the back of a good year in 2022 and has the benefit of new customer wins from the previous year and a positive marketplace.

The Technology Division should benefit from the turnaround actions taken in 2022 and, although this work is ongoing, it is now more effectively and commercially organised aligning its go-to-market structure with its product verticals. Technology will focus more on profitability and operating margin and benefits from some positive wins in 2022 and is focussed on key government funded initiatives such as the Connect the Classroom connectivity programme where it has a strong presence. We also expect to conclude the sale of the RM Integris and RM Finance businesses in the first half of 2023 which has required significant effort and commitment over the last year.

I am personally energised about the opportunities ahead and driving enterprise value at RM. While there is much to be done, the business and market fundamentals are positive and the whole team at RM are focussed on delivering for our customers, improving outcomes for learners and unlocking value for all our stakeholders.

Mark Cook
Chief Executive Officer
28 March 2023

MARKET TRENDS

The education sector continues to be a dynamic market with a combination of long-term secular trends and short-term volatility creating opportunity and uncertainty for customers and suppliers.

Use of technology in education

Accelerating as schools progress on long digital maturity journey with only 9% considered digitally mature by DfE.

Long-term technology growth in education despite normalizing post Covid.

Digital delivery in assessment

Engagement building on digital solutions post COVID-19 disruption.

Assessment will be digital "when not if".

Aggregated school procurement

Growth in larger school groups is key disrupter in buyer behaviour.

Government academy plans will result in the majority of English schools (14,000) becoming part of a mid-sized buying group.

Covid recovery and normalisation

Global education priority to reduce impact of learning loss drives curriculum focus.

Customers returning to pre-pandemic behaviours, but legacy of COVID-19 will be long-lasting.

Underlying market trends create opportunity for RM. Globally the sector continues to normalise after extended periods of Covid disruption. This is a positive for every young person whose education has been disrupted and also creates a more stable operating environment. Governments are investing additional funds to mitigate the impact of lost learning during the pandemic and RM Resources continues to be well placed to use its specialist experience to support customers and deliver growth.

Spend on technology has fallen in comparison to peak Covid spend, but continues to demonstrate consistent long-term growth in spend, adoption and impact across the sector. There is a continued maturing of technology adoption, with greater focus on systemic change and process to complement continued spend on devices and classroom technology.

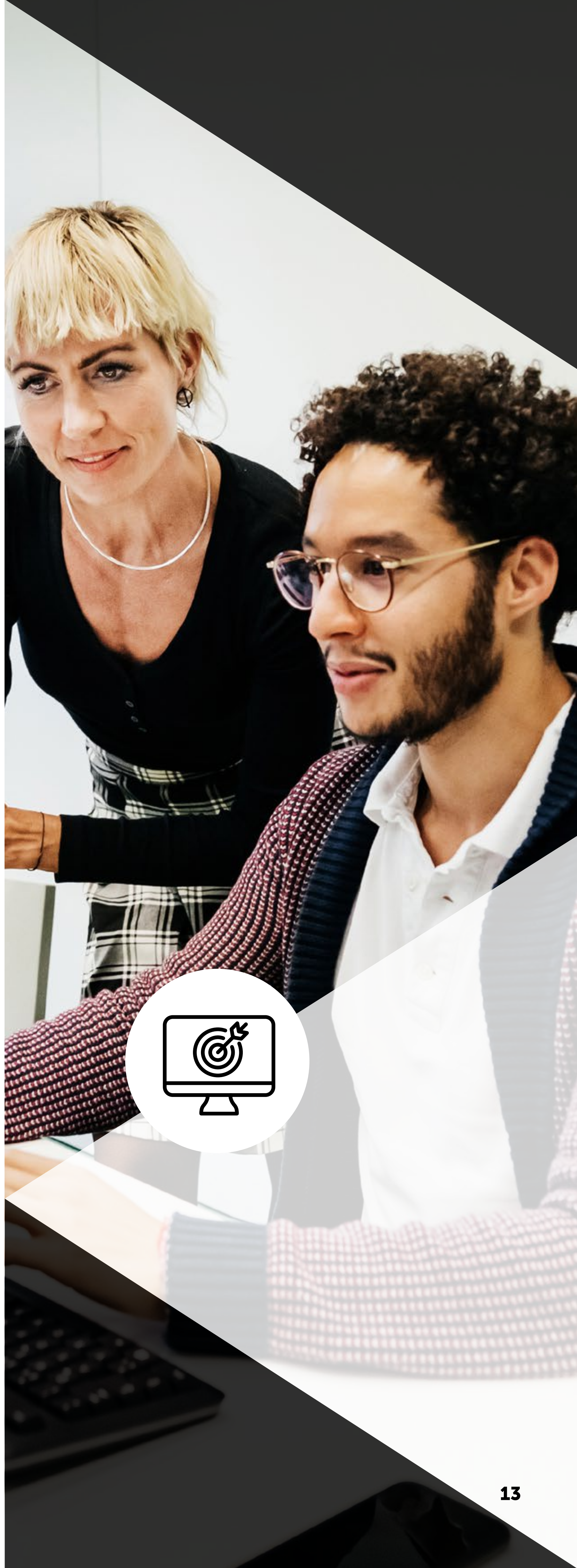
Covid accelerated the demand for digital assessment solutions and the market continues to expand and innovate in every sector as customers work to digitise assessment to reduce costs, improve the candidate experience and improve the overall quality of assessment.

English schools are continuing to choose to convert to academy status and join multi-academy trusts, and this trend looks set to continue despite recent softening of Government ambition to fully complete academisation by 2030. This is resulting in aggregated purchasing and delivery for technology services, where we see mid-sized trusts having a greater appetite to work with a partner that can scale to support them, and an increasingly sophisticated customer base who can work with us to deliver powerful impact from technology.

Short-term headwinds

The operating environment for schools in the UK has been extremely challenging. Inflation, energy costs, and a higher than anticipated teacher pay award, resulted in financial concerns across the sector and corresponding spend reductions and re-planning for many customers during the middle months of the year. The Autumn Statement in November 2022 announced additional funding for schools, alleviating some of the budget pressure, and delivering on a manifesto commitment to return education spending to 2010 levels in real terms, but funding remains a concern for many schools.

The UK political environment has created uncertainty within the education sector, with five secretaries of state for education serving during 2022. The clarity of priorities and direction set out in the Education White Paper in March 2022 has eroded, with short-term government priorities for education remaining unclear.



STRATEGY

The challenges and volatility in FY22 have yielded appropriate adjustments in strategy and leadership to respond effectively, navigate the challenges and return RM to more stable ground on which to build for the future. With Mark Cook joining as the new CEO in January 2023, he will assess the current strategy and the framework for transformation required to ensure RM is consistently delivering good results.

RM continues to be a portfolio business where we benefit from shared expertise and scale, united by a common purpose and provide an expert layer into the education sector. We are focussed on how each Division creates value, with an operating model that ensures clear, empowered Divisions supported by well-integrated cost-effective corporate functions.

In November 2022 the proposed sale of RM Integris and RM Finance was announced. This was an important part of the strategy articulated last year to focus on the areas where RM can win at scale. The sale creates a more focussed Technology Division, with the priority and ambition to accelerate growth in Managed Services, Hardware and Connectivity, capitalising on the growth of Multi-Academy Trusts (MATs) in England, leading to larger Managed Services requirements where RM's scale and expertise means we are well positioned to win long-term share.

The sale is an important part of the turnaround of the Technology Division with a new Managing Director of the Division having joined in April 2022. With deep expertise and experience in Managed Services businesses their leadership is seeing progress on the transformation, shown in top line revenue growth. More work is required to move to a cloud-first managed services business delivering consistent profitability, innovation, and customer satisfaction.

The new IT platform programme has been a significant but challenging investment in RM Resources. The programme has now successfully deployed the platforms required for Consortium to offer a modern, digital experience for our customers. While the programme has negatively impacted profitability in FY22, we now have a solid platform across warehousing, finance and procurement that has enabled automation in the warehouse, streamlined order process, dynamic reporting capabilities and a modern digital experience for Consortium customers. We will be re-evaluating the wider IT Enterprise Architecture and requirements for further IT and systems transformation in alignment with the Group Strategy. These activities and deployments will be smaller, reducing risk from further large-scale change programmes.

FY23 will see a renewed focus on transformation, with clear priorities:

- Strengthen the finances of the Company
- Working capital management and debt reduction
- IT enterprise architecture review
- Key projects to deliver budget, mitigate budget risks and realise budget opportunities
- Refinement of the Group operating model, including the establishment of the Group Technology and Group Staffing Boards
- Develop strategic options focused on building shareholder/enterprise value

Strategic Objectives

At a Group level, we have five simple overarching objectives which are critical to our delivery.

Reach more customers

As an organisation focused on a single sector, customer market share is critical and provides broader commercial opportunities to a portfolio group. It also highlights the value in looking at adjacent markets in education where we are not currently focused but where the same customer need exists.

Example opportunity: whilst we are one of the leading brands in the sector, only 2% of UK schools have an RM Technology Managed Service in a market where this need is increasing.

Improve share of customer spend

The cost to acquire new customers is relatively high and therefore it is critical that once a relationship is established, it is maintained, and the share of customer spend maximised.

Example opportunity: each Division has multiple products, category or solutions that apply to the same customer. Focus on logical cross-sell and customer expansion is critical to maximise value after initial customer acquisition.

Operational excellence

Good customer service and operational efficiency is essential to a sector that delivers a critical public service to its end customers.

Example opportunity: The completed deployment for Consortium and move to an automated warehouse system will yield operational benefits. System adoption in the Technology Division can improve automation and insight, reducing the cost to serve.

Attract and retain talent

RM prides itself on a workforce that has functional expertise, deep sector knowledge and customer empathy. Acquiring, developing and retaining this talent and building a culture of positive employee engagement is a key success factor.

Example opportunity: a challenging labour market continues to impact RM, but opportunities exist to improve employee engagement and build on the strong purpose-led connection employees have with RM and our customers. A continuous improvement culture will engage employees to provide an interactive platform, with management, to enable change and career enhancements.

Restore strong financial discipline

RM's balance sheet has become strained resulting from the challenges associated with the IT implementation in Consortium. The underlying business model is positively cash generative and with the material IT spend concluded and actions taken to put the Company on a more stable financial footing, RM can focus on strengthening its finances, reducing net debt and restoring strong financial discipline.

Example Opportunity: RM has extended and amended its £70m bank facility with revised covenants that put the Company on a stable financial footing on which to refocus on building shareholder value.

BUSINESS MODEL AND OPERATING DIVISIONS

Portfolio Business Model

RM is a portfolio organisation with a common purpose that aspires to enable the improvement of education outcomes around the world through bringing together inspiring resources, digital assessment solutions and harnessing technology to support and improve teaching and learning.

We do this through our three Operating Divisions:

- RM Resources – providing unique and innovative teaching resources and education supplies to schools and nurseries globally.
- RM Assessment – providing assessment software to help our customers accelerate their adoption of digital practices and transform assessment across practice, progress, evidence collection and exams to unlock teaching and learning benefits.
- RM Technology – providing strategic IT services to UK schools and colleges that deliver an environment that improves learning outcomes and makes the most of their IT investments.

Common purpose and vision

Clear, empowered Divisions, focused on customer value, operations, and financial performance

RESOURCES	ASSESSMENT	TECHNOLOGY
Curriculum resources and education supplies	Digital assessment	Technology to improve education

Supported by centralised corporate functions that support Group-wide priorities and manage Group strategy, risk and opportunity and capital allocation.

Supported by RM Education Solutions India who perform a range of services for all Divisions and central functions including software development, technology support, and back-office services.

Our Divisions are aligned to the trajectory of their respective markets whilst aspiring to bring the breadth of their expertise and relationships together to create a cohesive organisation, ensuring the resources available to us have the biggest impact:

Strong market positions	Strong and distinctive brands that are well respected in the UK and internationally
Breadth and depth of knowledge	RM has a rich heritage in education, trading since 1973, and across the Divisions has established an extensive sector knowledge to enable it to bring unique breadth of value to the customer.
Market leading products	We have leading products and services in each of our respective markets focussed on the domains of curriculum content, digital assessment and the use of technology to improve education environments.
Insight from working with the leading organisations in education	We benefit from long relationships with some of the leading organisations in their field from globally renowned assessment organisations to ministries of education, leading schools, trusts and nurseries, thought leaders and educators, Universities and partners that include the largest global technology organisations. This creates a unique network of knowledge and insight with which to create value for our customers – The RM expert layer.
Highly skilled people with deep domain knowledge	We employ some of the best and most passionate people in the education services sector combining functional expertise, a deep sector knowledge and customer empathy.
Purpose-led culture	Above all we recognise our role in society and our people are united in seeking to enrich the lives of learners worldwide.

RM Resources

WHAT WE DO

We improve learning outcomes by providing unique and innovative teaching resources and education supplies to schools and nurseries worldwide. We are the UK market leader with two distinctive brands – TTS and Consortium – whilst also selling internationally to over 80 countries through a network of distributors or directly to international school groups.

MARKET CHARACTERISTICS

UK Resources		
Market	2023 Growth	Share
c. £1bn	-5-10%	c.9%

International Resources		
Market	2023 Growth	Share
>£1bn	2-5%	<2%

OPPORTUNITY

- Sell to c. 90% of UK primary schools and c. 30% of nurseries
- Only 1/3 of existing customers buy both brands
- Increase international penetration
- Maximise customer and operational benefit from Evolution programme

AMBITION

We will build on the trust of our market leading position to continue to grow share as the foremost provider of resources to improve children's attainment in school and nursery settings in the UK and internationally.

MARKET FOCUS

Leverage our market leading position and significant customer reach in the UK to ensure that we are meeting the evolving needs of educators to deliver the curriculum to improve child attainment.

Invest internationally, building on our existing presence in scalable markets to leverage the TTS brand as experts in our core strengths of STEAM, robotics, early years and 21st century skills.

WHAT MAKES US DIFFERENT

We work with educationalists, practitioners, and experts to develop unique ranges which address the educational goals for learners worldwide. The RM expert layer.

We offer resources that cover the whole English curriculum and are closely mapped to the improvement of learning outcomes.

We are recognised experts and innovators with core strength in Early Years, STEAM, Robotics and 21st Century skill development.

APPROACH

- Assess further product penetration opportunities
- Improve digital experience for customers
- Continued growth in International Markets
- Embed new technology platform and automated warehouse

2022 Summary

2022 was a challenging year, with some strong results offset by difficulties with the IT implementation and a volatile operating environment where inflation, particularly for freight costs, negatively impacted profitability, particularly in the first half of the year.

TTS, our curriculum brand delivered record revenues in the UK and internationally, continuing the strong recovery following Covid disruption and showing the value that customers place on the sector knowledge, product innovation and customer intimacy that are the cornerstones of the TTS brand. Our products and services were nominated for and won many education awards (see Social Value section on page 60), being recognised by customers and industry leaders around the world.

The year saw substantial investment in modernising systems and infrastructure, consolidating Consortium into a single distribution centre with automated distribution capabilities, closing legacy warehouses and deploying a new IT platform. The implementation was disruptive during the year, impacting revenue and elevating costs but has delivered significant customer and back-office benefits for Consortium and creates opportunity to improve customer service and reduce costs.

RM Assessment

WHAT WE DO

We provide software that helps our customers accelerate their adoption of digital practices and transform assessments to unlock teaching and learning benefits.

MARKET CHARACTERISTICS

Global Assessment Services		
Market	2023 Growth	Share
>£1bn	>5%	<5%

Addressable market primarily digital adoption of paper-based processes.

RM supports 2.5m online tests and 17m online marked tests across 180 countries.

OPPORTUNITY

- Global growth of digital assessment and innovation, accelerated by COVID disruption
- Digital assessment solutions have a growing role in the learning process
- RM support the leading global assessment brands today

AMBITION

To become the essential digital assessment partner to the world's leading awarding and education organisations. Innovating approaches to digital assessment across practice, progress, evidence collection and exams, and work with customers throughout the lifelong learning journey.

MARKET FOCUS

Continue to build market share in digital assessment globally as the market transforms. Focussing on general school examinations, professional and vocational awarding organisations and higher education.

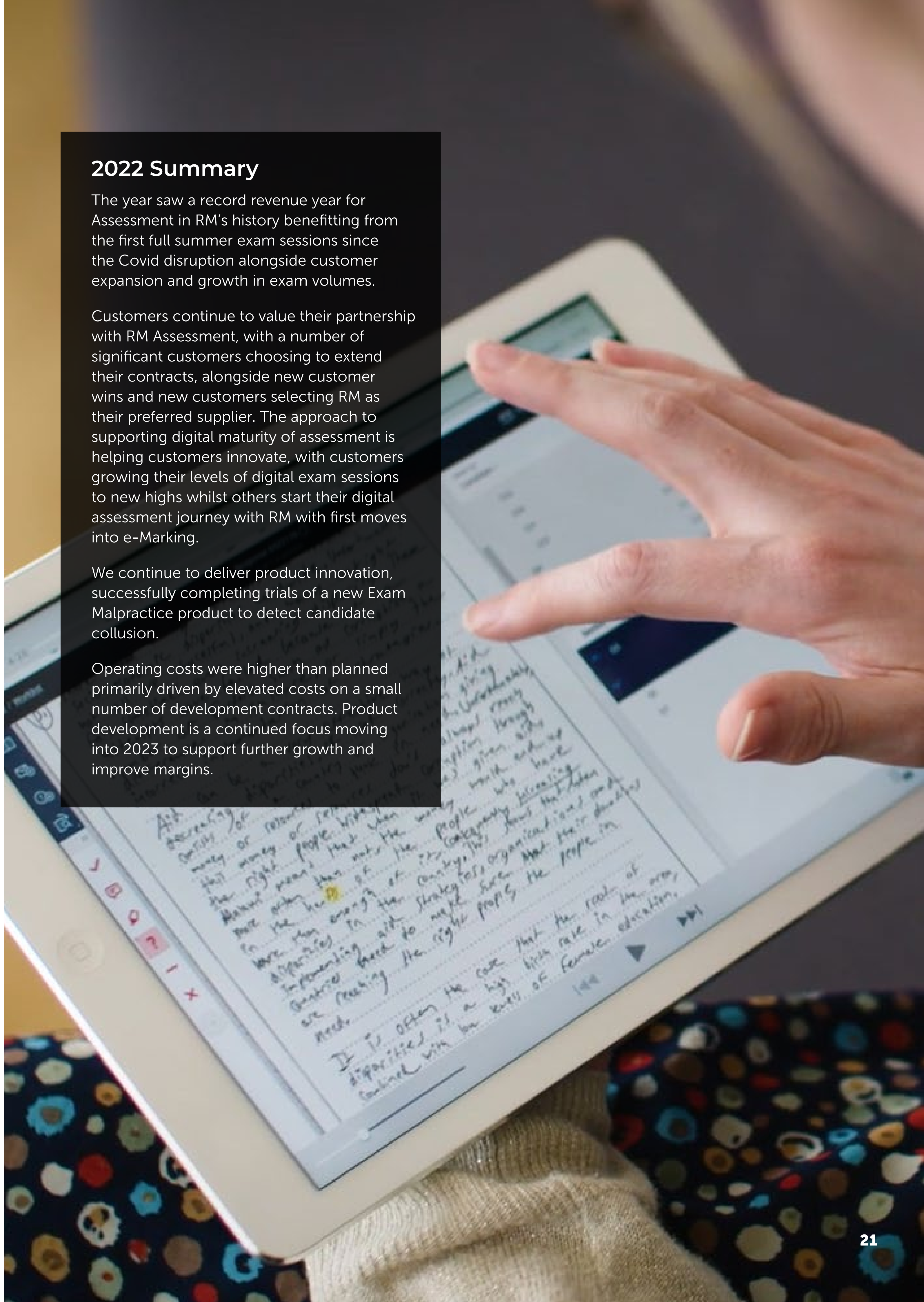
WHAT MAKES US DIFFERENT

Our customers choose us because we navigate the journey to digital assessment maturity irrespective of their start point and make it easier to digitise across practice, progress, evidence collection and exams.

We stand out because we don't just provide a technology platform. Our customers rely on our proven domain expertise and experiences of working with the world's leading organisations to pre-empt and overcome the challenges and barriers they face.

APPROACH

- Increase sales capacity to target existing and adjacent markets
- Re-position as a leading provider of digital assessment solutions
- Improve customer experience and operational efficiency



2022 Summary

The year saw a record revenue year for Assessment in RM's history benefitting from the first full summer exam sessions since the Covid disruption alongside customer expansion and growth in exam volumes.

Customers continue to value their partnership with RM Assessment, with a number of significant customers choosing to extend their contracts, alongside new customer wins and new customers selecting RM as their preferred supplier. The approach to supporting digital maturity of assessment is helping customers innovate, with customers growing their levels of digital exam sessions to new highs whilst others start their digital assessment journey with RM with first moves into e-Marking.

We continue to deliver product innovation, successfully completing trials of a new Exam Malpractice product to detect candidate collusion.

Operating costs were higher than planned primarily driven by elevated costs on a small number of development contracts. Product development is a continued focus moving into 2023 to support further growth and improve margins.

RM Technology

WHAT WE DO

We are the strategic IT services partner for UK schools and colleges to deliver a technology environment that improves learning outcomes and make the most of IT investments.

MARKET CHARACTERISTICS

UK IT Services in Education

Market	2023 Growth	Share
£500m	2-5%	c. 13%

Current market size excludes proportion of market where schools run IT services in-house.

OPPORTUNITY

- Continued growth and maturing of technology use in education
- 19% of UK schools buy at least one product. Only 2% have an RM Managed IT Service
- Growth in larger school groups is changing the market need

AMBITION

To become the preferred technology partner for UK Trusts, schools and colleges and to lead the market through a period of digital maturity.

MARKET FOCUS

Focussing on the UK schools' market, building on our customer reach of 19% and to improve our share of customer spend. Focus on the growing need for a strategic IT strategic partner managing technology for schools, particularly for the growing segment of mid-sized Multi-Academy Trusts.

WHAT MAKES US DIFFERENT

Leading in transforming the way technology is used in schools supported by almost 50 years of experience in the sector with a breadth of specialists and partners.

Provide access to a unique network of knowledge and insight through our relationships with leading schools and trusts, governments, global technology partners and experts across education and technology.

Size and scale to support all nature of opportunities across the UK, from software to support a national solution to partnering a regional requirement or local school.

APPROACH

- Reposition RM as the strategic technology partner of choice.
- Improve share of customer spend
- New technology platform to improve operational efficiency, customer acquisition and retention.

2022 Summary

Under new leadership, the Division has made progress on the turnaround required, further refining the strategy and sharpening focus on mid-sized Multi-Academy Trusts as the primary target market. The strategy is supported by the initial roll out of ServiceNow to modernise service delivery and enable automation.

The proposed sale of RM Integris and RM Finance is a critical milestone as part of the Technology turnaround and allows the Division to focus where it can win at scale and offer market leading value and service. The Division has aligned into four strategic business verticals: Managed Service, Hardware, Software and Connectivity, being clearer in meeting customer needs and offering customers the full value of everything that RM Technology support them with.

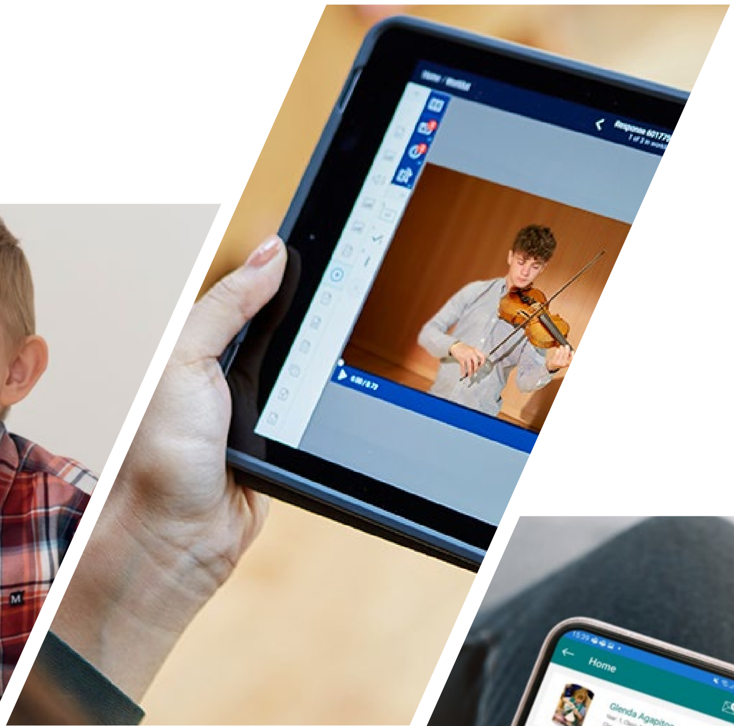
Revenue results were positive supported by winning one of the largest contracts in the sector and delivering into the Department for Education's connectivity initiative, Connect the Classroom.

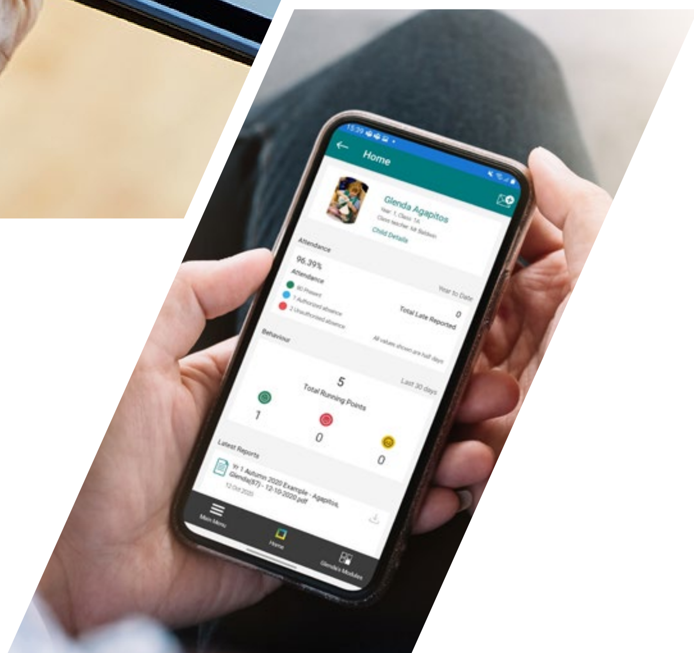
The evolution of the Academies and Trusts market is creating opportunity, with very large trusts choosing to work with RM to augment and support their own capability, while mid-sized trusts are selecting RM to be their trusted IT partner.

There remains further work to improve profitability of the Division, improving the mix of services we sell to customers and focussing on the target customers where we can deliver profitably.

Value we create for our stakeholders

Educators	We believe that technology can help make teaching more engaging, encourage greater collaboration between colleagues and have a positive impact on addressing teacher workloads.
Learners	Developing digital and 21st century skills is critical in later life, and equipping learners with the opportunity early in their development prepares them for whatever comes next.
Governments and awarding bodies	We innovate approaches to digital assessment across practice, progress, evidence collection and exams, and we work with customers throughout the lifelong learning journey.
Employees	We are committed to building a workforce which reflects the diversity of the customers and communities we serve, and to creating an inclusive and flexible workplace where all our employees can be themselves and succeed on merit. Without diversity of thought, we cannot continue to innovate and grow.
Shareholders	We aim to provide long-term shareholder value creation.
Society	Education plays a crucial role in society and we are passionate about improving educational outcomes which improves the life chances for people. As a purpose-led organisation this is at the heart of our colleagues' passion to deliver great value for all our stakeholders.





KEY PERFORMANCE INDICATORS

At a Group level, we have five simple overarching objectives which are critical to deliver our strategy.

Reach more customers

Improve share of customer spend

Operational excellence

Attract & retain talent

Restore strong financial discipline

The key performance indicators are aligned with the five overarching strategic objectives established last year and are designed to track progress across a balanced set of metrics.

Customer Reach

Why is it important?

- Defined target customers
- Critical to grow market share
- Build channel and scale advantage

2022 highlights

- Greater focus on mid-sized multi-academy trust (MAT) target customers for RM Technology
- Early Years recovery
- First win in Higher Education

Priorities for 2023

- Recovery of customer trading volumes in Consortium after IT disruption
- Acceleration of mid-sized MAT customer acquisition
- Capitalise on market growth for Assessment

How we measure success

- Number of trading customers
- Number of new contracts won

RM RESOURCES

33,927

Customers traded with in 2022

-1% vs 2021

- Trading customers negatively impacted by IT disruption, offsetting growth in TTS customer base

RM ASSESSMENT

47[1]

Customers contracted with in 2022

+15% YoY

- Very high customer retention rates
- New customers contracted in every sector

RM TECHNOLOGY

6,813

Customers traded with in 2022

+0% vs 2022

- Early signs of mid-sized MAT targeting having impact, single-site school churn more than offset by growth in MAT customers

[1]Assessment customers only. Excludes customers of the iCase software product which was sold during 2022. Numbers excluded in 2022 and 2021 comparator.

Share of Customer Spend

Why is it important?

- Improve ROI from new customer acquisition
- Focus on customer expansion opportunity within in each Division

2022 highlights

- Re-alignment of RM Technology into clear business verticals following announcement of sale of RM Integris and RM Finance
- Record revenue in Assessment driven customer expansion in alongside return to full exam volumes
- Record year for TTS International

Priorities for 2023

- Capitalise on the technology investment in Consortium
- Embed new org alignment in RM Technology

How we measure success

- Average revenue per customer

OR

- Average number of products purchased by managed service customers

RM RESOURCES

£3,375

Average revenue per customer

+1% vs 2021

- Strong growth in TTS and International
- Customer revenue negatively impacted by IT disruption

RM ASSESSMENT

£1,082k

Average revenue per customer

+22% vs 2021

- Return to full exam volumes
- Strong customer renewals, contract extensions and volume growth

RM TECHNOLOGY

3.4

Products purchased per Managed Services customer

+0.2 vs 2021

- Clearer Division structure aligned by business unit to support cross-sell
- Early signs of progress to be built on in 2023

Operating Excellence

Why is it important?

- Tight school budgets
- High-touch customer requirements
- Create ability to invest

2022 Highlights

- Completion of IT deployment for Consortium.
- Migration to ServiceNow for Technology service management and automation
- Continued momentum on sustainability and progress to Net Zero (metrics and reporting in Sustainability Report)

Priorities for 2023

- Enterprise Architecture review across Group, aligned to Strategy Review

How we measure success

- Division Operating Margins

RM RESOURCES

3.2%

Adjusted Operating Margin*

-5.7pts vs 2021

- Consistent product margins
- Lower revenues and increased direct costs in Consortium driven by IT implementation
- Increase in depreciation as consolidated distribution centre launched

RM ASSESSMENT

18.2%

Adjusted Operating Margin*

+1.0pts vs 2021

- Return to full exam volumes
- Strong revenue growth delivering improved profit

RM TECHNOLOGY

4.7%

Adjusted Operating Margin*

-3.8pts vs 2021

- Lower gross margins reflecting less favourable product and customer mix and higher staff costs

Note: Operating margin is calculated as adjusted operating profit as a percentage of revenue (See Note 6)

Attract and Retain Talent

Why is it important?

- People critical for service delivery
- Substantial functional and sector expertise
- Customer empathy and connection to purpose

2022 Highlights

- Launch of Employee Advocacy Group
- Launch of EDI Networks
- Challenging labour market
- Attrition higher than desirable

Priorities for 2023

- Enterprise Architecture review across Group, aligned to Strategy Review

How we measure success

- Employee survey participation
- Employee engagement score

RM Employee Engagement Score

65%

New engagement survey launched in 2022 so no 2021 comparator

- Combines the scores for two questions: "How happy are you working at RM plc?" and "I would recommend RM plc as a great place to work"
- Strengths areas; Authenticity, Feedback and Direct Management
- Development areas; Communication and collaboration across the Group Divisions, common understanding of Groupwide strategy across all Divisions

RM Employee Participation Rate

79%

New engagement survey launched in 2022 so no 2021 comparator

- RM engagement survey launched in 2022, made up of 24 questions
- Conducted quarterly with consistently high participation rates
- Feedback is used to influence and inform people plans and activities across the Group

Financial discipline

Why is it important?

- Need to invest while balancing risk and stakeholder needs
- Restore confidence in financial management and reduce debt levels

2022 Highlights

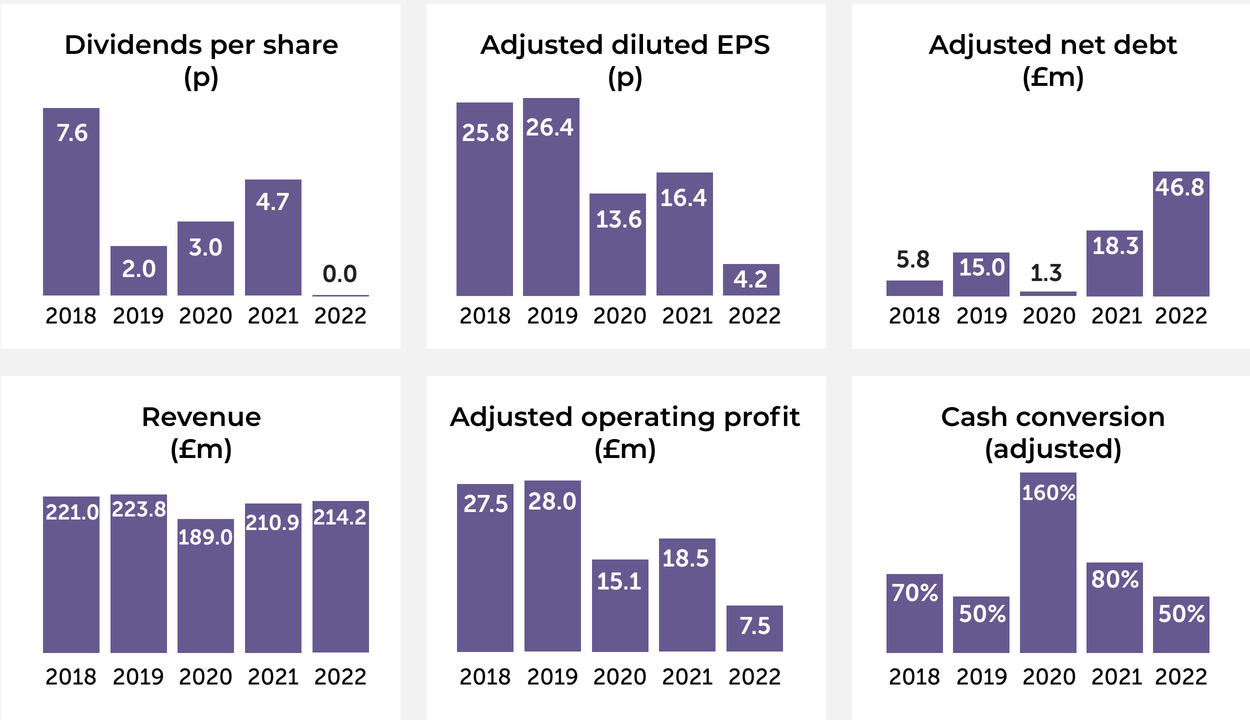
- IT programme spend and overrun resulted in elevated debt and reduced profitability
- Proposed sale of RM Integris and RM Finance
- Sale of £4.1m of surplus IPv4 addresses

Priorities for 2023

- IT enterprise architecture review across Group
- Working capital improvements
- Completed bank facility extension

How we measure success

- Revenue
- Adjusted operating profit
- Adjusted diluted EPS
- Net debt
- Cash conversion
- Dividends per share



1. Adjusted operating profit, adjusted diluted EPS, adjusted net debt and cash conversion are alternate performance measures (see Note 6)

2. 2022 KPIs reflect continuing operations, prior years are as reported.

DIRECTORS DUTIES STATEMENT

The Company's Directors, individually and collectively, have acted in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of all its members as a whole. As highlighted in the Chair's statement on page 4, 2022 was a difficult year for the Group and accordingly the Directors had to focus on a number of short-term priorities. The Directors confirm that they have had appropriate regard to the matters detailed in section 172 of the Companies Act 2006 in making their decisions.

RM has a diverse and wide community of stakeholders, each with its own interests in and expectations of the Company. The Board and each Director acknowledges that the success of RM's strategy is reliant on the support and commitment of all the Company's stakeholders. During the year, the Board received reports from the business on engagement with stakeholders and took part in discussions which considered, where relevant, the impact of the Company's activities on its key stakeholders. These activities, together with direct engagement by the Board and individual Directors with the Company's stakeholders, helped to inform the Board in its decision-making processes.

In this annual report we provide examples of how the Directors promote the success of RM while taking into account the consequences of decisions in the long term, building relationships with stakeholders, and ensuring that business is conducted ethically and responsibly.

While there are many parts of this annual report which illustrate how the Directors do this, with the support of the wider business, the following sections in particular are relevant:

- Stakeholder engagement (pages 98-101) which summarises;
  - how Directors have engaged with employees and had regard to employees' interests
  - how the Directors have had regard to the need to foster the Company's business relationships with customers, employees, shareholders, suppliers and partners, and the community and environment
- Sustainability (pages 42-69) which outlines;
  - The latest steps in the development of our sustainability strategy and improvement programme which outlines three areas of focus:
    - Carbon reduction and path to net zero
    - Reduction in waste and the potential for the circular economy
    - Opportunities to collaborate with partners, suppliers and customers to expand our impact.
  - The strengthening of our governance approach including the formation of a Board ESG Committee
  - How we deliver against our purpose of enriching the lives of learners and the role that each Division plays in the learning lifecycle
  - RM's commitment to local communities and they have supported active lives, education and the environment

A continued understanding of the key issues affecting stakeholders is an integral part of the Board's decision-making process, and the insights that the Board gains through the engagement mechanisms it has in place form an important part of the context for all the Board's discussions and decision-making processes.

Further information on how the Board have fulfilled their section 172(1) duties can be found throughout the Strategic and Governance Reports and the following sections are incorporated into this report.

SECTION 172 OF THE COMPANIES ACT

In summary, as required by Section 172 of the Companies Act 2006, a director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders as a whole. In doing this, the director must have regard, among other matters to the items outlined in the table below;

s.172 duties	Section	Pages
Consequences of decision in the long term	Business Model	**16-24**
	Viability Statement and Going Concern	**78-84**
	Principal Risks and Uncertainties	**36-41**
Interest of employees	Social Value (Workforce)	**63-66**
	Stakeholder Engagement (Employees)	**98-99**
Foster relationships with suppliers, customers and others	Stakeholder Engagement (Suppliers and Partners)	**100-101**
	CEO Report	**8**
Impact on community and environment	Sustainability Report (Environmental Policy and Responsibility) and TCFD Report	**44-58**
	Sustainability Report (Community)	**60-62**
	Stakeholder Engagement (Environment/Community)	**101**
Maintaining high standards of business conduct	Purpose, Values and Culture	**6-7**
	Sustainability Report (Governance)	**43-44**
Acting fairly between members	Stakeholder Engagement (Shareholders)	**99-100**

NON-FINANCIAL INFORMATION STATEMENT

The Strategic Report (including the Sustainability Report) together with the Directors' Report, Corporate Governance Report and Audit and Risk Committee Report provide details of the non-financial matters required by sections 414CA and 414CB of the Companies Act 2006.

Reporting Area	Policies and related Due Diligence and Outcomes	Principal risks
Environmental	Environmental Policy (pages 44-47)	RM considers the impact of climate related risks across the whole business (see Environmental risk on page 39)
Employees	Equal Opportunities Policy (page 64) Health and Safety Policy (page 68)	RM reflects diversity and health and safety risks in the People risk section on page 39
Social and Community	Safeguarding Policy (page 68)	RM reflects safeguarding risk in the Operational execution risk on page 37
Respect for Human Rights	Annual Modern Slavery Statement (page 68) Data Protection Policy (page 67) Supplier Code of Conduct (pages 100-101)	RM considers these risks with its suppliers on page 38 and Data and Business continuity on page 38
Anti-Corruption and Anti-Bribery	Anti-Bribery Policy (page 66), Anti-Money Laundering Policy (page 66) Share Dealing Code (page 68)	RM reflects anti-bribery and corruption risks in its Operational execution risk on page 37

See pages 16 to 24 for the description of the business model and pages 25 to 30 for KPIs and non-financial targets.

Environmental Policy and Reporting

The Environmental Policy and Reporting section in the Sustainability Report on pages 44 to 47 is incorporated into this report.

Workforce

The section on workforce in the Social Value Report on pages 63 to 66 is incorporated into this report.

MANAGING THE GROUP'S RISKS

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company has a structured approach to the assessment and management of risks. The Company's approach to risk identification, risk mitigation and risk appetite has been refreshed in the year. Whilst this was a planned Board activity for 2022 it also reflects the heightened risks which the Company faced into during the year.

A detailed Risk Register is maintained, in which risks are:

- categorised under the following categories: political, strategic, operational, financial, and emerging; and
- assessed in terms of probability of the risk occurring and its potential impact on the Group and its key stakeholders.

RM assesses both the inherent risk, before any mitigating actions, and the residual risk after such actions have been taken. The Company also identifies any other activities that could be undertaken to further mitigate risk where it is considered too high. Whilst RM's risk management systems are designed to reduce risk as far as possible, the Company cannot eliminate all risks.

Emerging risks are ones that do not currently have a material impact on the business, but which have a reasonable likelihood of impacting future strategy or operations. Details of emerging risks, as a separate category of risk, are identified and analysed, and mitigating actions proposed and monitored as part of the risk management processes. These risks are reviewed following the same process as for principal risks. Whilst there are a number of risks that the Company identifies and manages, currently, none of these are expected to become future principal risks. Environmental risks were an emerging risk but are now captured as a principal risk based on an analysis of the probability and potential impact. Current emerging risks include the impact of increasing internationalisation of the business with regard, for example, to international travel risks.

The full register including emerging risks, is reviewed at least annually by each Division to ensure that the risks that could potentially affect each Division are properly captured. The register also includes a summary of the mitigation plans for those risks and the person responsible for these. These risks and their mitigation are monitored on a continual basis by each Division. This register is then consolidated, and Group-wide risks added, to ensure that the register covers the entire Group's operations. This is then reviewed by the Executive Committee.

The Audit and Risk Committee provide assurance that the risk management systems are effective.

The Board reviews the principal and emerging risks faced by the Group and approves the Group Risk Register at least twice a year.

The Group has a Risk Appetite and Tolerances Policy which sets out the overarching risk tolerances across the Group. There is zero tolerance for risks which:

- harm its employees, customers, learners or the general public;
- create significant, unmanaged, adverse, reputational damage;
- lead to the loss of any application or IT service deemed critical for RM customers or internal users or the loss of any service beyond the ascertained maximum acceptable outage; or
- would cause any failure to comply with legal and regulatory requirements.

The Board confirms that it has carried out a robust assessment of the principal and emerging risks faced by the Group and appropriate processes have been put in place to monitor and mitigate them. Further details are also set out in the Corporate Governance Report.

RM has identified the principal risks set out in the table below and it has continued to monitor these in 2022. These are the risks with the highest probability and impact on the business. While these risks are largely unchanged since last year, the key changes reflect the impact of the IT implementation challenges in 2022 on business operations and liquidity and volatile macroeconomic environment impacting supply chains and inflation, in part caused by the Ukraine conflict.

In addition to these there are other risks that are reviewed managed and mitigated throughout the year. The arrow in the Trend column indicates the year-on-year change in the risk.

PRINCIPAL RISKS AND UNCERTAINTIES

Link to Strategic Objectives

- Reach more customers
- Share of customer spend
- Operational excellence
- Attract and retain talent
- Strong financial discipline

Year-on-year trend

- ↑ Increasing risk
- ↓ Decreasing risk
- ↔ Unchanged from previous year

Risk and categorisation	Description and likely impact	Mitigation	Trend and Likelihood
Public policy (Political Risk)	The majority of RM's business is funded from UK government sources. Changes in political administration, or changes in policy priorities, might result in major changes to the exam system or a reduction in education spending, leading to a decline in market size. UK government funding in the education sector is constrained by fiscal policy. Global economic conditions might result in a reduction in budgets available for public spending generally and education spending specifically in the area in which RM specialises.	The Company reviews the education policy environment by the regular monitoring of policy positions through our involvement with industry trade bodies and responding to government consultations. The Group's three Divisions have diverse revenue streams and product/service offerings which dilutes the impact of any change. The Company's strategy is to focus on areas of education spend which are important to meet customers' objectives. Where the revenue of an individual business is in decline, management seeks to ensure that the cost base is adjusted accordingly.	↔ The potential impact and likelihood are currently considered low.
Education practice (Political Risk)	Education and assessment practices and priorities may change and, as a result, RM's products and services may no longer meet customer requirements, leading to a risk of lower revenue.	The Company maintains knowledge of current education practice and priorities through close relationships with customers. The Company is evolving its product and service offering to help its customers with their developing requirements.	↔ The potential impact and likelihood are currently considered low.

Risk and categorisation	Description and likely impact	Mitigation	Trend and Likelihood
Operational execution (Operational Risk)	RM provides sophisticated products and services, which require a high level of technical expertise to develop and support, and on which its customers place a high level of reliance. Any significant operational or system failure would result in reputational damage and increased costs. RM is engaged in the delivery of large, multi-year projects, typically involving the development and integration of complex IT systems and may have liability for failure to deliver on time. RM's increasing international business makes it subject to laws in other countries and higher risk jurisdictions. RM employees enter school premises to provide services and should be properly cleared to do so.	The Company invests in maintaining a high level of technical expertise (see also the People risk below). Internal management control processes are in place to govern the delivery of all projects (including internal projects), including regular reviews by relevant management. The operational and financial performance of projects, including future obligations, the expected costs of these and potential risks are regularly monitored by management and, as appropriate, the Board. The Company has internal policies and procedures across a wide range of areas including bribery and corruption, health and safety, privacy, employment, competition law and tax which are regularly monitored and reviewed to ensure the Company assesses and takes account of higher risks levels and complies with all relevant laws and regulations. Procedures are adopted to ensure that all employees are properly checked and receive training before entering any school premises. Further information is provided on this on page 68.	↔ The potential impact and likelihood are considered unchanged due to a consistent levels of customer change, system implementations and the continued competitive market for talent (see People risk below).
Treasury (Financial Risk)	The Group is exposed to treasury risks including fluctuating exchange rates, elevated interest and managing liquidity within the agreed facility arrangements and covenants.	The Company's liquidity was significantly impacted in 2022 following the impacts of the IT implementation in Consortium which caused business disruption. As a result, additional liquidity and covenant monitoring and forecasting has been implemented by management and is regularly reviewed by the Board. The Company has amended and extended its £70m bank facility with revised covenants to better reflect the outlook and liquidity needs. It also expects to receive the proceeds from the proposed sale of the RM Integris and RM Finance businesses in the first half of 2023 (sales price up to £16m; see Note 21 for details) and has sold a number of excess IPv4 addresses. The Company regularly monitors treasury risks. It actively looks to create natural currency hedges where possible balancing foreign currency sales and purchase levels and hedges net balances 12-18 months into the future for material imbalances.	↑ The potential impact and likelihood are considered to have increased following the increased levels of indebtedness versus the prior year.

Risk and categorisation	Description and likely impact	Mitigation	Trend and Likelihood
Supply Chain (Operational Risk)	RM is reliant on the cross-border movement of goods which have been affected by evolving Brexit related requirements which has increased cost, administration and time impacts of European movement of educational resources products in RM Resources. RM Group also has to manage the impact on supply chains of a higher inflation backdrop, in part caused by the COVID-19 pandemic and the conflict in Ukraine which impacts the Company's cost base and also the budgets available to our customers.	Changes resulting from Brexit have been managed through the adoption of new processes to meet the new requirements; potential improvements in this process will continue to be assessed. The Company continues to review and broaden its sourcing and has signed a new international freight forwarder and logistics supplier contract with improved financial and operational terms. There is a Group-wide focus on managing inflation and indexation which has direct oversight of the CEO.	↑ The potential impact and likelihood are considered to have increased due to the worsening macroeconomic backdrop with regards to inflation.
Data and business continuity (Operational and Emerging Risk)	RM is engaged in storing and processing personal data, where accuracy, privacy and security are important. Any significant security breach could damage reputation, impact future profit streams, lead to potential regulatory action and raise concerns with affected schools, parents and students. The Group would be significantly impacted if, as a result of a major incident, one of its key buildings, systems, key supply chain partners or infrastructure components could not function for a long period of time or at a key time.	The Company has made a commitment to maintain effective Information Security and Business Continuity management systems maintaining ISO27001 and ISO22301 certifications for key business areas to demonstrate the robustness and effectiveness of those systems. These are externally audited. The Company has a rolling investment programme managed by a dedicated security and compliance function and overseen by the Group Security and Business Continuity Committee, which reports into the Group Executive Committee. This programme covers data integrity and protection, defence against external threats (including cyber risks) and business continuity planning. The Company analyses all information security and data protection incidents (including their root cause), changes in the regulatory framework, and breaches that have occurred in other companies to identify opportunities for improvement. The Group seeks to protect itself against the consequences of a major incident by implementing a series of back-up and safety measures. It also manages risks with key suppliers by regularly reviewing their security and business continuity systems, conducting assessments, and running joint tests. The Group has cyber insurance and property and business interruption insurance cover.	↑ The potential impact and likelihood are considered to have increased due to a higher level of information security risks from greater homeworking by RM's customers, a general increase in cyber-attacks in the UK and the risk from the implementation of major projects (see Transformation Risk section below).

Risk and categorisation	Description and likely impact	Mitigation	Trend and Likelihood
Environmental (Operational Risk)	Changes required by legislation, customer requirements and the Group's environmental targets impact its current operations.	Legislation and standards are monitored, and plans put in place to manage compliance, for example to reduce the compliance costs associated with new packaging regulations.	↔ The potential impact and likelihood are considered to have remained the same as despite positive progress on legislative compliance, the requirements to meet RM's own targets remain consistent (see page 49).
People (Operational Risk)	RM's business depends on highly skilled, diverse employees. Failing to recruit and retain such employees could impact operationally on RM's ability to deliver contractual commitments. There may also be an impact on costs in such recruitment and retention. Failing to ensure RM's colleagues are safe at work would impact the Company's attractiveness as an employer, impact RM operationally and lead to financial penalties and reputation damage.	The Company seeks to be an attractive employer and regularly monitors the engagement of its employees. The Company has talent management and career planning programmes. The Company has a retention and recruitment strategy in place to incentivise and retain its skilled employees as well as recruiting new talent. The Company provides training to employees, has an incident reporting system, and monitors employee health, safety and wellbeing through various groups and reports.	↑ The potential impact and likelihood are considered to have increased as attrition was higher in 2022 and RM has an elevated reliance on interim resources, notably in senior positions, which it will address in 2023. The market for IT talent remains very competitive.
Transformation Risk (Operational Risk)	Issues in implementing major programs could lead to business disruption and loss of intended benefits.	Steering committees are established for all major programs which will include a member of the Executive Committee. A number of mechanisms are in place to monitor the ongoing impact of the various activities, including where appropriate staff consultations and satisfaction surveys, and ongoing customer feedback. There were two major programmes in progress through 2022 to develop a new automated warehouse for the RM Resources Division and migration to new CRM and ERP systems in Consortium. There were significant challenges associated with the delivery of these programmes which caused operational disruption in the year. There is a further implementation of the new digital e-commerce platform in the early part of 2023. All these implementations are now materially complete in Consortium and the business is reviewing the wider IT enterprise architecture needs for the Group before any further IT implementations, which would not be before 2024. The Board is actively involved and kept appraised of the current status of such activities and plans. .	↓ The potential impact and likelihood are considered reduced as the system build, and implementation associated with the major programmes is near completion. Although risk remains it is now not considered as significant as in 2022.

Risk and categorisation	Description and likely impact	Mitigation	Trend and Likelihood
Innovation (Strategic Risk)	The IT market and elements of the education resources market are subject to change. As a result of inappropriate technology, product and marketing choices or a failure to adopt and develop new technologies quickly enough, difficulties recruiting and retaining talent, the Group's products and services might become unattractive to its customer base, or new market opportunities missed. The Group's continued success depends on developing and/or sourcing a stream of innovative and effective products for the education market and marketing these effectively to customers.	The Company actively monitors technology and market developments and invests to keep its existing products, services and sales methods up to date, as well as seeking new opportunities and initiatives. The Group works with teachers and educators to understand opportunities and requirements.	↔ The potential impact and likelihood are considered unchanged.
Dependence on key contracts (Strategic Risk)	The performance of the RM Technology and RM Assessment Divisions is dependent on the winning and extension of long-term contracts with an increasing diversity of customer base of government, local authorities, examination boards and commercial customers.	The Company invests in maintaining a high level of technical expertise and in building effective working relationships with its customers. The Company has in place a range of customer satisfaction programmes, which include management processes designed to address the causes of customers' dissatisfaction.	↑ The potential impact and likelihood are considered to have increased due to a higher concentration of contract renewals coming up in the next two years in the Assessment Division.

Risk and categorisation	Description and likely impact	Mitigation	Trend and Likelihood
Impact of the COVID-19 pandemic (Operational Risk)	The impact of the COVID-19 pandemic has: • put pressure on those with whom the Company trades with resultant risks from customer closures, pricing pressures and service delivery pressures from delays to exams; • has caused general failures in the education system to deliver exams on time which has knock-on effects on the RM Assessment Division; and • led to increases in the cost of products and services which could impact revenue and reduce profits.	The Company manages its relationship with its customers, suppliers and other stakeholders. It works closely with customers to: • avoid potential bad debts and to manage the impact of costs increases from key suppliers; and • as it did after the exam cancelations in 2020, manage the consequence of the cancellation of summer 2021 exams. The Company keeps its costs under review, assesses potential alternative sources of supply and revises its pricing to reflect cost increases.	↓ The potential impact and likelihood are considered to have reduced following no lockdowns or exam cancellations in 2022 and widespread use of vaccinations.
Pensions (Financial Risk)	The Group operates two defined benefit pension schemes in the UK (the "RM Education Scheme" and the "CARE Scheme" respectively) both of which are closed to future accrual. It also participates in a third defined benefit pension scheme (the "Platinum Scheme"). Scheme deficits can adversely impact the net assets position of the trading subsidiaries RM Education Limited and RM Educational Resources Limited. Pension costs can be significant in respect of staff that transfer across to us, where they are members of Local Authority pension schemes.	The Company evaluates risk mitigation proposals with the trustees of these respective Schemes. The Platinum Scheme is a multi-employer scheme over which the Company has no direct control. However, due to the small number of the Company's former employees who are in this Scheme, the risk to the Company from this Scheme is limited. The Company assesses the potential pension costs of staff from other employers, who would transfer across to the Company, and takes this into account in its bids for new contracts. The Company now has one consolidated Trustee and one common lead actuary. This improves the ability to leverage expertise.	↑ The potential impact and likelihood are considered to have increased. Despite the net scheme position remaining in surplus with a high level of inflation and interest risk hedging, the elevated level of net debt in the Group and the more volatile macroeconomic backdrop is deemed to increase pension risk.

SUSTAINABILITY REPORT

At RM, we believe that being a responsible business is synonymous with being the purpose-led business we are, and sustainability is essential to our customers, employees, and our business. We developed our objectives relating to being a sustainable business aligned to the UN sustainable development goals and the Paris Agreement.

Environment & Climate		Employees		Social Value	
Reducing our Carbon Emissions	Waste and the Circular Economy	Employee Health, Safety and Wellbeing	Building a Diverse, Inclusive and Equal Workplace	Enriching the Lives of Learners	Supporting our communities
Sustainability Report on pages 44 to 58		*Workforce on pages 63 to 66*		*Social Value on pages 60 to 62*	

Table 1: RM Sustainable Business Priorities

Below we set out:

- The governance of sustainability
- Our sustainability strategy and environmental improvement programme
- Task Force on Climate-related Financial Disclosures (TCFD) reporting, including environment metrics
- Social impact

Governance of Sustainability and Risk Management

Governance is an important aspect of making sure RM is focussing on material risks and opportunities and is delivering against a sustainability action plan. It also ensures that our sustainability priorities align with RM's strategy and reflect the needs of all our stakeholders. Details of Board considerations relating to climate related issues are included in the Risk Management and the Sustainability and Environmental Improvement paragraphs below.

RM has strengthened the governance of sustainability through:

- Formation of a Board ESG Committee, consisting of all Non-Exec Directors, responsible for strategic oversight, monitoring and reporting. Overall responsibility for ESG continues to sit with the Board.
- Appointment of the Chief People Officer as the executive level sponsorship of ESG for RM Group.
- Formation of a Sustainability Working Party and a Sustainability Governance Panel structure to guide and execute on sustainability plans.
- The decision to appoint a permanent Head of Sustainability, who joined in January 2023, to provide sustainability expertise and leadership across the Group requirements and priorities.

Governance

RM plc Board

Responsible for approval of ESG Strategy and overarching decision making.
Receives reports on ESG from the Board Committee

Audit and Risk Committee

Climate related Risks are added to the Group Risk register and reviewed by the Audit and Risk Committee alongside the wider risk landscape.

Board ESG Committee

Meets twice a year for strategic oversight of ESG topics, including TCFD, measures and integration across other Board priorities. Includes alignment with Risk and Audit and Risk Committee and broader strategic alignment with the Board. Responsible for monitoring progress and making recommendations to the Board where it believes action or improvement is required.

Executive Committee

Executive level sponsorship and twice annual Exec Committee review of ESG plans, TCFD, metrics, progress, and strategy alignment across RM plc. Review of Risks across the Group. Data is reported at least annually, but quarterly or monthly where the data source supports greater frequency.

Management

Sustainable Development Governance Panel

Leaders from each Division and function, chaired by Head of Sustainability and sponsored by Executive Sponsor for Sustainability. Responsible for co-ordination of Group-wide activities, reviewing progress and identifying issues, risks, and blockers. Risk review is incorporated into Group-wide Risk Management approach and reported to Executive Committee and Board ESG Committee.

Divisional Sustainable Development Working Groups

Representatives from each Division and Function. Responsible for leading sustainability-related work in each team and executing on the plans and priorities for each Division or function relating to Group ESG Strategy and compliance as well as customer-facing sustainability activity.

Table 2: Approach to Governance of Sustainability

In 2022 we made the decision to move from an external consultant to appoint a permanent Head of Sustainability to lead and coordinate our sustainability work across the Group and Sam Walby joined RM in January 2023. This role will lead the Governance Panel and oversee our continued compliance with ISO 14001 and current and future regulation and legislation relating to sustainability. As a Group role, our Divisions and operational teams may also call on the Head of Sustainability for technical input into the development of Divisional plans and customer and partner engagement, raising the level of knowledge and expertise and ensuring we execute to the required standards.

Risk Management

The Head of Sustainability is responsible for the day-to-day management of ISO 14001 and for identifying, monitoring and escalating climate-related risks via the Sustainable Development Governance Panel, Executive Sponsor, and the Board ESG Committee. This process is further strengthened by the delivery of the IS014001 certified Environmental Management System. Principal and emerging risks including environmental risks are reviewed by the Board as part of the Company's risk management process.

The Board is updated bi-annually on all matters relating to ESG, including climate change risk assessments following Board ESG Committee meetings. Principal and emerging risks including climate change risks are reviewed by the Board as part of the Company's risk management process and any material financial implications of climate risk and potential impact on RM's accounts are shared with the Audit and Risk Committee. RM considers climate as a emerging risk to its business in the medium to long term.

The Executive Committee is updated at least bi-annually by the chair of the Executive-led Governance Panel. This allows for a more formal review of progress and re-direction as appropriate. Data is collated and reported at least annually, but quarterly or monthly where the source of the data allows.

Sustainability Strategy and Environmental Improvement

Sustainability is an important and growing topic for our customers, partners, and employees. Over the past year we have made strategic choices to strengthen our sustainability activities, reporting and commitments, backed by Head of Sustainability delivering key initiatives including achieving IS014001 in May 2022 and forming a carbon reduction plan. In addition to meeting our statutory and regulatory requirements, we are focussing on the needs of our customers and preparing for increased expectations and requirements in the future, which we expect will create new opportunities and risks for RM. With the new Head of Sustainability, we are bringing together multiple elements of our focus to be a sustainable business, spanning Environment, Social and Governance.

Environmental Improvement Programme

We used the UN Sustainable Development Goals (see **Figure 2**) as part of the development of our sustainability strategy and used this alongside the key environmental risks and opportunities to develop our corporate and Divisional environmental improvement programme (see **Figure 3**).

6 Clean water and sanitation	7 Affordable and clean energy	12 Responsible consumption and production	13 Climate action	14 Life below water	15 Life on land
• Remove hazardous content in products • Prevent leakage and spillage of substances	• Energy efficiency • Renewable energy • Renewable energy purchasing	• Reduce material consumption • Re-use, re-manufacture or recover products and materials	• Achieve Net Zero Carbon • Plan for climate resilience	• Eradicate single-use plastic • Buy ocean-bound plastics and bio- and recycled plastics	• Sustainable products and materials • Support reforestation and biodiversity

Figure 2: UN Sustainable Development Goals for Environment

We have identified three areas of focus for improvement:

- Carbon reduction and the path to Net Zero
- Reduction of waste and the potential for the circular economy
- Opportunities to collaborate with partners, suppliers, and customers to expand our impact

Progress against the improvement areas detailed above is monitored and managed by the Divisional Working Groups and the Governance Panel as part of the ongoing environmental management system. Action plans are reviewed at least annually following risk, opportunity, and compliance reviews.

Figure 3 summarises the commitments we have made in each of these areas and assesses the status of each of these.

Green - Completed or moved to ongoing execution with no significant risks

Amber - Work in Progress with significant work remaining or risks identified

Red - Delayed or substantial risks to progress/completion identified

Net Zero

Net Zero Scope 1 & 2 by 2035	Set appropriate Scope 3 Net Zero targets for achievement ahead of 2050	Commitment - to provide our customers with scope 3 data	Comitment to supporting large scale renewable generation
1 Ongoing	2 In progress	3 In progress	4 Ongoing

Waste & Circular Economy

Zero waste to landfill by 2030	Eliminate non-recycled plastic content in new RM Resources IP products by 2024	Reduce waste from packaging and move to easy to recycle packaging
5 Ongoing	6 Complete[1]	7 In progress

Collaboration

Develop new labelling for RM Resources' branded Eco products to enable the custome to understand the features, environmental impact reduction and end of life options by April 2023	Run workshops in 2022 with key customers and suppliers to agree enviromental priorities
8 Ongoing	9 Ongoing

Figure 3: Progress against Environmental Improvement Programme

Net Zero Carbon:

1 2022 has seen a 4.9% YoY increase in RM's carbon emissions, which is lower than we expected as we emerged from the pandemic. We have in place a Carbon Reduction plan, compliant with PRN 6/21, which is published on rmplc.com and the Home Office website. This will be updated annually.

We will continue to seek ways to further reduce our energy consumption. This will include a programme of utilities data monitoring and energy audits for our UK sites during 2023 under the Energy Saving Opportunities Scheme. Recommendations will be reviewed and implemented when appropriate they align with our sustainability plans. RM Education Solutions India won the prestigious Society of Energy Engineers and Managers National Energy Management Award 2021 in the Gold category. This recognises the systematic actions that we have taken towards sustainable energy performance, which supports India's journey towards climate change mitigation and sustainable development. RM ESI has begun work to engineer low carbon consumption into our software design process.

2 RM is beginning the process of collecting scope three carbon emissions. We aim to report air travel, waste and recycling, water consumption, staff community in the 2023 annual report. RM is engaging with our supply chain to support the measure and reporting of carbon emissions throughout our supply chain. By 2026 we aim to be reporting top 80% (by spend) of our supply chain emissions.

3 We are committed to supporting our customers with the Scope 3 impacts relating to the services they buy from us. In 2022, the Assessment Division has begun providing customers with carbon impacts associated with the services they provide and is developing new energy efficient design guidelines for those services. The Technology and Resources Divisions are further strengthening their carbon calculations, enabling them to provide carbon data for customers' scope 3 reporting.

4 RM is committed to supporting both onsite and large-scale renewable energy generation. Feasibility studies for the deployment of both solar PV and wind turbines at our distribution centre are being undertaken. Alongside our commitment to site-based generation, RM is investigating how to best support the deployment of at scale renewable technologies.

Waste Reduction and the Circular Economy

5 In 2022 we achieved zero waste to landfill from our UK offices. This is a business-as-usual activity.

Implementing circular economy principles throughout our operations will be a key focus for RM in the short to medium term. RM is working with its supply chain and its internal stakeholders via the ISO14001 working groups to encourage and support the changes required to deliver circular economy delivery.

We have instituted a new design protocol for RM Resources that requires any new product to consider how new products may be re-used, maintained and/or make recycling easier, and to design the packaging to be part of the product. This is now considered a business-as-usual activity.

We re-use and re-deploy electronic equipment in RM Assessment and RM Technology, and support customers in returning for re-use or re-purposing IT equipment. We supported the recycling of over 2800 laptops and desktops through trade-in programmes and saved over £300,000 for schools in the process.

6 The Resources Division's new design protocol requires that where required in a new product, plastics are bio- or recycled oil-based plastics. Bioplastics are made with waste from wheat or sugar cane processing and thus contain fewer contaminants than oil-based plastics. This is now considered a business-as-usual activity.

7 The Resources Division began the packaging project – a prioritised programme of work to unpackage every item we sell to review the materials that make up current packaging and work with suppliers to

- remove unnecessary plastics and other packaging materials;
- replace necessary plastics with safety and quality control approved recycled content plastic;
- replace hard to recycle materials, like polystyrene, with easier to recycle materials.

Resources automated packaging facility at Harrier Park reduces the need for fillers in packages we send to customers.

Collaboration with Suppliers, Partners, and Customers

8 RM Resources has developed a robust assessment process to evaluate the eco features of products so they can be classified by eco feature or labelled as eco products. This is now considered a business-as-usual activity.

RM Resources continues to work on how to communicate end of life options for all the products in catalogues and are scheduled to complete the work in 2023 with a plan to feature this in the 2024 catalogues.

9 Customer workshops for each Division started in October 2022. The output from each will be agreed action plans.

Workshops with key suppliers will start in 2023 with the launch of the Supply Chain Charter which sets out RMs sustainability expectations. Further correspondence and training will be provided as scope 3 emissions data capture is rolled out.

We see additional opportunity to work in partnership with our customers to better support their own sustainability plans and initiatives and will continue to develop our engagement in each Division.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Statement of Compliance with TCFD

In line with requirements of listing rule (LR 9.8.6R (8)) We set out below our climate-related financial disclosures. These are consistent with the four TCFD recommendations and the 11 recommended disclosures as set out in the report entitled "Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017.

In doing this we considered sector guidance, publications and reports by leading climate risk research and organisations including United Nations Framework Conference on Climate Change, the United Nations Environment Programme (UNEP), Intergovernmental Panel on Climate Change (IPCC) and the UK Committee on Climate Change and Climate Central mapping tools.

In addition to scope 1 and 2 emissions, we also report data on some aspects of scope 3 impact. In 2021, we committed to gathering emissions data from our supply chain, recognising that they are likely to make up the largest contribution to RM's scope 3 emissions. We have begun to gather data through some pilots but are unlikely to be able to report reliable data until 2025 at the earliest. To clarify the materially of our scope three emissions, RM will seek to undertake an assessment of our supply chain emissions during 2023. Therefore, our current disclosures are sufficient based on our current assessments, for this year report.

The table below sets out where in this Sustainability Report the disclosures are to be found:

Governance	Page
Describe the Board's oversight of climate-related risks and opportunities	50
Describe management's role in assessing and managing climate-related risks and opportunities	50
Strategy	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	50
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	50
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	50
Risk Management	
Describe the organisation's processes for identifying and assessing climate-related risks	50
Describe the organisation's processes for managing climate-related risks	50
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	50
Metrics and Targets	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	54-55
Disclose Scope 1, 2 and if appropriate Scope 3 greenhouse gas (GHG) emissions and the related risks	56-58
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	49

Background for TCFD Risk Assessment

RM has undertaken its climate risk assessment inline with the Group process for assessing, measuring and monitoring risk. The Group risk register includes climate change, and during 2023 any specific emerging risks identified through the ISO14001 risk assessment process and the TCFD process will be added to the Group register.

We have global customer and supply chain bases and climate change will affect them all, from relocation to adapting their operating model to accommodate the impact of migration or weather interruptions.

We have used TCFD guidance templates to assess physical and transitional climate-related risks and opportunities, using our corporate risk scoring methodology for two climate scenarios, based on the IPCC 6th Assessment report:

- 1.5°C by 2050
- 2.4°C by 2050

Through the above process RM has assessed that in the **short term we are a low-risk operation in terms of climate risk**. This conclusion is based on but not limited to the factors below:

- RM has no owned physical assets, operating from leased offices in UK, India and Australia.
- Our TCFD assessment shows there are no financially material risks in the short term.
- The pace of climate change allows RM to respond to these identified risks.
- Mature and tested working from home and business continuity solution.
- Ability to pass prices rises to customers, limiting margin reduction risk.
- Limited concentration of revenue with any single customer or geography likely to be materially impacted by climate change in the short term.

The definitions for time periods are consistent with RM's business planning and its published commitments and the wider regulatory landscape.

- Our Short-term time scales are aligned to RM's short term BP planning cycle – 2023 to 2025;
  - None of the risks identified are expected to be material in the short term.
- Medium term is aligned to RM's net zero commitment on scope one and two - 2026 to 2035;
  - All of the risks identified have potential to become material in the medium term and will be monitored accordingly.
- Long term – is aligned to the UK government net zero 2036-2050.
  - All of the risks identified are likely to be material risks in the long term.

We have set the materiality threshold at £500,000 or more per annum in line with financial statement materiality determined by the auditors.

This analysis has identified the following risks and opportunities which have the greatest potential to become material for RM Group across both physical risks and transition risks relating to climate change.

Supply Chain & Freight disruption

- Volatility and disruption to suppliers and supply chains including freight due to extreme weather.
- Emissions transition varies by country but invariably increases costs.
- No material impact in the short term. Emerging risk in the medium to long term.
- Expectations regarding Circular Economy have potential to grow, increasing logistics complexity while creating potential for RM to reduce/reuse materials.

Potential Impact	Existing Actions	Future response considerations
• More frequent or prolonged disruption impacts affecting access to materials, products, and logistics, resulting in negative impacts on customer satisfaction/revenue recognition. • Increases in costs of raw materials, products and services, not being able to fully or partly be passed on to our customers. **2.4 Degree Scenario** In addition to above: • Increased frequency, severity and duration of extreme weather events leading to greater disruption. • Potential for people migration to change long-term supply landscape.	• Supply Chain Charter in final stages of developed to communicate and collaborate clearly with supply chain, RM encouraging the reporting of supply chain emissions.	• Monitor and work with existing suppliers on risk-mitigation. Consider climate impact as part of supplier evaluation. • Focused expansion of climate resilient suppliers and diverse supply locations. • Work with our delivery partners to ensure that their delivery systems have been tested against different climate change scenarios and associated extreme weather events. • Consider preferential use of suppliers based on adoption of Supply Chain Charter.

Table 3: Supply Chain and Freight disruption risks

Financial Impact:

We do not expect any material financial impact in the short term. In the 2023 Annual Report we will disclose a range of potential impacts in the medium to long term, allowing us to better understand how the different factors across the supply chain and logistics have potential to create financial risk for RM in the medium to long term.

Shift to Digital

- Cost increases for physical goods lead to a shift in preference for digital education
- In particular the rising costs of education commodities makes investment in Digital First solutions for teaching, learning and assessment deliver a more beneficial return on investment.

Potential Impact; Risks	Existing Actions	Future response considerations
• Cyber security remains critical throughout this period, in addition to software costs, IT engineers are likely to become more costly. • Revenue and profit reduction as consumable product categories decline as prices rise. • Raw materials increase in scarcity and raise prices, reducing customer demand, particularly for consumables. 2.4 Degree Scenario • The impact likely to be sooner and faster.	• Migration of core apps and services to cloud infrastructure, reducing carbon and increasing global resilience. • Investment in a Security Operations Centre for RM Group	• Work with customers and supply chain to develop closer alignment of approaches to reduce negative environmental impacts and enhance risk management in the delivery of services. • Develop people strategy to consider climate-related risks to feed into facilities and operational plans. • Continuously review strategy and develop tests to confirm resilience of infrastructure in delivering expected service levels which may need to alter to accommodate expected disruptions.

Table 4: Shift to Digital; Risks

Financial Impact:

We do not expect any material financial impact in the short term. In the 2023 Annual Report we will disclose a range of potential impacts in the medium to long term, allowing us to better determine the impact we expect climate change to have on different product categories, customer demand, digital adoption and impact on profitability.

Potential Impact; Opportunities	Existing Actions	Future response considerations
• Opportunity for Assessment to remove physical processes relating to pupil assessment. • Opportunity for Technology to provide devices and increased digital services in Schools. • Further expansion of technology to replace any paper-based process e.g. pupils work, assessment, communications, content distribution. • Technology becomes more critical and more complex, securing additional share of budget and requirement for specialist advice on its management and use.	• Core business alignment to greater digitisation for Technology and Assessment Divisions.	• Assessment Division aligned to Digital Assessment market growth and supporting customers digital assessment maturity. • Technology Division strategy and core capabilities aligned to enabling schools to better use Technology to deliver outcomes. • Technology business unit structure allows for future solution expansion and partnerships to adapt to changing customer requirements. • •Partner more closely with suppliers of digital solutions and devices to better assess their Environmental impact and potential for circular economy solutions.

Table 5: Shift to Digital; Opportunities

Financial Impact:

The core market opportunity for Technology and Assessment is aligned with growth in demand for digital services in our target customer base. There is a long-term trend of growth of Technology spend in UK schools and in the shift towards digital assessment solutions around the world. We do not expect climate change to materially alter the market opportunity for these Divisions in the short term. The 2023 Annual Report will disclose any further determination of accelerated opportunity created by climate change.

Physical Risks impact on and at RM Locations & Operations

- Location of key employees and customers subject to increased disruption from weather events, heat, flood, drought.
- Risk assessment considers the main employee locations for RM (Abingdon, Nottingham and Glasgow in the UK, Trivandrum in India and Melbourne in Australia).
- All offices and distribution centres are leased, giving greater flexibility to change locations if extreme weather makes the operation of the building either from a financial or well-being perspective untenable to remain in the current location.
- RM has customers all over the world (Assessment and Resources), with a specific concentration of customers in the UK (Resources and Technology).

Potential Impact	Existing Actions	Future response considerations
• As the average global temperature increases, the longevity and severity of storms and other extreme weather will increase; o Disruption to operations due to extreme weather events damaging facilities. o Ability of staff to attend customer sites due to extreme weather events restricting access to locations or transport networks. o Staff living and working in similar geography locations could be disproportionally affected by localised extreme weather events leading to a potential failure of a regional/ national service area delivery. • Disruption at key times of the year (back to school, exam delivery) could damage customer trust and our ability to deliver contracts. 2.4 Degree Scenario In addition to above: • More extreme weather and impact on physical locations, leading to temporary or permanent relocation requirement as a result of flooding or sea level rises. • Should a key work location need to be relocated, risks loss of key personnel and knowledge from within the organisation.	• Business Continuity Plans (BCP) in place with all employees capable of full remote working and option to provide alternative work locations for key employees. • Established a Customer Advisory Group, led by the Technology Division, with sustainability on the agenda to source customer concerns, requirements and input for future plans and services. • Deliver Customer workshops on sustainability, raising awareness of climate risks and potential impacts.	• Review locations and resilience of all key employees, with climate factors considered for any operational location changes. • Undertake flooding risk assessment for all key locations. • Assess potential transport weakness for key customer locations. • Ensure that BCP consider climate related risk impact and mitigation. • Evaluate key roles being performed in multiple locations to add greater depth of resilience.

Financial Impact:

We do not expect any material financial impact in the short term. In the 2023 Annual Report we will disclose a range of potential impacts in the medium to long term, allowing us to better determine the potential financial implications of the risks we expect to materialise in the long term.

Environmental Metrics

RM measures key aspects of environmental performance using industry standard metrics appropriate to our sectors as set out below:

- Software and IT Services, for RM Technology and RM Assessment Divisions
- Multiline and Specialty Retailers Distributors, for RM Resources

Environmental data

The annual quantity of energy consumed from activities for which the Company is responsible is set out below. The data covers scope one, two and scope three data from RM global operations. The data is provided via RMs finance system or third-party suppliers.

All utilities data is reported in kWh, business travel by cars both personal (scope three) and company cars (scope one) trains and air travel is reported in miles.

The data for scope one and two can be compared to 2020/21 consumption and baseline year 2015. Scope three is new reporting for this and RM is working to establish the data availability and quality allow comparisons with previous years and the base year.

Data is collected in kWh that relates to the consumption of gas, electricity, and renewable energy from suppliers and or uses metered data.

The annual quantity of business travel undertaken by company vehicles is outlined below. The data is collected in miles and covers all business milage undertaken in company vehicles. The data is supplied from RM's expenses system.

RM Group Environmental data

Scope	Reporting metric	Units	2021/22	2020/21	% change	Baseline*	% change
One**	Gas	kWh	3,644,522	2,293,260	37%	4,192,748	-15%
	Business travel (company cars)	Miles	123,211	112,692	9%	751,280	-510%
Two***	Electricity	kWh	2,887,019	2,578,439	11%	6,043,559	-109%
Three****	Business travel (personal cars)	Miles	672,179	285,119	58%		
	Air travel	Miles	481,750				
	Water	m^3	1,439				
	Hotels	Nights	1,533				
	Train travel (UK)	Miles	189,590				
	Waste - Energy to waste	Tonnes	36				
	Waste - Recycling	Tonnes	238				

Table 7: RM Group Environmental Data

*Baseline relates to the kWh reported in the 2015 Annual Report but updated to take account of the adjustments to remove residual manufacturing impacts that ceased prior to 2015 and add acquisitions after 2015. The data centre RM operated was inadvertently removed in the baseline reported in 2021 and has been added in following review this year.

**Scope 1 covers the annual quantity of energy consumption in kWh including (a) the combustion of fuel; and (b) the operation of any facility including leased facilities. Scope 1 included annual milage undertake for business purposes via RMs company car fleet.

***Scope 2 covers the annual quantity of energy consumption in kWh from the purchase of electricity, heat, steam or cooling by the Group for its own use.

**** Scope 3 covers a RM emission from business activities but not under RMs direction control. This is the first year of scope three data capture and reporting. The data being reporting for this year is now considered our minimum reporting level for scope 3 emissions across the RM Group. RM will seek to strengthen its scope and data quality of its scope three emissions reporting including supporting our supply chain to understand, reporting their emissions.

In the year ending 30 September 2022, scope 1 and 2 as a % of total energy consumption for UK is 93% and the rest of the world 7%.

The increase in kWh since 2021 is due to return to work following covid restrictions and is 25.4%.

Emissions Reporting

The Group is required to report scope 1 and 2 emissions for all Group companies within the Annual Report and has elected to report emissions for the year to 30 September 2021. The methodology in the GHG Protocol Corporate Accounting and Reporting Standard (revised edition)[1] has been applied. The figures include emissions arising from all financially controlled assets. RM has now included scope three emissions reporting, the calculation and reporting periods for scope three are aligned to RMs scope 1 and two reporting.

The calculation applies to all Group companies. For utilities emissions captured under scope one and two the calculation is based on the kWh data collected for all facilities. For the emissions from business travel under scope 1 the mileage of Company vehicles is the base data source.

RM's scope three emissions for waste, water, train travel and business milage from personal cars are from RMs UK based operations only, the waste and water data are from two sites in the UK portfolio.

During 2023 RM seeks to expand the data collection for the currently reported categories to cover its Group operations, limitations on data availability are foreseen as the biggest challenge to increasing the scope of collection. Air travel data covers RMs global operations, and we seek to reduce air travel throughout our business operations.

All data has been converted to carbon dioxide equivalents using conversion factors appropriate to the location of the impact. For vehicles, Defra conversion factors are used for cars based on an average-sized car. All other emissions factors have been selected from the emissions conversion factors published annually by the Department for Business, Energy & Industrial Strategy[2], or where available emissions factors published by each country where the emission were created.

[1]https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf

[2]https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022

Emissions by scope

RM Group Environmental data			2021/22			2020/21		Baseline*		
Scope	**Source**	**Country**	**Tonnes CO_2e**	**Absolute tonnes CO_2e**	**% Change year on year**	**Tonnes CO_2e**	**Absolute tonnes CO_2e**	**Tonnes CO_2e**	**Absolute tonnes CO_2e**	**% Reduction from baseline**
One**	Car/van travel	UK	**29**	**770**	**-74%**	110	577	225	1,153	-87%
	Car/van travel	India	**4**		**82%**	2		19		-79%
	Car/van travel	Australia	**-**			0				
	Gas	UK	**737**		**58%**	465		909		-33%
Two***	Electricity	UK	**474**	**785**	**-13%**	547	906	2,229	2,971	-79%
	Electricity	India	**306**		**-9%**	335		791		-61%
	Electricity	Australia	**5**		**-79%**	23				74%
Three****	Business travel via personal car	UK	**185**	**504**	**153%**	73	73			
	Air travel	Group	**254**							
	Water	UK	**0.2**							
	Hotels	UK	**48**							
	Train travel	UK	**11**							
	Waste - Energy to waste	UK	**1**							
	Waste - Recycling	UK	**5**							
Total (tCO_2e)				**1,555**	**32%**		1,556		4,124	**-62%**

*Baseline relates to the carbon dioxide emissions reported in the 2015 Annual Report but updated to take account of the adjustments to remove residual manufacturing impacts that ceased prior to 2015, business travel and add impacts associated with acquisitions after 2015. It has been corrected and restated versus what was reported in 2021.

**Scope 1 covers the annual carbon dioxide emissions from activities for which the Group is responsible including (a) the combustion of fuel; (b) the operation of any facility; (c) business travel in company cars.

***Scope 2 covers the annual carbon dioxide emissions from the purchase of electricity, heat, steam or cooling by the Group for its own use.

**** Scope 3 covers the annual carbon dioxide emissions from a range of business-related activities that are not under RM direct control.

- There has been an expected increase in scope 1 and 2 emissions versus 2021 (4.6%) which is due to return to work following covid restrictions.
- In addition to this increase, some 185 tonnes of emissions have moved from scope 1 to scope 3 as we move away from company lease cars to employees using their own cars.
- In the year ending 30 September 2022, scope 1 as a % of total CO_2e for UK is 79.8% and the rest of the world is 20.2%.
- Versus the 2015 baseline, we have reduced scope 1 and 2 emissions by 62.9%, The underlying performance has been partially masked by the switch away from company cars, however, RM is on a good trajectory to Net Zero by 2035. Next year's Energy Saving Opportunity Scheme audits will add detail to the work that we can carry out to reduce energy use and climate impacts further.
- When scope three emissions are added into the data the reduction from the baseline is 50% however the baseline data does not include scope three data. Developing the baseline (2015) scope three data is a key deliverable for 2023.

Emission Intensity

Emissions have also been analysed using intensity metrics, which enable the Company to monitor how well emissions are controlled on an annual basis, independent of fluctuations in the levels of activity. The metric used is 'emissions per £m of revenue' in line with industry standards. This is shown in the table below.

Emissions per £m of revenue

Tonnes CO_2e/£m per revenue	**Year ended 30 September 2022**	**Year ended 30 September 2021**	**Year ended 30 September 2015**
Scope 1	3.60	2.76	6.27
Scope 2	3.66	4.32	16.13
Total Scope 1 and 2	7.26	7.08	22.40

The improvement of emissions per £m revenue between the baseline year and 2022 is as follows:

Scope 1 and 2: 67.6%. The increase since 2021 is due to return to work following covid restrictions during the two previous years.

SOCIAL VALUE

Community & Partnerships

RM's purpose is to Enrich the lives of Learners. Each of our Divisions plays a role in the learning lifecycle, from early years and curriculum resources in RM Resources, through to the assessment of learning for students and professionals around the world, while providing technology platforms that support thousands of teachers and learners every day.

Delivering our purpose

Every day, our products and teams enable and enrich learning for thousands of customers around the world.

Over the course of FY22:

- We protected over 1.5 million students and teachers with our RM SafetyNet web filtering, with over 700 million web requests filtered every day!
- Our security software and services blocked over 2 million attempted malicious attacks, ensuring that customers stayed safe and connected to the services they rely on.
- Over 3,000 customers use our broadband services, facilitating hybrid learning as well as access to web and cloud services to deliver educational outcomes for all.
- We supported the recycling of over 2,800 laptops and desktops through trade-in programmes and saved over £300,000 for schools in the process.
- RM Resources products are used by over 8.5 million pupils across the UK and are used in over 120 countries around the world, enabling learning across the curriculum and supporting children no matter their learning needs.
- We are passionate about supporting and enabling teachers. Our webinars and teacher learning content has reached over 5,000 educators, including:
    - Our 'Little Lockdowners' webinar series featured world-renowned experts including NY Times bestseller Erika Christakis to discuss the impact of the pandemic on young minds and how we can improve developmental outcomes.
    - Our Empowering Early Years campaign brought some of the most prominent people in EY education together to discuss funding, staff recruitment and retention and mental health challenges.
    - Our Neurodivergence in Education webinar discussed the topic of inclusion by design and an improved blueprint for education for ALL children.
    - A STEAM webinar headlined by astronaut Tim Peake delivered valuable insights into the importance of STEAM subjects in the curriculum.
    - The World of Education hub hosts content to support teachers improve outcomes around the world.
    - Delivering Educator Training to maximise the value of Microsoft and Google platforms for education.
- RM Unify delivered over 17 million authenticated sessions for staff and students, giving secure, simple access to the learning resources that teachers and pupils rely on every day.
- We conducted digital assessments that removed the need for over 5 million sheets of paper.
- Our software was used by over 50,000 markers to mark over 12 million exams electronically, saving over 1 million hours for markers and administrators and reduced the transportation of over 500 tonnes of paper.

Awards

Our products and Services have been nominated and won many Awards, demonstrating the industry leading value they deliver for our customers.

- Glow and Go Bot – Winner, Early Years Resource or Equipment
- World of Education – Winner, Online and social media
- Oti – Winner, Education Top Design Award Winner
- Kitt – Winner, Product Design, Innovation Excellence Awards
- Glow and Go Bot, Kitt – Highly Commended, Teach Awards Supporting our Local Communities

Supporting our Local Communities.

RM is committed to having a positive social impact and supporting the communities in which we operate, giving employees opportunities to engage beyond work.

Supporting Active Lives

- RM Resources sponsor Hucknall Town FC, a local football club to the Harrier Park distribution centre, supporting local people and community activity
- RM SafetyNet has started to sponsor grassroots youth football teams, supporting children to have active lives beyond the classroom. Our first sponsored club is Maldon and Tiptree under 8 Pumas

Supporting education

- We are proud supporters of the Belong Intergenerational Nursery, donating products to support their work to better understand intergenerational care and provide a training hub for other Early Years providers. Children and care residents interact through intergenerational experiences within the care village, supporting young and old alike to share creative experiences.
- RM was the Charity Fundraiser partner at the inaugural Education Today awards, supporting Right to Succeed, a charity that works in high deprivation communities to give children the best start in life.
- We encourage all our employees to get involved in School Governance, granting all employees up to 25 hours additional paid time off to act as a School Governor, Local Advisor or Trustee.
- During FY22 we hosted work experience students from nearby schools and colleges in our RM Assessment Innovation team, working with the students on real projects and challenges, brining high quality student insight into the team, and giving real world work experience to the students.
- RM Education Solutions India has introduced within the ambit of the Graeme Dewart Scholarship a new scholarship for children with special educational needs; working in 2022 with local schools to support six children who need assistive devices.

Supporting the Environment

- We are piloting a scheme to offset the Carbon of the RM Technology Product Management team, partnering with Ecologi.
- During FY22 RM Resources worked with TreeSisters to plant nearly 4,000 trees in the tropics to offset the paper and carbon footprint of our RM Resources product catalogue internationally.

Workforce

The Group employs over 2000 people. Its aim is to create a culture and an environment that enables employees to work together collaboratively, creatively, efficiently and in a safe way.

	Average Headcount 2022					Average Headcount 2021				
	Total	**UK**	**India**	**Australia**	**Other[1]**	Total	UK	India	Australia	Other [1]
All employees	**2,174**	**1,187**	**953**	**32**	**2**	1,990	1,100	861	27	2
Permanent	**1,847**					1,773				
Temporary/ Contract staff	**328**					216				

[1]*Spain and Singapore*

Health and Wellbeing

RM is committed to supporting its employees and promoting positive Health and Wellbeing. We have continued to ensure that the workforce is safe and well, whilst raising awareness by promoting initiatives to encourage employees to protect both their physical and mental wellbeing. Further information on the measures taken is set out on in the Employees section on page 98.

Our employees have continued to work in a hybrid working approach, supported by 'My Work Blend@ RM', enabling employees to work flexibly where appropriate, supporting our people to balance their roles and lives which been working well with work-life balance as one of our highest scoring employee engagement pulse survey questions.

We have a network of Mental Health first aiders and a range of resources to support managers and employees with mental health, that run alongside the resources and benefits to support employees with physical health.

Equality, Diversity and Inclusion

RM believes equality, diversity and inclusion ('EDI') are important and its aim is that all employees receive fair and equal treatment. The workforce needs to reflect and represent the needs of the customers and communities RM serves. RM seeks to create an inclusive and flexible working environment for its employees.

There are five EDI Networks and an EDI Committee which has business wide representation and is chaired by Executive Leadership and as a group meet quarterly to plan, execute and evaluate EDI initiatives which include:

- A continuation of the Reverse Mentoring scheme following a successful pilot for the Executive Committee, the programme has been expanded to include the Senior Leadership Group, facilitating more leaders to improve their personal knowledge and awareness of topics relating to EDI.
- A calendar of awareness raising events is published for the year and includes activities across all RM's geographical locations. National Inclusion Week in September 2022 was celebrated across the business with workshops, quizzes and awareness raising articles.
- Essential education and awareness for the workforce through LinkedIn Learning and the scheduling of open learning sessions on topics such as allyship, privilege, inclusive communication and managing bias.

- The Inclusive Recruitment pilot has now been completed and is being developed into a full programme, which is scheduled to be available Group wide to all managers in 2023.
- The five EDI Networks support diverse communities within RM and provide a safe space for people to share their experiences and provide representation to change policy and practice in RM. They represent the People of the Global Majority, Women at Work, LBGTQIA, Allies and Neurodiversity. After the Women at Work network championed the subject of Menopause, the UK healthcare benefit has been updated to include Menopause support.
- RM continues to encourage employees to share their personal EDI characteristics data so that we can measure diversity over time.

The Equal Opportunities Policy commits RM to a zero-tolerance approach to preventing any form of discrimination, harassment, intimidation, or victimisation, promoting equal opportunities for everyone and promoting a good and harmonious working environment where everyone is treated with respect and dignity. This Policy is available on RM's website: www.rm.com/edi-policy

The Anti-Bullying Policy encourages employees to come forward with any concerns of bullying or harassment and sets out how such matters will be dealt with.

These policies and the actions referred to in this section support the strategy by helping create a better skilled workforce by encouraging people from different backgrounds to apply and contribute to the business.

Employees with Disabilities: The Group gives equal consideration to applications for employment received from candidates with disabilities, having regard to their aptitudes and abilities. Where existing employees develop a disability that materially affects their ability to perform their work role, retraining, use of appropriate technology and making available suitable alternative employment within the Group are explored and their further training, career development and promotion opportunities are supported.

The following table shows the percentage of employees who are female. The data is based on the number of permanent employees and Board members on 30 November each year. It is positive to see the percentage of women across the Board and Executive Directors improve however we recognise that there is ongoing work to do in order to improve the gender balance in the wider senior management Team.

	2022	2021	2020	2019	2018
Board including active Executive Directors	33%	14%	17%	17%	17%
Senior managers (excluding Executive Directors)[1]	32%	35%	37%	25%	19%
All employees	38%	38%	38%	39%	38%

[1] Covers those employees who have responsibility for planning, directing or controlling the activities of the Group, or a strategically significant part of it or the Company.

The following table sets out a more detailed overview of gender diversity across the Group of the permanent staff employed on 30 November 2022 (and as at 30 November 2021):

	Male	Female	Total
All Employees	1081 : 62% (1179 : 62%)	665 : 38% (715 : 38%)	1746 (1894)
Senior managers (excluding Executive Directors) [1]	37 : 67.27% (37 : 65%)	18 : 32.73% (20 : 35%)	55 (57)
Executive Committee and direct reports[2]	50 : 58.14% (27 : 60%)	36 : 41.86% (18 : 40%)	86 (45)
Board	4 : 67% (6 : 86%)	2 : 33% (1 : 14%)	6 (7)

[1] Covers those employees who have responsibility for planning, directing or controlling the activities of the Group, or a strategically significant part of it or the Company.

[2] Covers the 'senior management' as defined in the Code and excludes EAs and PAs.

The following table sets out an overview of ethnicity of the UK permanent staff employed on 30 November 2022:

	Any other ethnic group	Blank/ Prefer not to say	White	Total participated
All Employees	8%	34%	58%	925
Senior managers (including Executive Directors)	5%	14%	82%	44

Notes:

1. Data provided voluntarily by employees through an EDI data collection initiative.

2. No data has been reported in previous years so no comparative data available for year ending 30 November 2021.

We are committed to investing in ongoing initiatives to help ensure a balanced participation in the workforce:

- We welcome applicants from diverse backgrounds and are actively seeking to address the gender balance with initiatives such as supporting women in technology;
- We have started an inclusive recruitment project with the first phase focusing on addressing the gender balance across all job categories;
- Our Executive team work in partnership with our Equality, Diversity and Inclusion (EDI) advocates supporting our commitment to have an inclusive culture;
- We continue to encourage and champion flexible and agile working (where role appropriate) advocating the need to balance careers and individual circumstances.

Gender pay data is available on the public websites for subsidiaries (RM Technology, RM Resources).

The Corporate Governance Report sets out the Company's Board Diversity Policy.

Development and Reward

The Company recognises that talented people are central to the success of the business. Employees are encouraged to set learning goals framed around their career aspirations as well as what RM requires of them. Managers guide them through monthly developmental coaching conversations. Employees have access to online learning platforms, social and peer learning opportunities, coaching and mentoring as well as 'on the job' experiences. Employees are encouraged to attain professional qualifications or certifications where applicable to their role. Apprentices are supported in gaining their qualifications and essential work experience. RM has employed 12 apprentices over the past three years in the UK.

The Company's emphasis is on fair pay structures across the Group and bonus schemes that support and encourage a high-performance culture. The Group incentivises employees and senior management through the payment of bonuses linked to business objectives, together with the other components of remuneration detailed in the Remuneration Report. The Company does not operate an employees' share scheme due to the size and geography of the Group's workforce. Regular benchmarking is undertaken across the sector in terms of pay and reward.

There are also policies setting out the working practices and benefits available to employees. These policies are published internally.

Governance

It is important at RM that governance ensures it can deliver its purpose and strategy in a way that is aligned with its values, so that it is a trusted partner to its customers and other stakeholders.

RM is committed to conducting its business with integrity and its approach to risk and compliance helps encourage the right behaviours across the business.

The Corporate Governance Report on page 88 sets out the framework for governance in RM and the role of the Board.

Code of Conduct

An employee Code of Conduct governs the ways of working across the business and sets out the standards that employees are expected to follow. The Code reflects RM's culture and emphasises that employees are trusted to behave with integrity and honesty, and in accordance with applicable laws and regulations. There are a comprehensive set of policies that set out guidance and specific processes and procedures that employees are required to follow.

Employees are required to confirm annually that they have read, understood, and comply with the Code.

All policies are owned by a specified member of senior management and policy review dates set to ensure they are regularly assessed and kept up-to-date.

Anti-bribery and corruption

As part of the education sector, RM strongly supports the prohibition against giving, receiving or offering any bribes or any other forms of corruption. The Anti-Bribery Policy sets out the standards and processes all employees and relevant partners are required to follow. These are designed to minimise the circumstances under which such behaviours may occur. The policy also covers the giving and receiving of gifts and hospitality and expenses and includes practical examples to make it clearer and easier for employees to understand its application.

A formal assurance process is carried out twice a year that requires employees to confirm that they understand and comply with this policy.

There is also an Anti-Money Laundering Policy which commits RM to promoting and maintaining the highest level of ethical standards in relation to all its business activities and a zero-tolerance approach to money laundering. It commits RM to acting fairly and with integrity in all its business dealings and relationships. It provides for procedures to be followed, situations that may be considered suspicious, action to be taken in such circumstances and record keeping requirements. Only a limited group of employees can release any payments and those employees are fully appraised of these risks.

Competition Law

A Competition Policy is in place and training has been given to all relevant employees to help them understand the issues they need to be aware of. A register is maintained by the Legal Department for all employees attending trade association meetings and specific training is mandatory for them.

Data Protection

Given the nature of its operations, RM has always taken data protection matters seriously. The security and integrity of customer data is critical to the Group and is noted in the table of "Principal Risks and Uncertainties" in the Strategic Report.

The Company has a formal Group Security and Business Continuity Committee ('GSBCC'), which oversees data protection matters. That Committee is chaired by the Group Head of IT and attendees include the Group's Data Protection Officer ('DPO'), Chief Financial Officer, senior HR employees and representatives from each of the Divisions.

As part of its ongoing programme of GDPR compliance, the Group has formal Data Protection Policies and a Cookies Policy covering data of employees, customers, candidates, examiners and visitors to its websites. The policies commit RM to protecting and respecting the privacy of individuals and complying with all legal requirements. New starters are assigned mandatory training on GDPR and ongoing training is provided to all staff, as well as to contractors and temporary staff that have access to company systems or data. Security vetting of relevant suppliers and other third parties is conducted when considered appropriate.

The DPO works independently of management in fulfilment of the statutory duties required of that role and can, if necessary, escalate issues directly to the Board via the Company Secretary. As well as attending the GSBCC, the DPO provides regular updates to the Board on data protection matters. Both customers and employees can raise queries with, and send complaints to, the DPO. All potential personal data breaches are investigated and recorded. No data breaches have been reported to the ICO, the UK's regulator, in the past year.

Data Security and Resilience

Given RM's role supporting and advising schools and other education bodies, data security and resilience are taken seriously. For details of the actions taken, see the Principal Risks and Uncertainties section at page 36.

The GSBCC, referred to in the Data Protection section above, also oversees data security and resilience matters.

Access to systems is role based and applied with a principle of least privilege. Access is reviewed regularly through established internal processes and is subject to external independent audits as part of maintaining ISO certifications. The latest audits reported no non-conformances. The GSBCC also maintains Cyber Essentials Certification. Business accounts are additionally protected with multi-factor authentication (MFA) and user behaviour analytics and are monitored by a Security Information and Event Management (SIEM) solution. The Company has a Cryptographic Policy that governs encryption controls, with disk encryption applied to all employee machines.

The RM Acceptable Usage Policy provides guidance for all RM Group employees regarding how they may and may not use company systems and data, and their responsibility for information security. The policy is reviewed annually prior to formal approval by the GSBCC, which oversees data protection matters. The Acceptable Usage Policy is further supported by other specific policies including Data Classification & Handling and Physical Controls.

Data security policies are controlled, reviewed and subject to external audit as part of maintaining ISO certifications.

RM also runs a formal Security Awareness programme for all new staff.

As part of 'secure by design and by default' principles, business continuity management for the RM Assessment, RM Technology and RM ESI Divisions is aligned to ISO standards and subject to external audit, ISO 22301 certification is in place.

Were a breach to occur, the Company has established relationships with third party partners to support with cyber incident response and crisis PR.

Health and Safety

The Health and Safety Policy covers employees on its sites and at customer sites. It commits RM to a safe working environment, a culture of open discussion on health and safety issues, transparent reporting and compliance with all relevant laws and regulations. The Group has implemented a health and safety management system which is designed to continually improve health and safety and meet the requirements of ISO45001. The following objectives are incorporated into the health and safety management system:

- Raising health and safety awareness;
- Effective training;
- Risk reduction and management; and
- Accident reduction.

The Group Health and Safety Committee includes representatives from each of the Divisions and Corporate Services. It meets quarterly and is chaired by the Group's Head of Health and Safety. Each RM site has a Site Health and Safety Committee; this is chaired by the Health and Safety Director. Each Site Safety Committee reviews health and safety practices at that site.

A range of health and safety training is provided on an ongoing basis to employees, contractors and temporary staff.

The Head of Health and Safety provides a quarterly report to the Board on health and safety across the Group and can escalate any issues to the Board via the Company Secretary. The reports contain information relating to accidents and near misses. Further information on this is detailed in the Employees section on page 98.

Human Rights and Modern Slavery

RM is committed to minimising the opportunity for modern slavery to take place within RM and its supply chain. It has this year reviewed its internal processes and programme of review for suppliers. The Modern Slavery statement is available on the RM website.

Further information on the Supplier Code of Conduct for the RM Resources Division, which manages a significant majority of the suppliers of the Group and the commitments required from them in relation to human rights is set out in the Suppliers and Partners section on page 100. This Code is being reviewed with the intention that it will then be applicable to all Group suppliers.

Political Donations

Neither the Company nor any of its subsidiaries made any UK political donations or incurred any UK political expenditure, nor made any contribution to any non-UK political party, during the year or the previous year.

Safeguarding

RM is committed to protecting students of its customers from harm. The Safeguarding Policy applies to anyone working on behalf of RM including employees, contractors and agency staff.

The Policy states the principles that guide the approach to child protection and online safeguarding covering recruitment of staff, partnering with customers when any allegation is made, the incident management and whistleblowing measures and the supply of products and services that help customers keep children and young people protected from online harm.

The Policy further states the Company has a responsibility to keep children and young people safe. This is regardless of age, gender, race, religion or belief, sex or sexual orientation.

All staff working in environments where children are present must be familiar with policies at that place. Staff must report any incident that may give rise to a concern to the nominated child protection lead at that institution.

Share Dealing Code

The Share Dealing Code is applicable to all employees and Directors. It is designed to ensure that they do not misuse any information about the Group which is not public. There are clear processes for informing individuals about their obligations under the Code and obtaining authorisation to deal.

Tax

As a UK company, the Group pay taxes in the UK, contributing circa £14m in taxes to the UK Government over the past three years. The approach to tax is aligned with RM's purpose and values and to ensure that RM pays the right amount of tax at the right time based on laws, rules and regulations in the territories in which it operates. The Tax Strategy is on RM's website.

Whistleblowing

Employees are encouraged to speak up if they feel that something is not right. The Policy states that employees can speak to their manager, HR Business Partner or other high-level person in the Company in the first instance if they have any concerns and there is also an independent third party service they can use to report any concerns in confidence and anonymously if they wish. Information on this policy and the contact details of the third party are readily available on the internal employee portal.

The Policy provides that all allegations raised are forwarded to the Chief People Officer (unless it relates to them) and members of the RM People team are trained to handle such matters. The individual will be informed of the process in dealing with the matter. The Policy sets out RM's commitments in complying with the Public Interest Disclosure Act 1998 to protect any person who raises a relevant concern. The Policy states that any case that poses a significant risk to the business is reported to the Audit and Risk Committee with ultimate ownership by the Board. No concerns were raised in the past year.

CHIEF FINANCIAL OFFICER'S STATEMENT

Overview

RM's results and financial performance for the year have been heavily impacted by the IT implementation program and its rollout for the Consortium brand in the RM Resources Division. Trading disruption and elevated program costs have materially impacted performance for the year compared to 2021 and increased the net debt position.

Group revenue from continuing operations increased by 3.9% to £214.2m (2021: £206.1m) with all Divisions either flat or growing in 2022 despite the disruption caused by the IT implementation programme. The return of UK School exams and customer and volume growth in RM Assessment resulted in a 22% (£7.1m) increase in Divisional revenue. RM Resources revenues were flat on 2021 with strong growth of 40% (£6.5m) in international revenues, and 10% (£5.2m) in the TTS brand, before being negatively impacted by the IT implementation disruption within the Consortium brand with revenues reduced by 26% (£11.7m).

Adjusted operating profit[2] from continuing operations decreased by 55% to £7.5m (2021: £16.5m) predominately driven by the disruption from the IT programme implementation which in addition to reducing revenues inflated warehouse and distribution costs. In addition, the Group continued to experience higher freight costs and high wage inflation pressure throughout the year, most significantly in India.

The Group recorded a Statutory operating loss from continuing operations of £21.6m, a decrease of £25.2m from the 2021 profit of £3.6m. The loss is driven by the increased costs associated with our large capital programs and in particular the IT implementation process for the Consortium brand. Adjustments also include costs incurred as part of the divestment of the RM Integris and RM Finance businesses announced in November 2022 and planned restructuring activities. These costs are partially offset by the sale of £2.8m of surplus IPv4 addresses and a small gain (£0.2m) on the sale of a freehold property in the period.

In the year the Group agreed to sell the RM Integris and RM Finance businesses from within the RM Technology Division for a consideration of up to £16m. This transaction is subject to shareholder approval which is in progress. The performance of these businesses in both 2022 and 2021 have been classified and presented as discontinued operations within the Financial Statements. In the year the businesses generated £4.9m of revenue (2021: £4.7m) and £1.6m of adjusted operating profit (2021: £2.0m). In addition, the Group disposed of a small declining legacy software product called iCase from within the RM Assessment Division for $AUD 0.2m. Transactions costs of £0.8m were incurred in the year associated with disposal activities.

Adjusted net debt closed the year at £46.8m (2021: £18.3m). Adjusted cash generated[1] from operations was £7.4m (2021: £18.1[2]m), including the negative impact of the disruption within the Consortium brand, with the IT implementation in that area of the business significantly reducing operating cash inflows. The £28.5m (2021: £17.0m) net debt increase for the year included £28.3m (2021: £22.6m) of spend associated with our capital programs. The implementation of the programs for the Consortium brand will complete in the first half of 2023, with further implementation activity subject to an on-going review led by the new Chief Executive.

Following the end of the financial year, RM concluded two important activities that further improve the financial position of the Group;

- In December 2022, the Group sold a portion of their Internet Protocol v4 (IPv4) addresses for a total consideration of £8.5m in cash.
- In March 2023, the Group secured an agreement with Lenders to extend the existing £70m facility to July 2025. This agreement includes re-setting covenants under the facility as described in the Treasury section.

[1]Adjusted cash generated from continuing operations is defined as cash from operations excluding the impact of adjustments which includes major investment costs including dual run costs, proceeds on sale of non-core assets, and other property related items. Further details can be found in Note 6

[2]2021 cash flow adjusted to reflect the reclassification of customer development activity from contract fulfilment assets to intangibles as set out in Note 33.

Group Financial Performance

Income statement

£m	2022			2021		
	Adjusted[2]	**Adjustment[1]**	**Statutory**	Adjusted[2]	Adjustment[1]	Statutory
Revenue	**214.2**	**-**	**214.2**	206.1	-	206.1
Operating profit/(loss)	**7.5**	**(29.1)**	**(21.6)**	16.5	(12.9)	3.6
Profit/(Loss) before tax	**5.3**	**(26.1)**	**(20.8)**	15.1	(11.5)	3.6
Tax	**(1.8)**	**6.5**	**4.7**	(3.3)	1.9	(1.4)
Profit/(Loss) after tax from continuing operations	**3.5**	**(19.6)**	**(16.1)**	11.8	(9.6)	2.2
Profit after tax from discontinued operations[3]	**1.6**	-	**1.6**	2.0	-	2.0
Profit/(Loss) after tax	**5.1**	**(19.6)**	**(14.5)**	13.8	(9.6)	4.2

[1] Adjustments reflect the amortisation of acquisition related intangible assets; major investment costs including dual run costs, profits on sale of non-core assets, and other property related items. Further details can be found in Note 6

[2] Non-GAAP measures. See Note 6

[3] Discontinued activities relate to the RM Integris and RM Finance businesses and the i-Case product

Group revenue from continuing operations increased by 3.9% to £214.2m (2021: £206.1m).

UK revenues from continuing operations, outside of Consortium, increased £9.5m to £141.1m being 7.2% higher than prior year. However, the brand disruption in Consortium led to an overall revenue decline of 1.3%. Total International revenues from continuing and discontinued operations were up to £10.3m.

Adjusted operating profit margins from continuing operations[2] reduced to 3.5% (2021: 8.0%). Adjusted operating profit from continuing operations reduced by 55% to £7.5m (2021: £16.5m). Statutory operating profit from continuing operations decreased by £25.2m to a £21.6m loss (2021: profit of £3.6m).

To provide an understanding of business performance excluding the effect of significant change programmes and material transactions, certain costs are identified as 'adjustments'[2] to business performance.

In 2022 Adjusted items comprised the following:

	2022 £m	2021 £m
Amortisation charges associated with acquisition related intangible assets	**1.8**	2.0
Disposal related costs[1]	**0.8**	-
Dual running property & licence costs[2]	**5.4**	2.1
IT platform costs incurred and expensed[2]	**17.4**	8.3
Impairment of IT Capital Programme[3]	**2.2**	-
Onerous provision for IS licences	**1.2**	-
Onerous lease commitments	**-**	0.5
Restructuring costs	**0.3**	-
Total adjustments to administrative expenses	**29.1**	12.9
Gain on sale of property[4]	**(0.2)**	(1.4)
Sale of IPv4 addresses[5]	**(2.8)**	-
Total adjustments[6]	**26.1**	11.5

[1] Costs incurred directly as part of the disposal of the RM Integris and RM Finance businesses from its Technology Division

[2] Adjusted items relate to spending on our two large capital programmes. These items have been disclosed as adjustments because they are material to the relevant segment and only exist through to the completion of the capital programme

[3] The Group has impaired elements of the IT capital programme costs, previously capitalised, which relate to functionality that is paused where the Group has no current active plans to proceed to implement. This impairment may be reversed if the Group subsequently implements this functionality

[4] In the year the final owned warehouse facility was disposed as part of the warehouse consolidation project for £3.3m, generating a £0.2m profit on disposal. In 2021 another warehouse was disposed of as part of the same program for consideration of £3.2m, generating a profit on sale of £1.4m

[5] In the year the Group accelerated sales of surplus IPv4 assets, generating £2.8m in proceeds from its Connectivity business over and above the ordinary levels seen in each if the previous five years

[6] Non-GAAP measures. See Note 6

Reflecting the elevated adjusted items, statutory profit before tax from continuing operations fell to a £20.8m loss (2021: profit of £3.6m) after deducting net interest charges of £2.2m (2021: £1.4m) in relation to the Group's credit facility and finance costs related to the defined benefit pension schemes and adding back £2.8m of other income related to additional IPv4 address sales made in the second half of the year and £0.2m for the gain on the sale of a freehold property.

The total tax charge for the year for continuing operations was a £4.7m credit (2021: £1.4m cost). There are multiple tax effects influencing the tax rate in income, costs, deferred tax effects and the impact of no tax charge in the discontinued businesses. These effects are explained in more detail in Note 10c.

Statutory profit after tax from continuing operations decreased by £18.3m to a loss of £16.1m (2021: profit of £2.2m).

Operations classified as discontinued at the year-end generated £1.6m of profit after tax (2021: £2.0m). Reported Group profit after tax decreased by £18.7m to a loss of £14.5m (2021: profit of £4.2m).

Adjusted diluted earnings per share from continuing operations decreased to 4.2 pence (2021: 14.0 pence). Statutory basic and diluted earnings per share from continuing operations were a loss of 19.3 pence (2021: 2.6 pence).

Cash flow

Adjusted net debt[1] closed the year at £46.8m (2021: £18.3m). Adjusted cash generated from operations[2] was £7.5m (2021: £18.1[3]m), including the negative impact of the disruption within the Consortium brand, with the IT implementation in that area of the business significantly reducing operating cash. On a statutory basis, net cash outflow from operating activities was £20.8m.

The £28.5m net debt increase for the year included £28.3m (2021: £22.6m) of spending associated with our capital programs. This exceptional spend was offset by:

- Accelerated sales of £2.8m of surplus IPv4 assets from its Connectivity business over and above the ordinary levels seen in each if the previous five years
- The sale of the remaining owned property for £3.3m as part of the warehouse consolidation project

Cash outflows for the year also include contributions to the defined benefit pension schemes of £4.5m (2021: £4.5m), net interest payments of £2.3m (2021: £0.6m), a dividend payment of £2.5m (2021: £3.9m), leasing charges of £3.5m (2021: £3.9m) offset by tax credits of £0.9m (2021: £0.1m payment).

[1] Non-GAAP measures. See Note 6.

[2] Adjusted cash generated from operations is defined as cash from operations excluding the impact of adjustments which includes major investment costs including dual run costs, proceeds on sale of non-core assets, and other property related items. Further details can be found in Note 6.

[3] Restated as described in Note 33 for held-for-sale assets and a reclassification of contract fulfilment costs to intangibles.

Balance Sheet – continuing operations

The Group had net assets of £60.6m at 30 November 2022 (2021: £87.0[1]m). The balance sheet includes Non-current assets of £133.3m (2021: £146.2[1]m), of which £49.4m (2021: £49.2m) is Goodwill and £24.0m (2021: £35.0m) relates to the Groups defined benefit pension scheme which is discussed further below.

Operating PPE, intangible and right of use assets total £57.8m (2021: £60.2[1]m) and includes acquired brands, customer relationships and Intellectual property as well as costs relating to the warehouse consolidation and IT implementation programs. IP Address assets utilised as part of the Connectivity business are included at nil cost.

Net current liabilities of £49.2m (2021: £1.4m) includes borrowings of £48.7m (2021: £19.7m included in non-current liabilities which are classified as current, see treasury section for further information) and a number of elevated balances predominately resulting from the IT systems implementation program particularly Inventory, trade receivables and trade payables.

Non-current liabilities of £23.4m (2021: £57.8m) includes lease liabilities of £19.1m (2021: £21.1m) which is predominately associated with the Group utilisation of properties including the new Harrier Park warehouse. See point above on borrowings which have been classified as current liabilities in 2022 but in non-current in 2021. Deferred tax liabilities of £2.3m (2021: £10.8m) primarily comprises deferred tax liabilities on the net pension surplus and acquisition related intangibles of £9.1m (2021: £11.3m) offset in 2022 by a recoverable deferred tax asset relating to taxable losses incurred during the year of £7.1m.

[1] Restated as described in Note 33 for held-for-sale assets and a reclassification of contract fulfilment costs to intangibles.

Divisional performance

RM Resources

RM Resources provides education resources and supplies to schools and nurseries in the UK and internationally. Products supplied are a mix of own-designed items, own branded and third-party products.

Continuing Operations £m	2022	2021
TTS	58.3	53.1
Consortium	33.6	45.3
International	22.4	16.0
RM Resources revenue	114.4	114.4
RM Resources adjusted operating profit	2.8	10.1

RM Resources revenues were flat at £114.4m (2021: £114.4m) with strong TTS UK and International sales being offset by an £11.7m, 25.8% reduction in Consortium brand revenue driven by the disruption caused by the IT programme implementation in the year. UK education revenue decreased by 6.6% (TTS up 9.8%, Consortium down 25.8%), with international revenues up £6.5m, 40.4%.

International sales comprise two key channels, international distributors, through which RM Resources sells its own-developed products to over 80 countries, and international schools to whom it sells a broader portfolio of educational supplies. International revenues increased by 40.4% to £22.4m (2021: £16.0m), benefiting from reduced COVID related disruption and an increase in the product range offered internationally.

Divisional adjusted operating profit decreased to £2.8m (2021: £10.1m) and adjusted operating margins decreased to 2.5% (2021: 8.8%). The Division was primarily impacted by the challenges associated with the IT programme implementation which reduced revenues and increased costs associated with warehouse, distribution and staffing expenditure. The Division also experienced elevated freight costs in the year which did start to decrease through the second half.

RM Assessment

RM Assessment provides IT software and end-to-end digital assessment services to enable online exam marking, online testing and the management and analysis of educational data. Customers include government ministries, exam boards and professional awarding bodies in the UK and overseas.

Continuing Operations £m	2022	2021
RM Assessment revenue	38.9	31.9
RM Assessment adjusted operating profit	7.4	5.7

RM Assessment provides IT software and end-to-end digital assessment services to enable online exam marking, testing and the management and analysis of educational data. Customers include government ministries, exam boards, professional awarding bodies and Universities in the UK and internationally.

Revenue from continuing operations increased by 22% on the prior year to £38.9m (2021: £31.9m) driven by a full year of UK school examinations in 2022 and expansion in customer numbers and volumes.

Adjusted operating profit from continuing operations increased by 29% on the prior year to £7.4m (2021: £5.7m), with operating margins increasing to 18.9% (2021: 17.9%), benefitting from the increased revenues. Operating costs were higher than planned primarily driven by elevated costs on a small number of development contracts and higher than anticipated wage inflation in India.

In the year, the Division agreed to the sale of a small declining legacy software product, i-case, for $AUD 0.2m, which was acquired as part of the SoNET acquisition in 2019. It delivered £0.5m (2021: £0.6m) of revenue and £0.2m (£0.3m) of adjusted operating profit in 2022.

RM Technology

RM Technology provides ICT software and services to UK schools and colleges.

Continuing Operations £m	2022	2021
Services	55.0	53.6
Digital Software Platforms	5.9	6.3
RM Technology revenue	60.9	59.9
RM Technology adjusted operating profit	2.2	5.1

Revenue from continuing operations increased by £1.0m, 1.7% to £60.9m (2021: £59.9m) benefitting from a new large multi-year infrastructure contract driving growth in Services.

The Division sold £1.3m of IPv4 addresses in the year (2021: £0.4m) as part of an ongoing programme of selling surplus assts to the growth needs of the Connectivity business which it has done in the previous five years. These sales have been included in the revenue above. During the second half of the year, the Division accelerated the sale of a further £2.8m of IPv4 surplus addresses to support the liquidity of the wider Group. Due to the nature of these sales, they have been classified as adjusting other income and not included in revenue or adjusted earnings. Further sales of £8.5m were made subsequent to year end.

Adjusted operating profit from continuing operations decreased by 57% to £2.2m (2021: £5.1m), the primary driver being lower gross margins which reflects a less favourable product and customer mix, which also reduced operating efficiencies due to higher staffing costs.

In the year the Division announced the sale of the RM Integris and RM Finance businesses for consideration of up to £16m. In the year ended 30 November 2022 these businesses generated £4.9m of revenue (2021: £4.7m) and £1.6m of adjusted operating profit (2021: £2.0m) and are classified as discontinued operations and therefore not included in adjusted operating profit. Assets (£0.4m) and liabilities (£2.2m) associated with the RM Integris and RM Finance businesses are held for sale at the balance sheet date. Further information is provided in Note 21 of the Financial Statements.

Services

The Services offering is primarily the provision of IT outsourcing and associated technology services (managed services) and managed broadband connectivity to UK schools and colleges. Total Services revenues improved by 2.6% to £55.0m (2021: £53.6m) with managed services, hardware, and infrastructure revenues improving 4.7% (2021: declining 4%) to £42.4m (2021: £40.5m). This was driven by the benefit of a new large multi-year infrastructure contract won in the year. Connectivity revenue decreased 3.8% (2021: 9%) to £12.6m (2021: £13.1m).

Digital Software Platforms

The Digital Software Platform offering covers a number of cloud-based products and services such as RM Unify (authentication and identity management system) and RM SafetyNet (internet filtering software) as well as other content and network software offerings. Digital Platforms revenues from continuing operations decreased marginally to £5.9m (2021: £6.3m).

Dividend

A condition of the new extended and amended banking facility has been to restrict dividend distribution until the Company has a net debt to LTM EBITDA (post IFRS 16) leverage below 1x for two consecutive quarters and therefore we are not able to recommend the payment of a final dividend.

A final 2021 dividend of 3.0p per share, £2.5m was paid in 2022.

RM plc is a non-trading investment holding Company and derives its profits from dividends paid by subsidiary companies. The Company has £30.8m (2021: £35.8m) of distributable reserves, as at 30 November 2022, available to support dividends in the future when the facility restrictions are lifted. The Directors regularly review the Group's capital structure and dividend policy, ahead of announcing results and during the annual budgeting process, looking at longer-term sustainability. The Directors do so in the context of the Company's ability to execute the strategy and to invest in opportunities to grow the business and enhance shareholder value.

The dividend policy is influenced by a number of the principal risks identified in the table of 'Principal and Emerging Risks and Uncertainties' set out above which could have a negative impact on the performance of the Group or its ability to distribute profits.

Treasury Management

In the period to 31 May 2022 the Company's banking facility was extended to July 2024, with the terms of the facility being held consistent with those of the prior agreement. The debt facilities at 31 May 2022 were subject to financial covenants of a maximum of 2.5 times. Adjusted net debt/adjusted LTM EBITDA (pre-IFRS 16) and at least 4 times interest cover/adjusted LTM EBITDA (pre IFRS16). On 31 May 2022 the results of the covenant tests were 2.61 and 13.73 respectively.

Subsequent to 31 May 2022 the lenders agreed to amend the net debt/ adjusted EBITDA covenant to 3.0x at May 2022 and November 2022 and made it clear there was no intention of accelerating all or any part of the loan repayments. However as this was outside of the control of the Directors at 31 May 2022, borrowings were classified as current liabilities at the balance sheet date.

Prior to the end of the year, the Group entered discussions with lenders to extend the facility by a further year to July 2025 and to review the timing and type of covenant testing. As part of this process the lenders postponed the 30 November covenant test timing, however despite no breach of the facility agreement at the balance sheet date the borrowings have been classified as current liabilities as at 30 November 2022.

Since the year-end, the Group has secured an agreement with Lenders, which extends the existing £70m facility to July 2025. This agreement includes re-setting covenants under the facility as follows:

- A quarterly LTM EBITDA (post IFRS16) covenant test from May 2023 to November 2024 which is then replaced by a quarterly LTM EBITDA (post IFRS16) leverage test and interest cover both of which are required to be below 4x from February 2025.
- Subject to the sale of the RM Integris and RM Finance businesses and receipt of at least £10m of proceeds, an additional liquidity covenant will come into effect. This covenant would include both a 'hard' and a 'soft' liquidity covenant. The 'hard' covenant requires the Company to have liquidity greater than £7.5 million on the last business day of the month and liquidity not be below £7.5 million at the end of two consecutive weeks within a month.

  The 'soft' covenant requires the Company to have liquidity greater than £12.5 million at any point during the cash flow forecast period. Unlike the 'hard' covenant, a breach of the 'soft' covenant does not constitute an event of default under the Facility Agreement but, instead, requires the Company to notify the Lenders of the breach and be available to discuss plans to increase liquidity.

Treasury activities are managed centrally for the Group including banking relationships and foreign currency hedging. The Group has foreign currency-denominated costs that outweigh foreign currency-denominated revenues and therefore increased currency volatility creates an exposure. This is primarily attributed to US Dollar and Indian rupee exposure. This risk is managed through currency hedging against exchange rate movements, typically 12 months into the future. The Group is also working to rebalance its exposure by growing its foreign currency-denominated sales ahead of its costs to reduce the currency imbalance and more naturally hedge this risk over time.

Defined Benefit Pension Schemes

The Company operates two defined benefit pension schemes ("RM Education Scheme" and "Care Scheme") and participates in a third, multi-employer, defined benefit pension scheme (the "Platinum Scheme"). All schemes are now closed to future accrual of benefits.

The IAS19 net position (pre-tax) across the Group reduced by £7.7m to a surplus of £22.6m (2021: £30.4m) with both the RM Education Scheme and the Platinum Scheme being in surplus. The reduction has been driven by actual inflation experience over the period and a decrease in the value of Scheme assets more than offsetting the positive impact of higher discount rates which is based on corporate bond yields.

The 31 May 2021 triennial valuation for the current schemes was completed in the year with the total scheme deficit reducing from £46.5m to £21.6m. The deficit recovery payments of £4.4m per annum will continue until end 2024, before reducing to £1.2m until the end of 2026 when recovery payments cease.

Since the year-end, the Group has agreed further positions with the Trustee of the current schemes. The agreement provides the main two pension schemes with a second ranking fixed and floating charge over the shares of all obligor companies (except for RM plc) and a payment of £0.5m at bi-annual intervals starting on August 2024 which is contingent upon the adjusted debt leverage ratio being less than 3.2x at that date. The definition of adjusted leverage is aligned to the banking facility outlined above.

The Group has also agreed to pay a one-off additional contribution of £0.1m to the Platinum Scheme.

Going Concern

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

The Directors have prepared cash flow forecasts for the period to the end of May 2024 which indicate that taking into account reasonably plausible downsides as discussed below, the Company has sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of this report.

In assessing the going concern position the Directors have considered the balance sheet position as included on page 164 and the level of available finance not drawn down.

At 30 November 2022, the Group had net debt of £46.8m (November 2021: £18.3m) and drawn facilities of £49.0m (November 2021: £20m). RM Group has a £70m (2021: £70m) committed bank facility ("the facility") at the date of this report and the details of an extension and amendment to the facility are included in the Treasury section on page 76. Further details are set out in Note 31. Liquidity headroom at 30 November 2022 was £23.2m (2021: £47.9m). Average net debt over the year to 30 November 2022 was £46.8m (2021: £15.8m) with a maximum borrowings position of £64.1m (2021: £29.7m). The drawn facilities are expected to fluctuate over the period considered for going concern and are not anticipated to be fully repaid in this period.

Since the year-end, the Group has secured an agreement with Lenders, which extends the existing £70m facility to July 2025. This agreement provides lenders a fixed and floating charge over the shares of all obligor companies (except for RM plc) and has reset the covenants under the facility. For going concern purposes the Board have assessed performance against the following covenants:

- a quarterly LTM EBITDA (post IFRS16) covenant test from May 2023 to November 2024
- a 'hard' liquidity covenant test requiring the Company to have liquidity greater than £7.5 million on the last business day of the month and liquidity not be below £7.5 million at the end of two consecutive weeks within a month. As outlined in the previous Treasury Management section, this covenant test is conditional on the sale of the RM Integris and RM Finance businesses.

The Chief Financial Officer's statement outlines the performance of the Group in the year to 30 November 2022. This statement highlights the material impact of the IT implementation in the Consortium brand of RM Resources, where the disruption materially reduced revenues and elevated costs in what was already a challenging market backdrop of inflationary pressures on school budgets. The Assessment Division benefited from the first full UK exam series since 2019 and expanded customer numbers and volumes and the remainder of the RM Resources Division delivered a strong performance with TTS UK revenues growing 10% and International revenues 40%. Despite the reduction in operating cash flows caused by the IT implementation disruption the Group generated £6.4m of adjusted operating cash in the year.

However, the resulting impact was a materially reduced operating performance versus 2021, with the Group making an operating loss for the year and reporting a significant elevation of the net debt position.

For going concern purposes, the Group has assessed a base case scenario that assumes no significant downturn in UK or International markets from that experienced in the year to 30 November 2022 and assumes a broadly similar macroeconomic environment to that currently being experienced.

The base case reflects shareholders voting in favour of the sale of the RM Integris and RM Finance businesses from the RM Technology Division. The net proceeds of the Sale, when received, will provide the Group with additional liquidity to strengthen the Continuing Group's balance sheet and reduce indebtedness as well as support the Group's strategy to build a more focused, sustainable business for the long term.

As discussed in detail within this report the IT implementation in the Consortium brand significantly impacted the performance of the Group in 2022. The base case reflects the finalisation of this project within the Consortium brand in time for schools peak buying season. There are no further IT program implementations included in the base case in the outlook period.

Revenue growth in the bases case is driven from four key areas:

- Reduced Consortium disruption in 2023 following finalisation of the IT implementation, although volumes in the three-year budget period are not expected to return to 2019 levels.
- New contract wins in RM Assessment and RM Technology and increased hardware and infrastructure revenues in RM Technology associated with the UK government's three-year Connect the Classroom program for which they have provided £150m in funding.
- International volume growth in the RM Resources business, although this is modelled below that seen in 2022.

Overall margins in the base budget are flat from 2022 to 2023 and a marginal increase in 2024. The increase in FY24 is largely the result of revenue growth, revenue mix and some underlying service delivery improvements.

Adjusted net debt reduces materially within the assessment period which is largely the result of £8.5m of IPv4 address sales (which have already occurred) and the proceeds from the sale of the RM Integris and RM Finance businesses. The base budget includes investment required to maintain the existing customer base and enable the growth modelled and does not include the payment of dividends.

There are working capital initiatives built into the underlying budget, which are focussed on aligning to the pre COVID and pre-IT implementation run rate positions rather than seeking to go further. There is no further management of working capital modelled within the base case.

Under the base case, taking account of available facilities and existing cash resources and the net proceeds of the Sale, the working capital available to the Continuing Group is sufficient to meet its liabilities as they fall due for at least 12 months from the date of this report.

If the Sale were not to proceed and the Group's results over the relevant period continue to be in line with the Company's current expectations, it is not expected to be in breach of the financial covenants contained in its financing documents and would have sufficient liquidity headroom at all times within the 12-month period.

In connection with the Sale and as part of the Group's business planning process, the Board has closely monitored the Group's financial forecasts, key uncertainties, and sensitivities. As part of this exercise, the Board has reviewed a number of scenarios, including a base case and reasonable worst case downside scenario, both where the Sale does proceed and where the Sale does not proceed. This scenario includes

RM Resources

- School budgets are more challenged than expected and schools focus on essentials leading to a 10% reduction in TTS brand volumes in 2023 and 2024 taking them below 2022 in both years. Consortium brand revenues are also decreased by 10% in 2024.
- IT system implementation timelines are extended reducing revenues by c.20% in the Consortium brand through the peak period in 2023 taking them below 2022 levels.
- International volume growth is materially below that seen in 2022, with expected growth reduced by one half.
- Consortium overdue receivables remain elevated until the half year 2023 and the business experiences a higher volume of returns than is usual for the business resulting from the IT implementation challenges This scenario results in a c.£4m reduction in liquidity headroom.

RM Technology

- Removal of revenue growth in the RM Technology business reflecting a more challenging market environment related to new hardware and infrastructure wins. This results in a c9% reduction in 2023 revenues and c7% in 2024, resulting in 2023 revenues being below those in 2022.

RM Assessment

- Pipeline delays and reduced conversion in the RM Assessment Division reduces new business revenues by c90% in 2023 and c80% in 2024. This reduces revenue growth in the base case down to contracted positions.

Central Corporate

- Central efficiency targets are not achieved in 2023 or 2024 which increase central costs in 2023 to be 15% above 2022 and in line with 2022 in 2024.

Other

- The £4m contingent portion of the proceeds from the sale of the RM Integris and RM Finance businesses is not received.
- Central bank interest rates are maintained above 4% for the entire assessment review period.

While the Board believes that all reasonable worst case downside scenarios occurring together is highly unlikely, under these combined scenarios and shareholders voting in favour of the sale of the RM Integris and RM Finance businesses, the Group would continue to have reasonable headroom against the Facility and comply with covenants.

Were the Sale not to proceed for any reason and the Group performed in line with its reasonable worst case downside scenarios the Group would have sufficient, but limited, liquidity headroom, and the covenants would not be breached in the 12 months following the date of this report.

The Board's assessment of the likelihood of a further downside scenario is remote, particularly with the positive progress on finalising the IT Implementation in Consortium at the date of this report. The Board has reviewed the downside scenario which would result in liquidity and covenant breaches outlined below.

In addition to the reasonable worst-case scenario the Board have performed a reverse stress test and in that scenario the first covenant that would breach would be the liquidity covenant in September 2023 in the circumstance that the sale were not to proceed and the RM resources revenue for that period were to reduce by a further 9% from the reasonable worst case scenario. The Board consider the possibility of this scenario occurring to be highly remote.

The Board has also considered a number of mitigating actions which could be enacted, if necessary, to ensure that reasonable headroom against the facility is maintained in all cases and the Group complies with covenants. These mitigating actions are expected to have little to no implications to the ongoing business and include (but are not limited to) reducing un-committed spend, delaying recruitment and executing further IPv4 sales.

Therefore, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of these Financial Statements, having considered both the availability of financial facilities and the forecast liquidity and expected future covenant compliance. For this reason, the Company continues to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Internal Control

Management acknowledged that control improvements were required entering the year which were outlined in the Audit and Risk Committee report in 2021. This was compounded during the year by the operational disruption caused by the challenges associated with the IT system implementation and further control findings identified during the half year results review.

As a result, a more thorough review and reset of the internal control environment was initiated utilising specialist external resource, reporting directly to the new Interim CFO, with the remit to review all aspects of the internal con rol framework.

The Audit and Risk Committee is being updated regularly with respect to progress related to remediation activities as well as reviewing ongoing control improvements identified, and while progress has been made, these continue into 2023.

Management, based on the controls review detailed above, have provided the committee with assurance that where controls were not designed, implemented or operating effectively there were appropriate mitigating actions in place to conclude that the Financial Statements do not contain material errors.

This is outlined in more detail in the Audit and Risk Committee report.

Financial Viability Statement

The financial viability statement is set out on pages 82 to 84.

Emmanuel Walter
Chief Financial Officer
28 March 2023

FINANCIAL VIABILITY REPORT

The Directors' assessment of the Group's current financial position is set out in the Chief Financial Officer's review on pages 70 to 81.

In accordance with the UK Corporate Governance Code, in addition to an assessment of going concern, the Directors have also considered the prospects of the Group and the Company over a longer period.

The principal operating subsidiaries of the Group are RM Educational Resources Limited (the primary subsidiary through which our Resources Division operates) and RM Education Limited (the primary subsidiary through which our Technology and Assessment Divisions operate). The current performance of these Divisions is set out in Note 4 of the Financial Statements.

We made a significant investment in our new automated warehouse and internal IT Platform programme in 2022, both largely funded by our debt facilities which are set out in Note 30. Our Group Treasury team actively manage the cash flow and funding requirements of the Group over the financial viability timeframe. Our current utilisation of our funding facility is summarised in our going concern review on pages 78 to 81.

We have an established process to assess the Group's prospects. The Board undertakes a detailed assessment of the Group's strategy on a regular basis (usually annually) and the output from this assessment forms the framework for our medium-term plan which we update annually. Our medium-term plan comprises cash flows, income statements and balance sheets.

Our medium-term plan reflects our prospects and considers the potential impacts of the Principal Risks and Uncertainties set out on pages 36 to 41. We perform stress tests to assess the potential impact of combinations of those risks and uncertainties. The plan also considers mitigating actions that we may take to reduce the impact of such risks and uncertainties, and the likely effectiveness of those mitigating actions.

Period of assessment

The Directors have considered that a period of three years is an appropriate timeframe to consider the financial viability of the Company and the Group for a number of reasons.

The Group operates in the education sector, providing a range of technological solutions and services to our customers both in the UK and Internationally. Whilst in the longer term the changing nature of technology, government policies and digitalisation will impact the market in which RM plc Group operates, changes in the shorter three-year timespan are likely to be less severe. A three-year period is also consistent with the time period over which the Group's medium-term financial budgets are prepared.

A longer period of assessment introduces greater market uncertainty and hence uncertainty in the viability assessment because the variability of potential outcomes increases as the periods considered extends.

Viability assessment

The Group has considered the following scenarios for financial viability:

Scenario	Principal Risk
UK public policy changes Short term public policy changes in education primarily impacts the transactional nature of UK schools purchases. A market decline of 10% in FY23, FY24 and FY25 was considered in the Resources Division.	Public policy risk
Investment programmes The investment programme into the automated warehouse and internal IT systems delivered into the Consortium brand was materially completed at the beginning of 2023. Four of the five warehouses have been consolidated into the single site distribution centre (Harrier Park) with the remaining warehouse scheduled to be exited in H1 2025 following the transition of TTS. A delay in the trading recovery of Consortium in FY23 and challenges associated with the TTS transition in FY25 are modelled.	Transformation risk
Supply Chain disruption and cost inflation RM is reliant on the cross-border movement of goods which have been affected the impact on supply chains of the COVID-19 pandemic and Ukraine conflict. RM also has some key suppliers where changes in their pricing position could impact operating margins. The impact on profitability of likely supply chain disruption across Divisions and inflation impacts across key suppliers was considered. We have also reflected the latest contractual positions following changes in 2022 such as a new freight forwarder contract. Where the cost of supply is in foreign currency and unhedged (The Group's policy is to hedge its exposure for the following 12 months at any point) the impact of negative fluctuations in the relevant exchange rates and therefore on margins has been modelled.	Operational execution
Business Transition The Group outlined a transition programme which was started in 2022 to improve the operating structure and reduce costs to improve operating efficiency and manage the volatile macroeconomic environment. A scenario has been considered where this is not delivered as planned and benefits are delayed or not delivered.	Transformation risk
Growth targets The medium-term plan has a number of assumptions in respect to new business wins and revenue growth. The impacts of a material reduction in these were modelled as follows: • RM Assessment - 90% reduction in new contract revenue in FY23 and 80% reduction in FY24/25 • RM Technology - No new contract revenue in FY23 or FY24 and a reduction in budgeted increases in FY25 • RM Resources – A 50% reduction in planned revenue growth in International in FY23, FY24 and FY25	Strategic risk
Proposed sale of RM Integris and RM Finance RM announced the proposed sale of the RM Integris and RM Finance businesses in FY22. There is an element of the proceeds which is contingent on the Competition and Markets Authority approval. The scenario where this was not approved and the £4m contingent amounts was not received has been modelled.	Transformation risk
Business continuity Over the last few years there is increasing legislation and compliance requirements continue to increase. A breach of GDPR compliance and associated costs are modelled. A major incident to our main Resources warehouse was considered net of insurance coverage.	Data and business continuity risk

The impact of the above scenarios was considered individually and in combination. Where the timing is unknown, the scenario was assumed to have occurred in FY23 when the Group sensitivity is greatest.

While the Board believes that all reasonable worst case downside scenarios occurring together is highly unlikely, under these combined scenarios and if management took no mitigating action in response the Group would have a liquidity breach in September 2024, but would have not other breaches within the assessment window.

The Board has also considered a number of mitigating actions which could be enacted, if necessary, to ensure that reasonable headroom against the facility is maintained in all cases and the Group complies with covenants. These mitigating actions are expected to have little to no implications to the ongoing business and include:

- Cost mitigations (such as reduced uncommitted spend)
- Non-payment of discretionary bonuses
- No reinstatement of dividend payments in the assessment timeframe
- Further sales of internet protocol v4 (IPv4) addresses

The bank facility was recently extended and is committed until July 2025. The Board is satisfied that there are several other financing options or access to capital that could be put in place to maintain liquidity headroom over the financial viability period and that there would be adequate time to complete negotiation of such arrangements and the viability statement is dependent on a facility being available.

On this basis, the stress tests indicated that none of these scenarios, including the combined scenario, would result in an impact to the Group's expected liquidity, solvency or debt covenants that could not be addressed by mitigating actions and are therefore not considered threats to the Group's viability.

Governance and Assurance

The Board reviews and approves the medium-term plan on which this Viability Statement is based. The Board also considers the period of which it should make its assessment of prospects and the Viability Statement. The Audit Committee supports the Board in performing this review. Details of the Audit Committee's activity in relation to the Viability Statement are set out in the Audit Committee Report on page 108.

The Viability Statement is subject to review by Deloitte, our external auditor. Their Audit Report is set out on pages 148 - 161.

Assessment of Viability

The Board has assessed the viability of the Company over a three-year period to November 2025, taking into account the Company's current position and Principal Risks.

Based on that assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 30 November 2025.

BOARD OF DIRECTORS

HELEN STEVENSON

Chair R N E

Helen Stevenson was appointed as Non-Executive Chairman of RM plc on 16 February 2022. She is also the Chairman of the Nomination Committee. Helen, until 31 December 2022, was the Senior Independent Director of Reach plc, and a Non-Executive Director of Skipton Building Society. She remains a Non-Executive Director and Remco Chair of IG Group Holdings plc. Until recently, she was also Senior Independent Director of Kin + Carta plc. Helen was the Chief Marketing Officer UK at Yell Group plc from 2006 to 2012, including responsibility for digital product development and, prior to this, served as Lloyds TSB Group Marketing Director. She started her career with Mars Inc where she spent 19 years, working across senior supply side and demand side roles, culminating in European Marketing Director. Helen is a Governor at Wellington College where she is also Chair of the Wellington College Educational Enterprises Board and is a member of the Henley Business School Strategy Board.

MARK COOK

Chief Executive Officer

Mark Cook was appointed as Chief Executive Officer of RM on 16 January 2023. Mark started his career as an accountant before moving into consulting at Xansa plc. In 2010 Mark joined as Group CEO of Getronics Group where he took the business private from public ownership under KPN Telecoms NV. Following a period of growth and transformation into a global technology digital services business the business was sold to a U.S. investment consortium. In 2019 Mark joined Capita plc as CEO for the People Solutions Division and latterly the Technology Solutions Division. Mark remains a non-executive Chairman of Searchlight Consulting.

NEIL MARTIN

Executive Director

Neil Martin stepped down from the role of Chief Executive on 16 January 2023 having been initially appointed in on 1 March 2021. He will remain a Director of the Board until 17 March 2023. He was the Chief Financial Officer of RM from 28 September 2015. Prior to joining RM, he was CFO for UK and Ireland for the Adecco Group, the leading provider of HR solutions listed on the Swiss Stock Exchange. He was CFO at the UK listed, IT staffing company, Spring plc, until it was acquired by Adecco in 2009. He started his career by spending seven years at Exxon Mobil. Neil is a Chartered Management Accountant (CIMA).

CHARLES BLIGH

Non-Executive Director N E

Charles Bligh joined the Board on 2 July 2021 as a Non-Executive Director. He is currently the Chief Executive Officer at Restore plc and was appointed to this position in April 2019. He was previously Chief Operating Officer and main Board Director at TalkTalk Telecom Group plc, which he joined in 2011. He previously spent 20 years at IBM Corporation in various countries, culminating in his role as Vice President, Commercial Sector in UK and Ireland.

PAUL DEAN

Independent Non-Executive Director

A R N E

Paul Dean joined the Board on 4 February 2020 as a Non-Executive Director and Chairman of the Audit and Risk Committee. He was previously the Non-Executive Director and Chair of the Audit and Risk Committee of Wincanton plc and Focusrite plc, the Senior Independent Director and Chair of the Audit and Risk Committee at Porvair plc and Polypipe plc. He was the Group Finance Director of Ultra-Electronics plc from 2008 to 2013 and Group Finance Director of Foseco plc from 2005 to 2008. Paul is a Chartered Management Accountant. Paul will be retiring from the Board ahead of the 2023 AGM and will be replaced as Chair of the Audit and Risk Committee following publication of the FY2022 results.

RICHARD SMOTHERS

Independent Non-Executive Director

A R N E

Richard Smothers joined the Board on 3 January 2023 as a Non-Executive Director and became Chairman of the Audit and Risk Committee on 29 March. He is currently the Chief Financial Officer at Greene King Limited and was appointed to this position in 2017. Prior to this he was Chief Financial Officer at Mothercare plc and held a number of senior roles at Rexam plc, Tesco plc and Cargill Inc. Richard is a Chartered Management Accountant.

VICKY GRIFFITHS

Independent Non-Executive Director

A R N E

Vicky Griffiths joined the Board on 1 July 2020 as a Non-Executive Director. She spent five years as a teacher of Maths and Economics at both primary and secondary level and currently sits on the board of multi-academy trust, Bellevue Place Education Trust. She trained at Bain and Company and was responsible for operational and business risk at Brevan Howard Asset Management. She is now a Partner at executive search firm, Independent Search Partnership. She is a Non-Executive Director at GB Bank, as well as Senior Independent Director of the British Olympic Foundation, a Trustee of Vincent's Club at Oxford University and she sits on the Main Committee of the MCC at Lords. Vicky is Chair of the ESG Committee.

PATRICK MARTELL A R N E

Senior Independent Director

Patrick Martell joined the Board on 1 January 2014 as a Non-Executive Director and was appointed Chairman of the Remuneration Committee on 19 March 2014. He is the nominated Non-Executive Director for workforce engagement. He is currently Group Chief Operating Officer and Chief Executive of the Informa Intelligence Division of Informa plc. He was previously the Group CEO of St Ives plc, having joined in 1980. He was appointed to the Board of St Ives plc on 1 August 2003 and held the position of Managing Director, Media Products and Managing Director, UK Operations from 2006 to 2009, at which point he was appointed Group CEO.

Committee membership as at the date of this report.

- A Audit and Risk Committee Member
- R Remuneration Committee Member
- N Nomination Committee Member
- E ESG Committee Member

CORPORATE GOVERNANCE REPORT

Introduction from the Chair

As Chair, I am responsible for ensuring that the Company has high standards of corporate governance. In respect of the year ended 30 November 2022, RM plc was subject to the UK Corporate Governance Code 2018 ('Code'), which was published by the Financial Reporting Council in July 2018 (available at www.frc.org.uk). The Board aims for the Group to meet and exceed the standards of the Code and to foster a culture of open and honest communication and constructive challenge throughout the organisation. There is a governance structure of checks and balances, a proper division of responsibilities and active consideration given to all relevant stakeholders. The Board sees this as a positive contributor to effective business operations.

This Corporate Governance Report incorporates the relevant sections of the reports of the Board Committees. It summarises how the provisions of the Code have been applied and how the Board and Board Committees have fulfilled their responsibilities during the year. It sets out how RM's approach to corporate governance supports the Company's strategy, the Board and its Committees' key focus areas during the year.

Governance

On behalf of the Board, I confirm that the Company has applied the principles and complied with the provisions of the Code throughout the 12 month period ended 30 November 2022. This includes addressing two areas identified in the prior year report where the Company had not complied, namely in the case of provisions:

- 40 insofar as views were not sought from shareholders and the workforce on remuneration and
- 41 insofar as we had not engaged with shareholders on remuneration nor engaged with the workforce to explain how executive remuneration aligns with wider Company pay policy

The Chair of the Remuneration Committee and the Chief People Officer held a meeting with the employee engagement group to discuss the role of the Remuneration Committee, RM's policy and practice and executive remuneration (Page 99).

I also led a programme of shareholder consultation where I had regular interaction with shareholders including remuneration topics. We are between formal policy consultations and so, in the absence of any changes to/departures from the approved remuneration policy, this is an appropriate level of engagement on these issues and more formal consultations will happen at the forthcoming policy review.

The table below sets out where the relevant content on the application of the Code's principles can be found in this Annual Report.

Composition

With effect from 16 February 2022, I was appointed as Chair of the Board of Directors. In addition, Emmanuel Walter was appointed as interim Chief Financial Officer replacing Mark Berry who resigned as an Executive Director and Chief Financial Officer with effect from 15 August 2022. For further information on how the Board managed succession during the past year, see the Nomination Committee Report.

Effectiveness

During the year the Board dealt with a number of topics that required additional time and engagement including the challenges of the new internal IT systems for Consortium and the impact this has had on the financial performance of the Company. The Board has performed well and this was reflected in the feedback during the Board evaluation this year. Further information is contained in this Corporate Governance Report.

Stakeholders

RM believes strongly that the long-term success of the Company is linked to ensuring accountability, transparency and fairness in dealings with stakeholders. The relationships the business has with other stakeholders has also been important, particularly given the impact of results on the share price this year. The strength of the Company's relationship with its suppliers has helped the business to continue to provide goods and services to RM's customers despite the issues caused by the difficulties of the freight industry and problems resulting from the launch of the new internal IT system for Consortium. You can read more about RM's engagement with shareholders on page 99.

Helen Stevenson

Non-Executive Chair
28 March 2023

1. Board Leadership and Company Purpose	Section and Page
A: Leadership, long-term success, value generation and societal contribution	Purpose, Values and Culture (6-7) Throughout the Sustainability Report (42-48), Corporate Governance Report (88-103) and Remuneration Committee Report (118-139) there are descriptions of how the long-term sustainable success of the Company and its contribution to wider society is promoted and shareholder value generated
B: Purpose, values, strategy and culture	Purpose, Values and Culture (6-7) Purpose and Culture (6) Major Activities of the Nomination Committee (104-107)
C: Resources and controls	Resources (17) KPIs (25) Managing our Risks (34) Internal Controls (102) Review of Risk Management (34-41)
D: Stakeholder engagement	Stakeholder Engagement (98-101) Section 172(1) Statement (32)
E: Workforce policies and practices	Remuneration Policy and Stakeholder Engagement (123) Whistleblowing (69) Employee Stakeholder Engagement (98-99)

2. Division of Responsibilities	
F: The Chair	Board of Directors (91) Roles (87) Board Evaluation (95)
G: Board composition and division of responsibilities	Board of Directors, Board Committees (94, 91) Roles (87) Directors' Conflicts of Interest and Independence (96)
H: Role and time commitment of Non-Executive Directors	Board of Directors (91) Board Attendance (94) Committee Attendance (104, 108, 119 and 140) Roles (87) Directors' Conflicts of Interest and Independence (96)
I: Board function and the Company Secretary	Board of Directors (91)
3. Composition, Succession and Evaluation	**Section and Page**
J: Board appointments and succession planning	Nomination Committee Report (104) Board Diversity and Inclusion Policy (96)
K: Board and committee skills, experience and knowledge	Board Tenure (94) Board Composition (88)
L: Board evaluation	Board Evaluation (95)
4. Audit, Risk and Internal Control	
M: Internal and external audit independence and effectiveness	Internal Controls (102) Audit and Risk Committee Report (108)
N: Fair, balanced and understandable assessment of position and prospects	Statement of Directors' Responsibilities (143)
O: Risk management, internal control framework and principal risks	Managing our Risks (34) Principal Risks and Uncertainties (36) Internal Controls (102)
5. Remuneration	
P: Remuneration policies and practices	Remuneration Committee Report (123)
Q: Executive remuneration	Remuneration Committee Report (118-139) Remuneration Policy, Stakeholder Engagement (123-125)
R: Independent judgement and discretion in remuneration outcomes	Discretion (127)

Board of Directors

The Board consists of the Chief Executive Officer, Chief Financial Officer and five Non-Executive Directors including the Chair, although since the resignation of Mark Berry as a Director, Emmanuel Walter, the interim CFO has not been appointed as an Executive Director. The Chair was considered independent on appointment. The Board considers Paul Dean, Vicky Griffiths, Patrick Martell and Richard Smothers (appointed on 3 January 2023 and will replace Paul Dean following the publication of results), to be independent of the management of the Company and free from any business or other relationship which could materially interfere with the exercise of their independent judgement (see further discussion in the Directors' Conflict of Interests and Independence section below). The Directors bring to the Board a wide range of financial and business skills and extensive experience and knowledge suited to the nature of the Company.

The Board of Directors meets regularly on a formal basis and holds additional ad hoc meetings as necessary to review strategic, operational and financial matters, including proposed acquisitions and divestments. It has a formal schedule of matters reserved to it for decision-making. Those matters include the approval of interim and annual Financial Statements, the annual budget, significant Stock Exchange announcements, significant contracts and capital investment. It also reviews the effectiveness of the internal control systems and principal risks of the Group. The Chair holds meetings with the Non-Executive Directors without the Executive Directors present in circumstances where it is considered appropriate to do so.

A forward agenda for the Board is maintained to ensure that all necessary and appropriate matters are covered during the year. The Board was alerted mid-year to weakness in some of the financial controls and is pleased that management remediation of these has led to a marked improvement. As part of the Board pack prepared for each regular meeting, the Board receives monthly management accounts and operational reports from the CEO, CFO and General Counsel and reports from other members of the Executive and the Group. The Board is also provided with specific reports on key areas and projects and informed of any key developments or issues that require their consideration. These reports and updates cover a wide range of matters in order to ensure that policy, practices and behaviour in the Group are aligned with the Company's purpose, values and strategy and any issues that may give rise to concerns are brought to the attention of the Board. During the year, reports were presented on various matters including regular updates on the delivery of the new internal IT systems, proposals to manage freight costs, shareholder feedback and the disposal of the RM Integris and Finance business. Further information on other reports it received are in the Stakeholder Engagement report below. The Board requests further information on any matter that they consider relevant, which may include ongoing updates, assurance as to the proposed actions to resolve such matters and information on corrective actions taken. This year this has included a review of trading relationships in Russia and Belarus following the initiation of the Ukraine conflict, improvements to the control environment following the interim audit review and information on property damage incidents.

Any concerns about the operation of the Board or the management of the Company that cannot be resolved are recorded in the Board minutes.

All Directors have access to the advice and services of the Company Secretary, and all the Directors are able to take independent professional advice, if necessary, at the Company's expense.

All Directors are appointed for a defined term subject to annual re-election by shareholders at each Annual General Meeting.

Board Committees

The Board has delegated authority to four Committees: Audit and Risk, Remuneration, Nomination and Environment, Social and Governance (ESG) Committee. The ESG Committee was constituted this year and the Audit and Risk Committee was reconstituted as the Audit and Risk Committee. The Executive Directors are not members of these Committees. The Terms of Reference for each Committee setting out their responsibilities are available at rmplc.com. For each Committee, information on their composition and activities is provided in the respective Committee reports.

The Board

The Board is collectively responsible for the sustainable long-term success of the Group. The key roles of the Board are:

- Setting the strategic direction of the Group to promote the long-term sustainable success of the Company, generate value for shareholders and contribute to wider society
- Overseeing implementation of the strategy and ensuring that the Group is suitably resourced to achieve its objectives and effectively engages with stakeholders
- Overall responsibility for the management of risk and for reviewing the effectiveness of the framework for internal control and risk management

Chair

- Responsible for overall leadership and governance of the Board, effective contribution from NEDs and ensures constructive relations between Executive and NEDs
- Sets the agenda, ensures adequate time is available for discussion of agenda items, promotes a culture of openness and debate at Board meetings and ensures Directors receive accurate, timely and clear information
- Provides support and advice to the CEO
- Ensures effective communications with shareholders

Senior Independent Director

- Deputises for the Chair and acts as intermediary for other Directors, if needed
- Meets with the NEDs, without the Chair present when considered appropriate, and leads the appraisal of the Chair's performance
- Available to respond to shareholder concerns if not resolved through the normal channels

Non-Executive Directors (NEDs)

- Share full responsibility for the execution the Board's duties
- Scrutinise and constructively challenge strategic proposals and hold management to account
- Offer specialist advice and strategic guidance
- Monitor the performance of management on an ongoing basis

Audit and Risk Committee

- Oversees and monitors the Group's Financial Statements, accounting processes and audits (internal and external)
- Ensures that risks are identified and assessed, and that sound systems of risk management and internal control are in place
- Ensure that the internal audit function has the resources to perform its function and review audit plans
- Reviews matters relating to fraud and whistleblowing reports

Remuneration Committee

- Reviews and recommends the framework and policy for the remuneration of the Executive Directors and senior executives
- Reviews workforce remuneration and related policies
- Considers how the remuneration policy supports the business strategy of the Group

Nomination Committee

- Reviews the structure, size and composition of the Board and its Committees
- Identifies and nominates suitable executive candidates to be appointed to the Board
- Considers wider aspects of succession planning

ESG Committee

- Oversight of the ESG strategy and ensure that it is fit for purpose
- Monitor progress against the ESG strategy and performance against targets
- Review ESG risks that have been identified and mitigating actions

Group Chief Executive (CEO)

- Responsible for the executive leadership of the Group as a whole and delivering the strategic and commercial objectives agreed by the Board
- Leads the Executive management team
- Maintenance and protection of the Group's reputation
- Ensures the affairs of the Group are conducted with the highest standards of integrity
- Builds positive relationships with the Group's stakeholders

Board Attendance

The Board has 11 scheduled meetings a year. A record of attendance for each Director is set out in the table below. Additionally, ad hoc meetings were held by the Board during 2022, topics discussed included the sale of the RM Integris and RM Finance businesses, the status of the roll-out of the Consortium IT system, the financial performance and forecast, net debt and cash flow forecasts, extension of the bank financing facility and covenant positions and, timing of release of the 2022 interim results, Board meetings were mostly held face-to-face. The Board also approved a number of matters during the year by written resolution.

Board Meetings	No. of meetings held in the period/ Eligible to attend
Helen Stevenson (from 16 February 2022)	9/9
John Poulter (until 16 February 2022)	2/2
Mark Berry (until 15 August 2022)	7/7
Charles Bligh	11/11
Paul Dean	11/11
Vicky Griffiths	11/11
Patrick Martell	10/11
Neil Martin	11/11

All Directors received papers for all meetings in advance. When a Director was unable to attend a meeting, they were given the opportunity to provide comments. Patrick Martell was not able to attend one meeting due to a work conflict.

The Board ensures that, on appointment and thereafter, all Directors have sufficient time to carry out their duties.

No Director should undertake additional appointments without the prior approval of the Board. No significant appointments have been undertaken by a Director in the year ended 30 November 2022.

Board Tenure

Details of the tenure of the members of the Board as at the date of this report are set out in the table below.

Tenure	Percentage of Board
0-2 years	42%
2-5 years	29%
5+ years	29%

Induction

All Directors receive an induction on joining the Board. Helen Stevenson joined the Board this year and met with all Board Directors, members of the Executive and other relevant employees individually. She received comprehensive resources on Board activities and Company documents such as Committee Terms of Reference, Delegation of Authority and Group structure. She had business review sessions with each of the Business Unit senior teams and also visited the new distribution centre at Harrier Park and met with members of the RM Resources Division.

Board Evaluation

The performance of the Board, each Board Committee and each Director is reviewed on an annual basis. All Directors were sent a questionnaire to gather their views across a number of areas including:

- the role of the Board and oversight;
- composition, process and structure;
- meetings and debate; and
- each of the Committees.

The feedback from this questionnaire was shared and reviewed at a meeting in November 2022. The principles and provisions of the Code and Guidance on Board Effectiveness were covered.

The performance of the:

- Chair was assessed by the Non-Executive Directors, led by the Senior Independent Director;
- Chief Executive Officer was assessed by the Chair, in consultation with the other Non-Executive Directors; and
- Chief Financial Officer was assessed by the Chief Executive Officer, in consultation with the Chair and other Non-Executive Directors.

As a result of these reviews, it is considered that the performance of each of the Directors continues to be effective and that each Director demonstrates sufficient commitment to their role, enhances the collective effectiveness of the Board, acts with integrity, leads by example and promotes the desired culture. Communication during the year was felt to have continued to be good and debates were constructive, candid, open and supportive Relationships between Directors were considered to be positive with a collaborative Board culture and members worked together to meet objectives. The Board reviewed its composition and diversity.

The Committees were also reviewed and overall were felt to function well. The Chair is highly regarded by other Directors and it was felt that engagement with Shareholders had improved and the right Board structure was actively being developed.

A number of practical suggestions were made with regard to:

- ensuring that there was a continuing focus on all stakeholders and on risk;
- more regular reviews with the Executive Team members in order to give the Board greater visibility of progress in the business;
- engaging an external remuneration adviser to support the work of the Remuneration Committee; and
- continuing the work on succession planning for Board and senior management.

The improvements suggested in the Board evaluation last year on the running of meetings were felt to have been implemented, specifically:

- The scheduled Board meetings were almost all held face to face;
- The ESG Committee was set up to enable greater discussion on climate and sustainability plans and strategies for the Company; and
- Updates were given on the competitive marketplace for each Division to help ensure a common understanding of the complexity and landscape in which the Divisions compete although this was curtailed with the focus on the wider business performance issues during the year.

An external facilitated Board evaluation was considered but it was felt it would not be useful given the appointment of a new Chair this year. This would be reviewed again next year.

Executive Committee

The Executive Committee is chaired by the Chief Executive Officer. The Executive Committee comprises the Chief Executive Officer, Chief Financial Officer and other senior managers within the Group. The Executive Committee normally meets on a monthly basis to discuss policy and operational issues. Those issues outside the Executive Committee's delegated authority levels set by the Board are referred to the Board for its decision. All Non-Executive Directors are invited to attend the Executive Committee meetings.

Directors' Conflicts of Interests and Independence

There are procedures in place to identify, authorise and manage any conflict of interest of any Director with those of the Company. These procedures have operated effectively during the year.

Charles Bligh is the CEO of Restore plc, which is a supplier to RM of scanning and associated services. The Board believes that, since his appointment, Charles has constructively challenged matters that come before the Board and the Nomination Committee, and effectively holds management to account. Charles is not a member of the Audit and Risk Committee and stepped down from the Remuneration Committee on 5 April 2022. Accordingly, the Board is satisfied that Charles remains a valuable member of the Board but is not considered independent.

Charles was not involved in any discussions relating to the use of Restore plc or that specifically affected Restore's relationship with RM.

There were no other conflicts of interest identified. None of the independent Non-Executive Directors nor the Chair have any personal financial interest in the Company other than through fees received or as a shareholder. They are not involved in the day-to-day running of the business and have no personal conflicts of interest which could materially interfere with the exercise of their independent judgement.

ESG

See the various sections covering environmental, social and governance matters in the Company's Sustainability Report on pages 42 to 69.

Board Diversity and Inclusion Policy

The Board is committed to ensuring appointments to the Board promote diversity and an inclusive culture so that it has the range of perspectives, experiences and backgrounds necessary to support good decision making. The Board is committed to meet the FCA targets on diversity by end of November 2023 through succession planning. Diversity and inclusion are embraced at all levels in RM and are reflected in the Company's culture and values which will help deliver RM's strategic objectives.

The Board recognises the following objectives:

Objectives	Action taken
Aim to achieve: i. female members representing 40% of the total Board membership; and ii. at least one senior Board position is held by a woman; and iii. at least one member of the Board is from a non-white ethnic minority background.	Currently female Board members comprise of 33% of the Board which has improved compared to the previous year, which was 14%. The position of Chair is held by a woman. Currently, there is no Board member from a non-white ethnic minority background. Diversity has been and will continue to be an area of focus in future Director searches.
A focus on diversity in succession planning and when seeking to make Board level appointments.	Diversity was a key consideration in each of the appointments made this year.
To consider composition and diversity as part of its review of effectiveness in the Board evaluation.	These matters were considered in the 2022 Board evaluation.
To make key diversity and inclusion information about the Board, senior management and its wider employment population available in the Annual Report.	Data on diversity within RM is shown on pages 64 to 65. Whilst in previous years there has been an increase in the number of female senior managers across the business, for the year ending 30 November 2022, gender diversity has remained stable. The gender diversity at Executive Committee and within senior management is expected to improve in the current year due to changes already implemented. Wider diversity data is collected on a voluntary basis and where individuals consent to us doing so and this is reflected in the first ethnicity reporting shared on page 65.

Further information including diversity statistics is in the Sustainability Report on pags 63-65.

Purpose and Culture

The Board is responsible for the Company's purpose, values and strategy and for satisfying itself that these and its culture are aligned. The Board monitors this in various ways:

- The reviews presented at each Board meeting highlight matters that show how the Company is pursuing its purpose and are indicators of the health of the Company's culture. This includes metrics and updates on workforce matters including figures on workforce changes and feedback from workforce engagement, details of whistleblowing reports, health and safety statistics on incidents and performance updates, legal compliance activities, and reports on any regulatory matters and disputes that have arisen.
- Patrick Martell met with representatives of the employee group RM Advocates to discuss employee views on Executive remuneration.
- The Audit and Risk Committee receives reports from internal audits of procedure and practices across the Company providing alerts to issues that could threaten the Company's culture.
- The Remuneration Committee reviews workforce remuneration policies and practices and assesses their alignment with the culture and strategy of the Company. Gender pay reports are reviewed annually to ensure these are consistent with the Company's values.
- The Nomination Committee considers the Group's diversity and inclusion strategy, practices and progress to ensure it reflects the Company's values.

Stakeholder Engagement

Engagement with the Company's key stakeholders is vital to building a business that provides valued products and services to its customers, that employees are proud to be part of and that rewards shareholders.

The Board takes steps to understand the priorities and needs of stakeholders when setting the Company's strategy and when making decisions that are most likely to promote the long-term sustainable success of the Company for the benefit of its members as a whole. In doing so, the Board has had regard to the matters set out in section 172 of the Companies Act 2006.

Examples of some of the principal decisions taken by the Board during the year are set out below:

Customers

Customers are central in setting the strategy and direction for the Company and this is reflected in the strategic objectives to 'Reach more customers' and 'Improve share of customer spend'. The Company is in regular contact with its customers and strives to better understand their expectations about the products and services that will help customers deliver their educational objectives. This includes the range of products and services RM provides to support teachers in the classroom and the development of examination and assessment software that improves the efficiency and effectiveness of learner assessment. The Board regularly discusses any issues arising in relation to the Company's key customers, the services it provides to them and future changes to those relationships. This year, this has included the impact on Consortium customers regarding the shipment delays following the challenges associated with the IT implementation, the impact of higher price increases reflecting the higher inflationary environment and feedback from customers related to the strategic changes to some of the Company's go-to-market messaging notably around the use of customer maturity models related to the use of technology. The Board further receives regular updates on new customer wins, significant tender process updates, customer complaints and approves all major new contracts.

RM Assessment has initiated a focus on exam malpractice following the growth in digital assessment with a security profile health check and also launched a solution for collusion detection which is a fast growing and well recognised form of malpractice. RM Resources launched new products including the Oti-Bot humanoid cross-curricular programmable learning companion robot and the Early Years Immersive Projector which is a rechargeable dome that enables child-led learning and enables children to experiment, explore and discover through the magic of shape, light and play. RM Technology launched a Trust Advisory Committee where leaders of multi academy trusts meet to discuss technology strategy, current focus areas such as cyber security and data strategies and provide feedback to the Division on upcoming products and development roadmaps.

To ensure that the business continues to understand the changing needs of its customers, the Company undertakes regular UK and global independent market research studies with its customers and others. This helps the business understand customer needs, informs RM's product development teams of market demands and requirements and improves the Company's ability to communicate the benefits of RM's products and services to its customers.

Employees

The Board considers workforce treatment and engagement as an issue of core importance and as key to achieving its strategic objective to 'Attract and retain talent'. A number of processes have been put in place to assist the Board in monitoring such matters outlined below and in the Workforce section on pages 44 to 46.

People at all levels of the organisation are invited to monthly business unit briefings and regular senior leader catch-up sessions which also cover financial updates and other important matters. Employees are given the chance to ask questions and share their views on the business at these meetings and through staff surveys. In addition, a new employee group was established called the RM Advocates where approximately 20 employees regularly meet to look at ways to improve employee engagement responding to all employee feedback surveys. The two key objectives were to create excitement, pride and a clear understanding in the Company direction and improve communication and collaboration across the Group.

A new code of business conduct was launched to employees to ensure that all relevant policies and procedures were in a consistent and user-friendly format and located in one, easily accessible location.

Patrick Martell is the designated Non-Executive Director for workplace engagement. He was appointed as the Board felt this was the best approach to engage with different parts of the workforce, in order to provide feedback to the Board from employees and this has been found to have been successful. In addition, he was appointed in this role as it was felt that the longevity of his tenure as a Non-Executive Director and his position as Chair of the Remuneration Committee and Senior Independent Director would be helpful. In this role, Patrick has met with groups of employees in various formats including the RM Advocates Group and the Senior Leadership Team to hear about and discuss their experiences of working at RM. He also held a specific meeting with the RM Advocates and the Chief People Officer to discuss Executive remuneration. Patrick is supported by HR in the preparation for these meetings and in putting the agenda together. Patrick reports back to the Board on the outcome of these discussions to help provide an insight into employee challenges, views and priorities. This feedback has been helpful in Board discussions and decision-making in connection with the workforce as well as strategic business planning.

As part of the onboarding of the new Chair, Helen Stevenson, she has met all the senior leadership teams on regular occasions to better understand the strategy and operations of the business and also establish a clear and open two-way dialogue.

The health and safety of employees is of paramount importance to the Board. The Board receives quarterly reports on health and safety which cover key measures taken and details of material incidents and trends. Updates on the health and safety processes at the new distribution centre at Harrier Park have been regularly provided to the Board. The Board has also been keen to understand how health and safety measures have been maintained at the distribution centres that are closing down.

A number of initiatives that were established during the pandemic have been maintained and continue to prove valuable as part of prioritising the wellbeing of employees such as the Mental Health Network. This is a group of Mental Health First Aiders and Champions who are available to all employees for a confidential conversation about how they are feeling and to direct them to further help and support as necessary. Weekly wellbeing and mental health virtual drop-in sessions were also set up. These are initiatives led by employees, with the Company's support, to help other employees with mental health issues. There is an online portal with information and access to online courses to help build resilience. All employees have access to an Employee Assistance Programme provided by Aviva which offers access to a confidential helpline 365 days/24 hours with online support and guidance, face-to-face counselling and specialist bereavement counselling available if required.

Shareholders

The Annual General Meeting is attended by all Board members and provides an opportunity for shareholders to ask them questions directly. Each of the Directors are available to speak with institutional shareholders on request.

During the year, virtual investor events and results conference presentations were held by the Executive Directors to speak to shareholders directly about RM's strategy and performance. In order to maintain dialogue with institutional shareholders, the Executive Directors offer to speak with shareholders following interim and final announcements of results, and otherwise, as appropriate.

Following the appointment of the new Chair, she has reached out to shareholders and held a number of introductory meetings. She has also engaged with shareholders following announcements regarding the appointments of the new Chief Executive and Non-Executive Director.

Key shareholder publications include the full and half year results announcements, trading updates, Board changes and succession and press releases as well as information on the RM website.

The Board is kept appraised of the views of major shareholders and market perceptions by the Executive Directors and Chair respectively. Following meetings held with shareholders, its brokers and advisors produce feedback reports which are shared with the Board. Shareholder feedback this year has covered performance, strategy, dividends, Board constitution and succession and this forms a part of the discussions at Board meetings. The Company also receives enquiries from shareholders during the year on a wide range of subjects which are addressed by the relevant business executive. The decisions around dividend distribution to shareholders was given significant consideration by the Board, taking into account the differing expectations expressed by shareholders. The Board also receives regular updates on shareholder register changes and analyst communications.

Suppliers and Partners

Regular review meetings are held with strategic suppliers at least quarterly to review performance and potential opportunities for improvement in how both RM and its suppliers work together, in order to achieve RM's strategic objective of 'Operational excellence'. Potential new suppliers who may offer a sales opportunity for a new product, additional production options, a new version of a product or new service, or cost saving are reviewed for capacity to deliver expected volumes, quality, innovation, financial solvency, regulatory compliance and ethical position. Suppliers are also assessed to identify potential risks through the lifecycle of a contract and to highlight those suppliers in respect of whom further due diligence is required.

The Resources Division, which handles the majority of suppliers, requires its suppliers to accept its Supplier Manual and to commit to labour practices such as:

- no child labour;
- no forced labour;
- no discrimination in hiring and employment practices on the basis of race, religion, ethnicity, gender, age, marital status, sexual orientation, disability union membership or political affiliation;
- fair wages and limits on working hours;
- humane treatment;
- freedom of association; and
- safe working conditions.

RM signed up to a leading ethical trade membership organisation platform in the year. Suppliers pay a small annual fee and are required to complete a self-assessment annually covering labour, health and safety, ethics and environment, the responses are then reviewed by the organisation and a risk rating given across the four areas. An assessment of countries/sectors was used to identify any that were higher risk and these were asked to join the platform as a priority. The organisation can then also carry out on site or virtual audits where risks are highlighted and reviewed on a case-by-case basis. This initiative has improved supplier engagement, provided greater visibility on suppliers and accordingly has reduced risks associated with suppliers.

The Board approves material supply contracts and were briefed on the tender process and the different bidders for the new freight provider and the impact of the persistent supply chain challenges and elevated costs. RM experienced challenges with some supplier payments associated with the IT implementation in Consortium which delayed some payments. Regular dialogue was maintained with suppliers to keep them abreast of the situation and reassure them regarding payment.

RM worked collaboratively with the lead delivery partner on the IT implementation programme and restructured a material element of the fee structure to reflect a success-based fee arrangement for the final delivery phase of the Consortium implementation and wider financial and operational improvements. This had significant involvement from the Board and resulted in a mutually agreeable position.

A review of the impact of the Russia/Ukraine situation was conducted which resulted in the suspension of supply to seven customers in Russia and a detailed piece of work with our supplier network to ensure that all confirmed that they comply with UK sanctions. None of RM's products were caught by the sanctions and a review of third-party products sold by RM was also finalised without issue.

In some jurisdictions, RM partners with local businesses to support local customers and provide a more locally orientated service. The Company works closely with such partners to understand the local market and discuss how RM's products could benefit potential customers in that market and working collaboratively.

Supplier reviews and audits are made to help ensure RM's supply chain is not involved in or connected in any way to modern slavery. The Board received a report on this and has approved the Modern Slavery Statement, which is regularly reviewed and available on the Company's website: www.rm.com/anti-slavery

The Board reviews and discusses the six-monthly payment practices reports for all subsidiaries; the figures are available to view at Companies House.

Environment/Community

The Company continues to be a trusted and reliable partner to schools, nurseries and other educational organisations across the country and increasingly around the world.

Customer expectations regarding environmental considerations in connection with the goods and services RM provides is taken into account and has led to or influenced some of the initiatives discussed on pages 44-47 and is therefore important to the Company's strategic objectives to 'Reach more customers' and 'Increase share of customer spend'.

RM creates substantial social value through the core purpose to enrich the lives of learners, through the increased focus on environmental sustainability and the contribution to the communities in which we operate. These communities' contributions align to supporting active lives, supporting education and supporting the environment.

Further information on the activities that RM and its employees have engaged in over the year to support communities and in furtherance of its environmental objectives is set out in the Sustainability Report.

Internal Control

The Company maintains a system of internal control which provides reasonable, not absolute assurance against material misstatements or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objectives. We recognise RM operates in a competitive market that can be affected by factors and events outside its control. Details of the main risks faced by the Group are set out in the "Principal Risks and Uncertainties" table in the Strategic Report. (Refer to page 36)

The Group established an ongoing process for identifying, evaluating, and managing risks.

The key features of our system of internal control include:

Corporate governance	Our governance framework sets a clear division of responsibilities of the Board members. A table confirming the extent to which authority is delegated from the Board to its Executive Directors and operating Divisions is published on the Company's intranet.
Financial reviews and planning	A regular review of actual results and variances analysis against prior periods and forecasts, carried out at the Divisional and Group level. The financial planning process with an annual budget approved by the Board. The rolling forecasts are prepared monthly and presented to the Board on a quarterly basis.
Organisational structure	The clear and transparent organisational structure with reporting lines defined within our HR system.
IT controls	Most financial transactions are recorded and, where required, approved utilising a system automated workflow. Data transfers between our systems are either automated or imported with minimal manual intervention to maintain the integrity of the data. The inherent internal control weakness is reliance on off system calculation for revenue recognition for the Assessment Division. We closely monitor these calculations, including input and output. The calculations of provisions and adjusting items requiring management judgements and estimates are closely monitored by Chief Financial Officer and the Audit and Risk Committee. The Group has established controls and procedures over the security of data held on the systems, including business continuity arrangements.
Employee engagement	Staff are aware of the delegated authority limits set by the Board and confirm their understanding of our internal policies which are contained on our Group intranet and in our Code of Conduct. Staff have six-monthly performance reviews with any training requirements identified and agreed within six months. The Group operates a whistleblowing policy which includes access to an independent helpline for anonymous reporting of concerns (see page 117).
Treasury and tax procedures	Treasury is controlled by the Chief Financial Officer and Treasurer. All transactions are checked and monitored. All complex or large transactions are discussed in advance with the Board and Executive Directors. The tax manager maintains the UK and foreign jurisdiction tax compliance (except Indian shared services operations) and the tax risk register.
Internal audit	The outsourced internal auditor, Grant Thornton, perform various assurance reviews as part of the annual Internal Audit Plan which is prepared by the Group Financial Controller and CFO. The implementation of recommendations arising from the internal audit reviews are monitored by the Audit and Risk Committee.

The Audit and Risk Committee is regularly updated on the internal control effectiveness, remediation plans and progress made against these plans. Both the Board and the Audit and Risk Committee have reviewed the operation and effectiveness of this framework of risk management and internal control for the period and up to the date of approval of the Annual Report. In addition to the Risk Management and Internal Audit quarterly Board status reports and presentations, the Audit and Risk Committee Chair conducted working meetings with management to review internal control activities undertaken by management.

Management acknowledges that the level of change in the year uncovered certain control weaknesses and a requirement to improve the internal control design. This has provided the opportunity for a internal control reset and a plan has been established to address those areas of internal control that require improvement.

With the exceptions of these areas, the Board and Audit and Risk Committee are satisfied with internal control effectiveness.

Further details are provided in the Audit and Risk Committee Report on pages 108 to 117.

NOMINATION COMMITTEE REPORT

On behalf of the Board, I am pleased to present the Nomination Committee Report for the year ended 30 November 2022.

The Nomination Committee

The Nomination Committee ('Committee') operates under terms of reference approved by the Board. These can be found on the Group's website at www.rmplc.com.

Committee Membership and Attendance

The Nomination Committee during the year ended 30 November 2022 comprised John Poulter (until 16 February 2022) who was replaced by Helen Stevenson as Chair (from 16 February 2022), Patrick Martell, Paul Dean, Vicky Griffiths and Charles Bligh.

The members of the Committee comprise the Non-Executive Directors and the Chair of the Board.

The other Directors attend meetings as and when required and by invitation.

The Nomination Committee held four scheduled meetings during the period and several ad hoc meetings. Attendance is set out below. The Committee also approved a number of matters during the year by written resolution.

While the Chair chairs the Nomination Committee, the Senior Independent Director did so when the Committee was dealing with the appointment of a new Chair.

	No. of meetings held in the period/ Eligible to attend
John Poulter (until 16 February 2022)	1/1
Helen Stevenson (from 16 February 2022)	3/3
Charles Bligh	4/4
Paul Dean	4/4
Vicky Griffiths	4/4
Patrick Martell	3/4

Roles and Responsibilities

The Nomination Committee is responsible for leading the process for Board appointments, ensuring that plans are in place for orderly succession to both the Board and the Executive and overseeing the development of a diverse pipeline for succession.

The Committee's responsibilities include:

Board composition

Evaluating the size, structure and composition (including the balance of skills, experience, knowledge, independence and diversity) of the Board and making recommendations to the Board with regard to any changes.

Succession planning

Ongoing succession planning and appointment procedures for Board and Executive level appointments.

Appointment process

Leading the process for Board appointments and making recommendations to the Board.

Sufficient time

Assessing whether Directors can commit sufficient time to fulfil their responsibilities.

Diverse pipeline

Overseeing the development of a diverse pipeline for succession for the Board and Executive and monitoring the impact of diversity initiatives across the Company.

Effectiveness

To report to the Board on how it has discharged its responsibilities.

Major Activities of the Nomination Committee

During the year, the following key matters and decisions were considered by the Committee:

- The recommendation for reappointment at the Annual General Meeting of all Directors based on the evaluation of the Board and its Committees.
- The search for a new:
  - Chair which was led by the Senior Independent Director.
  - CEO and Non-Executive Director, which was led by the Chair;
  - Interim CFO, which was led by the CEO;

All members of the Committee were involved in each recruitment process, including the determination of the required skills, knowledge and experience for each role and offer made to the preferred candidate.

All preferred candidates were interviewed initially by the Director leading the process, then by all members of the Committee and the other Board members. A thorough due diligence and referencing process was conducted for the preferred candidate for each role.

Candidates were assessed against the required skills, knowledge and experience determined for each role. The benefits of diversity, independence and ability to devote sufficient time to carry out the role were also considered in each process. Executive recruitment search firms engaged for each role were briefed to provide a diverse range of candidates.

The Committee made recommendations to the Board in respect of each appointment for the Board's approval.

Notwithstanding the above, Neil Martin was not involved in the Committee meetings involving the appointment of a new CEO and the Board Chair was not involved in the process for the appointment of a new Chair.

The following executive recruitment search firms were engaged as part of the recruitment process:

- Ridgeway Advisers were engaged for the search of the new Chair and Non-Executive Director
- H.I.E.C. was engaged for the search for the new CEO; and
- Odgers were engaged for the search for the new interim CFO; and

Ridgeway Advisers, H.I.E.C and Odgers, do not have any connection with the Company or individual Directors (other than in relation to similar previous appointments).

The appointment of Helen Stevenson as Non-Executive Chair was effective from 16 February 2022. Helen is independent on appointment. Amongst the requirements for the role, it was considered important that the candidate had the ability to support the development and delivery of the Group's strategy, was enthusiastic about the Group's purpose and vision, and could lead the Board and promote the right culture. Helen brings broad and deep experience as a member of Boards, including of listed companies across a range of sectors, strong communication skills to further the Company's stakeholder relationships and relevant professional experience.

The appointment of Mark Cook as CEO was effective from 16 January 2022. Mark has a strong background in business process and technology and brings extensive experience in business transformation and creating shareholder value.

The appointment of Emmanuel Walter as interim CFO was effective from 15 August 2022. Emmanuel is an experienced Group CFO with experience as the CFO of a listed company and a broad range of finance roles in large and diverse companies.

The appointment of Richard Smothers as an independent Non-Executive Director was effective from 3 January 2023. Richard is the CFO of Greene King Limited and has extensive financial experience across a range of sectors as well as experience of being a listed company CFO.

Further details on the skills, knowledge and experience of each of the new appointments is set out below and in their biographies on pages 86-87.

A review of succession plans and appointment procedures, was conducted a number of times during the year, as the changes to the Board were planned for and decisions made. In doing so it assessed the skills, knowledge and experience that new Board members would be required to have as the composition of the Board changed and considered how to achieve the objectives of the Board Diversity Policy (set out in the Corporate Governance Report). The Board remains committed to promoting broader diversity and an inclusive culture and this was an area of focus in its succession plans and appointments.

The Board policy for Diversity was reviewed and an amendment agreed to reflect the new Listing Rule targets and that the Board is committed to achieve this by November 2024.

The Board has one Non-Executive Director, Patrick Martell, who is nearing the ninth anniversary of his appointment. Patrick is a highly skilled and additive Board member. The Committee considered balancing new skills with Board stability and agreed to extend the term of Patrick's appointment as a Non-Executive Director by one year to 31 December 2023. The Board has noted that, in discharging his duties over the past eight years, Patrick has demonstrated role model independence in his approach and in his thinking.

Accordingly, the Board is satisfied that Patrick remains independent notwithstanding his tenure.

- In addition to the changes referred to above, the Executive team has been strengthened through the external hire of a new Managing Director of the Technology Division, a new Chief People Officer and a new Country Manager of RM's India operation.

  The Executive considered the adequacy of the Group's succession plans, including gender balance and diversity below the Board. These plans cover short term absences and longer-term changes. The Group's management has also been strengthened through a number of external appointments and internal promotions this year that have maintained diversity. When search firms are used for such appointments, they are also briefed to provide a diverse range of candidates. There is a good gender balance across these roles (see the Workforce section in the Sustainability Report on page 64 for more information).
- Diversity and inclusion in the workforce potentially create a better environment for innovation and service excellence and achieve the strategic goals. See page 63 of the Sustainability Report for further information and details of RM's policy on equal opportunities and how it supports strategy.
- Details of the Board evaluation and the outcomes and actions taken is set out on page 95.
- The approval of this Nomination Report for the year ended 30 November 2022.

Board composition

The Board reviews the composition of the Board and the skills, knowledge and experience of its members, taking into account tenure and diversity. Information on the skills, experience and knowledge of each Director is set out below and on page 86-87 (Board of Directors). The Committee considers the current Board membership provides the right mix of skills, knowledge and experience.

Board Skill, Knowledge and Experience	Helen Stevenson	Mark Cook	Neil Martin	Charles Bligh	Paul Dean	Richard Smothers	Vicky Griffiths	Patrick Martell
Independence	X				X	X	X	X
Governance, Risk & Regulatory	X	X	X	X	X	X	X	X
Technology		X	X	X				
Digital product management	X		X					
Finance		X	X		X	X		
CEO & Leadership Experience		X	X	X				X
Education sector	X		X				X	
M&A/Restructuring	X	X	X	X	X	X		X
International	X	X	X	X	X	X		X
Stakeholder/IR/IP	X	X	X	X	X	X		X
Strategy development	X	X	X	X	X	X	X	X
People	X	X	X	X			X	X

NEDs	Roles	Appointment Expiry	Appointment
Helen Stevenson	Chair Chair of Nomination committee	15 February 2025	16 February 2022
Patrick Martell	NED Chair of Remuneration Committee Senior Independent Director Designated HR NED	31 December 2023	1 January 2014 19 March 2014 1 August 2020 3 March 2020
Paul Dean	NED Chair of Audit and Risk Committee	31 March 2023	4 February 2020 4 February 2020
Richard Smothers	NED Chair of Audit and Risk Committee (from 29 March)	2 January 2026	3 January 2023
Vicky Griffiths	NED Chair of the ESG Committee	30 June 2023	1 July 2020
Charles Bligh	NED	1 July 2024	2 July 2021

AUDIT AND RISK COMMITTEE REPORT

On behalf of the Board, I am pleased to present the Audit and Risk Committee Report for the year ended 30 November 2022.

The Audit and Risk Committee

The Audit and Risk Committee ('Committee') operates under terms of reference approved by the Board. These can be found on the Group's website at www.rmplc.com.

Committee Membership and Attendance

The Audit and Risk Committee during the year ended 30 November 2022 comprised Paul Dean FCMA (Chairman), Vicky Griffiths and Patrick Martell, all of whom were independent Non-Executive Directors. On 3 January 2023 Richard Smothers was appointed to the Audit and Risk Committee and will become Chair of the Committee on 29 March 2023. The Group considers that Paul Dean and Richard Smothers have significant recent and relevant financial experience, as further described in the Directors' Biographies section of this Annual Report.

To encourage effective communication, in addition to the above members, the Board Chairman (John Poulter and after his resignation, Helen Stevenson), the CEO (Neil Martin), the CFO (Mark Berry and after his resignation Emmanuel Walter as interim CFO), Charles Bligh (Non-Executive Director), Group Financial Controller (Jo Bridgman) and other management are invited to attend the Audit and Risk Committee meetings as appropriate.

The Audit and Risk Committee met 4 times during the period, attendance is set out below. All of these meetings were part of the regular schedule of meetings set out in the Committee's Terms of Reference. These meetings are planning around the Company's financial calendar.

	No. of meetings held in the period/Eligible to attend
Paul Dean	4/4
Vicky Griffiths	4/4
Patrick Martell	4/4

Roles and Responsibilities

The Audit and Risk Committee is responsible for carrying out the audit functions as required by DTR 7.1.3R and assists the Board in fulfilling its oversight responsibilities in respect of the Company and the Group. The Committee's responsibilities include:

Financial reporting

To review the reporting of financial and other information to the shareholders of the Company and to monitor the integrity of the Financial Statements, including the application of key judgements and estimates and to ensure their application is presented in a fair, balanced and understandable manner.

Risk management, internal control and compliance

To review and assess the adequacy of the systems of internal control and risk management, and monitor the risk profile of the business.

Internal audit

To approve the internal audit plan. Review the effectiveness of the internal audit function and review all significant recommendations and ensure they are addressed appropriately and in a timely manner.

External audit

To review the effectiveness and objectivity of the external audit process, assess the independence of the external auditor and ensure appropriate policies and procedures are in place to protect such independence.

Effectiveness

To report to the Board on how it has discharged its responsibilities.

Audit and Risk Committee meetings have formal agendas, which cover all of the areas of responsibility set out in the Committee's Terms of Reference and also include an evaluation of the Audit and Risk Committee. These agendas include meetings with the external auditor without Executive Directors or managers of the Company present.

Financial Reporting

Financial statements

The Audit and Risk Committee reviewed the form and content of the Annual Report and the interim results prior to their publication to provide assurance that the disclosure made in the Financial Statements was properly set in context.

The Audit and Risk Committee reviewed and considered the following areas:

- The methods used to account for significant or unusual transactions where different approaches are possible.
- Whether the Group has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the Company's auditor.
- The consistency of, and any changes to, accounting policies both on a year-on-year basis and across the Group.
- The consideration of errors identified in the prior years and the restatement of financial information.
- The clarity of disclosure in the Company's financial reports.
- The supporting assumptions and considerations behind the adoption of the statements relating to going concern and financial viability.
- The disclosures relating to controls issues and management's proposed approach to remediate these deficiencies.
- Whether the Company's financial report is fair, balanced and understandable.
- The timetable for publication of the financial results which aligned with the class 1 circular for the sale of RM Integris and RM Finance businesses. A postponement was agreed with full support from the external auditor to allow sufficient time for the preparation of the Financial Statements alongside the activity associated with the disposal of the RM Integris and RM Finance businesses and to allow appropriate mitigating procedures to be undertaken given the controls findings detailed below.

As part of this process the Audit and Risk Committee received reports from the Company's management and the external auditor. The external auditor provided her audit opinion along with its audit findings that were of significance in relation to the audit of the annual Financial Statements and a high-level review of the interim Financial Statements. The Audit and Risk Committee reviewed these reports with the external auditor.

The significant areas of judgements and estimates identified by the Committee, in conjunction with management and the external auditor, together with a number of areas that the Committee deemed significant are set out below:

Matter considered:
Long-term revenue recognition (recurring item)

In long-term customer contracts the arrangements are often complex, particularly with respect to variable consideration and service performance measures.

These contracts can involve significant judgements that may impact the recognition of revenue including:

- The identification of performance obligations included within the contract.
- The allocation of revenue to performance obligations including the impact of variable consideration.
- The combination of goods and services into a single performance obligation.
- The measurement of progress for performance obligations satisfied over time.
- The consideration of onerous contract conditions and associated loss provisions.

For RM there is significant estimate with respect to the variable revenues based on the number of exam scripts in a number of key contracts that determine the transaction price over the life of the contract.

As part of the audit, it was determined that there was an error in the treatment of cancelled exams (and the resultant impact on script volumes) in 2020 which meant that the contract revenue recognised to date was too high in 2020 (see Note 33). As a result, the opening reserves at 1 December 2020 have been restated but there is no impact on prior year income statement comparatives.

Audit and Risk Committee action:

The Audit and Risk Committee received papers which included regular updates on the key judgements and estimates arising out of the more complex and significant contracts in respect of IFRS15, which in the period have related to Assessment contracts (including the prior year adjustment). These estimates and judgements included reassessing future exam volume expectations in light of the first year without significant COVID-19 impacts since 2019, and the recoverability of IAS38 amounts capitalised under customers contracts in addition to contract fulfilment assets. The Committee is also provided with a regular update on any significant new contracts throughout the business and the types of performance obligations and judgements identified in these contracts.

Outcome:

The revenue recognition policy includes the disclosure of the significant judgements and estimates in relation to its application and the Committee is satisfied that these have been properly disclosed. The Committee is satisfied that the disclosures given within the accounts are sufficient to gain a proper understanding of the methodology of accounting for revenue across the Group, including the recognition of deferred income at the balance sheet date. The controls associated with revenue recognition will be enhanced as part of the wider internal control project (see page 115).

Matter considered:
Revenue recognition on IPv4 Sales (new item for FY22)

Revenue is recognised with respect of contracts with customers for an output that is within the entity's ordinary activities.

Audit and Risk Committee action:

The Audit Committee receives papers that set out the revenue/ income recognised with respect of IPv4 addresses. The Audit Committee is satisfied that the IPv4 addresses that relate to designated stock are recognised as revenues (£1.3m) but those relating to assets originally intended for use within our Technology business (£2.8m) are other income. The Audit Committee is also satisfied that these IPv4 address sales do not impact the future of the Technology business.

Outcome:

Contracts for the sale of IPv4 addresses from designated stock have been recognised in revenue and separately disclosed in the revenue note. The Contract for the sale of IPv4 addresses from intangibles assets have been recognised in other income and as an adjustment to profit.

Matter considered:
Going concern review process (new item for FY22)

The Audit and Risk committee review and consider the appropriateness of the preparation of the accounts on a going concern basis. There was a focussed prominence on this year's review as a result of the lower levels of profitability and elevated net debt position resulting from the disruption caused by the IT Implementation challenges in the year and the timing and process to amend and extend the banking facility with revised covenants.

Audit and Risk Committee action:

The audit committee reviewed papers that outlined a base case forecast with associated cash flows which was aligned to the previously approved 3-year budget noting latest forecasts. A set of scenarios were then analysed and assessed and applied to this forecast to establish a reasonable worst-case scenario with associated sensitivities to assess the impact of these scenarios occurring concurrently. These scenarios considered situations where the sale of the RM Integris and RM Finances businesses did and did not proceed. The resulting cash flows were considered against the new covenant positions agreed with the facility lenders for the 12-month outlook period required. This process was aligned to that considered for the Class 1 circular associated with the sale of the RM Integris and RM Finance businesses which was happening concurrently.

Outcome:

The Audit and Risk Committee assessed that a thorough process had been adopted and concluded that it could recommend that the Company can continue to adopt a going concern basis of accounting in preparing the Financial Statements.

Matter considered:
Carrying value of goodwill and intangibles (recurring item)

The Group carries significant asset balances in respect of goodwill and intangible assets related to acquisition activity. The Group has also generated intangible assets primarily associated with its own IT systems platform programme and selected customer funded intangible software development. The IT system intangibles and the warehouse plant and machinery are assessed in light of a value in use basis and are integral to the ability to run the RM Resources CGU. In addition, the parent Company carries a material balance of investment in subsidiaries on its Financial Statements. The impairment assessment requires the application of judgement concerning future prospects and forecasts.

This judgement requires an assessment of Group Weighted Average Cost of Capital and the expected cash flows of the Group at a CGU level. The cash flows used in this assessment are aligned to those presented and approved in the Group budget process and included in the going concern assessment.

Audit and Risk Committee action:

The Audit and Risk Committee has reviewed the robustness of the impairment model and challenged the appropriateness of assumptions used to calculate and determine the existence of impairment.

Outcome:

[The Audit and Risk Committee is satisfied that no impairment of goodwill or intangibles was recognised in these statements which is in line with expectations given the assessment was based on Board-approved future projections. The Audit Committee is also satisfied that whilst the sensitised value in use outcomes have headroom before impairment would need to be considered. However as the headroom has reduced since the prior year, additional disclosures on sensitivity are included in the Annual Report. To confirm once I see Dave's updated paper]

Matter considered:
Deferred tax asset in respect to accounting losses (new item for FY22)

RM Group has made taxable losses in 2021 and 2022. As taxable profits are forecast in future years a deferred tax asset has been recognised. Under IAS12 a deferred tax asset assessment requires the application of judgement regarding future prospects and forecasts to support the view that the asset can be utilised against future profits.

Audit and Risk Committee action:

The Audit and Risk Committee has reviewed management papers that set out the budgeted level of future taxable profits through to 2025 based on the budget approved by the Board.

Outcome:

The Audit and Risk Committee is satisfied with the level of the deferred tax asset recognised. The Audit and Risk committee has reviewed the disclosures in the Annual Accounts and are satisfied that the required level of information is disclosed.

Matter considered:
Provision for Local Government Pension Schemes (recurring item)

When RM wins certain schools service contracts, they sometimes include a requirement to TUPE employees into RM who are part of a local government defined benefit pension scheme and have a potential future liability for any deficit created resulting from the movement in the actuarial valuation where this has not been contractually passed back to the school. This assessment will occur when RM ceases to be the participating employer in that scheme when the last employee in that scheme leaves RM and a cessation report will be produced which confirms the asset or liability position. Therefore, RM calculates an estimate for this liability which is calculated by reference to actuarial assumptions as a proxy for an IAS 19 defined benefit calculation. The provision has historically been held as an IAS37 provision, but movements are recognised in other comprehensive income.

Audit and Risk Committee action:

The Audit and Risk committee reviewed the approach taken to estimate the liability movements based upon the latest available data. This data includes RM's own actuarial pension assumptions such as gilt rates and RPI, the most recent published actuarial reports from participating schemes and the most recent cessation reports produced following RM ceasing to be a participating employer in a particular scheme.

Outcome:

The Audit and Risk Committee is satisfied that the estimation of the liability, being nil at year end, is appropriate and an effective data set has been used given the challenges of obtaining timely actuarial data across a large number of participating schemes. The Audit and Risk Committee considered the disclosure of the pension scheme using an IAS37 approach as opposed to including all participating Schemes as part of the IAS19 disclosures and is satisfied that this approach is practical and provides greater clarity for the reader of the Annual Accounts and the disclosure in the pension note is sufficient.

Matter considered:
Defined benefit pension scheme valuations (recurring item)

The measurement of the defined benefit net surplus in respect of the defined benefit schemes within the Group is a complex area, relying on assumptions on inflation, mortality, corporate bond yields, expectations of returns on assets amongst other assumptions. There is a risk that any one assumption could lead to misstatement of the Group's liability in respect of these pension obligations and the pension charge or movement recognised in the Income Statement or Statement of Comprehensive Income.

Audit and Risk Committee action:

The Audit and Risk Committee reviewed the disclosures presented in the Annual Accounts. These disclosures reference the outcome of the triennial valuations of two defined benefit schemes for which the Board were kept informed through Board reports. They also challenged the key assumptions and reviewed the sensitivity to changes in some of the key assumptions and reviewed where those assumptions lie in the context of other companies.

Outcome:

The Audit and Risk Committee is satisfied that the estimation of the Group's pension liabilities and the narrative that accompanies them gives the required level of information for the reader of the accounts to determine the impact on the Group of its pension obligations.

Matter considered:
IAS38 Capitalisation of Capital Projects (recurring item)

The Group has invested in two significant capital projects, RM's new automated warehouse (primarily comprising tangible fixed assets) and the new ERP solution (comprising intangible assets). These programmes represent significant cash investment projects and it is important that only items that meet the capitalisation criteria are treated as fixed assets, with appropriate useful economic lives.

Audit and Risk Committee action:

The Audit and Risk Committee has reviewed management papers that set out the continuing approach to capitalisation and the adjustments made in light of the IFRIC interpretation issued during the prior year. The Audit and Risk Committee has reviewed the disclosures in the Annual Report. [Add comments re impairment considerations]

Outcome:

The Audit and Risk Committee is satisfied with the treatment of capitalised intangibles particularly with respect to RM's ERP programme and believes the disclosures in the Annual Accounts allow the reader to obtain a good understanding of the nature of the adjustments made, and to understand the Group's revised accounting policy with respect to capitalisation.

Matter considered:
Adjusting items (recurring item)

The Group reports adjusting items in order to report underlying financial performance. Adjusting items are identified by virtue to the size, nature or incidence at a segment level.

Audit Committee action:

The Audit Committee reviews papers that set out adjusting items and supporting detail associated with those adjustments. Items that are new in year were discussed including, the inclusion of IPv4 sales as other income (as set out above), transaction costs associated with agreed disposals and the impairment of part of our capitalised ERP programme. The dual run costs which relate to our ERP programme implementation have also been agreed to be reassessed as underlying business costs from FY23.

Outcome:

The Audit & Risk Committee is satisfied that the presentation of adjusting items reflects a fair reflection of the underlying performance of the Group and believes the disclosures in the Annual Accounts allow the reader to obtain a good understanding of the nature of the adjustments made.

Matter considered:
New revenue stream and associated control failing (new item for FY22)

Background

In the first half of 2022 the Group identified a potential new revenue stream. On advice from a third-party individual engaging on the Group's behalf, revenue of £1.1m was booked relating to two organised trials of these new revenue-generating activities.

Audit and Risk Committee action:

The Audit and Risk Committee reviewed the proposed revenue recognition policy, legal opinions regarding the proposed contracts and draft contract summaries. They also noted the external auditor's observations in relation to the lack of evidence supporting these two transactions and requested that the then Group CFO provide the Committee with the evidence trail.

Outcome:

The CFO identified that the Group had relied on evidence provided by a third-party individual that although based on genuine business opportunities with respected non-related companies, the transactions had been fabricated and no trials had occurred. The contractor was terminated with immediate effect. The Audit and Risk Committee requested that an external specialist undertake a full forensic investigation. The external auditor reviewed the scope of this investigation.

The report was reviewed by the Audit and Risk Committee and concluded that there was no evidence of internal collusion or knowledge of the fabrication of documents.

The revenue initially recorded was reversed before any external results announcement.

Management immediately started to address the recommendations made by the external investigation firm, and the Audit and Risk Committee was made aware of the progress being made in addressing control remediation recommendations. Further details of the progress in enhancing the control environment are provided on pages 115 to 116.

Conclusion of Financial Reporting Considerations

Management reported to the Committee that they were not aware of any material misstatements in the reported Annual Report & Accounts. The auditor reported to the Committee that they had found misstatements that required correction and that all material items were adjusted in the course of finalising the accounts (including prior year misstatements as outlined in Note 33). The Audit and Risk Committee was also satisfied that the significant assumptions used for determining the value of assets and liabilities had been appropriately scrutinised, challenged and were sufficiently robust.

The Audit and Risk Committee, at the Board's request, also considered whether the half-year results and the Annual Report were fair, balanced and understandable and whether the information provided was sufficient for the reader of the statements to understand the Group's position and performance, business model and strategy. The Audit and Risk Committee reviewed both the narrative and financial sections of the reports to ensure they were consistent and gave a balanced view of the performance of the business in the year and that appropriate weight was given to both positives and negative considerations. The Audit and Risk Committee also considered whether the half Year and full year results announcements were presented clearly.

The Audit and Risk Committee considered whether the Annual Report and Accounts enables readers to understand the Company's financial position and prospects, as well as assess its going concern status and longer-term viability.

External Audit

Appointment of external auditor

The Audit and Risk Committee recommended, and shareholders approved at the Company's Annual General Meeting on 7 April 2022, the re-appointment of Deloitte LLP as Group external auditor. This is Deloitte's second year as external auditor.

The Audit and Risk Committee are comfortable that the current audit partner from Deloitte is independent from the Group. This assessment is based on internal review of relations and confirmation by the audit firm itself. The Audit and Risk Committee recommended to the Board (which was subsequently approved) the reappointment of Deloitte be put to shareholders for approval at the 2023 AGM.

Oversight of external audit

The Audit and Risk Committee has reviewed the scope and results of the audit services, the cost, effectiveness and independence and objectivity of the external auditor. This includes discussions with the external auditor in relation to areas of key focus and ensuring that the external auditor challenges management appropriately, in particular in relation to matters that require judgement to be exercised. The Independent Auditor's Report sets out the key matters considered (as set out in the Independent Auditor's report) and how these have been addressed by the external auditor which were discussed with the Audit and Risk Committee. The external auditor also reports on other matters such as upcoming regulatory changes, control observations and peer practises. The Audit and Risk Committee did not request additional areas to be reviewed by the external auditor, other than set out above. Separately, the external auditor briefs the Committee on new developments that may affect the Company to help ensure that the Company is suitably prepared and up-to-date with all new and forthcoming accounting developments and disclosures. . Effectiveness of the external audit is conducted by way of an internal survey of members of the Committee, the CFO and the internal finance team.

Policy on non-audit work

The Audit and Risk Committee has considered the issue of the provision of non-audit work by the external auditor and has agreed a policy intended to ensure that the objectivity and independence of the external auditor is not compromised. The policy sets a limit for fees for non-audit work and states that non-audit work should only be undertaken by the external auditor where there is a clear benefit to the Company in doing so. Any significant activity must be approved, in advance, by at least two Audit and Risk Committee members.

The Audit and Risk Committee's policy is to include a cap on fees for non-audit work of 15% of the annual audit fee (excluding the interim review). In exceptional circumstances it may be appropriate for the auditor to carry out non-audit work in excess of this cap. If this is the case the type of work and the fee is considered very carefully by the Audit and Risk Committee in advance of appointing the auditor to the work and with reference to the FRC's 2019 Ethical Standard. During the year the Audit and Risk Committee have approved an exception in relation to the Class 1 Disposal process underway with respect to the sale of the RM Integris and RM Finance businesses as they believe that Deloitte is best placed to conduct this work given their understanding of the systems and Financial Statements. This work will be undertaken in 2023 and therefore associated fees will be included in the Financial Statements and fee cap calculations in 2023.

Fees for non-audit work in the period were 15.7% (£125k) of the annual audit fee (or 1% excluding the interim review), which relates to the Banking Facility Covenant Compliance review (£4k) and the Interim Review (£121k). Whilst the Interim Review is not required to be performed by the Auditor, it is common practice to be performed by the Auditor. The Banking Facility Covenant requires an external assurance on the covenant compliance and again it is common for this to be performed by the Auditor as there is a significant leverage from the audit work performed for the audit.

Review of risk management and internal control

As with any business, RM is exposed to risks as an inherent part of creating value for shareholders. As described below, the Group has put in place processes designed to identify these principal risks and to manage and mitigate the effect of them. The Audit and Risk Committee is responsible for ensuring that risks are properly considered, and the Board is responsible for deciding what risks should be taken and how best to manage and mitigate the risks.

The Audit and Risk Committee is responsible for monitoring the effectiveness of the Company's internal system of control.

Assessment of control environment

In the Audit and Risk Committee report in 2021, control findings were highlighted in relation to the review of journal entries and the formality of controls over certain revenue contracts. The Committee was satisfied with the plan to address these controls findings primarily through the implementation of new IT systems.

During the year, the IT system implementation led to operational disruption which had an associated impact on the control environment including the timely recording of certain supplier invoices and certain customer statements not being produced. The external auditor also identified necessary adjustments during their work in preparation for the half year results, including those related to the potential new revenue stream highlighted above where the specialist external investigation identified further control findings.

The new IT systems cannot address the control improvement requirements in the near term for the wider Group which has necessitated management to establish alternate remediation plans as part of an internal control reset.

Company response to control findings

As a result of the matters noted above, a targeted internal control project was instigated utilising specialist external resource, reporting directly to the interim CFO, to review all aspects of the internal control framework.

The findings of this review focusses on key overarching themes of the project:

- Design and implementation of enhanced controls including process and control mapping,
  - o This has included a specific focus on improved documentary evidence of journal entries, procure to pay processes and enhancing revenue recognition models.
- Structure and organisation of the Finance function including process and compliance training and
- Clear documentation and verification of processes and controls.

The Audit and Risk Committee is being updated regularly with respect to progress related to remediation activities as well as reviewing ongoing control improvements identified.

The Committee has assessed that the Group still relies on controls that require enhanced documentation and formalisation, and in specific areas, redesign. The control improvement plan is ongoing, and the Committee is engaged in ensuring that management have the appropriate resource and an appropriate remediation timeline.

Management, based on the controls review detailed above, have provided the committee with assurance that where controls were not designed, implemented or operating effectively there were appropriate mitigating actions in place to conclude that the Financial Statements do not contain material errors. It is recognised that improvements in the control environment are required in 2023 and the Audit and Risk Committee will continue to support management and review the remediation activities.

The most significant risks the Group is exposed to are set out in the Strategic Report.

Control environment – Acknowledging the internal control improvement project highlighted above, the Board has put in place an organisational structure with clearly defined lines of responsibility and delegation of authority to Executive management. A Group-wide approval matrix is in place. Individuals are made aware of their level of authority and their budgetary responsibility which enables them to identify and monitor financial performance. The approval matrix is currently being reviewed and enhanced. There are established policies and procedures, which are subject to regular review and will be enhanced through the internal controls programme being progressed through 2023 outlined above. The Boards of the operating companies work within terms of reference and any matters outside those terms or the agreed business plan are referred to the Group Board for approval.

Identification and evaluation of business risks and control objectives – The Board has the primary responsibility for identifying the principal business risks facing the Group and developing appropriate policies to manage those risks. It delegates responsibility for operational risks to the Executive Committee which meets monthly. Further details in relation to the processes for identifying and managing Group risks are set out in the Strategic Report and Corporate Governance Report.

Public reporting – The Audit and Risk Committee reviews and comments upon both the Group's annual and interim results prepared by management, together with any other trading statements that are issued.

Management information – Executive managers are required to produce a budget for approval at the beginning of each financial year and detailed financial reporting is formally compiled monthly and reviewed by the Board. Consolidated management accounts are produced each month and results measured against budget and against the previous year to identify any significant variances. Forecasts are produced each month during the year, with variances to budget being measured.

Monitoring – The Audit and Risk Committee meets periodically to review reports from management and the external auditor so as to derive reasonable assurance on behalf of the Board that financial control procedures are in place and operate effectively. An internal audit plan is set with the Audit Committee and updates on progress are provided periodically. The internal audit work is performed on a peer-to-peer review basis or by engaging a third-party firm of accountants and is directed by a qualified accountant who is independent of the business Divisions.

Internal audit

The Audit and Risk Committee approved the continuation of RM's Group Financial Controller as Head of Internal Audit (Jo Bridgman, Group Financial Controller). For the purposes of this role, the Group Financial Controller reported directly to the Chairman of the Audit and Risk Committee. The Audit and Risk Committee, with the advice and support of the Head of Internal Audit, sets an internal audit plan, focussed on operational and financial controls and risk areas. The financial controls include controls to address fraud risks. There have been no fraud instances during the year. The Head of Internal Audit reports on progress against this plan at Audit and Risk Committee meetings.

Internal audit activities are undertaken through the engagement of Grant Thornton, our third-party internal audit partner firm. The external auditor does not rely on internal audit to substitute any audit work required to form their opinion on the Financial Statements.

The Group has continued routine audits that review adherence to the agreed controls and processes in its India subsidiary and have completed audits of RM Technology credit note processes, GDPR compliance and an internal assessment on cyber and information security. A wider programme of internal audits was planned in the year, but some were deferred acknowledging the focus on the internal controls project.

A 3-year internal audit plan was presented to the Committee, but in light of the planned change of the Audit and Risk Chair, post the publication of the Preliminary results in March 2023, only the plan for FY23 was approved and the following years will be reviewed again by the new Chair in due course.

'Whistleblowing' Policy

The Group has adopted a formal Whistleblowing Policy and more details may be found in the Sustainability Report at page 69.

Anti-bribery

RM conducts all its business in an honest and ethical manner and seeks to ensure that all associates and business partners do the same. The Group has implemented policies and procedures to ensure that it is transparent and ethical in all business dealings as referenced in the Sustainability Report at page 66.

Paul Dean

Chairman, Audit and Risk Committee
28 March 2023

REMUNERATION COMMITTEE REPORT

Part A – Remuneration Committee Chairman's Statement

On behalf of the Board, I am pleased to present the Remuneration Committee Report for the year ended 30 November 2022.

This report is divided into the following three sections:

Part A – Remuneration Committee Chairman's statement: which provides an overview of the Report, the functioning and membership of the Remuneration Committee, and the major activities and outcomes for the year ended 30 November 2022;

Part B – Directors' Remuneration Policy: which provides a summary of the Policy and which will continue to apply without amendment for the forthcoming year; and

Part C – Implementation Report: which sets out the payments and awards made to Directors for the year ending 30 November 2022 and how the Directors' Remuneration Policy will operate for the year ending 30 November 2023.

The Remuneration Committee

The Remuneration Committee ('Committee') operates under Terms of Reference approved by the Board. These can be found on the Group's website at www.rmplc.com.

No Director is involved in deciding their own remuneration.

Committee Membership and Attendance

The Remuneration Committee, during the year ended 30 November 2022, comprised of Patrick Martell (Chair), Paul Dean, Vicky Griffiths, John Poulter and Helen Stevenson, at such times as they were members of the Board.

The members of the Committee comprise the independent Non-Executive Directors and the Chairman of the Board.

The Remuneration Committee met 4 times during the period, attendance is set out below. The Committee also approved a number of matters during the year by written resolution, additional virtual meetings and Sub-Committee meetings.

	No. of meetings held in the period/Eligible to attend
Patrick Martell	4/4
John Poulter[1]	1/1
Helen Stevenson[2]	3/3
Paul Dean	4/4
Vicky Griffiths	4/4
Charles Bligh[3]	3/3

[1] Ceased being a Director on 16 February 2022

[2] Joined the Remuneration Committee with effect from 16 February 2022

[3] Stepped down from the Remuneration Committee on 5 April 2022.

During the period, neither the Chief Executive Officer nor the Chief Financial Officer held any Non-Executive Director positions with other companies.

Major Activities of the Remuneration Committee

A number of key activities were undertaken throughout the year by the Committee which are summarised below:

A number of Executive and Non-Executive Director changes took place during the year ended 30 November 2022. John Poulter was succeeded as Chair by Helen Stevenson who was appointed with effect from 16 February 2022. The Committee reviewed all Non-Executive Director fees and although it was decided that there would be no change to the remuneration for the role of Chair, an increase was implemented for the first time to the Non-Executive Base Fee since March 2018 based on a review of the market and wider RM workforce remuneration.

In April 2022, Charles Bligh stepped down from membership of the Committee after consultation with a number of shareholders and in line with best practice governance on independence.

The incumbent CFO, Mark Berry, ceased being an Executive Director with effect from 15 August 2022 and left employment on 20 November 2022. No payments for loss of office were made and the transition has been supported through the engagement of an Interim CFO who has not been appointed to the Board.

Work was undertaken to review the LTIP as a result of the fall in the share price to ensure that awards remained aligned with shareholder interests whilst offering a meaningful incentive for Directors to enable RM to attract and retain the talent for the future success for RM.

Following the close of the Financial Year, the Committee considered and agreed the remuneration to be given to Mark Cook on his appointment as Chief Executive Officer on 16 January 2023. The base salary is aligned to the base salary paid to our former CEO, Neil Martin. Other benefits including retirements benefits are in line with the Remuneration Policy and the same as those given to the majority of other employees.

Bonus and LTIP opportunity is in line with our former CEO although the initial LTIP award performance targets changed from a single Relative TSR target to 60% Absolute TSR and 40% Relative TSR. Further details are contained within this report.

Neil Martin stepped down as our CEO on 10 January 2023. Neil will receive his fixed pay for his notice period but will not retain entitlements from any bonus or LTIP plans.

Richard Smothers was appointed as a Non-Executive Director on 3 January 2023 and his remuneration is in line with other Non-Executive Directors.

UK Corporate Governance Code 2018 considerations and strategic alignment

Remuneration within RM is designed to support the business strategy and long-term sustainable business success. The performance measures selected for variable pay schemes focus on rewarding performance in line with both short and long-term business objectives. These are reviewed to ensure that they reward profitable performance in the short term as well as long-term sustainable success aligned to delivering shareholder value.

The Remuneration Policy was approved at the AGM on 8 April 2021. It was approved by shareholders with 87% of shares voted in favour.

Roles and Responsibilities

The Remuneration Committee is responsible for setting a formal and transparent procedure for developing the Policy on Director remuneration in accordance with the Code.

The Committee's responsibilities include:

Reviewing the appropriateness of the Directors' Remuneration Policy

Determining with the Board the policy for remuneration of the Executive Directors, Chairman of the Company and Executive, ensuring the alignment of the Company's purpose, values and strategy and promoting the long-term success of the Company. Reviewing this policy annually.

Setting Remuneration

Setting and authorising annually the remuneration of the Chairman, Executive Directors and Executive in accordance with the policy and with due account taken of all relevant factors, such as individual and Group performance and remuneration payable by companies of a comparable size and complexity.

Workforce remuneration

Reviewing workforce remuneration and related policies across the Group and taking account of this in setting Executive Director remuneration.

Incentive Plans

Approving all performance related pay schemes, targets set and total annual payments made under these schemes. Reviewing such schemes to ensure these plans are structured appropriately and are consistent.

Discretion

Determining whether discretion should be exercised to ensure payments are fair.

Effectiveness

To report to the Board on how it has discharged its responsibilities and making appropriate recommendations.

The Policy will remain in force until a revised policy is approved by shareholders at the AGM in 2024 at the latest. The Policy is shaped by the principles in provision 40 of the Code.

Throughout the year, the Committee has considered the factors set out in provision 40 of the 2018 Corporate Governance Code. In the Committee's view, the Company's Directors Remuneration Policy, approved at the AGM in 2021, and current practices are consistent with these provisions:

Factors in provision 40	RM Policy and practice
Clarity	The Remuneration Policy and arrangements for Directors are clearly described each year in the Annual Report. The disclosures related to remuneration, the bonus targets and the performance metrics for LTIPs are clear. This promotes effective engagement with shareholders and the workforce.
Simplicity	The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Remuneration for Directors and the workforce are therefore simple and easily understood. Only a small number of targets are used for bonuses and LTIPs and these are based on the Company's performance.
Risk Management	Bonus and LTIPs awards are linked to performance, have stretching targets with low percentage pay-outs at threshold. The Committee has broad discretion to reduce bonuses if it does not consider the formulaic outcome to be appropriate in the circumstances and malus and clawback provisions can also be operated where appropriate.
Proportionality	The Committee takes account of underlying business performance and the experience of shareholders and other stakeholders when determining outcomes to ensure poor performance is not rewarded. The Committee also considers the wider workforce pay and policies.
Predictability	The report includes scenario charts showing the potential pay-out at various levels and all awards are subject to maximum levels as set out in the Policy.
Alignment with Culture	Metrics for awards are closely aligned to strategy. The Shareholding Policy and holding periods provide a clear link to long-term performance and shareholder alignment.

Stakeholder Engagement

During the year, engagement was undertaken with shareholders regarding Charles Bligh standing down as a member of the Remuneration Committee but engagement was limited on Executive Director remuneration matters as the Remuneration Policy was shared in detail at the April 2021 AGM. In addition, the Chair of the Remuneration Committee is available to discuss remuneration with shareholders should it have been required.

The Chair of the Remuneration Committee, who is also the designated Non-Executive for workforce engagement held a meeting with a designated employee group called the RM Advocates to discuss Executive Director remuneration. This was an open and constructive dialogue which shared the details and rationale for Executive Director remuneration. The Advocates asked questions to gain a better understanding of the Executive Remuneration structures as well as broader topics such as the Board's view on the share price and business strategy, but no specific concerns were raised in the meeting.

Further engagement with shareholders and the workforce is planned for 2023 to continue to gain insight and input on Executive Remuneration and to allow these inputs to be considered in the review of the Remuneration Policy before its normal 3-yearly renewal at our 2024 AGM.

Consideration of Workforce Remuneration, Policies and other Measures

The Committee considered workforce remuneration and policies and their alignment with rewards and incentives offered in Executive Director remuneration and was regularly updated on employee pay and benefits throughout the Group. During the year, the Committee reviewed various internal measures including pay ratios and pay gaps in reviewing salaries and variable pay. Feedback based in interactions with the Advocates on Executive Remuneration and Policy was considered in reviewing the remuneration for the Executive and workforce at the Remuneration Committee.

Remuneration during 2022

Base Salary

The Committee reviewed the base salary levels for the Executive Directors after considering workforce remuneration. No pay rises will be awarded to Executive Directors for 2023 due to the new CEO appointment in January 2023 and an Interim CFO appointment.

Bonus award for 2022

No bonus will be paid to Executive Directors for the year ended 30 November 2022.

Long-Term Incentive Plan in 2022

The Committee approved the grant of LTIP awards to senior members of the workforce on 23 March 2022 and 30 November 2022. The awards made to Neil Martin as CEO and Mark Berry as CFO were within Policy but lapse due to cessation of employment.

On 28 February 2022, the performance period ended for the LTIP awards granted in March 2019. The Earnings Per Share and relative TSR performance conditions for these 2019 awards were not met and therefore the Board did not approve vesting of the award. Further information relating to the non-vesting of that award is set out in paragraph 1 of Part C of this report.

Advisers

A process has been initiated to select an Independent Remuneration Committee adviser to support the review of the Remuneration Policy for the 2024 AGM and to provide continuity during a transition in Committee Chair.

Benchmarking data on Executive Remuneration in the FTSE SmallCap market data provided by a specialist executive remuneration consultancy was reviewed and the Company is broadly aligned with the lower quartile for FTSE SmallCap companies; no fees were paid for such data and the consultants do not have any other connection with the Company or individual Directors. The Committee is satisfied the data is objective and independent.

Discretion

The Board did not exercise discretion with regard to Directors' remuneration outcomes during the year as it was felt the Remuneration Policy and targets set for bonuses and LTIPs worked as intended given the performance during the year of the individuals and the business and experience of shareholders, employees and other stakeholders.

The Committee considers that the overall pay outcome for the year ended 30 November 2022 is justified given the overall performance of the business and its alignment with workforce remuneration and the performance of the Executive Directors.

Looking forward

Over the next 12 months, the Committee will be reviewing our current Remuneration Policy with the support of an Independent Remuneration Adviser ahead of its submission for approval at the 2024 AGM in line with regulatory requirements and if appropriate, we will engage with our shareholders ahead of this date, ensuring sufficient time is allocated for any necessary consultation prior to the policy being finalised for approval.

At our 2023 AGM shareholders will be asked to approve this Directors' remuneration report by way of the normal advisory annual vote. The Directors' remuneration report includes both this Introductory Statement and our Annual Report on Remuneration which outlines the decisions and outcomes summarised above in further detail. The information on the current Remuneration Policy which is included within this report is for information only and does not form part of the report which is subject to the shareholder vote at the 2023 AGM.

I hope that our shareholders will remain supportive of our approach to executive pay at RM and vote in favour of the resolution on the Directors' remuneration report at our 2023 AGM. I will be available to answer questions on the Directors' remuneration report at the AGM, and if any shareholder wishes to contact me in advance of that meeting to discuss any matters disclosed in the report, I can be reached via the Company Secretary.

Patrick Martell

Chairman, Remuneration Committee
28 March 2023

Part B – Remuneration Policy

This Remuneration Policy became effective immediately following its approval at the 2021 Annual General Meeting, on 8 April 2021. No changes have been made to the policy since its approval. The full Remuneration Policy, as approved by shareholders, can be found in the 2021 Annual Report and Accounts which are available at www.rmplc.com.

This section contains an overview of the Policy and a summary of the various components are set out below for information only:

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Fixed Pay: Base Salary	To attract and retain talent by ensuring that salaries are competitive in the market.	Base salaries will be set on appointment at the appropriate level for the role. If there is a probationary period following appointment, the base salary may increase as appropriate following successful completion of that probationary period. Thereafter, base salaries will generally only be increased in line with the increases in pay for the wider workforce (either across single or multiple years), except as justified by other circumstances.	Base salaries will be determined as outlined in the "Operation" column opposite.[1]	None
Fixed Pay: Pension	To attract and retain talent by ensuring that remuneration is competitive in the market.	Entitlement is the same as for the majority of the UK workforce within the Group. Cash allowance alternative is offered where individuals are subject to HMRC pension limits (subject to there being the same overall cost to the Group). Pension benefits will not be augmented on exit.	Up to 7% of base salary depending upon level of employee contribution.	None
Fixed Pay: Benefits	To attract and retain talent by ensuring that remuneration is competitive in the market.	The benefits are the same as for the majority of employees within the Group and are reviewed periodically to ensure that offerings are in line with market practice. The main benefits are • Private healthcare • Group income protection • Life assurance • Car allowance • Mobile phone allowance • Enhanced family leave and sick pay Other benefits may be added or removed in line with benefits awarded to the majority of employees.[2]	The cost of such benefits varies in accordance with market conditions.	None

[1] There is no maximum base salary or maximum for any of the benefits.

[2] Group company RM Education Limited operates a defined benefit pension scheme. This closed to new members in 2003 and, in respect of current members, closed to future accrual of benefits on 31 October 2012.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Variable Pay: Annual Bonus	Provides an element of at risk pay, which incentivises good annual performance.	Members of the Committee keep the performance of the business under continuous review, through regular financial and business reporting and these reviews feed directly into annual and 3-yearly financial and strategic planning. Formal reviews are then conducted to ensure that targets are set that support short-term and long-term business strategy with such targets being intended to: • be stretching but realistic; • reflect expectations of the investor community; • avoid unnecessary risk-taking; and • encourage long-term planning and decision-making. The Remuneration Committee has discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the annual bonus plan.[4] Annual bonuses are subject to malus and clawback provisions (see further below).[4] Annual bonuses are not pensionable.	55% of base salary for on-target performance, with a maximum figure for over-performance of 110% of base salary. At threshold performance, bonuses will be paid at no more than 20% of the maximum opportunity. Any bonuses more than 100% of base salary will be paid in the form of shares that must be held for a minimum of 2 years (on the same basis as LTIP vested shares subject to a holding period).	Performance measures and weightings are set by the Committee at the beginning of each year as outlined in the "Operation" column opposite. Typically, they relate to profit but may be other financial and strategic measures. Details of the specific performance targets will be disclosed retrospectively in the following year's Remuneration Report. If personal targets are set, those targets will be subject to an underpin based on Company performance.
Variable Pay: LTIPs	Incentivises Directors to achieve returns for shareholders over a longer time frame.	Awards (nil cost options or share awards) are granted to Executives and senior management typically no more than once per year, with the vesting of awards being based on criteria designed to align with shareholder interests and encourage long-term performance. Where LTIP awards vest, a post-vesting holding period of 2 years will apply (save that Directors may sell sufficient shares on vesting/exercise to satisfy the income tax/National Insurance liability that arises). Once LTIPs have vested and been exercised, dividends or dividend equivalents can be paid on the relevant shares. LTIP awards are subject to the Remuneration Committee's discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the LTIP.[4] LTIP awards are subject to malus and clawback provisions (see further below).[4] LTIP awards are not pensionable. LTIP awards vest on a change in control of the Company, subject to assessment by the Remuneration Committee at the time as to the level of vesting (if any) that is appropriate, considering (among other things) the extent to which the relevant performance targets have been met and how much of the relevant performance period(s) has passed. Awards subject to a holding period shall be released from this.	200% of base salary per annum. At threshold performance, no more than 25% of the award will vest.	Performance measures and weightings are set by the Committee at the date of grant to align with shareholders' interests. These will normally be measured over a 3-year period and may include EPS, TSR and other financial, strategic or shareholder return measures.[3] The vesting period for LTIPs will be a minimum of 3 years. Details of performance targets will be disclosed retrospectively in the Remuneration Report following the year in which LTIPs are granted.[3] All targets will be subject to an underpin based on the underlying performance of the Company.

[1] There is no maximum base salary or maximum for any of the benefits.

[2] Group company RM Education Limited operates a defined benefit pension scheme. This closed to new members in 2003 and, in respect of current members, closed to future accrual of benefits on 31 October 2012.

[3] The LTIP performance measures for LTIP awards are set out in paragraphs 2 and 11 of Part C of this report. Details of the expected measures for 2023 are set out in Part C.

[4] These new provisions apply to bonuses paid and LTIPs granted after the date of the Policy's commencement.

Non-Executive Director Fees

The following table sets out remuneration for Non-Executive Directors, their purpose and link to strategy, its operation, the maximum opportunity available, the nature of any applicable performance metrics:

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Fixed Pay: Fee	To reward individuals for fulfilling their roles and attract good candidates	The Committee makes recommendations to the Board on the Chairman's remuneration. The Chairman and the Executive Directors determine the remuneration of Non-Executive Directors. Remuneration data is considered during the process, including fees paid for comparable roles in companies of a similar size and complexity as the Company. The Chairman is paid a single fee. Other Non-Executive Directors are paid an annual fee covering Board and Committee membership, with committee chairs, the Senior Independent Director and the designated HR representative receiving an additional fee.	The maximum total fees payable to a Non-Executive Director including the Chairman is £160,000 per annum.	None

Note:

1. The base fee and additional responsibility fees are fixed rates and are paid monthly.

2. Fees were last reviewed during the year ended 30 November 2022 and increased to be more in line with current market rates.

3. Fees are not performance-related but reflect the time commitment and responsibilities of the role.

4. Out-of-pocket expenses (such as travel costs) incurred in performing those duties are reimbursed by the Company.

5. Remuneration for Non-Executive Directors does not include share options or other performance-related elements.

Malus and Clawback

Malus and clawback provisions are in place, and will continue to be maintained, in relation to the variable, performance-related remuneration of the Executive Directors (annual bonus and LTIPs).

As the payment of annual bonuses are at the discretion of the Committee:

- the malus provisions in force are such that the Committee can reduce the payment of any bonus payment if they consider that there is any reason that makes it appropriate to do so. This includes (without limitation) the circumstances applicable to clawback as outlined below but could also include any other matters that the Committee considers appropriate; and
- the clawback applies where the bonus payment was based on erroneous or misleading data or any misstatement of accounts, misconduct by an Executive Director, or the Group suffers serious reputational damage or corporate failure ('Serious Grounds'). The clawback operates for a period of up to 18 months after the end of the relevant financial year to which the bonus relates, or if longer any holding period.

In respect of each award under the LTIP Schemes:

- the malus applies when there are any Serious Grounds or any other circumstances where, in the reasonable opinion of the Committee, the malus provisions should be operated in relation to that Participant; and
- the clawback applies where there are any Serious Grounds where in the reasonable opinion of the Committee, the clawback should be operated in relation to that Participant. The clawback under the LTIP Scheme operates to the later of (a) one year from the relevant LTIP award vesting and (b) the completion of the next audit of the Group's accounts after the award vests.

Discretion

The Remuneration Committee retains discretion with regards to the variable elements of pay (annual bonuses and LTIP awards), in relation to:

- The timing, size and type of awards and holding periods (subject always to the limits set out in the applicable Remuneration Policy).
- Adjustments required in certain circumstances (e.g., rights issues, corporate restructuring events and special dividends).
- Adjustment of targets and measures if events occur which cause it to determine that the conditions are no longer appropriate.
- When it believes it is appropriate, overriding the formulaic outcome, either upwards or downwards, applicable to the LTIP or bonus scheme, discretion will only be applied in exceptional circumstances and will be explained to shareholders in the following Remuneration Report.
- Amendments to plan rules in accordance with their terms or as required by law or regulation.

However, the Committee acknowledges the concerns of interested stakeholders that the discretion afforded to remuneration committees in quoted companies should not be too broad or enable the payment of inappropriate or excessive amounts, especially where payments to Executive Directors are not aligned with the expectations of shareholders.

Directors' Service Contracts and Letters of Appointment

The Policy in relation to Executive Directors' service contracts is for them to contain a maximum notice period of 12 months. Each service contract is subject to earlier termination for cause. In exceptional circumstances, a longer notice period initially, reducing down to 12 months, to secure the appointment of an external recruitment may be agreed.

All Non-Executive Directors have letters of appointment with the Company for an initial period of three years, subject to annual re-appointment at each Annual General Meeting. Notice periods are as set out below.

Details of the Directors' service contracts and/or letters of appointment who served for all or part of the year ended 30 November 2022 are shown in the table below:

	Initial agreement date	Expiry date of current agreement	Notice to be given by employer and individual
John Poulter	1 May 2013	16 February 2022	6 months
Mark Berry[1]	20 September 2021	20 November 2022	12 months
Charles Bligh	2 July 2021	1 July 2024	3 months
Paul Dean	4 February 2020	31 March 2023	3 months
Vicky Griffiths	1 July 2020	30 June 2023	3 months
Neil Martin[2]	28 September 2015	10 July 2023	12 months
Patrick Martell	1 January 2014	31 December 2023	3 months
Helen Stevenson	16 February 2022	14 February 2025	3 Months
Mark Cook	16 January 2023	Indefinite	12 months

[1] Resigned as Director 15 August 2022, partial notice was waived, and no leaving benefits were due.

[2] Resigned as a Director on 10 January 2023.

Part C – Implementation Report

1. Directors’ Remuneration - Single Figure of Remuneration

The tables below set out a single figure of remuneration for each of the Directors in respect of the year ended 30 November 2022 and, in respect of those Directors, the equivalent figures for the year ended 30 November 2021. The table has been audited.

Name	Salary/fees £000		Taxable benefits £000		Annual bonus £000		LTIPs (vested) £000		Retirement Benefits £000		Total £000		Total Fixed Remuneration £000[4]		Total Variable Remuneration £000[4]	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	**2021**	**2022**	2021	**2022**	2021
Executive																
David Brooks[3]	**-**	122	**-**	4	**-**	-	**-**	-	**-**	7	**-**	133	**-**	133	**-**	-
Neil Martin[5]	**365**	348	**15**	15	**-**	125	**-**	116	**25**	24	**405**	628	**405**	387	**-**	241
Mark Berry[2]	**225**	60	**8**	2	**-**	21	**-**	-	**20**	-	**253**	83	**253**	62	**-**	21
Non-Executive																
John Poulter[2]	**29**	135	**-**	-	**-**	-	**-**	-	**-**	-	**29**	135	**29**	135	**-**	-
Charles Bligh[3]	**41**	17	**-**	-	**-**	-	**-**	-	**-**	-	**41**	17	**41**	17	**-**	
Paul Dean[3]	**47**	46	**-**	-	**-**	-	**-**	-	**-**	-	**47**	46	**47**	46	**-**	-
Vicky Griffiths[3]	**43**	40	**-**	-	**-**	-	**-**	-	**-**	-	**43**	40	**43**	40	**-**	-
Patrick Martell	**52**	51	**-**	-	**-**	-	**-**	-	**-**	-	**52**	51	**52**	51	**-**	-
Helen Stevenson[2]	**106**	-	**-**	-	**-**	-	**-**	-	**-**	-	**106**	-	**106**	-		
Total	**908**	819	**23**	21	**-**	146	**-**	116	**45**	31	**975**	1,133	**975**	871	**-**	262

[1] The section below headed "Retirement Benefits" explains how those benefits have been calculated and presented in the above tables.

[2] The fees show the portion of the year during which they were a Director during 2022.

[3] The fees show the portion of the year during which they were a Director during 2021.

[4] Total fixed remuneration is the aggregate of the base salary, pensions and benefits, and total variable remuneration is the aggregate of the bonus and LTIPs.

[5] Increase in salary is due to the appointment to CEO on 1 March.

The following provides details of how the 'single figure' has been calculated:

Annual Salary	In the March 2022 Committee meeting, a 2% base pay increase was approved by the Committee for the Executive Directors which took into account increases to base pay for the wider workforce. However, this increment was not applied in practice to Neil Martin's continuing salary, and accordingly, as part of Neil Martin's leaving terms an amount in respect of the unpaid increment for the FY2022 salary review will be paid to him. No compensation for the delayed salary increase was received by Mark Berry.
Taxable benefits	These comprise the benefits noted in Part B above other than retirement related benefits. The figure included in the above table in respect of such benefits is calculated based on the taxable value of such benefits.
Annual bonus	The Committee decided that on-target bonuses for the year ending 30 November 2022 for Executive Directors would be based upon the Company achieving an adjusted operating profit before interest and tax target, with any pay-out to be determined on a straight line basis between a minimum performance of £19m (25% pay-out) to £22m (100% pay-out), subject to the Committee being satisfied as to the long-term underlying performance of the business and the quality of operating profit delivered. The Group performance hurdle that must be met for any bonus to be achieved was Group adjusted operating profit before interest and tax of £19m. In the event there is significant over-performance against target then a bonus payment in excess of 100% could be available, up to the maximum of 110% of base salary. This would be reviewed by the Board in the context of full year trading and outlook for the year ending 30 November 2022. The Committee considered the Company's performance relative to that target. The Group adjusted operating profit before interest and tax was £[10.7]m (£9.1m excluding discontinued operations). In light of that performance, the Committee determined that no bonuses would be awarded.
LTIPs	The LTIP award granted to Neil Martin in March 2019 of 122,000 Options was due to vest in March 2022, however, as anticipated in the prior year's Remuneration Report, neither of the targets for this award were met and the Options lapsed in full. The performance criteria were based on: 1. 50% of the award is based on the Company's relative Total Shareholder return (TSR) performance measured from the average of the FTSE SmallCap (ex IT) (the "Comparator Group") Net Return Index during January and March 2019 to the average of the Index during December 2021 and February 2022 where the Company's TSR over that period must be at least at the median of a ranking of the TSR of each of the members of the Comparator Group over the same period. Vesting was based on a straight-line basis between 25% vesting at the median and 100% vesting at the upper quartile (or above). The Company's performance placed it below the 50th percentile as compared to the comparator group. The minimum vesting was not met for this target; and 2. 50% of the award is based on the Company's adjusted earnings per share in respect of the year ending 30 November 2021 (EPS) where the EPS must be at least 30.1 pence. Vesting will occur on a sliding scale between an EPS of 30.1 pence (where 25% of one half of the award shall vest) and 39.5 pence (where 100% of one half of the award shall vest) calculated on a straight-line basis between 25% and 100% or greater. The minimum vesting was not met for this target. LTIP awards that are due to vest in 2023, 2024, 2025: The LTIP awards granted to Neil Martin in March 2020 (105,000 Options), March 2021 (250,000 Options), and March 2022 (200,000 Options) have all lapsed in full following his resignation on 10 January 2023. The LTIP awards granted to Mark Berry in October 2021 (120,000 Options) and March 2022 (160,000 Options) have all lapsed due to his cessation of employment.
Past Directors	There were no payments made to past Directors in the year.

Retirement benefits	Neil Martin is a member of a defined contribution pension scheme operated by RM Education Limited. The Group would ordinarily contribute to that scheme of 7% of base salary (under the same arrangements, for that level of employee contribution, as for the majority of other employees). However, due to HMRC limits, the amount paid into the scheme for Neil Martin is lower, with the balance paid instead as a non-pensionable cash allowance. To make the figures in the above tables more meaningful, the 'Retirement Benefits' are stated prior to those adjustments. Mark Berry became a member of a defined contribution pension operated by RM Education Limited in December 2021 (under the same arrangements for that level of employee contribution, as for the majority of other employees). He contributed 4.5% of his salary which was matched by the Company up until his final day of employment on 20 November 2022.
Termination Payments	There were no termination payments in the year. Mark Berry, our former CFO, received no payment for loss of office and continued to receive his contractual fixed pay (base salary, benefits and pension contributions) for the period 15 August 2022 until leaving employment on 20 November 2022. No incentive payments were made and the LTIP awarded in October 2021 and March 2022 lapsed. As described in the Remuneration Committee Chair's Introductory Statement to this report, our former CEO (Neil Martin) is currently within his contractual notice period and accordingly is continuing to receive his contractual fixed pay (base salary, benefits and pension contributions). Neil will also receive the payment described above in respect of the 2% salary increase from 1 March 2022 which has not been applied to his base salary.
Non-Executive Pay Review	At the February 2022 Committee meeting, the Non-Executive fees were reviewed. Fees for the Non-Executive Directors have been compared against changes in remuneration of the wider workforce and FTSE SmallCap market data. The Non-Executive Base Fee was last increased in March 2018 and following this year's review, it was agreed that the Base Fee would be increased from £40,000 to £43,000 per annum.

2. Directors' Long-term Incentive Plans

During the year ended 30 November 2022, the following long-term incentive awards were made.[1]

Name	Type of share award	Grant date	No. of Shares/ options	Face value of award at grant £000[3]	% of base salary	Percentage that would vest at threshold performance	The end of the period over which the performance conditions have to be fulfilled	A summary of performance targets and measures
Neil Martin	Nil cost Option	29 March 2022	200,000[2]	292.2	80.0%	25% for TSR element	February 2025	100% on relative TSR performance[4]
Mark Berry	Nil cost Option	29 March 2022	160,000[2]	233.8	77.9%	25% for TSR element	February 2025	100% on relative TSR performance[4]

1 Awards granted under the LTIP Scheme (RM Performance Share Plan 2019).

2 Both of the awards above have lapsed following resignation.

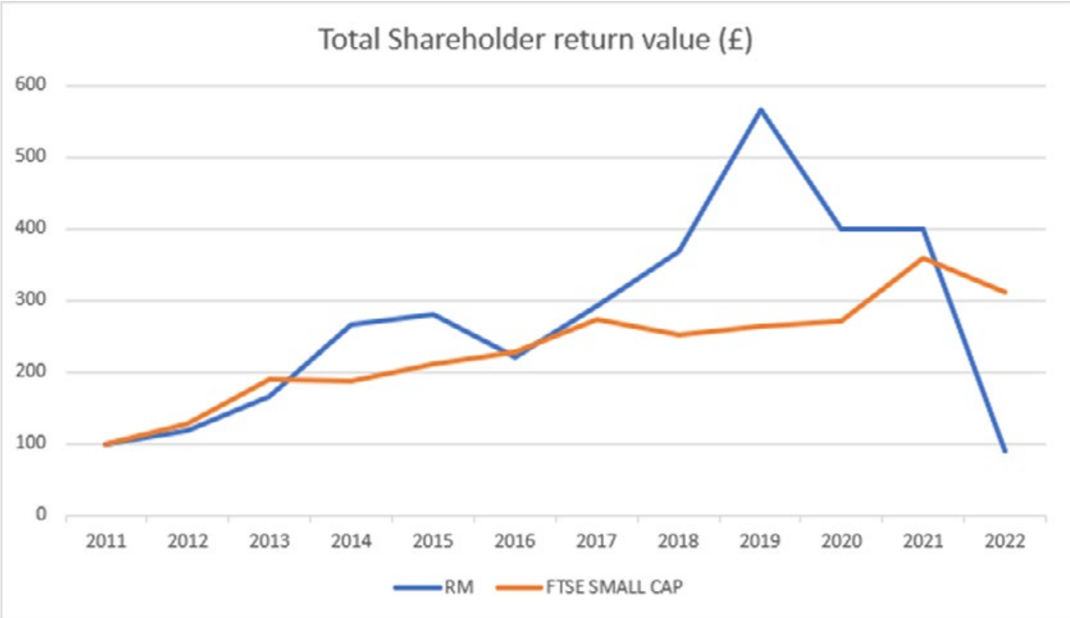
3 The face value of the award has been calculated by multiplying the maximum number of shares in the award by the average share price over the five preceding trading days on the date of grant of the award. The face values of award was 146.10p. The exercise price per share of £0.00.

4 One hundred percent (100%) of the award is based on the Company's relative TSR performance for the period from 1 February 2022 to 28 February 2025. The Company's TSR performance shall be measured against the TSR performance of the companies within the FTSE Small Cap (ex IT) Index ('Comparator Group') over the above period and must be at least at the median of a ranking of the TSR of each of the members of the Comparator Group. Vesting will occur on a sliding scale between median (25%) and upper quartile or above (100%).

5 This table has been audited.

3. Performance Graph

The following graph shows, reflecting the value, by 29 November 2022, of £100 invested in RM plc on 30 November 2011 compared with the value of £100 invested in the FTSE Small Cap (ex. Investment Trusts) Index on the same date.



4. History of Chief Executive Officer Pay

The table below sets out details of:

- The total pay for each of the persons who have performed the role of Chief Executive for the current year and the preceding ten financial years. The 'single figure' is calculated using the same methodology as that used for the "Single Figure of Remuneration" table in paragraph 1 above.
- The pay-out of incentive awards as a proportion of the maximum opportunity for the period.

Year	CEO	Single Figure (£000)	Annual variable element award rates against maximum opportunity	Long-term incentive vesting rates against maximum opportunity
2013[1]	Martyn Ratcliffe	52	0%	0%
	David Brooks	327	58%	0%
2014	David Brooks	576	75%	0%
2015	David Brooks	1,246	50%	91%
2016	David Brooks	655	45%	100%
2017	David Brooks	713	73%	36%
2018	David Brooks	982	64%	100%
2019	David Brooks	553	41%	0%[2]
2020	David Brooks	792	0%[3]	100%
2021[4]	David Brooks	133	0%	0%
	Neil Martin	628	35.8%	38.5%
2022	Neil Martin	405	0%	0%

[1] Martyn Ratcliffe from 1 December 2012 to 28 February 2013. David Brooks from 1 March 2013.

[2] During the year none of the Group's LTIPs were due to vest.

[3] No bonus was paid and the 1% discretionary payment made to all employees was not paid to Executive Directors.

[4] David Brooks from 1 December 2020 to 28 February 2021. Neil Martin from 1 March 2021 to 30 November 2021.

5. Relative Importance of Spend on Pay

The following table sets out, in respect of the year ended 30 November 2022 and the immediately preceding financial year, the total remuneration paid to all employees as compared to other significant distributions and payments.

Year	2022 (£m)	2021 (£m)
Total remuneration to employees[1]	66.5	59.6
Dividends paid[2]	2.5	3.9
Corporation tax paid[3]	(0.9)	0.1
Defined benefit pension cash contribution[3]	4.5	4.5

[1] Includes remuneration paid to Executive Directors. Note 7 to the Financial Statements shows how this has been calculated, figures for social security costs and share-based payments have been excluded.

[2] These figures have been extracted from Note 12 to the Financial Statements.

[3] These payments have been added for context as other significant payments made by the Company. These figures have been extracted from the Cash Flow Statement.

6. Percentage Change in Remuneration of Directors

The following tables set out the percentage change for the following elements of remuneration paid to Directors and UK employees over the periods outlined below.

Executive Director	Remuneration Elements	% Change in Year Ending		
		30 November 2022	30 November 2021	30 November 2020
Neil Martin	Base Pay/Fees	4.8%[4]	33.0%	0.0%
	Taxable Benefits	-2.7%	-2.4%	-0.5%
	Annual Bonus	-[3]	-[3]	-100.0%
Mark Berry	Base Pay/Fees	273.6%[5]	0.0%	n/a
	Taxable Benefits	282.2%[5]	0.0%	n/a
	Annual Bonus	-	-	n/a
Total UK Employees	Base Pay/Fees	-4.9%	5.6%	2.0%
	Taxable Benefits	-10.9%	12.9%	2.0%
	Annual Bonus	-[3]	-[3]	-34.0%

[1] RM plc does not have any employees. The comparator group therefore comprises all employees of the UK subsidiaries (excluding Directors) who were employed throughout the full financial year on a full-time equivalent basis.

[2] The elements of remuneration have been calculated based on pay during the period compared with the pay in the previous year.

[3] No bonus paid for the period 1 December 2021 to 30 November 2022. Bonus includes annual bonus and commission only and not any other non-performance related payments made to employees. Bonuses in this paragraph 6 relate to those actually paid in respect of the years ended 30 November 2021 and 30 November 2022.

[4] The % change in salary of Neil Martin is due to a full year of CEO remuneration.

[5] % Change due to partial year.

Non-Executive Director	Remuneration Elements	% Change in Year Ending		
		30 November 2022	30 November 2021	30 November 2020
Helen Stevenson (Appointed as Chair 16 February 2022)	Base Pay/Fees	0.0%	n/a	n/a
	Taxable Benefits	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a
Charles Bligh (appointed as a Director on 2 July 2021)	Base Pay/Fees	7.5%	0.0%	0.0%
	Taxable Benefits	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a
Paul Dean (appointed as a Director and Chairman of the Audit Committee on 4 February 2020)	Base Pay/Fees	6.5%	0.0%	0.0%
	Taxable Benefits	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a
Vicky Griffiths (appointed as a Director on 1 July 2020)	Base Pay/Fees	17.5%[2]	0.0%	0.0%
	Taxable Benefits	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a
Patrick Martell (Senior Independent Director and Chairman of the Remuneration Committee)	Base Pay/Fees	5.9%	0.0%	0.0%
	Taxable Benefits	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a

[1] Individuals who were no longer Directors in the year ending 30 November 2022 have not been included in the above table. Details of their change in remuneration are detailed in previous Annual Reports to the extent this was required to be provided. These are available at www.rmplc.com in the Reports section.

[2] Increase due to fees for new responsibilities – Chair of ESG Committee.

7. CEO Pay Ratio

The following table sets out the CEO pay ratios for the year ended 30 November 2022. This compares the Chief Executive Officer's total remuneration (as shown above in paragraph 1 of this Part C) with the equivalent remuneration for the employees paid at the 25th (P25), 50th (P50) and 75th (P75) percentile of RM's UK workforce. The total remuneration for each quartile employee, and the salary component within this, is also outlined in the table below.

Our median for all employees to CEO pay ratio is 11.2:1 which has reduced from 2021 due to no payment of the variable pay elements which are based on achievement of business performance targets.

Year	Method	25th Percentile Pay Ratio	Median Pay Ratio	75th Percentile Pay Ratio
2022	A	15.6 : 1	11.2 : 1	7.4 : 1
2021	A	25.6 : 1	18.3 : 1	12.1 : 1
2020	A	33.3 : 1	23.9 : 1	15.8 : 1

The table below provides further information on the total remuneration figure used for each quartile employee, and the salary component within this.

Year		25th Percentile	Median	75th Percentile
2022	Salary	£26,000	£33,942	£48,000
2022	Total Pay	£26,000	£36,330	£54,521

[1] Option A was chosen as the statistically most accurate calculation. The total remuneration on a full-time equivalent basis as at 30 November 2022 for all UK employees was calculated and employees ranked accordingly.

[2] The figures for the pay ratio this year are based on the actual bonus calculation figures which was zero.

[3] Full-time equivalent P11D values for benefits such as Private Medical Healthcare have been used for anyone in receipt of the particular benefit as at 30 November 2022.

[4] Pension values are not calculated on the same basis as the CEO's figure, but rather based on the Employer contribution as a percentage of salary as at 30 November 2022. This approach allows meaningful data for a large group of individuals to be obtained in a more efficient way.

[5] CEO pay is as per the single figure of remuneration as at 30 November 2022, as disclosed on pages 128 to 129.

[6] The median pay ratio is considered consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole.

8. Statement of Implementation

This section sets out how the Remuneration Policy will be implemented in the year commencing on 1 December 2022.

Whilst no significant changes in remuneration are expected during this year there are several planned Director changes taking place during the year ending 30 November 2023. These changes include the appointment of Mark Cook as CEO on 16 January 2023. Mark Cook's remuneration is in line with current CEO remuneration and other benefits including retirements benefits are in line with the Remuneration Policy and the same as those given to the majority of other employees.

Neil Martin whose resignation as Chief Executive Officer was effective on 11 January 2023 is accordingly treated as a Voluntary Leaver for the purposes of the termination policy in the Remuneration Policy and no payments for loss of office were made.

Richard Smothers was appointed as a Non-Executive Director on 3 January 2023 and his remuneration is in line with other Non-Executive Directors.

Remuneration in 2023

Salary and Fees: Pay rises will not be awarded to Executive Directors for 2023 due to appointment in January 2023 of Mark Cook as CEO, Neil Martin's resignation effective from 10 January 2023, and an Interim CFO who is not appointed to the Board.

Executive	**£000s per annum**
Mark Cook	365
Non-Executive	
Chair (Including the Chair of Nomination Committee)	135
Non-Executive Director base fee	43
Senior Independent Director (additional fee)	3
Chair of Remuneration Committee/Designated NED for HR (additional fee)	4
Chair of Audit and Risk Committee	6

Benefits and pension benefits: These are expected to remain unchanged, as stated in paragraph 1 of Part C above.

Bonus: The Annual Bonus for FY2023 will operate as in past years and in line with the Remuneration policy. The committee will determine appropriate metrics for the annual bonus, which can support both financial performance and strategic developments as the Committee determines. Due to issues of commercial sensitivity, it is not considered that it is in shareholders' interests to disclose any further details of these targets but we are committed to provide appropriate levels of disclosure of these performance measures and performance against them in next year's Annual Report and Accounts. Bonus levels will be in line with the Remuneration Policy.

LTIPs: A joining award of options with an exercise price of £0.00 was granted on 16 January 2023 to Mark Cook, on appointment to CEO in line with the Remuneration Policy.

The LTIP award performance targets changed from previous grants with a single relative TSR target to vesting based on the following:

1. Forty percent (40%) of the Award is subject to a performance condition comparing the Company's total shareholder return (TSR) against a comparator group of FTSE Small Cap Index (excluding investment trusts) companies over the period of 3 years commencing on 1 December 2022 and ending on 30 November 2025.

2. Sixty percent (60%) of the Award is subject to a performance condition relating to the performance of the Company's TSR against absolute targets ranging from 120p to 195p, with this condition also measured at the end of the same 3-year period.

It is anticipated that, during the year ending 30 November 2023, should a CFO be appointed, an award will be made under the RM plc Performance Share Plan 2019. Those awards will be of options with an exercise price of £0.00 and in line with the Remuneration Policy. The appropriate performance conditions will be decided at the time of the award but vesting is expected to based on performance against a blend of both absolute TSR and relative TSR performance. It is intended that the measures will encourage the generation of sustainable long-term returns to shareholders. The appropriate range has yet to be finalised but will be confirmed by the Committee in due course. Full details will be disclosed in next year's Annual Report and Accounts.

9. Statement of Shareholder Voting

Voting at the Annual General Meeting held on 7 April 2022 in respect of the Remuneration Report for the year ended 30 November 2021 was as follows:

	% of votes in favour	**% of votes against**	**Number of votes withheld**
2022 AGM -Resolution to approve the Remuneration Report	93.11%	6.89%	496,466
2021 AGM - Resolution to approve the Remuneration Policy	87.23%	12.77%	8,833,873

10. Directors' Shareholdings

The beneficial interests of the Directors including connected persons in the ordinary shares of RM plc as at 30 November 2022 were:

	Holding as at 30/11/22	Vested but unexercised scheme interests	Current holding as % of base salary[1]	Shareholding policy met[2]	Holding as at 30/11/21
John Poulter[4]	N/A[4]	-	-	-	87,500
Helen Stevenson	-	-	-	-	-
Charles Bligh	-	-	-	-	-
Paul Dean	20,000	-	-	-	20,000
Vicky Griffiths	2,900	-	-	-	2,900
Patrick Martell	5,000	-	-	-	5,000
Neil Martin	227,562	-	72.0%	No	227,562
Mark Berry[5]	N/A[5]	-	-	No	-

[1] Calculated based on the average share price for the period 1 December 2021 to 30 November 2022 (115.42p) and base salaries as at 30 November 2022.

[2] The Directors' Remuneration Policy requires Executive Directors to build and maintain a shareholding requirement of at least 200% of base annual salary within 5 years of the first opportunity for an LTIP to vest.

[3] There have been no changes in any of the above shareholdings since 30 November 2022 at the date of this report.

[4] John Poulter ceased to be a Director following his resignation on 16 February 2022. The share interests disclosed above were their interests in shares when they ceased to be a Director.

[5] Mark Berry ceased to be a Director following his resignation on 15 August 2022.

11. Directors' Interests in Share Plans

As at 30 November 2022, the Executive Directors had the following interests in the Company's share plans[1]:

	LTIP Awards[2]			
	Date of Grant	No. of shares/options	Performance Conditions	Share price at grant
Neil Martin	16 March 2020	105,000	See notes 3 and 4	(2020) 171 pence
	22 March 2021	250,000	See notes 3 and 4	(2021) 220 pence
	29 March 2022	200,000	See notes 3 and 4	(2022) 146 pence

[1] To avoid duplication, and in accordance with Section 17(b)(iii) of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the figures in the above table do not include the shares or share-based awards referred to in paragraph 1 of this Part C.

[2] Granted under "The RM plc Performance Share Plan 2010" and from 16 March 2021 under the "RM plc Performance Share Plan 2019". All LTIP awards are subject to a minimum vesting period of 3 years.

[3] The LTIP awards granted in 2020, 2021 and 2022 were awards of options, with an exercise price of £0.00 per option. If the options granted in March 2020 vest, they would be exercisable in the period 17 March 2023 to 16 March 2033. If the options granted in March 2021 vest, they would be exercisable in the period 25 March 2024 to 22 March 2031. If the options granted in March 2022 vest, they would be exercisable in the period 31 March 2025 to 29 March 2032.

[4] The performance conditions and other information relevant to these awards are set out in paragraph 2 (Directors' long-term incentive plans) above or in the relevant Annual Report.

12. Details of Directors' Service Contracts

Relevant information relating to the Service Contracts of the Directors is set out in Part B.

13. Remuneration Committee Details

Details of the Remuneration Committee and its membership are contained in the introduction of this report.

The Committee has not received external advice or services during the year.

Advice and support has been provided to the Remuneration and Nomination Committees by the Company Secretary and People function, including advice and support on recruitment of key roles, external benchmarking, service contracts and incentive schemes based on information obtained through third party sources where appropriate.

14. Compliance with Regulations

This report has been prepared in accordance with Schedule 8 of the Large and Medium-Sized Companies and Group (Accounts and Reports) Regulations 2008 (as amended). The Report also meets the relevant requirements of the Listing Rules of the UK Listing Authority and illustrates how the principles of the UK Corporate Governance Code relating to Directors' remuneration are applied by the Company.

The Group's auditors are required to comment on whether certain parts of the Group's Remuneration Report have been prepared in accordance with Schedule 8 of the Large and Medium-Sized Companies and Group (Accounts and Reports) Regulations 2008. Accordingly, the following paragraphs of this Part C of this report have been audited by Deloitte LLP:

- The "Single Figure of Remuneration" table in paragraph 1.
- Total pension entitlements, as described in the notes to paragraph 1.
- Directors' shareholdings, as set out in paragraph 10.
- Directors' interests in share plans, as set out in paragraphs 1, 2 and 11.
- The "Past Directors" and "Termination Payments" as described in the notes to paragraph 1.

By Order of the Board

Patrick Martell

Chairman, Remuneration Committee
28 March 2023

ESG COMMITTEE REPORT

On behalf of the Board, I am pleased to present the ESG Committee Report for the year ended 30 November 2022.

The ESG Committee

The ESG Committee ('Committee') operates under terms of reference approved by the Board. These can be found on the Group's website at www.rmplc.com.

Committee Membership and Attendance

The ESG Committee during the year ended 30 November 2021 comprised Vicky Griffiths (Chair) and Non-Executive Directors Helen Stevenson, Paul Dean, Patrick Martell, and Charles Bligh.

To encourage effective communication, in addition to the above members the Executive Directors and other members of the management are invited to attend the ESG Committee meetings as appropriate.

The ESG Committee is a new committee established in 2022 and met once during the period. Attendance is set out below.

	No. of meetings attended
Vicky Griffiths	1/1
Helen Stevenson	1/1
Paul Dean	1/1
Patrick Martell	1/1
Charles Bligh	1/1

The first ESG meeting was held in September 2022 and it was determined (and stated in the Terms of Reference) that the committee will meet twice a year and at such other times as the committee Chair considers appropriate.

Roles and Responsibilities

The ESG Committee is responsible for oversight of the RM Group's ESG Strategy, ensuring it is fit for purpose and aligned with the overall business strategy and model. The committee is also responsible for oversight of key third party partnerships entered into in relation to the ESG Strategy.

Monitor and Review

The committee monitors and challenges the progress against the ESG Strategy and the performance against the key performance indicators, including stakeholder engagement on ESG matters.

ESG Reporting

The committee has oversight on ESG targets and KPIs, approves the information for the Annual Report and other public reporting and has oversight on upcoming ESG requirements and ensures that adherence to these requirements is a fundamental element of the ESG Strategy.

Policies

The committee ensures that RM Group maintains appropriate policies to support the ESG Framework and ensures that RM Group is compliant with any relevant legislation and regulations.

Recommendations

The committee makes recommendations to the Board with regards to any matter within its remit where it believes action or improvement is necessary.

Effectiveness

To report to the Board on how it has discharged its responsibilities and evaluate its own performance.

Establishment of the ESG Committee

As a purpose led business with strong brands operating in a socially important sector, RM has always seen the broader ESG agenda as implicitly important. The establishment of the ESG Committee makes this agenda more explicit and reflects the increasing importance societally of our Environmental impact, the complexity of the operating landscape and the growing governance expectations of our shareholders.

The first meeting allowed for the establishment of a clear baseline understanding of existing ESG activities and progress to date, alignment on upcoming priorities (including both opportunities and risks) as well as oversight of key ESG KPIs.

There has been substantial progress in 2022 with the achievement of ISO 14001, the publication of a Carbon Reduction Plan, a new employee Code of Conduct, continued roll out of Modern Slavery due diligence, the launch of Employee Engagement surveys and the formation of EDI Employee Networks.

The committee was able to review key reporting metrics and progress across energy consumption, Scope 1 & 2 Carbon, Net Zero, Zero Waste to Landfill and the Environmental Improvement metrics detailed in the Sustainability section of this report. The committee also discussed with management the vision and ambition for ESG at RM, which included challenge and support on next steps and priorities going forward, including materiality assessment and prioritisation of Social Value themes, continued Environmental focus for RM and our customers and further refinement of our governance approach.

By Order of the Board

Vicky Griffiths

Chairman, ESG Committee
28 March 2023

DIRECTORS' REPORT

The Directors submit their report together with the audited consolidated and Company Financial Statements for the year ended 30 November 2022.

The Strategic Report on pages 3 to 84 includes an indication of likely future developments in the business of the Group and details of the Company's business model and strategy. The Corporate Governance Report on pages 86 to 147 is incorporated into this report by reference.

Annual General Meeting

The forthcoming Annual General Meeting will be held on 25 May 2023 at 142B Park Drive, Abingdon, Oxfordshire OX14 4SE, at the time set out in the Annual General Meeting notice. The notice of the Annual General Meeting contains the full text of resolutions to be proposed.

Articles

The constitutional documents can only be amended, or replaced, by a special resolution passed in a General Meeting by at least 75% of the votes cast and are available at www.rmplc.com.

Auditor: Independence and Disclosure of Information to Auditor

As far as each of the Directors is aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the Company's auditor, Deloitte LLP, is unaware and each of the Directors confirms that all steps have been taken that ought to have been taken, as a Director, to make himself or herself aware of any relevant audit information and to establish that the Company's auditor has been made aware of that information.

A resolution to re-appoint Deloitte LLP as auditor of the Company will be proposed at the next Annual General Meeting.

Directors

Details of those Directors who have held office during the financial year and up to the date of signing this report and any changes since the start of the financial year are:

- Helen Stevenson (from 16 February 2022)
- John Poulter (until 16 February 2022)
- Mark Berry (until 15 August 2022)
- Neil Martin
- Mark Cook (from 16 January 2023)
- Charles Bligh
- Paul Dean
- Vicky Griffiths
- Patrick Martell
- Richard Smothers (from 3 January 2023)

Biographical details of the current Directors are given in the Board of Directors section of the Annual Report on pages 86 to 87.

The appointment and removal of Directors is governed by the constitutional documents of the Company and the Companies Act 2006. Under the constitutional documents of the Company, either the shareholders of the Company by ordinary resolution, or the Board, can appoint a Director. The appointment can be either to fill a vacancy or as an addition to the existing Board, provided that the maximum number of Directors shall in no event exceed 12. At the forthcoming Annual General Meeting, all Directors will stand for re-election in accordance with best practice and guidance set out in the UK Corporate Governance Code. Directors can be removed pursuant to an ordinary resolution passed by the Company. All Directors have either a letter of appointment or a service contract, details of which can be found in the Remuneration Report on page 127.

Director Insurance and Indemnification

The Group has provided indemnity insurance for the Directors and officers of Group companies during the financial year and at the date of signing this report. All the Directors and officers of Group companies also have the benefit of a Deed of Indemnity entered into with the Company in respect of liabilities which may attach to them in their capacity as Directors of the Company. These provisions are qualifying third party indemnity provisions as defined by section 234 of the Companies Act 2006.

Directors' Powers

The Board manages the business of the Company under the powers set out in its constitutional documents, which power is subject to the provisions of the Companies Act 2006 and to any directions given by special resolution of the Company. These powers include the Directors' ability, on behalf of the Company, to allot or purchase shares in the Company, the exercise of which in each case is subject to the Companies Act 2006 which provides, amongst other things, that the Directors must seek shareholder authority for the allotment of shares in the Company and the market purchase of shares in the Company. Accordingly, the Directors seek shareholders' authority to allot shares in the Company, and to purchase the Company's own shares in the market, at each AGM.

Directors' Responsibilities Statement

The Directors' responsibilities statement on page 146 is incorporated by reference into this report.

Dividends

No dividend has been paid this year and, following the recent amendment and extension of the Company's banking facilities, a restriction on dividend distribution has been imposed until the Company reduces net debt leverage to LTM EBITDA (post IFRS16) to less than 1x for two consecutive quarters. The Directors recognise that the dividend is an important component of the total investment return and are committed to the reinstatement of the dividend at the earliest opportunity.

Management Report

For the purposes of compliance with DTR 4.1.5R(2) and DTR 4.1.8R, this Directors' Report, together with the Strategic Report and the material incorporated by reference into each report, comprise the Management Report. As permitted, some of the matters to be included in the Directors' Report have been included in the Strategic Report such as the business review, future prospects and principal risks and uncertainties.

Overseas Branches

The Group has an overseas branch in Singapore.

Research and Development

The Group continues to develop and maintain its existing software products whilst staff work to develop new and more effective systems and products. The Group incurred £3.6m of research and development in the year, which was expensed in the Income Statement (2021: £1.3m). This primarily relates to product research, maintenance and related expenditure which does not meet capitalisation criteria.

Share Capital

The Company has one class of share capital, ordinary shares. All the shares rank pari passu. There are no special control rights in relation to the Company's shares. On a show of hands, each shareholder present in person or by proxy at a general meeting has one vote and, on a poll, every shareholder present in person or by proxy, has one vote for each share which they hold. All the shares in the Company carry the same rights, include the right to participate in dividends and in any distribution of surplus assets on a winding-up. Under the Company's constitutional documents, the right to vote in respect of any share is subject, amongst other things, to there being no unpaid call on that share nor there being any outstanding notice given under section 793 of the Companies Act 2006 in respect of that share. The right to vote is also subject to the provisions of the Companies Act 2006. Electronic and paper proxy appointments and voting instructions must be received by RM's registrar, Link Group, not less than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time of the holding of the relevant meeting or adjourned meeting.

As at 30 November 2022, the RM plc Employee Share Trust owned 618,796 ordinary shares in the Company (0.74%) of the issued share capital) to satisfy awards under the Company's employee share plan. Any voting or other similar decisions relating to those shares would be taken by the Trustees, who may take account of any recommendation of the Board of the Company. The Trustees have waived the right to receive dividends on shares held in the Company. Employees, with vested share plan awards whose shares are subject to a holding requirement and held on their behalf by the Trust on a nominee basis, are able to give directions to the Trust to vote on their behalf and to receive dividends in relation to those shares.

Shares: Allotment and Purchase

At the Annual General Meeting held on 7 April 2022, members renewed the authority under:

1. section 551 of the Companies Act 2006 to allot ordinary shares up to an aggregate nominal authority of £639,047. This authority has not been used since the Annual General Meeting; and

2. section 701 of the Companies Act 2006 to make market purchases on the London Stock Exchange of up to 8,387,501 ordinary shares, being 10% of the issued share capital of the Company as at 14 March 2022. The minimum price which may be paid for each share is the nominal value. The maximum price which may be paid for a share is an amount equal to the higher of (1) 5% above the average of the middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased, and (2) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out. This authority has not been used since the Annual General Meeting and the Company did not purchase or otherwise acquire any of its own shares during the financial year.

Neither of the above authorities have been utilised since they were last renewed and the Directors will seek to renew these authorities at the next Annual General Meeting scheduled for 25 May 2023.

Significant Agreements

The Group enters into long-term contracts to supply IT products and services to its customers. Wherever possible, these contracts do not have change of control provisions, but some significant contracts do include such provisions.

In March 2023, the Company entered into an amended and extended agreement of the revolving credit facility, with Barclays Bank plc and with HSBC UK Bank plc, to July 2025. The terms of this facility are outlined on page 76.

Important Events since the end of the Financial Year

On 28 December 2022, RM announced that it had agreed to sell a portion of their Internet Protocol v4 (IPV4) addresses for a total consideration of £8.5million in cash. RM retains the rights over a further c294,000 IPv4 addresses which support growth in RM's connectivity business which is part of the Technology Division.

Substantial Shareholdings

On 30 November 2022, the Company had received notifications in accordance with DTR 5:

Shareholder	No. of voting rights Direct	No. of voting rights Indirect	% of voting rights as at 30 November 2022	Date of TR1
Aberforth Partners LLP	0	14,610,175	17.42%	26 August 2022
Schroder Investment Mgt		14,263,444	17.01%	15 June 2020
Harwood Capital	8,700,000		10.37%%	10 March 2023
Avalon UK Limited	0	6,970,609	8.31%%	10 March 2023
Artemis Investment Mgt	0	6,133,883	7,31%	26 August 2022

The percentage interest is as stated by the shareholder at the time of the notification and current interests may vary.

Treasury and Foreign Exchange

The Group has in place appropriate treasury policies and procedures, which are approved by the Board. The treasury function, which reports into the CFO, manages interest rates for both borrowings and cash deposits for the Group and is responsible for managing adherence to banking covenants, and that appropriate facilities are available in order that the Group can continue to meet its strategic plans.

In order to mitigate and manage exchange rate risk, the Group routinely enters into forward contracts and continues to monitor exchange rate risk in respect of foreign currency exposures.

All these treasury policies and procedures are regularly monitored and reviewed. It is the Group's policy not to undertake speculative transactions which create additional exposures over and above those arising from normal trading activity.

For further information see the Notes to the Financial Statements and Note 31 (Financial Risk Assessment) of the Financial Reports.

Additional Disclosures

Disclosures required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), to the extent not already disclosed or referred to in this report, can be found on the pages specified in the table below, all of which are incorporated into this report by reference.

Disclosures required by Listing Rule 9.8.4R can be found on the pages specified in the table below, all of which are incorporated into this report by reference. There is nothing further to disclose pursuant to Listing Rules 9.8.4R:

	Page
Allotment for cash of equity securities	N/A
Contracts of significance	104 96 (Directors' Conflicts of Interest and Independence)
Directors' waived emoluments	N/A
Dividend waiver	N/A
Employee engagement, interests and effect	98-99 (Employees)
Employee information, consultation, share schemes and achieving awareness on financial and economic factors	66 (Development and Reward)
Employees with disabilities	64
Fostering business relationships with suppliers, customers and others and effect	100-101 (Suppliers and Partners)
Greenhouse gas emissions, energy consumption and energy efficiency action	54-58
Interest capitalised and tax relief	N/A
Long-term incentive schemes	138 (section 11)
Political donations	68

By Order of the Board

Howard Rubenstein

General Counsel and Company Secretary, RM plc
28 March 2023

Registered in England and Wales No 1749877

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

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

Company law requires the Directors to prepare Group and parent Company Financial Statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with United Kingdom adopted international accounting standards. The Directors have chosen to prepare the parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant, reliable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group Financial Statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

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

The Directors consider the Annual Report and Accounts, 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, and provide appropriate guidance on its future prospects.

Responsibility Statement of the Directors in respect of the Annual Financial Report

Each of the Directors, whose names are listed in the Directors' Report, confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

A copy of the Group Financial Statements is posted on the Group's website www.rmplc.com.

This Responsibility Statement was approved by the Board of Directors and is signed on its behalf by:

By Order of the Board

Mark Cook

Chief Executive Officer
28 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RM PLC

Report on the audit of the Financial Statements

1. Opinion

In our opinion:

- the Financial Statements of RM plc (the 'parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 November 2022 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and parent Company Balance Sheets;
- the Consolidated and parent Company statements of changes in equity;
- the Consolidated Cash Flow Statement; and
- the related Notes 1 to 34.

The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and United Kingdom 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).

2. 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 the parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were the:

- Impact of control deficiencies;
- Going concern; and
- Appropriateness of management estimates in revenue recognition for certain long-term contracts in the RM Assessment business.

Within this report, key audit matters are identified as follows:

Newly identified

Increased level of risk

Similar level of risk

Decreased level of risk

Materiality

The materiality that we used for the Group Financial Statements was £0.5m which was determined on the basis of approximately 5% of three year average profit before tax adjusted for material non-recurring items, and including the results from discontinued operations.

Scoping

We focused our Group audit scope on the audit work of three components. These components represent the principal business units and account for 98% of the Group's revenue, 93% of the Group's loss before tax and 92% of the Group's total assets.

Significant changes in our approach

Our audit approach has been designed to respond to the operational challenges faced by the Group and their impact on the Group's trading performance.

Our external audit for the year ended 30 November 2021 identified a number of control deficiencies which continue to be present in the current period and have been exacerbated by the operational and liquidity challenges. As such, we have identified the impact of control deficiencies on our audit approach as a new key audit matter in the current year. We also made adjustments to our performance materiality to reflect the increased risk of misstatement; further details of this are provided in section 7.

Going concern is a new key audit matter in the year as a result of the heightened debt levels and associated liquidity challenges facing the business.

Valuation of intangible assets on major IT development programmes was identified as a key audit matter in 2021. This is no longer a key audit matter given the clarifications provided by the IFRS Interpretations Committee relating to Software as a Service are well understood and the accounting for project spend is now well established.

4. 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's and parent Company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.2.

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's 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.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, 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) that we identified. These matters included 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.

5.1. Impact of control deficiencies !

Key audit matter description

As discussed in the Audit and Risk Committee Report on page 108, the assessment of the effectiveness of the control environment is a significant issue which has been a focus area for the Group in the current year.

In the prior year Annual Report the Audit and Risk Committee identified the need to improve the formality of the control environment in certain areas and to address control findings in relation to the review and approval of journal entries.

The Directors' plan to remediate control deficiencies identified was principally through the IT transformation programme which was intended to increase automation; however, as set out on page 9, the IT migration has been significantly delayed in some parts of the business and the migration of IT systems in the Resources Division during the year increased the complexity of the Group's control environment.

During our 2022 interim review we identified material misstatements in respect of revenue, other debtors and accruals which arose as a result of deficiencies in internal controls that were corrected by the Directors prior to the interim announcement. The root cause of these deficiencies was a failure to perform evidential based reviews of journals and a lack of formality regarding controls when accounting for new income streams. Further detail is provided by the Directors on page 115.

The Directors recruited a controls manager in September 2022 to undertake an end-to-end review of key business processes, identify relevant controls and to oversee design and implementation enhancements. This review, and the associated remediation of the control environment, is ongoing.

Our external audit for the year ended 30 November 2022 identified a number of control deficiencies which were reported to the Audit and Risk Committee. The nature of these deficiencies primarily related to the Directors' review controls over journal posting, balance sheet reconciliations and excel based models.

A number of transactional processing control deficiencies were also identified by the Directors as arising during the migration to the new IT system, and these are in the process of being remediated.

As a result of the control deficiencies identified in the previous audit and the complexity of the control environment increasing in the current audit due to changes in the IT landscape, we did not plan to adopt a controls reliant audit approach for FY22. We also revisited our risk assessment as a result of the control deficiencies and identified an additional risk of potential fraud in relation to completeness of liabilities.

A significant number of misstatements have been identified during the 2022 audit in areas including revenue, receivables and pensions. In aggregate, the errors identified were material and have been corrected by the Directors. Corrections made included restating the prior year Financial Statements as reported in Note 33. The extent of the errors and control deficiencies identified had a significant impact on our audit and was a contributing factor to the extended time and effort required to complete the audit, and therefore we consider it to be a key audit matter.

How the scope of our audit responded to the key audit matter

We adopted a fully substantive audit approach with no reliance on internal controls.

In order to respond to the pervasive risks arising from the deficiencies in the control environment we modified the nature, extent and timing of our audit procedures. Specifically:

- we revised our materiality assessment and have used a lower performance materiality (being 60% of materiality). This increased the volume of substantive testing completed (see section 6.2 below for our materiality assessment);
- we revisited our risk assessment, including using forensic specialists, and identified additional significant risks, in relation to the completeness of liabilities and valuation of certain provisions;
- we elevated the risk associated with multiple transactional accounts and have therefore performed increased sample testing;
- we have performed additional procedures to identify and address fraud risks, including the involvement of our forensic specialists. We have performed targeted procedures in relation to specific fraud risks, including the risk of management override of controls. Where key audit matters include a risk of fraud, the risks identified and procedures performed are detailed within the key audit matters set out below;
- senior members of the audit team have performed audit testing directly in more complex areas of accounting, for example revenue in the Assessment Division, completeness of liabilities, valuation of receivables, impairment and provisions; and
- with regards to the control deficiencies identified in relation to the completeness of liabilities, in addition to testing management's supplier statement reconciliations we also requested and obtained independently a sample of third party supplier confirmations at the year-end and reconciled these to the liability recorded by the Directors.

The Group extended its reporting timetable in order to perform activities to mitigate, and where possible remediate, the controls findings which allowed us additional time to perform the incremental audit work required. It has also enabled us to use a longer hindsight period to assess the appropriateness of year end judgements.

Key observations

Across the Group we have identified a number of deficiencies, including lack of oversight in the processing of transactional journals, ineffective balance sheet reviews, and a lack of evidence considered in key management review controls, including those over complex assessment contracts.

Overall, given the extent to which our audit procedures identified significant deficiencies in relevant controls, we consider that the control environment requires significant improvement to improve the accuracy and completeness of the underlying accounting records and reduce the number of misstatements identified. We appropriately increased the scope of our audit procedures to address the risks identified.

5.2. Going concern

Key audit matter description

During FY22, the Group experienced operational challenges, in part due to the disruption from the IT and warehouse consolidation projects. This led to reduced revenues and elevated costs in a market already challenged by inflationary pressures, shipping delays and resource constraints. The Group breached its adjusted leverage covenant at 31 May 2022 and the bank agreed a relaxation of covenants.

As at 30 November 2022 the Group was in a net debt position of £46.8m (2021: £18.3m) with drawn facilities of £49.0m (2021: £20.0m).

The Group agreed a £70m revolving credit facility ("RCF") in March 2023 which expires in July 2025. The terms of these borrowings are set out on page 77 and for the going concern period include a covenant based on Last Twelve Months EBITDA.

A three year income statement and cash flow forecast was produced by management and approved by the Board. This forecast was provided to the banks and formed the basis of the revised covenants. This Board approved plan represents the base case forecasts and the Directors have also produced a plausible downside scenario.

Both the Directors' base case and plausible downside scenario indicate that the banking covenants will be met throughout the going concern period. The base case assumes that the Group will be successful in its proposed sale of the RM Integris and RM Finance business. Whilst a no disposal scenario and plausible downside scenario combined would require the Group to operate with low levels of liquidity headroom, the Directors' analysis indicates that the covenant would not breach within the going concern period.

In its financial forecasts significant judgement was required to decide what assumptions to make regarding future cash flow forecasts following the challenges in 2022. Consequently, there remains more judgement than would usually be the case in assessing the financial forecasts for the business and we identified a potential fraud risk in relation to the going concern assessment.

As set out on page 78 the Group expects to have sufficient headroom over its facility throughout the going concern period, with appropriate mitigation actions available to reduce cash outflows, should the need arise.

The Audit and Risk Committee's consideration of the judgements taken is on page 110 and the Group's critical accounting judgment is set out on page 185.

How the scope of our audit responded to the key audit matter

We obtained a detailed understanding of the relevant controls that the Group has established regarding the cash flow forecasts as well as the review and approval of the Group's going concern assessment.

In addition, we have performed the following procedures:

- performed mechanical accuracy testing of the model used to prepare the Group's cash flow forecast;
- evaluated the consistency of the Directors' forecasts with other areas of the audit, including goodwill impairment and deferred tax recoverability;
- challenged the key assumptions within the going concern assessment including with reference to historical trading performance, current trading uncertainty and market expectations;
- obtained an understanding of the financing facilities available to the Group, including repayment terms and covenants;
- assessed the level of reverse stress testing that can be applied to the Group's funding position and covenant calculations before a breach arises together with an assessment of the likelihood of such events occurring;
- assessed and challenged the mitigating actions available to the Directors, should these be required to offset the impact of the forecast performance not being achieved; and
- challenged the sufficiency of the Group's disclosures over the going concern basis with reference to our knowledge and understanding of the assumptions taken by the Directors and recent FRC guidance.

Key observations

We are satisfied that the adoption of the going concern basis of accounting and the disclosure in respect of Group's ability to continue as a going concern are appropriate.

5.3. Assessment of management estimates in revenue recognition for certain long-term contracts in the Assessment business

Key audit matter description

The RM Assessment business generated revenue in the year of £38.4m (2021: £31.9m). There are a number of judgements taken in applying IFRS 15 'Revenue from contracts with customers' for the contracts in this business, which are set out in the accounting policies within Note 2 to the Financial Statements.

£16.1m of the revenue generated in the year (2021: £11.7m) relates to five contracts with multiple performance obligations and a variable transaction price based on the exam script volume forecasts. In accounting for these contracts there is a key source of estimation uncertainty relating to the estimate of exam scripts, which earn variable consideration over the life of the contract. We have assessed the five contracts with a variable transaction price and have identified that this estimate could have a material impact on revenue recognised in the year for three of the five contracts. These three contracts have the potential to be subject to management bias and we identified a risk of potential fraud in respect of revenue recognition. We also identified an error in recording actual volumes in prior periods which has resulted in the Directors restating the prior year Financial Statements as reported in Note 33. Given the degree of judgement in determining this estimate and the complexity of the revenue recognition models, this impacted the audit team's allocation of resources, particularly with regard to the seniority of staff who worked in this area. For these reasons, we identified this element of revenue recognition as a key audit matter.

Further details are included within the Audit and Risk Committee report on page 109, and Note 33 to the Financial Statements.

How the scope of our audit responded to the key audit matter

In response to the identified key audit matter we have performed the following procedures for contracts with material variable revenue:

- obtained an understanding of the relevant controls used by the Group when determining the assumptions applied in the models that drive revenue recognition;
- assessed the appropriateness of the revenue recognition policies applied against the five-step model in IFRS 15 'Revenue from contracts with customers' through an evaluation of the underlying contract terms;
- assessed the accuracy of the Directors' revenue models against contractual terms and compliance with the principles within IFRS 15 'Revenue from contracts with customers'; we did this through modelling the contracts to form our own expectation of the outputs and compared those to the Directors' calculations;
- challenged key estimates made by the Directors in determining the total transaction price in respect of exam volumes. This included assessing forecasting accuracy, understanding the level of constraint relative to operational forecasts, reviewing the latest correspondence with customers and assessing the available confirmatory and contradictory external market evidence;
- recalculated the cumulative revenue based on actual, rather than forecast, volumes for exams in prior periods and considered the nature of the error to determine whether it was appropriate to record a prior year adjustment and whether the disclosures associated with that adjustment were appropriate; and
- assessed the appropriateness of the Directors' sensitivity analysis for key estimates and the clarity of related disclosures as required under IAS 1 for significant judgements and key areas of estimation uncertainty.

Key observations

We are satisfied that revenue recognised for contracts with material variable consideration is appropriate and differences of judgement or calculation in relation to the estimate of exam script volume forecasts were within an acceptable range.

We continue to observe that controls over these models, including the inputs in relation to volume of exam scripts, could be improved through a greater extent of automation and more formalised review. We identified that the revenue recognised in 2020 was overstated and concur with the Directors' restatement of the 1 December 2020 balance sheet position and associated updates to the November 2021 balance sheet.

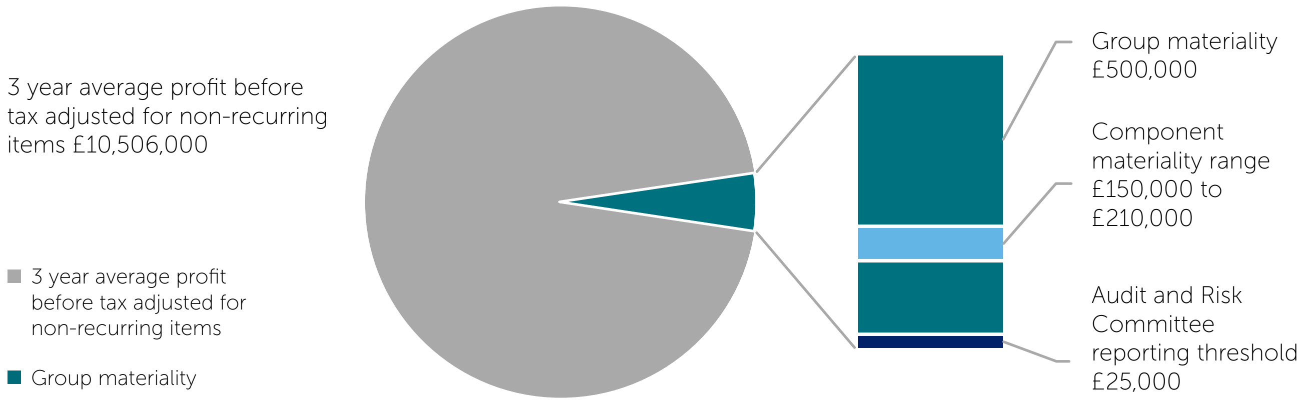
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

	Group Financial Statements	Parent Company Financial Statements
Materiality	£500,000 (2021: £725,000]	£150,000 (2021: £350,000)
Basis for determining materiality	Approximately 5% of 3 year average profit before tax adjusted for material non-recurring items (2021: 5% of profit before tax adjusted for material non recurring items) and including the results from discontinued operations. The adjustments made for non-recurring items are consistent with those presented in Note 6; we did not exclude amortisation of acquisition-related intangibles from our determination of materiality as it is a recurring item.	The basis of materiality is net assets. Parent Company materiality equates to 0.3% of the parent Company net assets (2021: 0.2%) which is capped at approximately 30% (2021: 50%) of Group materiality.
Rationale for the benchmark applied	In our professional judgment we believe adjusted profit reflects the manner in which underlying business performance is reported and assessed by external users of the Financial Statements. Given the trading challenges experienced by the Group during 2022 we have changed the basis of materiality to a three year average adjusted profit before tax, including the results from discontinued operations.	In determining our materiality, based on our professional judgement, we have considered net assets as the appropriate measure given the parent Company is primarily a holding company for the Group.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the Financial Statements as a whole.

	Group Financial Statements	Parent Company Financial Statements
Performance materiality	60% (2021: 65%) of Group materiality	70% (2021: 70%) of parent Company materiality
Rationale for the benchmark applied	We determined performance materiality for the Group based on our assessment of the Group's and parent Company's overall control environment in the light of the number of control deficiencies identified during the current and previous audits (as detailed within the key audit matter above in section 5.1). Given the nature of the parent Company's operations as a holding company and the control environment is less complex, we considered that a reduction of performance materiality to 70% was sufficient.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £25,000 (2021: £36,250), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

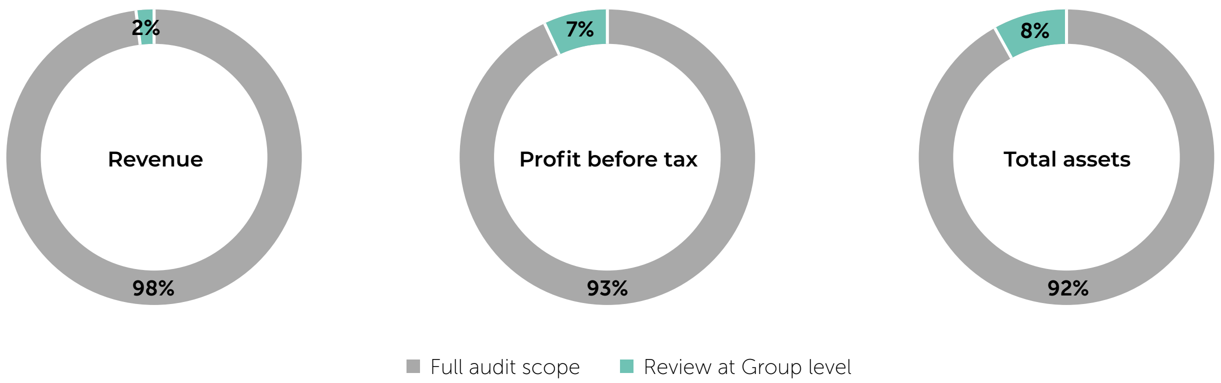
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at a Group level.

Based on that assessment we focussed our Group audit scope on the audit work at three components, which were subject to a full scope audit. This included the parent Company, and the three principal UK based trading businesses; RM Resources, RM Technology and RM Assessment. These account for 98% (2021: 98%) of the Group's revenues, 93% (2021: 95%) of profit before tax and 92% (2021: 92% of total assets).

Our audit work at these components was executed at levels of materiality applicable to each individual component, which were lower than Group materiality ranging from £150,000 to £210,000 (2021: £245,000 to £350,000).

All work was carried out by the Group engagement team for both the Group and component audits.

At the Group level, we also tested the consolidation process and carried out analytical procedures to re-confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to full scope audit.



7.2. Our consideration of the control environment

We identified the main finance systems as the key IT systems relevant to our audit, including the new D365 system implemented during the year as part of the Group's IT transformation programme. We worked with our IT audit specialists to evaluate the IT systems and determine whether they could be relied upon to support our audit. For all components we obtained an understanding of the relevant controls associated with the financial reporting process and in relation to significant accounting estimates. As a result of our findings (and the other control deficiencies mentioned in Section 5.1 above) we are unable to adopt a controls reliance audit approach, consistent with the prior year audit.

As described by in the Audit and Risk Committee Report on page 115, there continues to be a lack of formality and documentation in the Group's control environment, particularly in respect of models, journal entries and balance sheet reconciliations. In response, the Directors have implemented a controls remediation plan which has identified a significant number of areas for improvement. As this remediation plan is ongoing we extended the scope of our substantive audit procedures in response to the identified deficiencies. Further details are set out in the 'impact of control deficiencies' key audit matter in section 5.1 above.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impacts of climate change on Group's business and its Financial Statements. The Group has assessed the risk and opportunities relevant to climate change and has elevated the Environmental risk to a principal risk across the Group on page 39.

As a part of our audit procedures, we have held discussions with the Directors to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's Financial Statements. While the Directors have acknowledged that the transition and physical risks posed by climate change have the potential to impact the Group's current operations, they have assessed that there is no material impact arising from climate change on the judgements and estimates made in the Financial Statements as at 30 November 2022. We have performed our own qualitative risk assessment of the potential impact of the climate change on the Group's account balances and classes of transaction and did not identify any reasonably possible risks of material misstatement on specific account balances. Our procedures included reading disclosures included in the Strategic Report and Sustainability Report to consider whether they are materially consistent with the Financial Statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

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.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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.

10. 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.

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

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment (in particular the deficiencies we identified in this area, see 5.1 above) and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, internal audit, the Directors and the audit and risk committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, pensions, IT and forensic specialists regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- going concern;
- management estimates of variable consideration in revenue recognition for certain long-term contracts in the RM Assessment business;
- classification of adjusted items;
- completeness of liabilities;
- valuation of TUPE provisions;
- accounting for major capital programmes;
- carrying value of certain contract assets;
- impairment of parent Company investment in subsidiaries; and
- impairment of goodwill.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation and tax legislation in relevant jurisdictions.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified the following key audit matters related to the potential risk of fraud:

- going concern;
- management estimates of variable consideration in revenue recognition for certain long-term contracts in the RM Assessment business; and
- completeness of liabilities (which is included as part of the key audit matter in relation of the impact of control deficiencies in section 5.1).

The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management, the audit and risk committee and legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC;
- reviewing the disclosures in the Audit and Risk Committee Report on page 113 relating to relating to the new revenue stream and associated control failing;
- in addressing the risk of bias in the classification of adjusted items, we have challenged whether items presented as adjustments are classified in line with the accounting policy, whether disclosures comply with the FRC regulatory guidance, whether treatment of items of income and expense are appropriate and whether adjustments are adopted consistently between years;
- with regards to the valuation of TUPE provisions we challenged the Directors to explain the rationale for the provision recorded and assessed the appropriateness of the accounting treatment relating to the release of that provision in the current period;
- with regards to accounting for major capital programmes we have performed testing of a sample of transactions to determine whether it was appropriate to capitalise those items;
- with regards to the carrying value of certain contract assets we have tested evidential support to ensure assets are recoverable including obtaining third party confirmations and proof of payment post year end;
- with regards to the impairment of parent Company investment in subsidiaries and goodwill impairment the risk was focused on cash flow forecasts and discount rate used. We challenged the key assumptions within the Directors' forecasts as described in the going concern key audit matter in section 5.2, the level of disclosures provided in the Financial Statements and we worked with our valuation specialists to independently assess the discount rate used;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with 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.

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 any material misstatements in the strategic report or the Directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 78;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate, set out on page 82;
- the Directors' statement on fair, balanced and understandable, set out on page 146;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 34;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 115; and
- the section describing the work of the audit and risk committee, set out on page 108.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the audit and risk committee, we were appointed by the Board on 8 April 2021 to audit the Financial Statements for the year ending 30 November 2021 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years, covering the years ending 30 November 2021 to 30 November 2022.

15.2. Consistency of the audit report with the additional report to the audit and risk committee

Our audit opinion is consistent with the additional report to the audit and risk committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these Financial Statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Kate Hadley (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
29 March 2023

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 30 November 2022 Adjusted £000	Adjustments £000	Total £000	Year ended 30 November 2021 Restated Adjusted £000	Restated Adjustments £000	Restated Total £000
Continuing operation							
Revenue	3	**214,167**	**-**	**214,167**	206,149	-	206,149
Cost of sales		**(146,878)**	**-**	**(146,878)**	(138,771)	-	(138,771)
Gross profit		**67,289**	**-**	**67,289**	67,378	-	67,378
Operating expenses	5	**(58,956)**	**(26,833)**	**(85,789)**	(50,752)	(12,882)	(63,634)
Increase in allowance for receivables	20	**(850)**	**-**	**(850)**	(157)	-	(157)
Impairment losses	14	**-**	**(2,236)**	**(2,236)**	-	-	-
Profit/(loss) from operations		**7,483**	**(29,069)**	**(21,586)**	16,469	(12,882)	3,587
Finance income	8	**614**	**-**	**614**	28	-	28
Other income	8	**-**	**3,010**	**3,010**	-	1,399	1,399
Finance costs	9	**(2,825)**	**-**	**(2,825)**	(1,396)	-	(1,396)
Profit/(loss) before tax		**5,272**	**(26,059)**	**(20,787)**	15,101	(11,483)	3,618
Tax	10	**(1,760)**	**6,458**	**4,698**	(3,282)	1,858	(1,424)
Profit/(loss) from the year from continuing operation		**3,512**	**(19,601)**	**(16,089)**	11,819	(9,625)	2,194
Profit for the year from discontinuing operation	21	**1,590**	**-**	**1,590**	2,000	-	2,000
Profit/(loss) from the year		**5,102**	**(19,601)**	**(14,499)**	13,819	(9,625)	4,194
Earnings per ordinary share on continuing operations	11						
- basic		**4.2p**		**(19.3)p**	14.2p		2.6p
- diluted		**4.2p**		**(19.3)p**	14.0p		2.6p
Earnings per ordinary share on discontinuing operations	11						
- basic		**1.9p**		**1.9p**	2.4p		2.4p
- diluted		**1.9p**		**1.9p**	2.4p		2.4p
Earnings per ordinary share on total operations	11						
- basic		**6.1p**		**(17.4)p**	16.6p		5.0p
- diluted		**6.0p**		**(17.4)p**	16.4p		5.0p
Paid and proposed dividends per share	12						
- interim				**-**			1.70p
- final				**-**			3.00p

Throughout this statement, adjusted profit and EPS measures are stated after adjusting items which are identified by virtue of their size, nature and/or incidence. The treatment of adjusted items is applied consistently period on period and is consistent with the way that underlying trading performance is measured by management (see Note 6 for details). The restatement is detailed in Note 33.

The notes on pages 170 to 235 form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 30 November 2022 £000	Year ended 30 November 2021 £000
(Loss)/profit for the year		**(14,499)**	4,194
Items that will not be reclassified subsequently to profit or loss			
Defined benefit pension scheme remeasurements	26	**(12,157)**	44,860
Tax on items that will not be reclassified subsequently to profit or loss	10	**2,914**	(10,364)
Items that are or may be reclassified subsequently to profit or loss			
Fair value (loss)/gain on hedged instruments		**(440)**	242
Tax on items that are or may be reclassified subsequently to profit or loss	10	**11**	(45)
Exchange gain/(loss) on translation of overseas operations		**301**	(180)
Other comprehensive (expense)/income		**(9,371)**	34,513
Total comprehensive (expense)/income		**(23,870)**	38,707

The notes on pages 170 to 235 form an integral part of these Financial Statements.

CONSOLIDATED BALANCE SHEET

	Note	At 30 November 2022 £000	Restated* At 30 November 2021 £000	Restated* At 30 November 2020 £000
Non-current assets				
Goodwill	13	**49,401**	49,202	49,322
Intangible assets	14	**25,510**	26,088	20,870
Property, plant and equipment	15	**15,892**	16,217	8,423
Right-of-use asset	16	**16,364**	18,018	19,391
Defined benefit pension scheme surplus	26	**23,959**	35,037	665
Other receivables	20	**291**	82	63
Contract fulfilment assets	19	**1,713**	1,486	1,566
Deferred tax assets	10	**173**	156	5,333
		133,303	146,286	105,633
Current assets				
Inventories	18	**26,359**	19,055	18,594
Trade and other receivables	20	**36,203**	33,661	31,271
Contract fulfilment assets	19	**1,727**	1,360	728
Assets held for sale	21	**418**	3,034	4,793
Tax assets		**2,733**	3,665	2,633
Cash and cash equivalents		**1,911**	3,560	5,941
		69,351	64,335	63,960
Total assets		**202,654**	210,621	169,593
Current liabilities				
Trade and other payables	22	**(65,639)**	(61,695)	(61,817)
Tax liabilities		**-**	-	(163)
Provisions	24	**(2,142)**	(2,066)	(435)
Overdraft		**-**	(2,082)	(2,480)
Borrowings	23	**(48,728)**	-	-
Liabilities directly associated with assets classified as held for dale	21	**(2,082)**	-	-
		(118,591)	(65,843)	(64,895)
Net current (liabilities)/assets		**(49,240)**	(1,508)	(935)
Non-current liabilities				
Other payables	22	**(19,094)**	(21,072)	(20,987)
Provisions	24	**(666)**	(1,475)	(3,998)
Deferred tax liability	10	**(2,306)**	(10,830)	(3,339)
Defined benefit pension scheme obligation	26	**(1,354)**	(4,686)	(19,318)
Borrowings	23	**-**	(19,744)	(4,779)
		(23,420)	(57,807)	(52,421)
Total liabilities		**(142,011)**	(123,650)	(117,316)
Net assets		**60,643**	86,971	52,277
Equity attributable to shareholders				
Share capital	25	**1,917**	1,917	1,917
Share premium account		**27,080**	27,080	27,080
Own shares	27	**(444)**	(444)	(841)
Capital redemption reserve		**94**	94	94
Hedging reserve		**(263)**	177	(65)
Translation reserve		**(581)**	(882)	(702)
Retained earnings		**32,840**	59,029	24,794
Total equity		**60,643**	86,971	52,277

*The prior year has been restated - please refer to Note 33.

The notes on pages 170 to 235 form an integral part of these Financial Statements.
These Financial Statements of RM plc, registered number 01749877, were approved and authorised for issue by the Board of Directors on 28 March 2023.

On behalf of the Board of Directors
Mark Cook
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £000	Share premium £000	Own shares £000	Capital redemption reserve £000	Hedging reserve £000	Translation reserve £000	Retained earnings £000	Total £000
At 1 December 2020 - as restated		1,917	27,080	(841)	94	(65)	(702)	24,794	52,277
Profit for the year - restated		-	-	-	-	-	-	4,194	4,194
Other comprehensive income/(expense)		-	-	-	-	242	(180)	34,451	34,513
Total comprehensive income/(expense)		-	-	-	-	242	(180)	38,645	38,707
Transactions with owners of the Company:									
Share-based payment awards exercised		-	-	397	-	-	-	(397)	-
Share-based payment fair value charges	28	-	-	-	-	-	-	(100)	(100)
Ordinary dividends paid	11	-	-	-	-	-	-	(3,913)	(3,913)
At 1 December 2021 - restated		1,917	27,080	(444)	94	177	(882)	59,029	86,971
Loss for the year		**-**	**-**	**-**	**-**	**-**	**-**	**(14,499)**	**(14,499)**
Other comprehensive (expense)/income		**-**	**-**	**-**	**-**	**(440)**	**301**	**(9,232)**	**(9,371)**
Total comprehensive (expense)/income		**-**	**-**	**-**	**-**	**(440)**	**301**	**(23,731)**	**(23,870)**
Transactions with owners of the Company:									
Share-based payment fair value charges	28	**-**	**-**	**-**	**-**	**-**	**-**	**40**	**40**
Ordinary dividends paid	12	**-**	**-**	**-**	**-**	**-**	**-**	**(2,498)**	**(2,498)**
At 30 November 2022		**1,917**	**27,080**	**(444)**	**94**	**(263)**	**(581)**	**32,840**	**60,643**

The notes on pages 170 to 235 form an integral part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT

	Note	At 30 November 2022 £000	Restated At 30 November 2021 £000
(Loss)/profit before tax from continuing operations		**(20,787)**	3,618
Profit before tax from discontinuing operations		**1,590**	2,000
Proceeds on disposal of intangible licences		**(2,791)**	-
Gain on disposal of property		**(221)**	(1,399)
Finance income	8	**(612)**	(28)
Finance costs	9	**2,825**	1,396
(Loss)/profit from operations, including discontinued operations		**(19,996)**	5,587
Adjustments for:			
Amortisation and impairment of intangible assets	14	**4,354**	2,406
Depreciation and impairment of property, plant and equipment	15,16	**5,149**	4,281
Utilisation of contract fulfillment asset		**2,326**	1,446
Loss/(gain) on disposal of property, plant and equipment	5	**41**	(50)
(Gain)/loss on foreign exchange derivatives		**(204)**	64
Share-based payment charge/(credit)		**40**	(100)
Increase/(decrease) in provisions		**1,469**	(353)
Defined benefit pension scheme administration cost	26	**8**	52
Operating cash flows before movements in working capital		**(6,813)**	13,333
Increase in inventories		**(7,304)**	(460)
Increase in receivables		**(4,095)**	(2,318)
Increase in contract fulfilment assets		**(2,920)**	(1,999)
Movements in payables			
- increase in trade and other payables		**5,517**	1,177
- utilisation of provisions	24	**(1,514)**	(528)
Cash (used in)/generated from operations		**(17,129)**	9,205
Defined benefit pension scheme cash contributions	26	**(4,537)**	(4,450)
Tax credit/(paid)		**880**	(135)
Net cash (used in)/generated from operating activities		**(20,786)**	4,620
Investing activities			
Interest received		**3**	28
Proceeds on disposal of intangible licences		**2,791**	-
Proceeds on disposal of property, plant and equipment		**3,299**	3,214
Purchases of property, plant and equipment	15	**(1,575)**	(8,024)
Purchases of other intangible assets	14	**(3,627)**	(7,805)
Net cash generated by/(used in) investing activities		**891**	(12,587)
Financing activitites			
Dividends paid	12	**(2,498)**	(3,913)
Drawdown of borrowings	23	**73,000**	58,000
Repayment of borrowings	23	**(44,000)**	(43,000)
Borrowing facities arrangement and commitment fees		**(436)**	(497)
Interest paid		**(2,312)**	(675)
Payment of leasing liabilities		**(3,461)**	(3,889)
Net cash generated from financing activities		**20,293**	6,026
Net increase/(decrease) in cash and cash equivalents		**398**	(1,941)
Cash and cash equivalents at the beginning of the year		**1,478**	3,461
Effect of foreign exchange rate changes		**35**	(42)
Cash and cash equivalents at the end of the year		**1,911**	1,478
Bank overdraft		**-**	(2,082)
Cash at bank		**1,911**	3,560
Cash and cash equivalents at the end of the year		**1,911**	1,478

The restatement is detailed in Note 33. As detailed in Note 23, the borrowings represent a revolving credit facility with amounts drawn down and repaid throughout the year.

COMPANY BALANCE SHEET

	Note	At 30 November 2022 £000	At 30 November 2021 £000
Non-current assets			
Investments	17	**126,470**	126,430
Other receivables	20	**7,858**	7,263
Deferred tax asset	10	**1,576**	-
		135,904	133,693
Current assets			
Trade and other receivables	20	**115**	106
Tax assets		**-**	526
		115	632
Total assets		**136,019**	134,325
Current liabilities			
Accruals	22	**(93)**	(118)
Trade and other payables	22	**(27,297)**	(49,602)
Borrowings	23	**(48,728)**	-
		(76,118)	(49,720)
Net current liabilities		**(76,003)**	(49,088)
Non-current liabilities			
Borrowings	23	**-**	(19,744)
		-	(19,744)
Total liabilities		**(76,118)**	(69,464)
Net assets		**59,901**	64,861
Equity attributable to equity holders			
Share capital	25	**1,917**	1,917
Share premium account		**27,080**	27,080
Own shares	27	**(444)**	(444)
Capital redemption reserve		**94**	94
Retained earnings		**31,254**	36,214
Total equity		**59,901**	64,861

The notes on pages 170 to 235 form an integral part of these Financial Statements.

The Company has taken the exemption under s408 of the Companies Act 2006, not to produce an Income Statement. During the year the loss for the year was £2,502,000 (2021: £3,608,000 profit).

These Financial Statements of RM plc, registered number 01749877, were approved and authorised for issue by the Board of Directors on 28 March 2023.

On behalf of the Board of Directors
Mark Cook
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £000	Share premium £000	Own shares £000	Capital redemption reserve £000	Retained earnings £000	Total £000
At 1 December 2020		1,917	27,080	(841)	94	37,016	65,266
Profit for the year		-	-	-	-	3,608	3,608
Total comprehensive income		-	-	-	-	3,608	3,608
Transactions with owners of the Company:							
Share-based payment awards exercised		-	-	397	-	(397)	-
Share-based payment fair value charges	28	-	-	-	-	(100)	(100)
Ordinary dividends paid	11	-	-	-	-	(3,913)	(3,913)
At 30 November 2021		1,917	27,080	(444)	94	36,214	64,861
Loss for the year		**-**	**-**	**-**	**-**	**(2,502)**	**(2,502)**
Total comprehensive expense		**-**	**-**	**-**	**-**	**(2,502)**	**(2,502)**
Transactions with owners of the Company:							
Share-based payment fair value charges	28	**-**	**-**	**-**	**-**	**40**	**40**
Ordinary dividends paid	12	**-**	**-**	**-**	**-**	**(2,498)**	**(2,498)**
At 30 November 2022		**1,917**	**27,080**	**(444)**	**94**	**31,254**	**59,901**

The notes on pages 170 to 235 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

RM plc ('Company') is incorporated in England and Wales and listed on the London Stock Exchange. It is the parent Company of a group of companies ('Group') whose business activities and financial position, together with the factors likely to affect its future development, performance and position, and risk management policies are presented in the Strategic Report and the Directors' Report. The registered address is: 142B Park Drive, Milton Park, Abingdon, Oxfordshire OX14 4SE.

Consolidated Income Statement presentation

The Directors assess the performance of the Group using an adjusted operating profit and profit before tax. The policy for the use of Alternative Performance Measures is explained in Note 2 with further details provided in Note 6.

2. Significant accounting policies

The accounting policies are drawn up in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

These accounting policies have been consistently applied to the years presented.

The Financial Statements are prepared on a going concern basis. The Directors' reasons for continuing to adopt this basis are set out in the Going Concern section of the Strategic Report and below.

Basis of preparation

The Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. They are prepared on a historical cost basis except for certain financial instruments, share-based payments and pension assets and liabilities which are measured at fair value. In addition, assets held for sale are stated at the lower of previous carrying amount and the fair value less costs to sell. The preparation of Financial Statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The Company has applied FRS 101 issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015, and the amendments to company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015. In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

The Company produces consolidated Financial Statements which are prepared in accordance with International Financial Reporting Standards. As the consolidated Financial Statements of the Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of Group settled share based payments; and
- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided.

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account or Statement of Comprehensive Income for the year. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

New accounting standards in issue but not yet effective

At the date of authorisation of these Financial Statements, the Group has not applied the following new and revised IFRs Standards that have been issued but are not yet effective:

- Annual Improvements 2018–2020 cycle
- Amendments to IAS 37: Costs of fulfilling an onerous contract
- Amendments to IAS 16: Property, plant and equipment
- Amendment to IFRS 3: Business Combinations
- Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies
- Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction
- IFRS 17: Insurance Contracts
- Amendments to IAS 1 – Classification of liabilities as Current or Non-Current
- Amendments to IFRS 16 – Lease liability in a Sale and Leaseback

The application of these new standards and amendments is not expected to have a material impact on the Group.

Going concern

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

The Directors have prepared cash flow forecasts for the period to the end of May 2024 which indicate that taking into account reasonably plausible downsides as discussed below, the Company has sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of this report.

In assessing the going concern position the Directors have considered the balance sheet position as included on page 164 and the level of available finance not drawn down.

At 30 November 2022, the Group had adjusted net debt of £46.8m (November 2021: £18.3m) and drawn facilities of £49.0m (November 2021: £20m). RM Group has a £70m (2021: £70m) committed bank facility ("the facility") at the date of this report and the details of an extension and amendment to the facility are included in the Treasury Management section on page 76. Further details are set out in Note 31. Liquidity headroom at 30 November 2022 was £23.2m (2021: £47.9m). Average adjusted net debt over the year to 30 November 2022 was £46.8m (2021: £15.8m) with a maximum borrowings position of £64.1m (2021: £29.7m). The drawn facilities are expected to fluctuate over the period considered for going concern and are not anticipated to be fully repaid in this period.

Since the year-end, the Group has secured an agreement with Lenders, which extends the existing £70m facility to July 2025. This agreement provides lenders a fixed and floating charge over the shares of all obligor companies (except for RM plc) and has reset the covenants under the facility. For going concern purposes the board have assessed performance against the following covenants:

- a quarterly LTM EBITDA (post IFRS16) covenant test from May 2023 to November 2024
- a 'hard' liquidity covenant test requiring the Company to have liquidity greater than £7.5 million on the last business day of the month and liquidity not be below £7.5 million at the end of two consecutive weeks within a month. As outlined in the Treasury Management section of the CFO report, this covenant test is conditional on the sale of the RM Integris and RM Finance businesses.

The Chief Financial Officer's statement outlines the performance of the Group in the year to 30 November 2022. This statement highlights the material impact of the IT implementation in the Consortium brand of RM Resources, where the disruption materially reduced revenues and elevated costs in what was already a challenging market backdrop of inflationary pressures on school budgets. The Assessment Division benefited from the first full UK exam series since 2019 and expanded customer numbers and volumes and the remainder of the RM Resources Division delivered a strong performance with TTS UK revenues growing 10% and International revenues 40%. Despite the reduction in operating cash flows caused by the IT implementation disruption the Group generated £7.4m of adjusted operating cash in the year.

However, the resulting impact was a materially reduced operating performance versus 2021, with the Group making an operating loss for the year and reporting a significant elevation of the net debt position.

For going concern purposes, the Group has assessed a base case scenario that assumes no significant downturn in UK or International markets from that experienced in the year to 30 November 2022 and assumes a broadly similar macroeconomic environment to that currently being experienced.

The base case reflects shareholders voting in favour of the sale of the RM Integris and RM Finance businesses from the RM Technology Division. The net proceeds of the Sale, when received, will provide the Group with additional liquidity to strengthen the Continuing Group's balance sheet and reduce indebtedness as well as support the Group's strategy to build a more focused, sustainable business for the long term.

As discussed in detail within this report the IT implementation in the Consortium brand significantly impacted the performance of the Group in 2022. The base case reflects the finalisation of this project within the Consortium brand in time for schools peak buying season. There are no further IT program implementations included in the base case in the outlook period.

Revenue growth in the base case is driven from four key areas:

- Reduced Consortium disruption in 2023 following finalisation of the IT implementation, although volumes in the three-year budget period are not expected to return to 2019 levels.
- New contract wins in RM Assessment and RM Technology and increased hardware and infrastructure revenues in RM Technology associated with the UK government's three-year Connect the Classroom program for which they have provided £150m in funding.
- International volume growth in the RM Resources business, although this is modelled below that seen in 2022.

Overall margins in the base budget are flat from 2022 to 2023 and a marginal increase in 2024. The increase in FY24 is largely the result of revenue growth, revenue mix and some underlying service delivery improvements.

Adjusted net debt reduces materially within the assessment period which is largely the result of £8.5m of IPv4 address sales (which have already occurred) and the proceeds from the sale of the RM Integris and RM Finance businesses. The base budget includes investment required to maintain the existing customer base and enable the growth modelled and does not include the payment of dividends.

There are working capital initiatives built into the underlying budget, which are focussed on aligning to the pre COVID and pre-IT implementation run rate positions rather than seeking to go further. There is no further management of working capital modelled within the base case.

Under the base case, taking account of available facilities and existing cash resources and the net proceeds of the Sale, the working capital available to the Continuing Group is sufficient to meet its liabilities as they fall due for at least 12 months from the date of this report.

If the Sale were not to proceed and the Group's results over the relevant period continue to be in line with the Company's current expectations, it is not expected to be in breach of the financial covenants contained in its financing documents and would have sufficient liquidity headroom at all times within the 12-month period.

In connection with the Sale and as part of the Group's business planning process, the Board has closely monitored the Group's financial forecasts, key uncertainties, and sensitivities. As part of this exercise, the Board has reviewed a number of scenarios, including a base case and reasonable worst case downside scenario, both where the Sale does proceed and where the Sale does not proceed. This scenario includes:

RM Resources

- School budgets are more challenged than expected and schools focus on essentials leading to a 10% reduction in TTS brand volumes in 2023 and 2024 taking them below 2022 in both years. Consortium brand revenues are also decreased by 10% in 2024.
- IT system implementation timelines are extended reducing revenues by c.20% in the Consortium brand through the peak period in 2023 taking them below 2022 levels.
- International volume growth is materially below that seen in 2022, with expected growth reduced by one half.
- Consortium overdue receivables remain elevated until the half year 2023 and the business experiences a higher volume of returns than is usual for the business resulting from the IT implementation challenges. This scenario results in a c.£4m reduction in liquidity headroom.

RM Technology

- Removal of revenue growth in the RM Technology business reflecting a more challenging market environment related to new hardware and infrastructure wins. This results in a c9% reduction in 2023 revenues and c7% in 2024, resulting in 2023 revenues being below those in 2022.

RM Assessment

- Pipeline delays and reduced conversion in the RM Assessment Division reduces new business revenues by c90% in 2023 and c80% in 2024. This reduces revenue growth in the base case down to contracted positions.

Central Corporate

- Central efficiency targets are not achieved in 2023 or 2024 which increase central costs in 2023 to be 15% above 2022 and in line with 2022 in 2024.

Other

- The £4m contingent portion of the proceeds from the sale of the RM Integris and RM Finance businesses is not received.
- Central bank interest rates are maintained above 4% for the entire assessment review period

While the Board believes that all reasonable worst case downside scenarios occurring together is highly unlikely, under these combined scenarios and shareholders voting in favour of the sale of the RM Integris and RM Finance businesses, the Group would continue to have reasonable headroom against the Facility and comply with covenants.

Were the Sale not to proceed for any reason and the Group performed in line with its reasonable worst case downside scenarios the Group would have sufficient, but limited, liquidity headroom, and the covenants would not be breached in the 12 months following the date of this report.

The Board's assessment of the likelihood of a further downside scenario is remote, particularly with the positive progress on finalising the IT Implementation in Consortium at the date of this report. The Board has reviewed the downside scenario which would result in liquidity and covenant breaches outlined below.

In addition to the reasonable worst-case scenario the board have performed a reverse stress test and in that scenario the first covenant that would breach would be the liquidity covenant in September 2023 in the circumstance that the sale were not to proceed and the RM resources revenue for that period were to reduce by a further 9% from the reasonable worst case scenario. The board consider the possibility of this scenario occurring to be highly remote.

The Board has also considered a number of mitigating actions which could be enacted, if necessary, to ensure that reasonable headroom against the facility is maintained in all cases and the Group complies with covenants. These mitigating actions are expected to have little to no implications to the ongoing business and include (but are not limited to) reducing un-committed spend, delaying recruitment and executing further IPv4 sales.

Therefore, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of these Financial Statements, having considered both the availability of financial facilities and the forecast liquidity and expected future covenant compliance. For this reason, the Company continues to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Alternative Performance Measures (APMs)

In response to the Guidelines on APMs issued by the European Securities and Markets Authority (ESMA) and the Financial Reporting Council (FRC), additional information on the APMs used by the Group is provided below.

The following APMs are used by the Group:

- Adjusted operating profit
- Adjusted operating margin
- Adjusted profit before tax
- Adjusted tax
- Adjusted profit after tax
- Adjusted earnings per share
- Adjusted diluted earnings per share
- Adjusted cash conversion
- EBITDA
- Adjusted net debt
- Average adjusted net debt

Further explanation of what each APM comprises and reconciliations between Statutory reported measures and adjusted measures are shown in Note 6.

The Board believes that presentation of the Group results in this way is relevant to an understanding of the Group's financial performance (and that of each segment). Underlying performance excludes adjusted items which are identified by virtue of their size, nature and/or incidence. The treatment of adjusted items is applied consistently period on period. This presentation is consistent with the way that financial performance is measured by management, reported to the Board, the basis of financial measures for senior management's compensation schemes and assists in providing supplementary information that assists the user to understand the underlying financial performance, position and trends of the Group.

The APMs used by the Group are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures. All APMs relate to the current year results and comparative periods where provide.

Consolidation

The Group Financial Statements incorporate the Financial Statements of the Company and all its subsidiaries for the periods during which they were members of the Group.

Inter-company balances and transactions between Group companies are eliminated on consolidation. On acquisition, assets and liabilities of subsidiaries are measured at their fair values at the date of acquisition with any excess of the cost of acquisition over this value being capitalised as goodwill.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The Financial Statements of subsidiaries are included in the consolidated Financial Statements from the date that control commences until the date that control ceases.

Investment in subsidiaries

In the Company accounts, investments in subsidiaries are stated at cost less any provision for impairment where appropriate.

Business combinations

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; less.
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

For acquisitions before 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition period.

Revenue

The Group operates a number of diverse businesses and accordingly applies a variety of methods for revenue recognition, based on the principles set out in IFRS15. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

RM Resources provides educational supplies and curriculum products for schools and nurseries and revenues are recognised when products are delivered to our customers i.e. point-in-time basis for each product delivered.

RM Technology provides software, services and technology to UK schools and colleges. Hardware, right-to-use licences and related installation revenues are recognised on delivery to our customers at a point in time. Provision of services and right-to-access software are recognised over time.

RM Assessment provides digital assessment solutions that support lifelong learning. Revenues are recognised over-time based on the delivery of performance obligations. In certain contracts there are judgments in determining the basis of revenue recognition particularly for long-term and complex contracts.

RM Assessment revenue judgements:

In respect of certain contracts in the RM Assessment Division management is required to form several judgements and assumptions. These include determining the amount of revenue and profits to record, and related balance sheet items (such as contract fulfilment assets, trade receivables, accrued income and deferred income) to recognise in the period. Judgements and assumptions include:

- The identification of performance obligations included within the contract
- The allocation of revenue to performance obligations including the impact of variable consideration
- The combination of goods and services into a single performance obligation
- The measurement of progress for performance obligations satisfied over time
- The consideration of onerous contract conditions and associated loss provisions

The impact on revenue recognition of these judgements and assumptions is set out below.

The most significant judgements relate to contracts with multiple performance obligations and where there is a variable transaction price based on the number of exam scripts. There is significant estimation uncertainty in some contracts relating to the estimate of scanning and script volumes over the contract. There is also judgement in the determination, that the provision of technology is a right-to-access arrangement and therefore should be recognised over time, and the basis on which the transaction price is allocated to separate performance obligations. These are explained in key sources of estimation uncertainty and key sources of critical accounting judgements below.

Basis of revenue recognition

Revenue is recognised either when the performance obligation in the contract has been performed (so "point in time" recognition or "over time" as control of the performance obligation is transferred to the customer). For all contracts, the Group determines if the arrangement with a customer creates enforceable rights and obligations.

For contracts with multiple components to be delivered, management applies judgement to consider whether these promised goods or services are; (i) distinct – to be accounted for as separate performance obligations; (ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or (iii) part of a series of goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the present contract. This includes an assessment of any variable consideration where the performance obligation is satisfied over time. Such amounts are only included based on the expected value or the most likely outcome method, and only to the extent it is highly probable that no revenue reversal will occur.

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

Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when those performance obligations are satisfied. In our RM Assessment Division the Group may sell customer bespoke solutions, and in these cases the Group typically uses the expected cost plus margin or a contractually stated price approach (if set out by performance obligation in the contract) to estimate the stand-alone selling price of each performance obligation. Any remaining performance obligations for which the stand-alone selling price is highly variable or uncertain, due to not having previously been sold on a stand-alone basis, is allocated applying the residual approach.

For each performance obligation, the Group determines if revenue will be recognised over time or at a point in time. Where the Group recognises revenue over time for long-term contracts, this is generally due to the Group performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract.

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

When using the output method the Group recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to the date relative to the remaining goods and services under the contract. Where the output method is used, where the series guidance is applied (see below for further details), the Group often uses a method of time elapsed which requires minimal estimation. Certain long-term contracts use output method based on estimation of number of scripts, or level of service activity. There is variable consideration relating to the number of scripts.

There is judgment in determining whether a contract has onerous conditions. When identified the expected loss is provided for at the time identified.

Revenue: Transactional (point-in-time) contracts

The Group delivers goods and services in RM Technology and RM Resources that are transactional services for which revenue is recognised at the point in time when the control of the goods or services has transferred to the customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

The nature of contracts or performance obligations categorised within this revenue type includes: (i) provision of curriculum and educational resources for schools and nurseries; (ii) provision of IT hardware goods and (iii) installation of IT hardware goods.

Revenue: Over-time contracts

The Group delivers services in RM Technology and RM Assessment Divisions under customer contracts with variable duration. The nature of contracts and performance obligations categorised within this revenue type is diverse and includes: (i) outsourced service arrangements in the public and private sectors; and (ii) right-to-access licences (see below).

The Group considers that the services provided meet the definition of a series of distinct goods and services as they are: (i) substantially the same; (ii) have the same pattern of transfer (as the series constitutes services provided in distinct time increments (e.g. daily, monthly, quarterly, exam session, or annual service)) and therefore treats the series as one performance obligation. Even if the underlying activities performed by the Group to satisfy a promise vary significantly throughout the day and on a day by day basis, that fact, by itself, does not mean the distinct goods or services are not substantially the same. For the majority of the over-time contracts with customers are in this category, the Group recognises revenues using the output method as it best reflects the nature in which the Group is transferring control of the goods or services to the customer.

Right-to-access licences are those where the Group has a continuing involvement after the sale or transfer of control to the customer, which significantly affects the intellectual property to which the customer has rights. The Group is responsible for maintenance, continuing support, updates and upgrades and accordingly the sale of the initial software is not distinct. The Group's accounting policy for licences is discussed in more detail below.

Revenue: Licenses

Software licences delivered by the Group can be either "right to access" or "right to use" licences. Right-to-access licences require continuous upgrade and updates for the software to remain useful, all other licences are treated as right-to-use licences. The assessment of whether a licence is a right-to-access licence or a right-to-use licence involves judgement. The key determinant of whether a licence is a right-to-access licence is whether the Group is required to undertake activities that significantly affect the licence intellectual property (or the customer has a reasonable expectation that it will do so) and the customer is, therefore exposed to positive or negative impacts resulting from those changes.

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

Revenue: Contract modifications

The Group's over-time contracts are often amended for changes in contract specifications and requirements. Contract modifications exist when the amendment either creates new or changes the existing enforceable rights and obligations. Material modifications are predominantly extension to contract and in the current year also relate to cancellation of exam sessions. The Group considers whether each contract modification is part of the original contract or is a separate contract and allocates the transaction price accordingly.

Revenue: Contract fulfilment costs

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

When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those other standards preclude capitalisation of a particular cost, then the asset is recognised under IFRS15.

If other standards are not applicable to contract fulfilment costs, the Group applies the following criteria which, if met, result in capitalisation: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular at which point the capitalisation ceases and the performance obligation begins.

Revenue: Amortisation, de-recognition and impairment of contract fulfilment assets

The Group amortises contract fulfilment assets to cost of sales over the expected contract period using a systematic basis that mirrors the pattern in which the Group transfers control of the service to the customer. The amortisation charge is included within cost of sales.

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

Management is required to determine the recoverability of contract related assets within property, plant and equipment, intangible assets as well as contract fulfilment assets, accrued income and trade receivables. At each reporting date, the Group determines whether or not the contract fulfilment assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Revenue: Deferred and accrued income

The Group's customer contracts include a diverse range of payment schedules dependent upon the nature and type of goods and services being provided. The Group often agrees payment schedules at the inception of long-term contracts under which it receives payments throughout the term of the contracts. These payment schedules may include progress payments as well as regular monthly or quarterly payments for ongoing service delivery. Payments for transactional goods or services may be at delivery date, in arrears or part payment in advance. There are no material financing arrangements.

Where payments made are greater than the revenue recognised at the period end date, the Group recognises a deferred income contract liability for this difference. Where payments made are less than the revenue recognised at the period end date, the Group recognises an accrued income contract asset for this difference. Where accrued income and deferred income exist on the same contract these balances are shown net.

Intangible assets

All intangible assets, except goodwill, are stated at cost less accumulated amortisation and any accumulated impairment losses.

Goodwill

Goodwill represents the amount by which the fair value of the cost of a business combination exceeds the fair value of net assets acquired. Goodwill is not amortised and is stated at cost less any accumulated impairment losses.

The recoverable amount of goodwill is tested for impairment annually or when events or changes in circumstance indicate that it might be impaired. Impairment charges are deducted from the carrying value and recognised immediately in profit or loss. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Research and development costs

Research and development costs associated with the development of software products or enhancements and their related intellectual property rights are expensed as incurred until all of the following criteria can be demonstrated, in which case they are capitalised as an intangible asset:

a. the technical feasibility of completing the intangible asset so that it will be available for use or sale; and
b. an intention to complete the intangible asset and use or sell it; and
c. ability to use or sell the intangible asset; and
d. how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; and
e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
f. an ability to measure reliably the expenditure attributable to the intangible asset during its development; and
g. the Group has the ability to control the asset and it is separately identifiable. Configuration costs of development activity on a third-party SaaS solution are not deemed to be controlled by the Group unless we have the contractual rights to control that software. Any configuration activity provided by the SaaS supplier is expensed as incurred. Customisation costs of development activity on a third party SaaS solution will only be capitalised where we have a contractual right to control the asset and it is separately identifiable. Any customisation activity provided by the SaaS supplier is expensed as incurred. In the majority of instances where configuration or customisation on a third party SaaS solution is performed, the development work does not meet the criteria of ability to control the asset nor is it separately identifiable, so is expensed.

The technological feasibility for the Group's software products is assessed on an individual basis and is generally reached shortly before the products or services are released, and late in the development cycle. Capitalised development costs are amortised on a straight-line basis over their useful lives, once the product is available for use. Useful lives are assessed on a project-by-project basis.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the Income Statement as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Brand	15 years
Website platform	5 years
Other software assets	2 – 8 years
Customer relationships	3 – 5 years
Intellectual property and database assets	3 – 10 years

Property, plant and equipment

Property, plant and equipment assets are stated at cost, less accumulated depreciation and any accumulated impairment losses where appropriate.

Property, plant and equipment are depreciated by equal annual instalments to write down the assets to their estimated disposal value at the end of their useful lives as follows:

Freehold property	Up to 50 years
Leasehold building improvements	Up to 25 years
Plant and equipment	3 – 10 years
Specialised plant and equipment	7 – 15 years
Computer equipment	2 – 5 years
Vehicles	2 – 4 years

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately.

Held-for-sale asset

Held-for-sale assets are stated at the lower of cost less accumulated depreciation and any impairment losses where appropriate or fair value less costs to sell.

Assets are classified as held for sale, detailed in Note 21, if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Held-for-sale liabilities

Held-for-sale liabilities are recognised initially at fair value and subsequent to initial recognition that fair value is remeasured at each balance sheet date.

Financial instruments

Trade and other receivables

Trade and other receivables are not interest bearing, except those specifically detailed in Note 20. Trade and other receivables are recognised initially at fair value and subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

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

Accrued income is recognised when services are performed and revenue recognised in advance of an invoice being raised.

Cash and cash equivalents

Cash comprises cash at bank and in hand and deposits with a maturity of three months or less from initial investment. Bank overdrafts are included in cash only to the extent that the Group has the unconditional right of set-off and intention to net settle or realise simultaneously. Cash and cash equivalents in the Cash Flow Statement include overdrafts where they form an integral part of the Group's cash management.

Borrowings

Borrowings relate to an unsecured revolving cash facility, detailed in Note 31. All loans and borrowings are initially recognised at their fair value less any directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Trade and other payables

Trade payables on normal terms are not interest bearing. Trade and other payables are recognised initially at fair value and subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency exposure.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below. Fair value measurements are classified using a fair value hierarchy.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all hedging of forecast financial transactions, the associated cumulative gain or loss is removed from equity and recognised in the Income Statement in the same period or periods during which the hedged expected future cash flows affect profit or loss. When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the Income Statement immediately.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

Inventories

Finished goods are valued at cost on a first in first out basis, including appropriate labour costs and other overheads. Stocks are recognised when the Group has the rights and obligations of ownership, which in the case of supply from the Far East may be from the point of production or the point of shipment. All inventories are reduced to net realisable value where lower than cost. Provision is made for obsolete, slow moving and defective items where appropriate.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Pension provisions related to customer contracts

IIncluded within contract risk provisions are provisions relating to potential IAS19 liabilities from local government pension schemes. When RM is awarded certain customer contracts, employees transfer to RM under TUPE provisions and as part of that process RM is admitted as a participating employer into Local Government Pension Schemes ("LGPS"). As set out in Note 26, at 30 November 2022 we were a participating employer in 15 LGPS schemes each having between 1-4 current employees. Some of these participating Schemes have a customer contractual guarantee whereby RM reimburses for any IAS19 deficit when RM ceases to be a participating employer. As a participant in a multi-employer defined benefit pension scheme the Group estimates the position on an IAS 19 basis by using the most recent triennial valuation but with appropriate and up-to-date actuarial inputs (such as discount rate, CPI/RPI movements), scheduled contributions and asset movements. In the absence of available information, and given the disproportionate volume of information that may be required, the liability is recorded as an IAS 37 provision without the IAS 19 disclosure requirements being fulfilled. The balance was not material in the prior year and due to the schemes being in an estimated surplus position is nil at 30 November 2022.

Due to the impractical nature of obtaining full IAS19 information, together with a misleading excess of information, the Group maintains an IAS37 provision that approximates an IAS19 liability that uses market available inputs (such as discount rate, CPI/RPI movements), internal information (such as employee related data) but not IAS19 inputs such as scheme asset and liability movements, mortality assumptions that relate to participating employees.

Dilapidations provision

A dilapidations provision is recognised when the Group has an obligation to rectify, repair or reinstate a leased premises to a certain condition in accordance with the lease agreement. The provision is measured at the present value of the estimated cost of rectifying, repairing or reinstating the leased premises at a specified future date.

Leases

At the inception of the lease, the Group recognises a right-of-use asset at cost, which comprises the present value of minimum lease payments determined at the inception of the lease. Right-of-use assets are depreciated using the straight-line method over the shorter of estimated life or the lease term. Depreciation is included within administrative expenses in the Consolidated Income Statement. Amendment to lease terms resulting in a change in payments or the length of the lease results in an adjustment to the right-of-use asset and liability. Right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be fully recoverable. Right-of-use assets (excluding property leases) exclude leases with a low value and term of 12 months or less. These leases are expensed to the Income Statement as incurred on a straight-line basis.

Where a right-of-use property lease is not fully operational but is an asset under construction, the depreciation on the asset that relates to the non-operational period is recapitalised as a leasehold improvement within property, plant and equipment.

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

Interest is recognised on the lease liability, resulting in higher finance cost in the earlier years of the lease term. On initial recognition, lease liabilities are recorded at the present value of lease payments, which include:

- fixed lease payments;
- variable payments that depend on an index or rate, initially measured using the commencement date index or rate;
- any amounts expected to be payable under residual guarantees.

The interest rate implicit in the lease is used to discount lease payments, or, if that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Share-based payments

The Group operates a number of executive and employee share schemes. For all grants of share-based payments, the fair value as at the date of grant is calculated using a pricing model and the corresponding expense is recognised over the vesting period. Where the vesting period is shortened after the date of grant, the remaining expense is recognised over the shortened vesting period. Over the vesting period and at vesting the cumulative expense is adjusted to take into account the number of awards expected to or actually vesting as a result of survivorship and where this reflects non-market-based performance conditions. Share-based payment charges which are incurred by a subsidiary undertaking are included as an increase in Investments in subsidiary undertakings within the parent Company, and a capital contribution in the subsidiary.

Employee benefits

The Group has both defined benefit and defined contribution pension schemes. There are three defined benefit pension schemes, the Research Machines plc 1988 Pension Scheme (the "RM Scheme") and, following the acquisition of The Consortium in June 2017, The Consortium CARE Scheme (the "CARE Scheme") and the Platinum Scheme. The RM Scheme and the CARE Scheme are both operated for employees and former employees of the Group only. The Platinum Scheme is a multi-employer scheme, with The Consortium being just one of a number of employers. The number of the Group's former employees in that Scheme is small and so the impact/risk to the Group from that Scheme is limited.

For all defined benefit pension schemes, based on the advice of a qualified independent actuary at each balance sheet date and using the projected unit method, the administrative expenses and current service costs are charged to operating profit, with the interest cost, net of interest on scheme assets, reported as a financing item.

Defined benefit pension scheme remeasurements are recognised as a component of Other Comprehensive Income such that the balance sheet reflects the scheme's surplus or deficit as at the balance sheet date. Contributions to defined contribution plans are charged to operating profit as they become payable.

Scheme assets are measured at bid-price, where available, at 30 November 2022. The present value of the defined benefit obligation was measured using the projected unit method.

Under the guidance of IFRIC 14, the Group are able to recognise a pension surplus on the balance sheet for all three schemes. In the year the Platinum and RM schemes show a surplus and the CARE scheme is in deficit.

Employee Share Trust

The Employee Share Trust, which holds ordinary shares of the Company in connection with certain share schemes, is consolidated into the Financial Statements. Any consideration paid to the Trust for the purchase of the Company's own shares is shown as a movement in shareholders' equity. The Employee Share Trust is treated as a branch in the consolidated Financial Statements.

Own Shares Held

The "Own Shares Reserve" figure is calculated based on the number of shares held by the Employee Share Trust ("EST") as at 30 November 2022 (being 618,796 shares) multiplied by the weighted average cost of those shares.

Translation reserve

The translation reserve comprises all foreign exchange differences from the translation of the Financial Statements of foreign operations. This is not distributable.

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. Only realised gains and total losses are distributable.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences except in respect of investments in subsidiaries where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax balances are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis.

Deferred tax is measured on an undiscounted basis, and at the tax rates that are expected to apply in the periods in which the asset or liability is settled. It is recognised in the Income Statement except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and when the Group intends to settle its current tax assets and liabilities on a net basis.

Foreign currencies

The Group presents its Financial Statements in Sterling because this is the currency in its primary operating environment. Balance sheet items of subsidiary undertakings whose functional currency is not Sterling are translated into Sterling at the period-end rates of exchange. Income statement items and the cash flows of subsidiary undertakings are translated at the average rates for the period. Exchange differences on the translation of subsidiary opening net assets at closing rates of exchange and the differences arising between the translation of profits at average and closing exchange rates are recorded as movements in the currency translation reserve.

Transactions denominated in foreign currencies are translated into Sterling at rates prevailing at the dates of the individual transactions. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the balance sheet date. Exchange gains and losses arising are charged or credited to the Income Statement within operating costs. Foreign currency non-monetary amounts are translated at rates prevailing at the time of establishing the fair value of the asset or liability.

The functional currency of the parent Company, RM plc, is Sterling.

Dividends

Dividends are recognised as a liability in the period in which the shareholders' right to receive payment has been established.

Key sources of estimation uncertainty

In applying the Group's accounting policies the Directors are required to make estimates and assumptions. Actual results may differ from these estimates. The Group's key risks are set out in the Strategic Report and give rise to the following estimations which are disclosed within the relevant note to the Report and Accounts:

- Retirement benefit scheme valuation – The key estimation sensitivities are the discount rate applied to pension liabilities RPI/CPI and mortality. As disclosed in Note 26, a 0.1% movement in discount rate has a c.£3.6m impact on the net surplus, a 0.1% movement in RPI has a c.£3m impact and a 1 year average life extension has a c. £6.5m impact. A 0.1% sensitivity is disclosed as it is easily understood and can be scaled relatively linearly.
- Revenue from RM Assessment contracts which contain variable revenues based on the number of exam scripts – There is estimation relating to estimate of total script volumes to determine the transaction price over the life of the contract. This estimation was reassessed at 30 November 2022 in light of the first year materially unaffected by COVID-19 since 2019, the Group have updated these volumes using a combination of customer forecast data and the volume levels seen in 2022. The Group assumes that script volumes in 2023 will be broadly in line to those experienced in 2022.
    - The sensitivity analysis related to future script volumes show that if UK and International exams increased or reduced 15% against our assumed volumes from 2023 onwards, then revenue in 2022 would be increased or reduced by c.£0.7m.
- Trade receivables are stated at their estimated recoverable amount. The Group uses the practical expedient of measuring impairment using a provision matrix which is estimated to be consistent with applying a full credit loss model. There is estimation in determining the provision matrix particularly within the Resources Division which has been impacted by the IT implementation and as a result has been unable to undertake normal credit control procedures such as statements and dunning letters for a period. A 10% increase in expected loss on receivables due to Consortium brand at year end would increase the allowance for receivables by £890,000.
- For the impairment review management has estimated the future cash flows of the Group based on the approved three year budget plan. Management views the key source of estimation uncertainty to relate to the performance of the Resources Division where an 15% reduction in cash flows would lead to a £1.1m impairment (see Note 13).

Critical accounting judgements

In applying the Group's accounting policies the Directors are required to make judgements and assumptions, actual results may differ from these. The Group's key risks are set out in the Strategic Report and give rise to the following judgements which are disclosed within the relevant note to the Report and Accounts:

- Revenue from RM Assessment contracts – A number of judgements are made in the application of IFRS 15 Revenue from contracts with customers to certain RM Assessment contracts. The most significant judgements relate to contracts with multiple performance obligations and where there is a variable transaction price based on the number of exam scripts. In these contracts there is judgement in the determination that the provision of technology is a right-to-access arrangement and therefore should be recognised over time. The factors considered in making this judgement were the nature of services provided, including hosting, ongoing maintenance and system support. Judgement is also required to allocate the transaction price to each performance obligation, based on an estimation of the standalone selling price for scanning and the use of the residual method to determine a value for the provision of technology and support services.
- Revenue from RM Technology contracts – A number of judgements are made in the application of IFRS 15 Revenue from contracts with customers to certain RM Technology contracts. The most significant judgement relates to the determination that the provision of technology is a right-to-access arrangement and therefore should be recognised over time. The factors considered in making this judgement were the nature of services provided, i.e., licensed on a subscription basis, being centrally hosted and the customer is unable to take possession of the software.
- Classification of adjusting items – A number of judgements are made in the preparation of the Annual Report and Accounts, in the presentation of both certain costs and income as adjustments. The factors considered in making this judgement are the size or nature of the adjustment and their impact on the segment. These are fully set out in Note 6.
- Classification of income related to IPv4 addresses - IPv4 addresses that relate to designated stock are recognised as revenues (£1.3m) but those relating to assets originally intended for use within our Technology business (£2.8m) are other income. The assets originally designated as intangible are considered to be material to the the underlying performance of the segment and have been treated as an adjustment.
- Going concern - in concluding the going concern assessment without material uncertainties was appropriate, the Directors have made a number of significant judgements as detailed in Note 2.

3. Revenue

Year ended 30 November 2022	RM Resources Transactional £000	RM Technology Transactional £000	RM Technology Over Time £000	RM Assessment Over Time £000	Total £000
Supply of products	**114,357**	**17,108**	**-**	**-**	**131,465**
Rendering services	**9**	**2,519**	**30,357**	**37,979**	**70,864**
Licences	**-**	**5,298**	**5,579**	**961**	**11,838**
	114,366	**24,925**	**35,936**	**38,940**	**214,167**

Year ended 30 November 2021	RM Resources Transactional £000	RM Technology Transactional £000	RM Technology Over Time £000	RM Assessment Over Time £000	Restated Total £000
Supply of products	114,352	14,755	-	-	129,107
Rendering services	70	1,526	33,302	30,780	65,678
Licences	-	5,930	4,344	1,090	11,364
	114,422	**22,211**	**37,646**	**31,870**	**206,149**

The RM Technology transactional licence revenues include £1.3m (2021: £0.4m) in relation to sales of IPv4 addresses from designated stock. These IP addresses are held at nil cost.

Within RM Technology we have reclassified certain revenue (£5.5m) relating to right-of-access licences from over time to point in time, and in addition certain installation services (£1.5m) from over-time revenue to point-in-time revenue. These reclassifications better represent the point of revenue recognition. There is no impact on total revenue with the excepton of the impact of discontinuing operations.

Each contract is analysed separately to identify the performance obligations and judgements made as to whether, for example, goods and services should be combined. For some contracts judgement is also required to allocate the transaction price to each performance obligation based on the standalone selling price or, for licences, the residual amount. Judgements include determination of performance obligations and allocation of revenue to performance obligations. Within RM Assessment scanning revenues of £6,873,000 (2021: £3,714,000) are judged to be delivered over time. The associated transaction price will be dependent on over-time variables (such as volumes). The over-time period for scanning related revenues is over exam sessions, but this relatively short time span may fall into different external reporting periods. Revenue is then recognised based on these judgements which are set out in more detail in Note 2.

There is estimation relating to the output methodology (of script volumes) to determine the transaction price as described in Note 2. This estimation was reassessed at 30 November 2022 in light of the first year materially unaffected by COVID-19 since 2019, the Group have updated these volumes using a combination of customer forecast data and the volume levels seen in 2022. The Group assumes that script volumes in 2023 will be broadly in line to those experienced in 2022. During the financial close we identified that the 2020 volume estimates had not been correctly updated to reflect the actual performance experienced during the severely COVID-19 restricted year, leading to the Company recognising £529,000 revenue that had not been earned. Whilst the impact would not have been material to the 2020 Financial Statements as over-recognition of revenue at 30 November represented a material error to the 2022 accounts a prior year restatement has been made to adjust this amount, further detail is set out in Note 33.

The table below shows the time bands of the expected timing of revenue to be recognised on over-time contracts at 30 November 2022.

Time bands of over-time contracts order book At 30 November 2022	RM Technology Over Time £000	RM Assessment Over Time £000	Total Over Time £000
< 1 year	**5,192**	**22,257**	**27,449**
1-2 years	**3,967**	**13,673**	**17,640**
2-5 years	**3,259**	**8,325**	**11,584**
> 5 years	**-**	**878**	**878**
Total	**12,418**	**45,133**	**57,551**

Time bands of over-time contracts order book At 30 November 2021	RM Technology Over Time £000	RM Assessment Over Time £000	Total Over Time £000
< 1 year	6,125	22,270	28,395
1-2 years	5,044	19,417	24,461
2-5 years	7,934	18,224	26,158
> 5 years	-	1,040	1,040
Total	19,103	60,951	80,054

The order book represents the consideration the Group will be entitled to receive from customers when the Group satisfies the remaining performance obligations that are not yet met from contracts in place at the balance sheet date. However the total revenue that will be earned from the order book in future may change through non-contracted volumetric revenue, scope changes and contract extensions. These elements have been excluded from the figures in the table above as they are not contracted.

4. Operating Segments

The Group's business is supplying products, services and solutions to the UK and international education markets. Information reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segmental performance is focused on the nature of each type of activity.

The Group is structured into three operating Divisions: RM Resources, RM Assessment and RM Technology. The Chief Operating Decision Maker review segments at an adjusted operating profit level and adjustments are not allocated to segments. Adjustments includes the impairment of intangible asset as set out in Note 6, which is not allocated by segment nor may be broken out by segment.

A full description of each revenue-generating Division, together with comments on its performance and outlook, is given in the Strategic Report. Corporate Services consists of central business costs associated with being a listed company and non-division-specific pension costs.

This Segmental analysis shows the result and assets of these Divisions. Revenue is that earned by the Group from third parties. Net financing costs and tax are not allocated to segments as the funding, cash and tax management of the Group are activities carried out by the central treasury and tax functions.

During the year, the Group has conditionally agreed to sell the RM Integris and RM Finance Business within RM Technology. The segment information reported on the next pages does not include any amounts for this discontinuing operations, which are described in more detail in Note 21.

Segmental results

Year ended 30 November 2022	RM Resources* £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Revenue					
UK	**91,939**	**23,324**	**59,416**	**-**	**174,679**
Europe	**12,919**	**8,153**	**71**	**-**	**21,143**
North America	**3,555**	**142**	**1,374**	**-**	**5,071**
Asia	**880**	**1,299**	**-**	**-**	**2,179**
Middle East	**3,305**	**167**	**-**	**-**	**3,472**
Rest of the world	**1,768**	**5,855**	**-**	**-**	**7,623**
	114,366	**38,940**	**60,861**	**-**	**214,167**
Adjusted profit/(loss) from operations	**2,811**	**7,378**	**2,173**	**(4,879)**	**7,483**
Investment income					**614**
Finance costs					**(2,825)**
Adjusted profit before tax					**5,272**
Adjustments (see Note 6)					**(26,059)**
Loss before tax					**(20,787)**

Year ended 30 November 2021	RM Resources* £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Revenue					
UK	98,446	18,847	59,625	-	176,918
Europe	8,849	6,104	86	-	15,039
North America	1,882	-	138	-	2,020
Asia	772	1,036	-	-	1,808
Middle East	2,004	159	-	-	2,163
Rest of the world	2,469	5,724	8	-	8,201
	114,422	31,870	59,857	-	206,149
Adjusted profit/(loss) from operations	10,073	5,706	5,098	(4,408)	16,469
Investment income					28
Finance costs					(1,396)
Adjusted profit before tax					15,101
Adjustments (see Note 6)					(11,483)
Profit before tax					3,618

**Included in UK are International Sales via UK Distributors of £687,000 (2021: £1,186,000).*

There are no customers that individually represent over 10% of the Group's turnover.

Segmental assets

	RM Resources £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
At 30 November 2022					
Segmental	**137,080**	**23,508**	**10,936**	**2,239**	**173,763**
Other					**28,891**
Total assets					**202,654**

	RM Resources £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
At 30 November 2021					
Segmental	125,670	23,949	15,960	2,517	168,096
Other					42,525
Total assets					210,621

Included within the disclosed segmental assets are non-current assets (excluding deferred tax assets) of £123,201,000 (2021: £138,439,000) located in the United Kingdom, £8,953,000 (2021: £7,124,000) located in Australia and £976,000 (2021: £554,000) located in India. Other non-segmented assets includes defined benefit pension surplus, other receivables, tax assets and cash and short-term deposits.

5. Loss from operations

Loss from operations is stated after charging/(crediting):

	Note	Year ended 30 November 2022 £000	Year ended 30 November 2021 £000
Amortisation and impairment of intangible assets	14	**4,354**	2,386
		4,354	2,386
Depreciation of property, plant and equipment:			
- charged in cost of sales		**763**	631
- charged in operating expenses		**4,386**	4,493
	15, 16	**5,149**	5,124
Selling and distribution costs		**26,940**	23,954
Research and development costs		**3,078**	1,260
Administrative expenses - adjusted		**29,788**	25,694
Adjusted operating expenses		**59,806**	50,909
Adjustments to administrative expenses (see Consolidated Income Statement)		**29,069**	12,882
Total operating expenses		**88,875**	63,791
Loss/(gain) on disposal of property, plant and equipment		**41**	(1,449)
Cost of inventories recognised as expense		**80,257**	76,746
Staff costs	7	**69,561**	63,733
Operating lease expense		**80**	127
Foreign exchange (gain)/loss		**(211)**	233
Inventory write-offs		**390**	506
Decrease in inventory obsolescence provision		**(215)**	(419)

Fees payable to the Company's auditor		
Fees payable to the Company's auditor for the audit of these Financial Statements:		
- the audit of the Company's Financial Statements	**60**	50
- the audit of the Company's subsidiaries pursuant to legislation	**927**	335
Other fees payable to the Company's auditor: - other services	**125**	49
	1,112	434

6. Alternative Performance Measures

As set out in Note 2, the Group uses alternative performance measures that the Board believes reflects the underlying performance of the Group, and it is these adjusted measures that the Board use as the primary measures of performance measurement during the year.

Adjustments to cost of sales and administrative expenses

	Year ended 30 November 2022 £000	Restated* Year ended 30 November 2021 £000
Adjustments to administrative expenses		
Amortisation of acquisition-related intangible assets	**1,839**	2,010
Disposal related costs	**845**	-
Dual running costs related to investment strategy	**5,372**	2,064
Configuration of SaaS licences (ERP)	**17,355**	8,337
Impairment of ERP solution	**2,236**	-
Onerous provision for IS licences	**1,168**	-
Onerous lease	**-**	471
Restructuring costs	**254**	-
Total adjustments to administrative expenses	**29,069**	12,882
Other income		
Sale of property	**(219)**	(1,399)
Sale of IP addresses	**(2,791)**	-
Total adjustments to other income	**(3,010)**	(1,399)
Total adjustments	**26,059**	11,483
Tax impact (Note 10)	**(6,458)**	(1,858)
Total adjustments after tax	**19,601**	9,625

**The prior year has been restated to show sale of property as other income rather than adjustments to administrative expenses. See Note 33*

The amortisation of acquisition related intangible assets is an annual recurring adjustment to profit that is a non-cash charge arising from historical investing activities. This adjustment is made to clearly highlight the amounts relating to historical acquisitions and is in common with peer companies across the technology sector. The income generated from the use of these intangible assets is, however, included in the adjusted profit measures.

Other adjusted items:

These are items which are identified by virtue of either their size or their nature to be important to understanding the performance of the business including the comparability of the results year on year. These items can include, but are not restricted to, impairment; gain on held-for-sale assets and related transaction costs; changes in the provision for exceptional property costs; the gain/loss on sale of operations and restructuring and acquisition costs.

In 2018, following a large acquisition in the Resources Division, the Group announced a new warehouse strategy which involved the disposal of 5 warehouses (including 3 warehouses from the newly acquired group of companies) into one new automated warehouse. Interlinked with the automation software was a requirement to change the ERP solution. The Group believes that whilst this programme spans a number of years, it's size, complexity and number of unusual costs and income are material to the understanding of the trading performance of the business including the comparability of results year on year. As a result, all significant costs or income relating to this programme have been treated as an adjustment to profit, consistently period to period. Whilst this programme is ongoing, the Group have paused certain elements of this programme at the end of the year, and so do not anticipate further dual run elements in future years.

During the year, and prior year this programme included the following costs and income:

- Dual run related costs during the period of £2.8m (2021:£1.0m), relate to costs associated with the new warehouse that is not yet fully operational but was acquired at the end of November 2020. These costs include items such as utilities, security and increased warehouse staff to test the new facility and to transfer inventory. Other dual run costs include IT costs (excluding configuration costs of SaaS licences) being expensed that relate to running of IT systems not yet in use (£2.6m) and a provision for onerous licence contracts of £1.2m (2021 £1.1m).
- During the period the Group disposed of one of the assets reclassified as held for sale at 30 November 2020, which was a warehouse that was no longer be required following the estates strategy review. This warehouse sale generated proceeds of £3.3m and a profit after direct selling costs and costs of moving from the warehouse of £0.2m.
- In the prior year a warehouse sale generated proceeds of £3.2m and a profit after direct selling costs and costs of moving from the warehouse of £1.4m.
- The configuration and customisation costs relating to our ERP programme "Evolution", which represents a significant investment. These costs total £17.8m (2021:£8.3m) including the tax credits of £0.5m (2021:£0.2m) recoverable based on the development work undertaken in Evolution.

In addition to the warehouse programme, the Group believes the following items to be significantly large enough and unusual in their incidence to impact the understanding of the performance of the Group if not adjusted. In the year ended 30 November 2022, these items comprised:

- The Group has agreed a disposal, subject to shareholder approval (anticipated in H1 2023) for our MIS and Finance businesses, see Note 21 for detail. The costs incurred in this process are treated as an adjustment to profit (£0.8m).
- The Group has impaired elements of the ERP programme costs, previously capitalised within the RM Technology Division (£2.2m), which relate to functionality that is paused where the Group has no current active plans to proceed to implement. This impairment may be reversed if the Group subsequently implements this functionality.
- The Group commenced a transformation programme in 2022 and has expensed £0.3m of redundancy costs in the year.

During the year ended 30 November 2021 other items comprised:

- The impairment of a right-of-use asset and onerous service charges relating to a leased office, which no longer met our requirements following a change in working practises after the COVID-19 pandemic (£0.5m). The costs relating to the new replacement leased office that meets working practises requirements is included in the segmental results.

Adjusted net debt is the total of borrowings (£48.7m (2021: £19.7m)), cash at bank (£1.9m (2021: £3.6m)) and overdraft (£nil (2021: £2.1m)) which was £46.8m as at 30 November 2022 (2021: £18.3m). Lease liabilities of £19.1m (2020: £20.9m) are excluded from this measure as they are not included in the measurement of adjusted net debt for the purpose of covenant calculations. Adjusted net debt is a key metric measured by

management as it is used in covenant calculations. Accordingly, and as set out in Note 31 following the updates to arrangements with our banking syndicate the definition the Group applies to adjusted net debt will change in FY23 to include the impact of IFRS16 lease liabilities as the new covenants will be calculated on this basis. The details of our covenant calculations are set out in Note 31, and is based on an EBITDA basis (Earnings (being Adjusted Operating profit) before interest, tax, depreciation and amortisation).

Average adjusted net debt is calculated by taking the adjusted net debt on a daily basis and dividing by number of days.

The above adjustments have the following impact on the cash flow statement:

	2022 Statutory measure	2022 Adjustment	2022 Adjusted cash flows	2021 Statutory measure	2021 Adjustment	2021 Adjusted cash flows
Profit before tax (£000)	**(20,787)**	**26,059**	**5,272**	3,618	11,483	15,101
Profit from operations (£000)	**(21,586)**	**29,069**	**7,483**	3,587	12,882	16,469
Cash generated from operations	**(17,129)**	**24,480**	**7,351**	9,205	8,916	18,121
Net cash inflow from operating activities	**(20,786)**	**24,480**	**3,694**	4,620	8,916	13,536
Net cash used in investing activities	**891**	**(1,403)**	**(512)**	(12,587)	10,427	(2,160)
Net cash used in financing activities	**20,293**	**-**	**20,293**	6,026	-	6,026
Net increase in cash and cash equivalents	**398**	**23,077**	**23,475**	(1,941)	19,343	17,402

Adjusted cash conversion percentage is defined as adjusted cash inflow from operating activities as a percentage of adjusted profit before tax.

The adjustments have the following impact on key metrics:

	2022 Statutory measure	2022 Adjustment	2022 Adjusted measure	2021 Statutory measure	2021 Adjustment	2021 Adjusted measure
Gross profit (£000)	**67,289**	**-**	**67,289**	67,378	-	67,378
Profit from operations (£000)	**(21,586)**	**(29,069)**	**7,483**	3,587	(12,882)	16,469
Operating margin (%)	**-10.0%**	**-14.0%**	**3.0%**	2.0%	-6.0%	8.0%
EBITDA (£'000)	**(12,083)**	**(26,059)**	**13,976**	10,274	(12,882)	23,156
Proft before tax (£000)	**(20,787)**	**(26,059)**	**5,272**	3,618	(11,483)	15,101
Tax (£000)	**4,698**	**6,458**	**(1,760)**	(1,424)	1,858	(3,282)
Profit after tax (£000)	**(16,089)**	**(19,601)**	**3,512**	2,194	(9,625)	11,819
Earnings per share (see Note 11)						
Basic (Pence)	**4.2**	**-**	**(19.3)**	14.2	-	2.6
Diluted (Pence)	**4.2**	**-**	**(19.3)**	14.0	-	2.6

Adjusted operating profit is defined as the profit from continuing operations before excluding the adjustments referred to above. Operating margin is defined as the operating profit as a percentage of revenue. EBITDA is defined as the profit from operations before amortisation and depreciation costs. The impact of tax is set out in Note 10.

7. Staff numbers and costs

The average number of persons (including Directors) employed by the Group during the year was as follows:

	Year ended 30 November 2022 Number	Year ended 30 November 2021 Number
Research and development, products and services	**1,566**	1,474
Marketing and sales	**298**	280
Corporate Services	**276**	239
	2,140	1,993

The above figures have been calculated on a Full Time Equivalent basis. The actual average number for the year is 2,174. There are 41 employees that are associated with the discontinuing operations (see Note 21).

Aggregate emoluments of persons employed by the Group comprised:

	Year ended 30 November 2022 £000	Restated Year ended 30 November 2021 £000
Wages and salaries	**62,297**	55,095
Termination costs	**432**	367
Social security costs	**4,565**	4,281
Other pension costs	**2,227**	2,562
Share-based payments (Note 28)	**40**	(101)
	69,561	62,204

Information regarding the remuneration of the Directors is shown in the Remuneration Report.

8. Finance and other income

	Year ended 30 November 2022 £000	Restated Year ended 30 November 2021 £000
Finance income:		
Bank interest	**5**	24
Investment income on defined benefit pension scheme	**607**	-
Other finance income	**2**	4
Finance income	**614**	28
Other income:		
Sale of property	**219**	1,399
Sale of IP addresses	**2,791**	-
Other income	**3,010**	1,399
Total finance and other income	**3,624**	1,427

9. Finance costs

	Note	Year ended 30 November 2022 £000	Year ended 30 November 2021 £000
Borrowing facilities arrangement fees and commitment fees		**425**	462
Net finance costs on defined benefit pension scheme	26	**39**	254
Interest on lease of right-of-use assets		**347**	361
Interest on bank loans and overdrafts		**2,014**	319
		2,825	1,396

10. Tax

a) Analysis of tax (credit)/charge in the Consolidated Income Statement

	Year ended 30 November 2022 £000	Year ended 30 November 2021 £000
Current taxation		
UK corporation tax	**301**	442
Adjustment in respect of prior years	**121**	(58)
Overseas tax	**495**	(94)
Total current tax charge	**917**	290
Deferred taxation		
Temporary differences	**(4,854)**	1,398
Adjustment in respect of prior years	**(109)**	(258)
Overseas tax	**(652)**	(6)
Total deferred (credit)/charge	**(5,615)**	1,134
Total Consolidated Income Statement tax (credit)/charge	**(4,698)**	1,424

b) Analysis of tax (credit)/charge in the Consolidated Statement of Comprehensive Income

	Year ended 30 November 2022 £000	Year ended 30 November 2021 £000
UK corporation tax		
Defined benefit pension scheme	**-**	(800)
Shared based payments	**-**	(10)
Pension escrow account	**-**	(328)
Deferred tax		
Defined benefit pension scheme movements	**(2,407)**	9,310
Defined benefit pension scheme escrow	**-**	328
Share-based payments	**-**	42
Fair value movements of hedging instruments	**(11)**	45
Deferred tax relating to the change in rate	**(507)**	1,822
Total Consolidated Statement of Comprehensive Income tax (credit)/charge	**(2,925)**	10,409

c) Reconciliation of Consolidated Income Statement tax charge

The tax charge in the Consolidated Income Statement reconciles to the effective rate applied by the Group as follows:

	Year ended 30 November 2022			Year ended 30 November 2021		
	Adjusted £000	**Adjustments £000**	**Total £000**	Adjusted £000	Adjustments £000	Total £000
(Loss)/profit on ordinary activities before tax*	**6,862**	**(26,059)**	**(19,197)**	17,101	(11,483)	5,618
Tax at 19% (2021: 19%) thereon:	**1,304**	**(4,951)**	**(3,647)**	3,249	(2,182)	1,067
Effects of:						
- change in tax rate on carried forward deferred tax assets	**-**	**-**	**-**	(27)	788	761
- other expenses not deductible for tax purposes	**14**	**100**	**114**	(52)	-	(52)
- non-taxable gains	**-**	**(43)**	**(43)**	-	(266)	(266)
- impact of super deduction	**(56)**	**-**	**(56)**	-	-	-
- change in rate on current year movements	**64**	**(1,564)**	**(1,500)**	-	-	-
- other temporary timing differences	**-**	**-**	**-**	212	-	212
- overseas tax losses not recognised	**396**	**-**	**396**	-	-	-
- effect of profits/losses in various overseas tax jurisdictions	**60**	**-**	**60**	18	-	18
- prior period adjustments - UK	**(153)**	**-**	**(153)**	(60)	(198)	(258)
- prior period adjustments - overseas	**131**	**-**	**131**	(58)	-	(58)
Tax (credit)/charge in the Consolidated Income Statement	**1,760**	**(6,458)**	**(4,698)**	3,282	(1,858)	1,424

Includes discontinued operations

The above reconciliation of tax relates to continuing operations and as set out in Note 21, no corporation tax balances will be impacted by disposal.

The tax impact on the adjustments set out in Note 6 are as follows:

Impact of tax on Adjustment items:

	2022		2021	
	Charge/(income) £000	**Tax £000**	Charge/(income) £000	Tax £000
Change in deferred tax rate	**-**	**(1,564)**	-	788
Impairment of ERP	**2,236**	**(425)**	-	-
Amortisation of acquisition related intangible assets	**1,839**	**(349)**	2,010	(383)
Dual running costs	**5,372**	**(1,021)**	2,064	(392)
Sale of property	**(219)**	**-**	(1,399)	-
ERP programme costs	**17,355**	**(3,298)**	8,337	(1,584)
Onerous IS licences	**1,168**	**(222)**	-	-
Onerous lease	**-**	**-**	417	(89)
Gain on sale of intangible licences	**(2,791)**	**530**	-	-
Disposal related costs	**845**	**(61)**	-	-
Restructuring costs	**254**	**(48)**	-	-
Prior year adjustments	**-**	**-**	-	(198)
	26,059	**(6,458)**	11,483	(1,858)

The impact of the change in deferred tax rate of £788,000 in the prior year relates only to those items that have been previously classified as adjusting items. The impact of the change in deferred tax on other items is not included in the £788,000 above.

Factors that may affect future tax charges

The standard rate of corporation tax in the UK for the period is 19%. An increase in the UK corporate tax rate from 19% to 25% from April 2023 was substantially enacted in May 2021. The deferred tax balances that are anticipated to unwind after April 2023 have been updated to reflect this change in legislation.

d) Deferred tax

The Group has recognised deferred tax assets as these are anticipated to be recognised against future periods.

The major deferred tax assets and liabilities recognised by the Group and the movements thereon are as follows:

Group	Accelerated tax depreciation £000	Defined benefit pension scheme obligation £000	Share-based payments £000	Short-term timing differences £000	Losses £000	Acquisition-related intangible assets £000	Total £000
At 1 December 2020	329	3,543	519	942	-	(3,339)	1,994
(Credit)/charge to income	(564)	-	(241)	77	-	(405)	(1,133)
(Charge)/credit to other comprehensive income	-	(11,131)	(42)	(362)	-	-	(11,535)
At 30 November 2021	(235)	(7,588)	236	657	-	(3,744)	(10,674)
(Charge)/credit to income	**(556)**	**-**	**(179)**	**164**	**5,842**	**344**	**5,615**
Credit/(charge) to other comprehensive income	**-**	**1,937**	**-**	**(319)**	**1,307**	**-**	**2,925**
At 30 November 2022	**(791)**	**(5,651)**	**57**	**502**	**7,149**	**(3,400)**	**(2,134)**

Company	Accelerated tax depreciation £000	Defined benefit pension scheme obligation £000	Share-based payments £000	Short-term timing differences £000	Losses £000	Acquisition-related intangible assets £000	Total £000
At 1 December 2020	-	-	-	-	-	-	-
At 30 November 2021	-	-	-	-	-	-	-
Credit to income	-	-	-	-	1,576	-	1,576
At 30 November 2022	-	-	-	-	1,576	-	1,576

Certain deferred tax assets and liabilities have been offset above.

The Group has recognised deferred tax assets in jurisdictions where these are expected to be recoverable against profits in future periods.

No deferred tax liability is recognised on temporary differences of £445,000 (2021: £486,000) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

11. Earnings per share

	Year ended 30 November 2022			Year ended 30 November 2021		
	Profit for the year £000	**Weighted average number of shares '000**	**Pence per share**	Profit for the year £000	Weighted average number of shares '000	Pence per share
Basic earnings per ordinary share						
Basic earnings from continuing operations	**(16,089)**	**83,256**	**(19.3)**	2,194	83,150	2.6
Adjustments (see Note 6)	**19,601**	**-**	**23.5**	9,625	-	11.6
Adjusted basic earnings from continuing operations	**3,512**	**83,256**	**4.2**	11,819	83,150	14.2
Basic earnings from discontinuing operations	**1,590**	**83,256**	**1.9**	2,000	83,150	2.4
Adjusted basic earnings from discontinuing operations	**1,590**	**83,256**	**1.9**	2,000	83,150	2.4
Diluted earnings per ordinary share						
Basic earnings	**(16,089)**	**83,256**	**(19.3)**	2,194	83,150	2.6
Effect of dilutive potential ordinary shares: share-based payment awards	**-**	**1,335**	**0.3**	-	1,302	(0.0)
Diluted earnings from continuing operations	**(16,089)**	**84,591**	**(19.0)**	2,194	84,452	2.6
Adjustments (see Note 6)	**19,601**	**-**	**23.2**	9,625	-	11.4
Adjusted diluted earnings from continuing operations	**3,512**	**84,591**	**4.2**	11,819	84,452	14.0
Basic diluted earnings from discontinuing operations	**1,590**	**84,591**	**1.9**	2,000	84,452	2.4
Adjusted diluted earnings from discontinuing operations	**1,590**	**84,591**	**1.9**	2,000	84,452	2.4

In accordance with IAS 33 the loss per share is corrected on the face of the Income Statement to reflect the undiluted figure as a loss should not be diluted.

The adjustments are detailed in Note 6.

12. Dividends

Amounts recognised as distributions to equity holders were:

	Year ended 30 November 2022 £000	Year ended 30 November 2021 £000
Final dividend for the year ended 30 November 2022 - 3.0 p per share (2021: 3.0p)	**2,498**	2,497
Interim dividend for the year ended 30 November 2022 - nil p per share (2021: 1.70 p)	**-**	1,416
	2,498	3,913

The Directors do not propose a final dividend for the year ended 30 November 2022.

13. Goodwill

Group	£000
Cost	
At 30 November 2020	59,016
Exchange differences	(120)
At 30 November 2021	58,896
Exchange differences	199
At 30 November 2022	**59,095**
Accumulated impairment losses	
At 1 December 2020, 30 November 2021 and 30 November 2022	(9,694)
Carrying amount	
At 30 November 2022	**49,401**
At 30 November 2021	49,202

The carrying amount of goodwill is allocated to two cash-generating units as follows:

	Year ended 30 November 2022	Year ended 30 November 2021	Pre tax discount rate 2022	Pre tax discount rate 2021	Headroom 2022	Headroom 2021
Group	**£000**	£000			**£000**	£000
RM Resources	**42,208**	42,208	**13.2%**	13.4%	**16,400**	43,400
RM Assessment	**7,193**	6,994	**12.6%**	12.4%	**65,400**	87,600

Further information pertaining to the performance and future strategy of the Divisions can be found within the Strategic Report.

The recoverable amounts of the Cash Generating Units ('CGU') are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the cash flows, the discount rates and the growth rates. The Group prepares cash flow forecasts derived from the most recent annual financial budget approved by the Board, which also contains forecasts for the two years following, and extrapolates cash flows based on internal forecasts with terminal rates of 2.5% (2021: 2.0%) which aligns to market growth and inflation expectations.

Pre tax discount rates used are 13.2% for RM Resources and 12.6% for RM Assessment (2021: RM Resources 13.4% and RM Assessment 12.4%). The Group monitors its post-tax Weighted Average Cost of Capital and those of its competitors using market data. In considering the discount rates applying to CGUs, the Directors have considered the relative sizes and risks of its CGUs and their relatively narrow operation within the education products and services market. The impairment reviews use a discount rate adjusted for pre-tax cash flows. Reasonable changes in discount rate used do not change the outcome of the impairment review so no sensitivity data is disclosed.

A review of the forecast future cash flows of RM Resources and of RM Assessment indicated no impairment was required.

Sensitivity analysis

The sensitivity of the RM Assessment goodwill carrying values to reasonably possible changes in key assumptions, including the reasonably possible downside risks applied as part of the going concern review, has been performed and would not cause the carrying value to exceed its recoverable amount.

No reasonably possible change in long-term growth rates or weighted average cost of capital would lead to an impairment and accordingly these sensitivities have not been provided.

If the cash flows in RM resources were to reduce as set out within the reasonable worst case scenario approved by the Board for inclusion in the working capital and going concern testing, explained in Note 2, plus a 10% reduction of cash flows in perpetuity, headroom would be eroded and an immaterial impairment would be required to be recorded.

If estimated cash flows were to reduce by 15% in every future period an impairment of £1.1m would be required.

14. Other intangible assets

Group	Customer relationships	Brands	Intellectual property & database assets	Website platform	Other software assets	Restated* Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 December 2020	2,285	18,066	3,025	1,954	6,484	31,814
Additions - restated	-	-	-	-	7,806	7,806
Transfers between categories	-	-	-	-	(110)	(110)
Exchange differences	(54)	-	(89)	-	(1)	(144)
Disposals	-	-	-	(630)	-	(630)
At 30 November 2021	2,231	18,066	2,936	1,324	14,179	38,736
Additions	**-**	**-**	**-**	**-**	**3,627**	**3,627**
Transfers between categories	**-**	**-**	**-**	**-**	**22**	**22**
Exchange differences	**121**	**-**	**105**	**-**	**5**	**231**
At 30 November 2022	**2,352**	**18,066**	**3,041**	**1,324**	**17,833**	**42,616**
Accumulated amortisation and impairment losses						
At December 2020	1,108	4,233	499	1,737	3,367	10,944
Charge for the year	428	1,257	325	216	180	2,406
Impairment	-	-	-	-	(20)	(20)
Exchange differences	(29)	-	(22)	-	(1)	(52)
Disposals	-	-	-	(630)	-	(630)
At 30 November 2021	1,507	5,490	802	1,323	3,526	12,648
Charge for the year	**363**	**1,207**	**309**	**-**	**240**	**2,119**
Impairment	**-**	**-**	**-**	**-**	**2,235**	**2,235**
Exchange differences	**54**	**-**	**46**	**-**	**4**	**104**
At 30 November 2022	**1,924**	**6,697**	**1,157**	**1,323**	**6,005**	**17,106**
Carrying amount						
At 30 November 2022	**428**	**11,369**	**1,884**	**1**	**11,828**	**25,510**
At 30 November 2021	724	12,576	2,134	1	10,653	26,088

*The prior year has been restated see Note 33

Included within other software assets above is £3.6m of software developed to fulfil customer contracts and £5.4m of assets under construction relating to non-commissioned internal software relating to our IT transformation programme. Customer related intangible development has been restated in the prior year increasing the balance by £1.8m (originally capitalised as part of contract fulfilment asset – see Note 33 for details). The total amortisation in year from internally generated intangibles amounts to £174,000 (2021: £241,000).

15. Property, plant and equipment

Group	Short leasehold improvements £000	Plant, equipment & fixtures £000	Computer equipment £000	Vehicles £000	Total £000
Cost					
At 30 November 2020	4,249	10,800	8,579	227	23,855
Additions	842	7,097	926	1	8,866
Transfers between categories	-	-	110	-	110
Exchange differences	(5)	(5)	(15)	(2)	(27)
Reclass to assets held for sale (Note 21)	-	427	-	-	427
Disposals	-	(5)	(404)	(20)	(429)
At 30 November 2021	5,086	18,314	9,196	206	32,802
Additions	**564**	**845**	**69**	**97**	**1,575**
Transfers between categories	**5,947**	**(5,947)**	**-**	**-**	**-**
Exchange differences	**17**	**25**	**32**	**2**	**76**
Disposals	**-**	**(412)**	**(6)**	**(158)**	**(576)**
At 30 November 2022	**11,614**	**12,825**	**9,291**	**147**	**33,877**
Accumulated depreciation					
At 30 November 2020	3,930	3,870	7,467	165	15,432
Charge for the year	99	566	443	39	1,147
Transfers between categories	-	-	20	-	20
Reclass to assets held for sale (Note 21)	-	375	-	-	375
Exchange differences	(3)	(4)	(5)	(2)	(14)
Disposals	-	(2)	(357)	(16)	(375)
At 30 November 2021	4,026	4,805	7,568	186	16,585
Charge for the year	**322**	**870**	**598**	**30**	**1,820**
Transfers between categories	**-**	**22**	**-**	**-**	**22**
Exchange differences	**12**	**16**	**20**	**2**	**50**
Disposals	**-**	**(403)**	**(5)**	**(84)**	**(492)**
At 30 November 2022	**4,360**	**5,310**	**8,181**	**134**	**17,985**
Carrying value					
At 30 November 2022	**7,254**	**7,515**	**1,110**	**13**	**15,892**
At 30 November 2021	1,060	13,509	1,628	20	16,217

The leasehold improvements during the year (and prior year) relate to the depreciation charged on the right-of-use lease for our new warehouse recapitalised whilst work is ongoing to make it fully operational.

16. Right-of-use assets

Group	Land & buildings £000	Plant & equipment £000	Vehicles £000	Total £000
Cost				
At 30 November 2020	19,851	1,392	492	21,735
Additions	1,322	1,682	50	3,054
Disposals	(1,215)	(504)	(25)	(1,744)
At 30 November 2021	19,958	2,570	517	23,045
Additions	**1,382**	**380**	**-**	**1,762**
Disposals	**(1,127)**	**(570)**	**(263)**	**(1,960)**
At 30 November 2022	**20,213**	**2,380**	**254**	**22,847**
Accumulated depreciation and impairment				
At 30 November 2020	1,498	678	168	2,344
Charge for the year	2,785	653	173	3,611
Impairment	366	-	-	366
Disposals	(793)	(489)	(12)	(1,294)
At 30 November 2021	3,856	842	329	5,027
Charge for the year	**2,563**	**657**	**109**	**3,329**
Disposals	**(1,059)**	**(572)**	**(242)**	**(1,873)**
At 30 November 2022	**5,360**	**927**	**196**	**6,483**
Carrying value				
At 30 November 2022	**14,853**	**1,453**	**58**	**16,364**
At 30 November 2021	16,103	1,727	188	18,018

The most significant right-of-use asset is the new automated warehouse (see Note 6) of circa £13.4m cost and a net book value at 30 November 2022 of £11.6m.

17. Investments in subsidiary undertakings

The subsidiary undertakings of the Company at 30 November 2022 were:

Name	Principal activity	Country of incorporation	Class of share	% held
RM Education Limited	Software, services & systems	England	Ordinary	100%
TTS Group Limited	Dormant	England	Ordinary	100%
RM Education Solutions India Pvt Limited*	Software and corporate services	India	Ordinary	100%
RM Pension Scheme Trustee Limited	Corporate Trustee	England	Ordinary	100%
SONET Systems Pty Limited*	Software	Australia	Ordinary	100%
RM PLC Australia Pty Limited	Holding company	Australia	Ordinary	100%
Schools Educational Software Limited*	Dormant	England	Ordinary	100%
RM Educational Resources Limited	Resource supply	England	Ordinary	100%

**held through subsidiary undertaking*

All UK subsidiary companies are registered at 142B Park Drive, Milton Park, Abingdon, Oxfordshire OX14 4SE.

RM Education Solutions India Pvt Limited is registered at Unit No.8A, Carnival Techno Park Technopark, Kariyavattom, PO Trivandrum, Thiruvananthapuram, Kerala 695581, India.

SoNET Systems Pty Limited is registered at 179 Queen Street, Melbourne, Victoria, VIC 3000, Australia. RM PLC Australia Pty Limited is registered at Level 17, 181 William Street, Melbourne, Victoria, VIC 3000, Australia.

During the prior year Hedgelane Limited was liquidated and Schools Educational Software Limited was set up, but has not yet traded.

The investment in subsidiary undertakings comprises:

Company	Investment in share capital £000	Capital contribution share-based payments £000	Total £000
Cost			
At 1 December 2020	112,470	14,060	126,530
Share-based payments	-	(100)	(100)
At 30 November 2021	112,470	13,960	126,430
Share-based payments	**-**	**40**	**40**
At 30 November 2022	**112,470**	**14,000**	**126,470**
Carrying value			
At 30 November 2022	**112,470**	**14,000**	**126,470**
At 30 November 2021	112,470	13,960	126,430

The Company investments relate to RM Resources segment of £71.6m and a combined Technology and Assessment of £54.9m. At 30 November 2022 an impairment review was undertaken which indicated that no impairment in the investments held by the Company was required (2021: nil). The impairment review was performed using a value in use model which uses the same cash flows used in the impairment review performed in relation to the Group's assets which are disclosed in Note 13 of the consolidated Financial Statements. The impairment review is sensitive to a change in key assumptions used in the value in use calculations relating to the discount rate and future growth rates.

A 2% increase in the discount rate would not cause the carrying amount to exceed its recoverable amount. The investment in RM Resources is not sensitive to any reasonable change in cash flows, including those reasonably plausible risks applied as part of the going concern review. If the cash flows generated by RM Education Limited in 2025, which is the base year for the perpetuity calculation, were to reduce by 58% in addition to the impact in 2023 and 2024 of the reasonably plausible downside risks applied as part of the going concern review without mitigating actions from management the headroom would reduce to nil. Management consider that the likelihood of this situation is remote.

18. Inventories

Group	2022 £000	2021 £000
Finished goods	**26,359**	19,055

Any inventory that is not expected to be turned over within 24 months has been provided for. Inventories are stated net of provisions of £673,000 (2021: £472,000).

19. Contract fulfilment assets

Group	2022 £000	Restated 2021 £000
At 1 December	**2,847**	2,294
Additions	**2,808**	2,034
Foreign exchange	**111**	(35)
Impaired in the period	**(251)**	-
Amortised in the period	**(2,075)**	(1,446)
At 30 November	**3,440**	2,847

	2022 £000	2021 £000
Analysed by:		
Current	**1,727**	1,360
Non-current	**1,713**	1,487
At 30 November	**3,440**	2,847

Contract fulfilment assets represent investment in contracts which are recoverable and are expected to provide benefits over the life of the contract. Some contract fulfilment assets have been reassessed as intangibles assets in the year and the prior year restated accordingly. The opening 1 December 2020 has been restated from £4.1m to £2.3m to reflect a reclassification to intangible assets (see Note 33).

20. Trade and other receivables

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Current				
Financial assets				
Trade receivables	**24,441**	21,792	**-**	-
Other receivables	**1,934**	1,629	**-**	-
Derivative financial instruments	**-**	164	**-**	-
Accrued income from supplier contracts	**2,288**	2,463	**-**	-
Amounts owed by Group undertakings	**-**	-	**1**	1
	28,663	26,048	**1**	1
Non-financial assets				
Prepayments	**7,540**	7,613	**114**	105
	36,203	33,661	**115**	106
Non-current				
Financial assets				
Amounts owed by Group undertakings	**-**	-	**7,858**	7,263
Other receivables	**291**	82	**-**	-
	291	82	**7,858**	7,263
	36,494	33,743	**7,973**	7,369
Currency profile of receivables				
Sterling	**31,699**	29,487	**115**	106
US Dollar	**2,985**	2,613	**-**	-
Australian Dollar	**439**	384	**7,858**	7,263
Euro	**130**	112	**-**	-
Indian Rupee	**768**	657	**-**	-
Singapore Dollar	**297**	334	**-**	-
Other	**176**	156	**-**	-
	36,494	33,743	**7,973**	7,369

The amounts owed by Group undertakings to the Company are repayable on demand and bear interest at SONIA plus 2% although they are repayable on demand the Directors have no expectation that the amounts will be collected in the next 12 months and have therefore presented these as non-current.

The Directors consider that the carrying amounts of trade and other receivables approximates their fair values.

The Group's accrued income from customer contracts balances solely relate to revenue from contracts with customers.

Movements in the accrued income balances were driven by transactions entered into by the Group within the normal course of business in the year.

Analysis of trade receivables and customer contracts by type of customer

Group	2022	2021
	£000	£000
Government	**17,589**	13,289
Commercial	**9,140**	10,966
	26,729	24,255

Trade receivables included an allowance for expected credit loss at 30 November 2022 of £1,859,000 (2021: £1,058,000), based on management's knowledge of the customer base, externally available information and expected payment likelihood. This allowance has been determined by reference to specific receivable balances and payment trends and considers lifetime expected credit losses. New customers are subject to credit checks where available, using third party databases prior to being accepted. The Group uses the practical expedient of measuring impairment using a provision matrix which is consistent with applying a full credit loss model for the Group. Amounts are written off when there is no further cost benefit in pursuing further legal action.

Allowance for estimated irrecoverable amounts

Group	2022	2021
	£000	£000
At 1 December	**1,080**	1,030
Increase in allowance	**830**	157
Amounts written off in the year	**(51)**	(107)
	1,859	1,080

No expected credit losses have been recognised on contract assets or intercompany receivables as these are not considered material.

Aging of customer contract balances

Group	2022			2021		
	Customer contracts	**Allowance**	**Net**	Customer contracts	Allowance	Net
	£000	**£000**	**£000**	£000	£000	£000
Not past due	**16,609**	**(107)**	**16,502**	17,319	-	17,319
Overdue by less than 60 days	**7,046**	**(353)**	**6,693**	5,357	-	5,357
Overdue by between 60 and 90 days	**1,495**	**(221)**	**1,274**	1,049	(89)	960
Overdue by between 90 and 180 days	**2,064**	**(515)**	**1,550**	890	(429)	461
Overdue by more than 180 days	**1,374**	**(663)**	**710**	720	(562)	158
	28,588	**(1,859)**	**26,729**	25,335	(1,080)	24,255

The following table shows the movements in customer contract balances and the performance obligations satisfied in the year:

	Trade recevables*	Accrued income	Deferred revenue	Total customer contract balances	Contract fulfilment asset
	£000	£000	£000	£000	£000
At 30 November 2020	22,907	1,743	(19,478)	5,172	4,148
Reclassification (see Note 33)	-	-	-	-	(1,854)
Restatement (see Note 33)	-	(204)	(325)	(529)	-
At 30 November 2020 - restated	22,907	1,539	(19,803)	4,643	2,294
Revenue recognised on performance obligations satisfied in period	243,122	-	-	243,122	-
Performance obligations satisfied	-	(47,681)	54,819	7,138	-
New performance obligations accrued	-	48,778	(52,680)	(3,902)	-
New contract fulfilment costs incurred	-	-	-	-	2,034
Contract fulfilment assets amortised in line with performance obligations satisfied	-	-	-	-	(1,446)
Cash paid	(244,283)	-	-	(244,283)	-
Movement in provision	171	-	-	171	-
Written off	(107)	(173)	-	(280)	-
Impact of foreign exchange	(18)	-	43	25	(35)
At 30 November 2021 - restated	21,792	2,463	(17,621)	6,634	2,847
Revenue recognised on performance obligations satisfied in period	**256,256**	**-**	**-**	**256,256**	**-**
Performance obligations satisfied	**-**	**(53,769)**	**(47,263)**	**(101,032)**	**-**
New performance obligations accrued	**-**	**53,726**	**48,328**	**102,054**	**-**
New contract fulfilment costs incurred	**-**	**-**	**-**	**-**	**2,808**
Contract fulfilment assets amortised in line with performance obligations satisfied	**-**	**-**	**-**	**-**	**(2,075)**
Impairment of contract asset	**-**	**-**	**-**	**-**	**(251)**
Cash paid	**(252,604)**	**-**	**-**	**(252,604)**	**-**
Movement in provision	**(780)**	**-**	**-**	**(780)**	**-**
Written off	**(51)**	**1**	**6**	**(44)**	**-**
Impact of foreign exchange	**-**	**-**	**(67)**	**(67)**	**111**
At 30 November 2022	**24,613**	**2,421**	**(16,617)**	**10,417**	**3,440**
Represented as					
Balances from continuing operations	**24,441**	**2,289**	**(14,664)**	**12,066**	**3,440**
Balances reclassified as held for sale	**172**	**132**	**(1,953)**	**(1,649)**	**-**
At 30 November 2022	**24,613**	**2,421**	**(16,617)**	**10,417**	**3,440**

*Includes sales taxes

Customer contract invoices are raised on the following basis:

- For point-in-time revenue streams – invoicing raised on delivery of performance obligations
- For over-time revenue streams in RM Technology – the majority of contract invoicing is either in advance (monthly, quarterly, or annually) or quarterly in arrears.
- For over-time revenue streams in RM Assessment – invoicing varies contract to contract and between performance obligations and can be materially different to the satisfaction of the related performance obligations in timing.

21. Discontinuing Operations and Assets held for sale

The results of the discontinuing operations, which have been included in the profit for the year, were as follows:

Discontinuing operations

	Year ended 30 November 2022	Year ended 30 November 2021
	£000	£000
RM Integris and RM Finance business	**1,590**	2,000
Profit for the year from discontinuing operations	**1,590**	2,000

Assets directly associated with assets classified as held for sale

	At 30 November 2022	At 30 November 2021
	£000	£000
RM Integris and RM Finance business	**418**	-
Property	**-**	3,034
	418	3,034

Liabilities directly associated with assets classified as held for sale

	At 30 November 2022	At 30 November 2021
	£000	£000
RM Integris and RM Finance business	**(2,225)**	-
	(2,225)	-

RM Integris and RM Finance Business

On 28 November 2022, the Group conditionally agreed to sell the RM Integris and RM Finance Businesses and related assets, to The Key Support Services Limited. Total consideration for the Sale will be up to £16.0 million on a cash free/debt free basis (£12.0 million on completion and an additional £4.0 million subject to satisfaction of certain conditions, including those related to competition clearance) in cash and subject to customary normalised working capital adjustments. Completion of the Sale is expected to take place during the first half of 2023. A newly incorporated, wholly owned subsidiary Schools Educational Software Limited will acquire the RM Integris and RM Finance Business as part of the hive-down transaction prior to Completion.

The results of the discontinuing operations, which have been included in the profit for the year, were as follows:

	Year ended 30 November 2022	Year ended 30 November 2021
	£000	£000
Revenue	**4,871**	4,704
Cost of sales	**(1,894)**	(1,449)
Gross profit	**2,977**	3,255
Operating expenses	**(1,387)**	(1,255)
Profit from operations	**1,590**	2,000
Profit before tax	**1,590**	2,000
Tax	**(302)**	(380)
Profit for the year	**1,288**	1,620

During the year, RM Integris and RM Finance contributed £1,533,000 (2021: £2,236,000) to the Group's net operating cash flows, paid £ Nil (2021: £ Nil) in respect of investing activities and paid £Nil (2021: £ Nil) in respect of financing activities. As the sale to Schools Educational Software Limited is an asset sale, cash and corporation tax balances related to the business are retained within the Group.

Included in the sale agreement are Group owned intellectual properties and the related assets. These assets are fully amortised and depreciated. Details of the other assets classified as held for sale are as follows:

	At 30 November 2022
	£000
Assets	
Tangible and intangible assets	**-**
Trade receivables	**172**
Prepayments	**114**
Accrued income	**132**
Assets classified as held for sale	**418**
Liabilities	
Trade payables	**(65)**
Other taxation and social security	**(32)**
Other payables	**(31)**
Accruals	**-**
Deferred income	**(1,953)**
Liabilities directly associated with assets classified as held for sale	**(2,081)**

Property

Following the acquisition of The Consortium in 2017, the Group had five distribution centres across three locations, all of which have been classified as held for sale when the criteria have been met. RM is moving to a single, automated distribution site. As part of this process, the Group sold the freehold property in Shrewsbury (FY20) the property in Kirby-in Ashfield (2021), with the final freehold property in Trowbridge completing in the year ended 30 November 2022 (the amortised cost of the property and other fixed assets integral to the property was £3,034,000).

22. Trade and other payables

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Current liabilities				
Financial liabilities				
Trade payables	**34,269**	21,277	**-**	-
Lease liabilities	**3,144**	3,126	**-**	-
Other payables	**2,721**	2,893	**-**	-
Derivative financial instruments	**272**	-	**-**	-
Accruals	**10,516**	15,443	**93**	118
Amounts owed to Group undertakings	**-**	-	**27,297**	49,602
	50,922	42,739	**27,390**	49,720
Non-financial liabilities				
Other taxation and social security	**3,149**	4,603	**-**	-
Deferred income from customer contracts	**11,568**	14,353	**-**	-
	65,639	61,695	**27,390**	49,720
Non-current liabilities				
Financial liabilities				
Lease liabilities				
- due after one year but within two years	**2,062**	1,993	**-**	-
- due after two years but within five years	**4,366**	4,975	**-**	-
- after five years	**9,570**	10,835	**-**	-
Non-financial liabilities				
Deferred income from customer contracts				
- due after one year but within two years	**1,357**	1,496	**-**	-
- due after two years but within five years	**1,473**	1,138	**-**	-
- after five years	**266**	635	**-**	-
	19,094	21,072	**-**	-
	84,733	82,767	**27,390**	49,720

The amounts owed to Group undertakings by the Company are payable on demand and bear interest at SONIA plus 2%. The Group's deferred revenue balances solely relate to revenue from contracts with customers. Movements in the deferred revenue balances were driven by transactions entered into by the Group within the normal course of business in the year.

	Group		Company	
	2022	Restated 2021	**2022**	2021
	£000	£000	**£000**	£000
Sterling	**76,865**	75,607	**27,390**	49,720
US Dollar	**2,429**	993	**-**	-
Australian Dollar	**1,219**	1,601	**-**	-
Indian Rupee	**2,750**	2,862	**-**	-
Other	**1,470**	1,704	**-**	-
	84,733	82,767	**27,390**	49,720

23. Borrowings

Group and Company	**2022**	2021
	£000	£000
Bank loan	**(49,000)**	(20,000)
Add capitalised fees	**272**	256
Borrowings	**(48,728)**	(19,744)

The borrowings in the year and details of the facility are detailed in Note 31. Bank and professional service fees relating to securing the loan have been capitalised and are amortised over the length of the loan (of which £138,000 relates to the unamortised original facility agreement and £134,000 is the unamortised arrangement fee relating to the extension to 2024.

During the period the Group has drawn down £49.0 million of the facility.

In the period to 31 May 2022 the facility was extended to July 2024, with the terms of the facility being held consistent with those of the prior agreement. The debt facilities at 31 May 2022 were subject to financial covenants of a maximum of 2.5 times. Adjusted net debt/adjusted EBITDA and at least 4 times interest cover/ adjusted EBITDA. On 31 May 2022 the results of the covenant tests were 2.61 and 13.73 respectively.

Subsequent to 31 May 2022 the lenders agreed to amend the adjusted net debt/adjusted EBITDA covenant to 3.0x at May 2022 and November 2022 and made it clear there was no intention of accelerating all or any part of the loan repayments. However as this was outside of the control of the Directors at 31 May 2022, borrowings were classified as current liabilities at the balance sheet date.

Prior to the end of the year, the Group entered discussions with lenders to extend the facility by a further year to July 2025 and to review the timing and type of covenant testing. As part of this process the lenders postponed the 30 November covenant test timing, however despite no breach of the facility agreement at the balance sheet date the borrowings have been classified as current liabilities as at 30 November 2022.

Changes in liabilities arising from financing activities

	At 1 December 2021	**Financing cash flows**	**New leases**	**Lease break exercised**	**Other**	**At 30 November 2022**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Lease liabilities	**20,929**	**(3,808)**	**1,762**	**(87)**	**346**	**19,142**
Bank loan	**19,744**	**26,599**	**-**	**-**	**2,385**	**48,728**
Total liabilities from financing activities	**40,673**	**22,791**	**1,762**	**(87)**	**2,731**	**67,870**

	At 1 December 2020	Financing cash flows	New leases	Lease break exercised	Other	At 30 November 2021
	£000	£000	£000	£000	£000	£000
Lease liabilities	22,214	(4,250)	3,054	(450)	361	20,929
Bank loan	4,779	14,189	-	-	776	19,744
Total liabilities from financing activities	26,993	9,939	3,054	(450)	1,137	40,673

The total cash outflow from leases was £3.9m (2021: £4.4m)

24. Provisions

Group	Dilapidations and onerous lease	Employee-related restructuring	Contract risk provisions	Total
	£000	£000	£000	£000
At 1 December 2020	1,236	1,028	2,169	4,433
Utilisation of provisions	(90)	(80)	(358)	(528)
Release of provisions	-	(33)	(806)	(839)
Increase in provisions	316	-	170	486
Impact of foreign exchange	(12)	1	-	(11)
At 30 November 2021	1,450	916	1,175	3,541
Utilisation of provisions	**(239)**	**(960)**	**(317)**	**(1,516)**
Release of provisions	**(159)**	**-**	**(758)**	**(917)**
Increase in provisions	**219**	**254**	**1,227**	**1,700**
At 30 November 2021	**1,271**	**210**	**1,327**	**2,808**

Employee-related restructuring provisions refer to costs arising from restructuring to meet the future needs of the Group. As described in Note 6, the Group completed the sale of warehouses planned in the 2018 estates review and has therefore utilised the provision held in 2021. The Group commenced further restructuring of £0.3m and this is anticipated to be utilised within H1 2023 as set out in Note 6.

Contract risk provisions includes items not covered by any other category of which the most significant items are the risk provisions from ended long-term contracts of £0.1m (2021: £1.1m) and onerous IT licence contracts that have been made during the year of £1.2m (2021: £nil). During 2022, the release of £758,000 primarily relates to market movements in year that relate to our LGPS contracts, see Note 26 for details. In 2021 the release of £806,000 primarily related to onerous contract risks that had either been renegotiated or terminated during the year.

Dilapidations increased by £219,000 during the year and the increase is reflected as an addition in right-of-use assets. A further lease was exited in the year (in accordance with the 2018 estates strategy (see Note 6) which utilised £239,000 and released a further £159,000 provision held.

During the year the overall movement on long-term provisions was a decrease of £718,000 (2021: decrease of £2,523,000). This is primarily relating to TUPE pension schemes provision based on the Group's estimated impact of market movements over the past year. In the current year the movement in the TUPE pension related balance has been taken through Other Comprehensive Income, leaving a provision at 30 November 2022 of £0.1m.

Disclosure of provisions

Group	**2022**	2021
	£000	£000
Current liabilities	**2,142**	2,066
Non-current liabilities	**666**	1,475
	2,808	3,541

The non-current liabilities include onerous property provisions and dilapidations provisions of £561,000 (2021: £370,000) which are anticipated to be paid over 2-5 years, with the remaining non-current provisions relating to certain contract risk provisions.

25. Share capital

Company and Group	Ordinary shares of $2\frac{2}{7}$p	
	Number '000	£000
Allotted, called-up and fully paid:		
At 30 November 2020, 2021 and 2022	**83,875**	**1,917**

The valuation of the shares is weighted average cost. Ordinary shares issued carry no right to fixed income.

The capital redemption reserve in the Company and Group, arose from the repurchase of issued share capital. It is distributable.

The Group hedging reserve arises from cash flow hedges entered into by the Group. The reserve is distributable in the entities in which it arises unless it relates to unrealised gains £nil (2021: £164,000).

The Group translation arises on consolidation from the unrealised movement of foreign exchange on the net assets of overseas entities. This reserve is not distributable.

26. Pension schemes

a. Defined contribution schemes

The Group operates or contributes to a number of defined contribution schemes for the benefit of qualifying employees. The assets of these schemes are held separately from those of the Company. The total cost charged to income of £2,047,000 (2021: £2,255,000) represents contributions payable to these schemes by the Group at rates specified in employment contracts. At 30 November 2022 £262,000 (2021: £257,000) due in respect of the current financial year had not been paid over to the schemes.

b. Local government pension schemes

The Group has TUPE employees who retain membership of local government pension schemes. The Group makes payments to these schemes for current service costs in accordance with its contractual obligations. The total costs charged to income for these schemes was £180,000 (2021: £165,000). The amount due in respect of these schemes at 30 November 2022 was £40,000 (2021: £77,000). The balance sheet liability is included within provisions and incorporates information from over 15 local government pension schemes. The position is calculated on an IAS 19 basis by reference to the latest published triennial valuations and the Group discloses the net position of the Group's estimated share of assets and liabilities. Together these assumptions have led to the calculation of a surplus at 30 November 2022 (2021: liability of £715,000). The Group discloses the net position of the Group's estimated share of assets and liabilities. The surplus is not recognised as the Group does not have a right to recovery.

There is judgment in determining the appropriate accounting treatment for the participation in these schemes as either a defined benefit or defined contribution scheme, in particular as to whether actuarial and investment risk fall in substance on the Company. The Company accounts for the schemes as a defined benefit arrangement with actuarial movements recognised through Other Comprehensive Income.

c. Defined benefit pension schemes

As described in Note 2. the Group has both defined benefit and defined contribution pension schemes. There are three defined benefit pension schemes.

The Research Machines plc 1988 Pension Scheme (RM Scheme)

The Scheme provides benefits to qualifying employees and former employees of RM Education Limited but was closed to new members with effect from 1 January 2003 and closed to future accrual of benefits from 31 October 2012. The assets of the Scheme are held separately from RM Education Limited's assets in a trustee-administered fund. The Trustee is a limited company. Directors of the Trustee company are appointed by RM Education Limited and by members. The Scheme is a funded scheme.

Under the Scheme, employees were entitled to retirement benefits of 1/60th of final salary for each qualifying year on attainment of retirement age of 60 or 65 years and additional benefits based on the value of individual accounts. No other post-retirement benefits were provided by the Scheme.

The most recent actuarial valuation of Scheme assets and the present value of the defined benefit obligation was carried out for statutory funding purposes at 31 May 2021 by a qualified independent actuary. IAS 19 Employee Benefits (revised) liabilities at 30 November 2022 have been rolled forward based on this valuation's base data.

As at 31 May 2021, the triennial valuation for statutory funding purposes showed a deficit of £15,386,000 (31 May 2018: £40,600,000). The Group agreed with the Scheme Trustees that it will repay this amount via deficit catch-up payments of £3,200,000 per annum until 31 December 2024. The next triennial valuation will be due as at 31 May 2024.

At 30 November 2022 there were amounts outstanding of £266,667 (2021: £308,000) for one month's deficit payment and £nil (2021: £nil) for Scheme expenses.

The parent Company RM plc has entered into a pension protection fund compliant guarantee in respect of scheme liabilities. No liability has been recognised for this within the Company as the Directors consider that the likelihood of it being called upon is remote.

The Consortium CARE Scheme (CARE Scheme)

Until 31 December 2005, The Consortium for Purchasing and Distribution Limited ("The Consortium", acquired by the Company on 30 June 2017 and now RM Educational Resources Limited) operated a pension scheme (the "Consortium CARE" scheme) providing benefits on both a defined benefit (final salary-linked) and a defined contribution basis. From 1 January 2006, the defined benefit (final salary-linked) and defined contribution sections were closed and all employees, subject to the eligibility conditions set out in the Trust Deed and Rules, joined a new defined benefit (Career Average Revalued Earnings) section. From 28 February 2011 the scheme was closed to future accruals.

The most recent actuarial valuation of Scheme assets and the present value of the defined benefit obligation was carried out for statutory funding purposes at 31 May 2021 by a qualified independent actuary. IAS 19 Employee Benefits (revised) liabilities at 30 November 2022 have been rolled forward based on this valuation's base data.

As at 31 May 2021, the triennial valuation for statutory funding purposes showed a deficit of £6,240,000. The Group agreed with the Scheme Trustees that it will repay this amount via deficit catch-up payments of £1,200,000 per annum until 31 December 2026. The next triennial valuation will be due as at 31 May 2024.

Prudential Platinum Pension (Platinum Scheme)

The Consortium acquired West Mercia Supplies in April 2012 (prior to the Company acquiring The Consortium). Upon acquisition by The Consortium of West Mercia Supplies, a pension scheme (the Platinum scheme) was set up providing benefits on both a defined benefit (final salary-linked) and a defined contribution basis for West Mercia employees. The most recent full actuarial valuation was carried out by the independent actuaries XPS Pensions Group on 31 December 2018. The results of the full valuation were adjusted and rolled forward to form the basis for the current year valuation. The scheme is administered within a legally separate trust from The Consortium and the Trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that the scheme assets are appropriately invested. The valuation of the scheme at 31 December 2018 was a surplus of £213,000 (31 December 2015: deficit £70,000).

Amounts recognised in the Income Statement and in the Statement of Comprehensive Income

	Note	**Year ended 30 November 2022 £000**	Year ended 30 November 2021 £000
Administrative expenses and taxes		**(7)**	(52)
Operating expense		**(7)**	(52)
Interest cost		**(5,326)**	(4,827)
Interest on scheme assets		**5,894**	4,573
Net interest income/(expense)	8,9	**568**	(254)
Income/(expense) recognised in the Income Statement		**561**	(306)
Effect of changes in demographic assumptions		**2,053**	620
Effect of changes in financial assumptions		**135,098**	(3,203)
Effect of experience adjustments		**(20,544)**	847
Total actuarial gains/(losses)		**116,607**	(1,736)
Return on scheme assets excluding interest on scheme assets		**(129,453)**	46,596
(Expense)/income recognised in the Statement of Comprehensive Income		**(12,846)**	44,860
(Expense)/income recognised in Total Comprehensive Income		**(12,285)**	44,554

The total expense recognised in the Statement of Total Comprehensive Income comprise the £12.8m above offset by a release of £0.6m relating to LGPS provisions (see Note 24).

The effect of changes in financial assumptions is principally due to the significant increase in the discount rates - see sensitivity information further below in this Note 26. The discount rates have significantly increased as a result of an increase in corporate bond yields over the period, which have led to a lower value being placed on the Schemes' liabilities. This has been broadly matched by a corresponding fall in asset values. The asset returns over the period reflect low returns on growth assets such as equities, as well as returns on Liability Driven Investment (LDI) holdings which are designed to move in the same way as liabilities following changes to interest rates and market-implied inflation – see LDI information further below in this Note 26.

Reconciliation of the scheme assets and obligations through the year

	RM Scheme £000	CARE Scheme £000	Platinum Scheme £000	**Year ended 30 November 2022 £000**	Year ended 30 November 2021 £000
Assets					
At start of year	316,722	17,858	3,061	**337,641**	287,061
Interest on scheme assets	5,524	316	54	**5,894**	4,573
Return on scheme assets, excluding interest on scheme assets	(123,023)	(5,335)	(1,095)	**(129,453)**	46,596
Administrative expenses	-	20	(27)	**(7)**	(52)
Contributions from Group	3,452	1,059	26	**4,537**	4,450
Benefits paid	(5,331)	(625)	(14)	**(5,970)**	(4,987)
At end of year	197,344	13,293	2,005	**212,642**	337,641
Obligations					
At start of year	(282,178)	(22,544)	(2,568)	**(307,290)**	(305,714)
Interest cost	(4,892)	(389)	(45)	**(5,326)**	(4,827)
Actuarial gains/(losses)	107,713	7,661	1,234	**116,608**	(1,736)
Benefits paid	5,331	625	14	**5,970**	4,987
At end of year	(174,026)	(14,647)	(1,364)	**(190,037)**	(307,290)
Pension deficit	-	(1,354)	-	**(1,354)**	(4,686)
Pension surplus	23,318	-	641	**23,959**	35,037
Net pension surplus/(deficit)	23,318	(1,354)	641	**22,605**	30,351

Market volatility

Market indices such as the yields on corporate and government bonds, which are used to set assumptions for IAS 19 disclosure, have been very volatile over the last few months as markets reacted to the mini-budget and subsequent market intervention by the Bank of England, though there was notably less market volatility as a result of the Autumn Statement. Asset values have also shown volatility recently, particularly LDI values, which move in response to changes interest rates. Measures of RPI and CPI inflation have been particularly high over the year to 30 November 2022, and this has been reflected within the value of the liabilities of the Schemes where benefits are linked to inflation.

Included within the CARE Scheme obligations is an unfunded liability of £98,000 (2021: £161,000) which is a liability of the Group and not the Scheme.

Reconciliation of net defined benefit obligation

	Year ended 30 November 2022 £000	Year ended 30 November 2021 £000
Net surplus/(obligation) at the start of the year	**30,351**	(18,653)
Cost included in Income Statement	**561**	(306)
Scheme remeasurements included in the Statement of Comprehensive Income	**(12,844)**	44,860
Cash contribution	**4,537**	4,450
Net pension surplus	**22,605**	30,351

Under the current agreements, the Group expect to pay approximately £4,400,000 in contributions in the year ending 30 November 2023.

Obligation by participant status

	Year ended 30 November 2022 £000	Year ended 30 November 2021 £000
Active	**-**	1,611
Vested deferreds	**145,134**	243,139
Retirees	**44,905**	62,540
	190,039	307,290

Value of scheme assets

	Fair value hierarchy	**Year ended 30 November 2022 £000**	Year ended 30 November 2021 £000
Cash and cash equivalents, including escrow	Level 1	**6,691**	542
Equity instruments	Level 1	**-**	129,809
Equity instruments	Level 2	**18,459**	27,529
Equity instruments - pooled investment vehicle	Level 3	**73,447**	-
Debt instruments	Level 2	**2,005**	3,061
Liability driven investments	Level 1	**79,476**	-
Liability driven investments	Level 2	**13,270**	150,147
Insurance contract	Level 3	**19,294**	26,553
		212,642	337,641

Significant actuarial assumptions

	Year ended 30 November 2022	Year ended 30 November 2021
Discount rate (RM Scheme)	**4.40%**	1.75%
Discount rate (CARE Scheme)	**4.45%**	1.75%
Discount rate (Platinum Scheme)	**4.35%**	1.75%
Rate of RPI price inflation (RM Scheme)	**3.05%**	3.15%
Rate of RPI price inflation (CARE Scheme)	**3.10%**	3.15%
Rate of RPI price inflation (Platinum Scheme)	**3.00%**	3.15%
Rate of CPI price inflation - period before 1 January 2030	**2.05%**	2.15%
Rate of CPI price inflation - period after 1 January 2030	**3.05%**	3.15%
Rate of salary increases (Platinum Scheme)	**N/A**	N/A
Rate of pensions increases		
pre 6 April 1997 service	**1.50%**	1.50%
pre 1 June 2005 service	**2.90%**	2.90%
post 31 May 2005 service	**1.95%**	2.05%
Post retirement mortality table	**S3PA CMI 2021 1.25% 2020 and 2021 weight parameters of 10%**	S2PA CMI 2020 1.25%
Weighted average duration of defined benefit obligation	**18 years**	24 years
Assumed life expectancy on retirement at age 65:		
Retiring at the accounting date (male member aged 65)	**21.6**	21.9
Retiring 20 years after the accounting date (male member aged 45)	**22.8**	23.3

Expected cash flows

	Year ended 30 November 2022 £000	Year ended 30 November 2021 £000
Expected employer contributions for the following year ended 30 November	**4,450**	4,450
Expected total benefit payments		
Year 1	**4,316**	4,194
Year 2	**4,534**	4,369
Year 3	**4,791**	4,493
Year 4	**5,142**	4,780
Year 5	**5,682**	5,346
Years 6-10	**34,679**	33,612

Key risks

The schemes expose the Group to a number of risks:

- Investment risk: The scheme holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk: The scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the scheme holds assets such as equities and diversified growth funds the value of the assets and liabilities may not move in the same way.
- Inflation risk: A significant proportion of the benefits under the scheme are linked to inflation. Although the scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short term could lead to deficits emerging.
- Mortality risk: In the event that members live longer than assumed a deficit will emerge in the scheme.

Sensitivities to assumptions – one item changed with all others held constant

	-------------- 30 November 2022 --------------						30 November 2021
	Base	-0.1% discount rate	+0.1% discount rate	-0.1% RPI	+0.1% RPI	Life +1yr	Base
	£m	£m	£m	£m	£m	£m	£m
Analysis of net balance sheet position							
Fair value of scheme assets	**212.6**	**212.8**	**212.4**	**212.5**	**212.8**	**213.4**	337.6
Present value of scheme obligations	**(190.0)**	**(186.6)**	**(193.4)**	**(192.9)**	**(187.4)**	**(184.3)**	(307.3)
Net pension surplus	**22.6**	**26.2**	**19.0**	**19.6**	**25.4**	**29.1**	30.3
Actuarial assumptions							
Discount rate (RM Scheme)	**4.40%**	**4.30%**	**4.50%**	**4.40%**	**4.40%**	**4.40%**	1.75%
Discount rate (CARE Scheme)	**4.45%**	**4.35%**	**4.55%**	**4.45%**	**4.45%**	**4.45%**	1.75%
Discount rate (Platinum Scheme)	**4.35%**	**4.25%**	**4.45%**	**4.35%**	**4.35%**	**4.35%**	1.75%
Rate of RPI	**3.05%**	**3.05%**	**3.05%**	**2.95%**	**3.15%**	**3.05%**	3.15%
Rate of CPI	**2.05%**	**2.05%**	**2.05%**	**1.95%**	**2.15%**	**2.05%**	2.05%
Mortality table	-------------- **S3PA CMI 2021 1.25%** --------------						S2PA CMI 2020 1.25%

The significant actuarial assumptions are the discount rate applied to pension liabilities together with RPI/CPI and mortality as shown in the above table. We note that every 0.1% movement in discount rate has a c.£3.6m impact on the deficit (2021: £7m) and a 0.1% movement in RPI has a c.£3m impact (2021: £6m).

Insurance assets

The RM Scheme also holds insurance policies covering benefits for some pensions in payment. The value of these annuities is £19.3m at 30 November 2022 (2021: £26.6m). This value has been calculated using the same assumptions as used to value the liabilities. The method of determining the value of the insurance annuities is determined by projecting the expected benefit payments using the agreed assumptions and then discounting the resulting cash flows back to 30 November 2022.

Liability driven investments (LDI)

The RM Scheme contains LDI portfolio of £92.7m at 30 November 2022 (2021: £150.2m). The portfolio is valued at market value as no bid valuation is available. The components of the LDI portfolio are determined by the Trustee's investment adviser with the aim to provide a good match to the Scheme's exposure to interest rate and inflation risks within the value of its liabilities.

Liability driven investments are expected to move broadly in line with the rise and fall in liability values, thus providing a degree of protection to the Scheme's funding position.

The Trustees continue to work closely with their investment advisers to regularly rebalance the portfolio in order to maintain a healthy level of collateral backing for the LDI portfolio in light of changes to interest rates and inflation and work to maintain the overall asset allocations broadly in line with the long-term return target. The Trustees are also closely monitoring the Scheme's funding position in light of the recent market volatility.

27. Own shares

The RM plc Employee Share Trust (EST) was established in March 2003 to hedge the future obligations of the Group in respect of shares awarded under the RM plc Co-Investment Plan, RM plc Performance Share Plan and Deferred Bonus Plan. The EST has waived any entitlement to the receipt of normal dividends in respect of all of its holding of the Company's ordinary shares. The EST's waiver of dividends may be revoked or varied at any time.

Company and Group	**Ordinary shares of 2²⁄₇p**	
	Number '000	£000
At 1 December 2020	1,169	841
Shares released to award holders	(550)	(397)
At 30 November 2021 and 30 November 2022	**619**	**444**

The valuation of the shares is weighted average cost.
The maximum number of own shares held in the year was 618,796.

28. Share-based payments

The Group operates the following executive and employee equity-settled share-based payment scheme known as the RM plc Performance Share Plan 2010 (the "PSP Scheme").

Three awards were made under the PSP Scheme during the year ended 30 November 2022. The fair values of awards made under this Scheme have been assessed using Black-Scholes and Monte-Carlo models, as appropriate to the scheme, at the date of grant. The fair values of awards are expensed over the period between grant and vesting. The weighted average fair value of the award made during the year was £0.762 per share and key assumptions include risk free rate of 0.12%, dividend yield of 1.36% and volatility of Company share price of 47%.

Share-based payment awards exercised in the period and disclosed in the statement of changes in equity represents the impact on retained earnings of releasing the fair value charge accrued under IFRS 2 Share-based payment, which for deferred bonus scheme is partially matched by the release of own shares held.

RM plc Performance Share Plan 2010 ("PSP Scheme")

The Group uses the PSP Scheme for the remuneration of senior executives and senior management. Details of Directors' awards are contained within the Remuneration Report. Participation has been subject to various vesting conditions, including EPS, total shareholder return (TSR) and share price conditions. The awards issued in 2021 and 2022 do not include an EPS vesting condition. If the participants leave the Group's employment, in most circumstances the award lapses

Details of performance share plan shares are as follows:

Group	Maximum number of shares	Market price on grant
At 1 December 2020	2,003,500	
Granted during the year	905,000	£1.72
Lapsed during the year	(710,825)	
Exercised during the year	(561,675)	
At 30 November 2021	1,636,000	
Granted during the year	**1,312,248**	**£1.33**
Lapsed during the year	**(1,211,000)**	
At 30 November 2022	**1,737,248**	

The plans outstanding at 30 November 2022 had a weighted average contractual life of 1.7 years (2021: 1.6 years). The weighted average exercise price was £nil (2021: £nil).
The weighted average market share price at date of exercise was £ nil (2021: £2.09).

Where total shareholder return (TSR) is used as a performance condition, comparator company volatility is assessed using annualised, daily historic TSR growth assessed over a period prior to the date of grant that corresponds to the performance period of three years. The company correlation uses historic pairwise correlations of the companies over a three year period. The fair value of the TSR element is based on a large number of stochastic projections of Company and comparator TSR.

Where earnings per share (EPS) is used as a performance condition, the EPS Performance Target is that EPS for the final Financial Year of the measurement period.

In March 2003 the Company established the RM plc Employee Share Trust to hedge the future obligations of the Group in respect of share scheme awards. These shares are used to hedge the estimated liability but until vesting represents own shares held – see Note 27.

Performance conditions

Assigning a fair value charge to share-based payments requires estimation of: the projected share price; the number of instruments which are likely to vest; other non-market based performance conditions.

29. Guarantees and contingent liabilities

a) Guarantees

The Company has entered into guarantees relating to the performance and liabilities of certain major contracts of its subsidiaries. The Directors are not aware of any circumstances that have given rise to any liability under such guarantees and consider the possibility of any arising to be remote.

After the year end, the Group has provided first ranking security to the bank facility lenders (see Note 31) and intend to provide second ranking security to the Research Machines 1988 Defined Benefit Pension Scheme and the CARE Pension Scheme.

b) Contingent liabilities

The Group has provided performance guarantees and indemnities relating to performance bonds and letters of credit issued by its banks on its behalf, in the ordinary course of business. The Directors are not aware of any circumstances that have given rise to any liability under such guarantees and indemnities and consider the possibility of any arising to be remote.

30: Leases and commitments

a) Lease commitments

The outstanding lease commitments for leases that fall within the scope of IFRS 16 are recognised in the balance sheet as lease liabilities (see Note 22). Other leases that are of low value or less than a year (except properties) are disclosed in the table below.

Group	**2022** **£000**	2021 £000
Within 1 year	**38**	7
In years 2 to 5 inclusive	**15**	2
	53	9

The Company has no operating leases.

b) Capital commitments

At 30 November 2022 amounts contracted but not provided for total £nil and relate to outstanding commitments on the ERP project cost (2021: £502,000). The Company had no capital commitments during the year.

31: Financial risk management

Carrying value of financial assets and financial liabilities

	Note	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Financial assets					
Trade and other receivables - current	20	**28,663**	26,048	**1**	1
Trade and other receivables - non-current	20	**291**	82	**7,858**	7,263
Cash and short-term deposits		**1,911**	3,560	**-**	-
		30,865	29,690	**7,859**	7,264
Financial liabilities					
Trade and other payables - current	22	**(50,922)**	(42,739)	**(27,390)**	(49,720)
Trade and other payables - non-current	22	**(15,998)**	(17,803)	**-**	-
Bank loans and overdrafts		**(48,728)**	(21,826)	**(48,728)**	(19,744)
		(115,648)	(82,368)	**(76,118)**	(69,464)

All receivables classified as financial assets are at amortised cost except for forward foreign exchange contracts of £nil (2021: £164,000) which are classified as fair value through profit or loss.

All liabilities classified as financial liabilities are held at amortised cost except for forward foreign exchange contracts of £272,000 (2021: £nil) which are classified as fair value through profit or loss.

The Directors consider that the carrying amount of all financial assets and financial liabilities approximates their fair value, therefore fair value information for financial assets and financial liabilities not shown at fair value is not disclosed.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken and the Group does not hold or issue derivative financial instruments for speculative purposes.

The main risks arising from the Company's financial assets and liabilities are market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The Board reviews and agrees policies on a regular basis for managing the risks associated with these assets and liabilities.

Foreign currency risk

a) Translation

The Group is exposed to the translation risk of assets and liabilities held in overseas subsidiaries being translated in the Group's results at rates of exchange effective at the balance sheet date. The risk is mitigated by the concentration of contractual positions through UK legal entities.

All financial assets are classified as financial assets at amortised cost.

All liabilities classified as financial liabilities are held at amortised cost except for forward foreign exchange contracts of £272,000 liability (2021: £164,000 asset) which are classified as fair value through profit or loss.

The Group also maintains foreign currency denominated cash accounts, but only holds balances required to settle its payables.

b) Transaction

Operations are also subject to foreign exchange risk from transactions in currencies other than their functional currency and, once recognised, the revaluation of foreign currency denominated assets and liabilities. Principally, this relates to transactions arising in US Dollars and Indian Rupees. Specifically, the Group purchases a proportion of its inventory in US dollars and operating costs in the Group's subsidiary RM Education Solutions India Pvt Limited are in Indian Rupees.

In order to manage these risks the Group enters into derivative transactions in the form of forward foreign currency contracts. To manage the US Dollar to Sterling risk, the forward foreign currency contracts purchased are designed to cover 75-100% of forecast currency denominated purchases and the contracts are set up to provide coverage over future fixed price periods, typically for the following 12 months. To manage the Indian Rupee to Sterling risk, the contracts purchased are designed to cover 75-85% of forecast Rupee costs and are renewed on a revolving basis of approximately eleven to eighteen months.

The total amount of outstanding forward foreign exchange contracts to which the Group was committed was:

2022

Currency	Contract type	Forward contract value Currency '000	Forward contract value £000	Mark to market value £000	Fair value £000
US Dollar	**Buy**	**11,305**	**(9,477)**	**(9,429)**	**(48)**
Rupee	**Buy**	**1,111,000**	**(11,447)**	**(11,223)**	**(224)**
			(20,924)	**(20,652)**	**(272)**

2021

Currency	Contract type	Forward contract value Currency '000	Forward contract value £000	Mark to market value £000	Fair value £000
US Dollar	Buy	3,285	(2,442)	(2,458)	16
Rupee	Buy	432,265	(4,084)	(4,232)	148
			(6,526)	(6,690)	164

The fair value of the derivative financial instruments is estimated by discounting the future contracted cash flow, using readily available market data and represents a level 2 measurement in the fair value hierarchy under IFRS 7. These fair value gains/(losses) are included within trade and other receivables and trade and other payables respectively.

Of these, forward foreign currency exchange contracts with a contract value of £20,924,000 (2021: £6,526,000) and fair value of £272,000 liability (2021: £164,000 asset) have been designated as effective hedges in accordance with IFRS 9 Financial Instruments: Recognition and Measurement. The movement in fair value of hedged derivative financial instruments during the year was a debit of £436,000 (2021: credit of £240,000) which has been recognised in Other comprehensive income and presented in the hedging reserve in equity. In addition, the Group transfers via the Statement of Changes in Equity directly into the recognition amount in inventory, the gain or loss on realised foreign currency contracts used to hedge non-financial assets.

No ineffectiveness was identified in the forward foreign currency exchange contracts that have been designated hedges in accordance with IFRS 9 Financial Instruments: Recognition and Measurement at 30 November 2022 (2021: nil).

Commercially effective hedges may lead to Income Statement volatility in the future, particularly if the hedges do not meet the criteria of an effective hedge in accordance with IFRS 9 Financial Instruments: Recognition and Measurement.

All Rupee forward contracts are non-deliverable and are settled on a net basis.

c) Foreign exchange rate sensitivity

The following table details how the Group's income and equity would increase/(decrease) if there were a 10% increase/(decrease) in the amount of the respective currency which could be purchased with £Sterling (assuming all other variables remain constant), for example from $1.20:£1 to $1.32:£1 at the balance sheet date. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency. A 10% weakening of Sterling against the relevant currency would be estimated to have a comparable but opposite impact on income and equity.

The total amount of outstanding forward foreign exchange contracts to which the Group was committed was:

Group	2022		2021	
	Nominal value £000	**Fair value £000**	Nominal value £000	Fair value £000
Forward foreign exchange contracts	**(20,924)**	**(272)**	(6,526)	164

Sensitivity	2022		2021	
Group	**Income £000**	**Equity £000**	Income £000	Equity £000
10% increase in foreign exchange rates against Sterling:				
US Dollar	**(47)**	**(47)**	(175)	(175)
Australian Dollar	**(122)**	**(349)**	(355)	(393)
Indian Rupee	**79**	**345**	82	397

All the forward exchange contracts mature within 1 year.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the analysis does not reflect management's proactive monitoring methods and processes for exchange risk.

Interest rate risk

The only significant interest-bearing financial assets or liabilities relate to the Group's borrowings referred to below. During the year, adjusted average net debt was £46,759,000 (2021: £15,789,000) and the maximum borrowings position was £64,110,000 (2021: £29,709,000).

The Group has a committed revolving credit facility with HSBC Bank plc and Barclays Bank plc, which was originally signed on 5 July 2019 and which was extended on 22 September 2021. The facility expires on 4 July 2023. The facility is for £70,000,000 with an accordion option to increase the facility by a further £30,000,000. The accordion extension does not need the permission of the existing lenders. The current bank credit facility ends on 4 July 2023 but has an option to extend for a further 1 year. The extension remains subject to agreement with the lenders but the Board has no reason to believe the debt would not be renewed. Of the funds available, £5,000,000 is allocated to an on-demand working capital facility leaving the remainder unallocated. Under the facility the Company is bound to covenants of at least 4 times interest cover/EBITDA and up to 3.0 times adjusted net debt/EBITDA as at 31 May and 30 November annually. On 30 November 2022, the covenant calculation date was agreed with the banks to be deferred until December and it has been subsequently relaxed to 29 March 2023. The £48.7m drawdown at the year end is not contractually due for repayment until 2023. Interest is payable quarterly based on the drawdown at this date.

Separate to this, the Group has a number of performance bonds relating to potential liabilities arising in connection with any Local Government Pension Scheme that the Company participates in as a result of its managed services contracts in the RM Technology Division (which are included in other provisions).

The interest payable on loans under the revolving credit facility is between 3.35% and 4.1% above SONIA (the Margin), for the remainder of the committed term subject to certain financial ratios. A commitment fee of 40% of the Margin is payable on the unutilised balance and an arrangement fee of £350,000 was paid in 2023. The fees are recognised in the Consolidated Income Statement on an effective interest rate basis over the duration of the facility.

The interest and currency profile of cash and cash equivalents is shown below:

Group	2022			2021		
	Floating rate £000	**Interest free £000**	**Total £000**	Floating rate £000	Interest free £000	Total £000
Sterling cash and cash equivalents/(overdraft)	**898**	**1**	**899**	(637)	134	(503)
US Dollar	**-**	**320**	**320**	-	167	167
Euro	**-**	**6**	**6**	-	86	86
Indian Rupee	**-**	**228**	**228**	402	450	852
Singapore Dollar	**-**	**41**	**41**	-	43	43
Australian Dollar	**-**	**412**	**412**	-	831	831
New Zealand Dollar	**-**	**5**	**5**	-	2	2
Cash and cash equivalents	**898**	**1,013**	**1,911**	(235)	1,713	1,478
Borrowings - Sterling	**49,000**	**-**	**49,000**	20,000	-	20,000

The weighted average effective interest rates at the balance sheet date on interest bearing financial assets and liabilities were as follows:

Group	2022		2021	
	Floating rate £000	**Weighted average interest rate %**	Floating rate £000	Weighted average interest rate %
Financial assets				
Cash and cash equivalents	**1,911**	**0.20**	3,560	0.77
Financial liabilities				
Overdrafts	**-**	**2.87**	(2,082)	1.59
Loans	**(49,000)**	**4.04**	(20,000)	1.74

Interest rate sensitivity (assuming all other variables remain constant):

Group	2022		2021	
	Income sensitivity £000	**Equity sensitivity £000**	Income sensitivity £000	Equity sensitivity £000
1% increase in interest rates	**(490)**	**(490)**	(185)	(185)
1% decrease in interest rates	**490**	**490**	185	185

Credit risk

The Group's principal financial assets are bank balances and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. Credit checks are performed on new customers and before credit limits are increased. The amounts presented in the balance sheet are net of allowances for expected credit losses. Note 20 includes an analysis of trade receivables by type of customer and of the ageing of unimpaired trade receivables.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are investment grade banks. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers and a large proportion are schools and educational institutions which are ultimately backed by the UK Government.

The carrying amount of financial assets represents the maximum credit exposure. The Group does not hold any collateral to cover its risks associated with financial assets.

Liquidity risk

Cash is managed to ensure that sufficient liquid funds are available with a variety of counterparties, to meet short, medium and long-term cash flow forecasting requirements. The Group has access to overdraft and borrowing facilities (see Interest rate risk section) which mean that the Group can continue to meet its liabilities as they fall due. The levels of investment in the warehouse strategy and IT investment programmes have had a material impact on the cash position of the Group and are explained further in Note 6. The Group has approached its maximum borrowing limits during the year (see Interest risk above) and has worked with its lenders to maintain liquidity. In full alignment with its lenders the Group has implemented improved liquidity monitoring controls and has agreed (after year end) to, amend and extend the bank facility of £70m to July 2025 as described above, but offers fixed and floating security in return. The Group believes it can maintain its liquidity despite having net current liabilities of £48.8m (2021: £1.0m).

Post year end, the Group has negotiated amending and extending the facility of £70m but removing the £30m accordion to 5 July 2025. This new agreement will provide the lenders a fixed and floating charges over the shares of all obligor companies (except for RM plc). Financial covenants from May 2023 to November 2024 will be on a minimum EBITDA basis on a rolling 12 months and then revert to a 4 times interest cover/EBITDA (post IFRS16). A condition of the new extended and amended banking facility agreement has been to restrict dividend distribution until the Company has reduced its adjusted net debt to EBITDA leverage to less than 1x for two consecutive quarters.

Maturity profile of financial liabilities

The table below highlights the maturity profile of the financial liabilities.

As at 30 November 2022	**<3 months £000**	**3 months to 1 year £000**	**1-2 years £000**	**2-5 years £000**	**over 5 years £000**	**Total £000**
Financial liabilities						
Trade payables	**34,269**	**-**	**-**	**-**	**-**	**34,269**
Lease liabilities	**883**	**2,574**	**-**	**-**	**-**	**3,457**
Derivative liabilities	**3,505**	**6,197**	**-**	**-**	**-**	**9,702**
Other payables	**-**	**2,721**	**-**	**-**	**-**	**2,721**
Accruals	**8,119**	**2,397**	**-**	**-**	**-**	**10,516**
Borrowings *	**52,337**	**2,731**	**-**	**-**	**-**	**55,068**
	99,113	**16,620**	**-**	**-**	**-**	**115,732**
Lease liabilities due after 1 year	**-**	**-**	**2,313**	**4,938**	**10,201**	**17,453**
	99,113	**16,620**	**2,313**	**4,938**	**10,201**	**133,185**

As at 30 November 2021	<3 months £000	3 months to 1 year £000	1-2 years £000	2-5 years £000	over 5 years £000	Total £000
Financial liabilities						
Trade payables	21,277	-	-	-	-	21,277
Lease liabilities	982	2,783	-	-	-	3,765
Derivative liabilities	288	2,154	-	-	-	2,442
Other payables	-	2,893	-	-	-	2,893
Overdraft	2,082	-	-	-	-	2,082
Accruals	13,408	2,035	-	-	-	15,443
	38,037	9,865	-	-	-	47,902
Lease liabilities due after 1 year	-	-	2,300	5,610	11,634	19,544
Borrowings	155	463	20,412	-	-	21,030
	38,192	10,328	22,712	5,610	11,634	88,476

* Borrowings are detailed in Note 23, the profile above reflects the cash flows to the facility extension date of 5 July 2024.

Capital management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence as to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders and contributions to the defined benefit pension schemes.

32: Related party transactions

a) Key management personnel

The remuneration of the Directors and other key management personnel of the Group during the year, in aggregate, was:

Group	Year ended 30 November 2022	Year ended 30 November 2021
	£000	£000
Short-term employee benefits	2,443	3,102
Post-employment benefits	95	70
Termination benefits	173	-
Share-based payment	129	(5)
	2,840	3,167

Share-based payments above include a fair value charge for Executive Directors of £nil (2021: £220,917) in respect of awards to David Brooks, £62,135 (2021: £87,864) in respect of Neil Martin and £9,045 credit (2021: £9,045) in respect of Mark Berry.

Further information about the remuneration of individual Directors is provided in the audited section of the Remuneration Report.

b) Transactions between the Company and its subsidiary undertakings

During the year, the Company entered into the following transactions with its subsidiary undertakings:

Company	Year ended 30 November 2022	Year ended 30 November 2021
	£000	£000
(Payments)/receipts:		
Management recharges	(868)	(940)
Net intercompany interest payable	(473)	(888)
Dividends received	-	6,000

Total amounts owed between the Company and its subsidiary undertakings are disclosed in Notes 20 and 22 respectively.

c) Other related party transactions

The Group encourages its Directors and employees to be governors, trustees or equivalent of educational establishments. The Group trades with these establishments in the normal course of its business.

Spinfield School
Neil Martin, Executive Director, is a governor of Spinfield School. RM Resources made sales of £1,807 (2021: £nil) to this school. At the year end there is a balance of £239 (2021: £nil) outstanding.

Informa plc
Patrick Neil Martell, Non-Executive Director of RM plc, is Chief Operating Officer of Informa plc. In the year a payment of £nil was made to Informa Markets (UK) Limited, an indirect subsidiary of Informa plc, relating to an online subscription for legal guidance (2021: £4,251). At the year end there is a balance of £234 (2021: £nil) outstanding.

Bellevue Place Education Trust
Vicky Griffiths, a Non-Executive Director is a trustee of Bellevue Place Education Trust. RM Resources made sales of £nil (2021: £234) to this Trust. At the year end there is a balance of £nil outstanding (2021: £nil).

Independent Search Partnership
Vicky Griffiths, a Non-Executive Director is a partner of Independent Search Partnership. In the year a payment of £nil was made to Independent Search Partnership (ISP) relating to search fees for recruitment (2021: £42,683). Vicky Griffiths did not participate in the decision to use ISP, she did not benefit financially in any way from the arrangement, and she was not involved in the provision of the recruitment services from ISP to RM. At the year end there is a balance of £nil outstanding (2021: £nil).

Dulwich College Junior School
The husband of Vicky Griffiths, a Non-Executive Director, is Head Teacher of Dulwich College Junior School. RM Resources made sales of £1,915 (2021: £792) to this school. At year end there is a balance of £1,412 outstanding (2021: £2).

Restore Now
Charles Bligh, Non-Executive Director of RM plc, is the CEO of Restore plc, which is a supplier to RM of scanning and associated services. Since his appointment on 2 July 2021, the Group has purchased €242,340 (2021: €217,500) and £3,469,412 (2021: £1,204,279) services from Restore Digital Limited (part of the Restore plc group). At the year end there is an unpaid balance of £1,066,766 (2021: £nil) outstanding. Charles was not involved in any discussions relating to the use of Restore plc group.

Wellington College
Helen Stevenson, appointed a Non-Executive Director on 16 February 2022, is a trustee of Wellington College. Since her appointment, RM Resources made sales of £2,338 to this Trust. At the year end, there is a balance of £327 outstanding.

33: Restatement for accounting error and classification

The comparative period Financial Statements are being restated to reflect three prior year errors, being:

1. During the year certain customer contract fulfilment assets have been reassessed as fulfilling the capitalisation criteria of IAS38, which should be applied prior to an IFRS15 evaluation of contract assets. Restated figures as at 30 November 2021 reflect the reclassification of £2,682k that was previously capitalised within Contract fulfilment assets to Intangible assets. Restated figures as at 30 November 2020 reflect the reclassification of £1,854k that was previously capitalised within Contract fulfilment assets to Intangible assets. There is no impact on Income Statement, current assets or any other balance sheet line items from this restatement as the asset is still under development.
2. We have restated revenue for prior periods to correct for a mechanical error, which arose from previous forecasts of exam script volumes not being updated at a point when the actual volumes were known. The aggregate impact of this correction is to reduce revenues recognised in periods prior to the year ended 30 November 2022 by £538k and to increase contract liabilities recognised by £538k. A restatement to reduce retained earnings as at 1 December 2020 by £538k has been made, with an equivalent increase in contract.
3. The income from sale of property in FY21 (£1,399k) is also reclassified from operating expenses to other income as shown below.

Results from discontinuing operations have also been reclassified in the prior year. The impact of these is set out in Note 21.

These adjustments have the following impact on the primary statements for the year ended 30 November 2021:

Consolidated Income Statement

	Year ended 30 November 2021			
	As reported £000	Discontinued operations(1) £000	Restatement impact(2) £000	Restated £000
Revenue	210,853	(4,704)	-	206,149
Cost of sales	(140,220)	1,449	-	(138,771)
Gross profit	70,633	(3,255)	-	67,378
Operating expenses	(63,490)	1,255	(1,399)	(63,634)
Increase in allowances for receivables	(157)	-	-	(157)
Profit from operations	6,986	(2,000)	(1,399)	3,587
Investment income	28	-	-	28
Other income	-	-	1,399	1,399
Finance costs	(1,396)	-	-	(1,396)
Profit before tax	5,618	(2,000)	-	3,618
Tax	(1,424)	-	-	(1,424)
Profit/(loss) for the year from continuing operations	4,194	(2,000)	-	2,194
Profit for the year from discontinuing operations	-	2,000	-	2,000
Profit for the year	**4,194**	**-**	**-**	**4,194**

(1) Impact of discontinued operations; (2) Impact of restatements.

The Income Statement is only affected by the reclassification of discontinuing operations. There is no impact on the Consolidated Statement of Income.

Consolidated Balance Sheet

	Year ended 30 November 2021				Year ended 30 November 2020			
	As reported £000	Discontinued operations(1) £000	Restatement impact(2) £000	Restated £000	As reported £000	Discontinued operations(1) £000	Restatement impact(2) £000	Restated £000
Non-current assets								
Goodwill	49,202	-	-	49,202	49,322	-	-	49,322
Intangible assets	23,405	-	2,683	26,088	19,016	-	1,854	20,870
Property, plant and equipment	16,217	-	-	16,217	8,423	-	-	8,423
Right-of-use asset	18,018	-	-	18,018	19,391	-	-	19,391
Defined benefit pension scheme surplus	35,037	-	-	35,037	665	-	-	665
Other receivables	82	-	-	82	63	-	-	63
Contract fulfilment assets	4,169	-	(2,683)	1,486	3,420	-	(1,854)	1,566
Deferred tax assets	156	-	-	156	5,333	-	-	5,333
	146,286	-	-	146,286	105,633	-	-	105,633
Current assets								
Inventories	19,055	-	-	19,055	18,594	-	-	18,594
Trade and other receivables	33,865	-	(204)	33,661	31,475	-	(204)	31,271
Contract fulfilment assets	1,360	-	-	1,360	728	-	-	728
Held-for-sale asset	3,034	-	-	3,034	4,793	-	-	4,793
Tax assets	3,665	-	-	3,665	2,633	-	-	2,633
Cash at bank	3,560	-	-	3,560	5,941	-	-	5,941
	64,539	-	(204)	64,335	64,164	-	(204)	63,960
Total assets	210,825	-	(204)	210,621	169,797	-	(204)	169,593
Current liabilities								
Trade and other payables	(61,369)	-	(326)	(61,695)	(61,491)	-	(326)	(61,817)
Tax liabilities	-	-	-	-	(163)	-	-	(163)
Provisions	(2,066)	-	-	(2,066)	(435)	-	-	(435)
Overdraft	(2,082)	-	-	(2,082)	(2,480)	-	-	(2,480)
	(65,517)	-	(326)	(65,843)	(64,569)	-	(326)	(64,895)
Net current liabilities	(978)	-	(530)	(1,508)	(405)	-	(530)	(935)
Non-current liabilities								
Other payables	(21,072)	-	-	(21,072)	(20,987)	-	-	(20,987)
Provisions	(1,475)	-	-	(1,475)	(3,998)	-	-	(3,998)
Deferred tax liability	(10,830)	-	-	(10,830)	(3,339)	-	-	(3,339)
Defined benefit pension scheme obligation	(4,686)	-	-	(4,686)	(19,318)	-	-	(19,318)
Borrowings	(19,744)	-	-	(19,744)	(4,779)	-	-	(4,779)
	(57,807)	-	-	(57,807)	(52,421)	-	-	(52,421)
Total liabilities	(123,324)	-	(326)	(123,650)	(116,990)	-	(326)	(117,316)
Net assets	87,501	-	(530)	86,971	52,807	-	(530)	52,277
Equity attributable to shareholders								
Share capital	1,917	-	-	1,917	1,917	-	-	1,917
Share premium account	27,080	-	-	27,080	27,080	-	-	27,080
Own shares	(444)	-	-	(444)	(841)	-	-	(841)
Capital redemption reserve	94	-	-	94	94	-	-	94
Hedging reserve	177	-	-	177	(65)	-	-	(65)
Translation reserve	(882)	-	-	(882)	(702)	-	-	(702)
Retained earnings	59,559	-	(530)	59,029	25,324	-	(530)	24,794
Total equity	87,501	-	(530)	86,971	52,807	-	(530)	52,277

Consolidated Cash Flow Statement

	Year ended 30 November 2021			
	As reported £000	Discontinued operations(1) £000	Restatement impact(2) £000	Restated £000
Profit before tax from continuing operations	5,618	(2,000)	-	3,618
Profit before tax from discontinuing operations	-	2,000	-	2,000
Investment income	(28)	-	-	(28)
Other income	-	-	(1,399)	(1,399)
Finance costs	1,396	-	-	1,396
Profit from operations	6,986	-	(1,399)	5,587
Adjustments for:				
Amortisation and impairment of intangible assets	2,406	-	-	2,406
Depreciation and impairment of property, plant and equipment	4,281	-	-	4,281
Utilisation of contract fulfillment asset	-	-	1,446	1,446
(Gain)/loss on disposal of property, plant and equipment	(1,449)	-	1,399	(50)
Loss on foreign exchange derivatives	64	-	-	64
Share-based payment credit	(100)	-	-	(100)
Decrease in provisions	(353)	-	-	(353)
Defined benefit pension scheme administration cost	52	-	-	52
Operating cash flows before movements in working capital	11,887	-	1,446	13,333
Increase in inventories	(460)	-	-	(460)
Increase in receivables	(2,318)	-	-	(2,318)
Increase in contract fulfilment assets	(1,381)	-	(618)	(1,999)
Movements in payables				
- increase in trade and other payables	1,177	-	-	1,177
- utilisation of provisions	(528)	-	-	(528)
Cash generated from operations	8,377	-	828	9,205
Defined benefit pension scheme cash contributions	(4,450)	-	-	(4,450)
Tax paid	(135)	-	-	(135)
Net cash inflow from operating activities	3,792	-	828	4,620
Investing activities				
Interest received	28	-	-	28
Proceeds on disposal of property, plant and equipment	3,214	-	-	3,214
Purchases of property, plant and equipment	(8,024)	-	-	(8,024)
Purchases of other intangible assets	(6,977)	-	(828)	(7,805)
Net cash used in investing activities	(11,759)	-	(828)	(12,587)
Financing activities				
Dividends paid	(3,913)	-	-	(3,913)
Drawdown of borrowings	15,000	43,000	-	58,000
Repayment of borrowings	-	(43,000)	-	(43,000)
Borrowing facilities arrangement and commitment fees	(497)	-	-	(497)
Interest paid	(675)	-	-	(675)
Payment of leasing liabilities	(3,889)	-	-	(3,889)
Net cash generated by financing activities	6,026	-	-	6,026
Net (decrease)/increase in cash and cash equivalents	(1,941)	-	-	(1,941)
Cash and cash equivalents at the beginning of the year	3,461	-	-	3,461
Effect of foreign exchange rate changes	(42)	-	-	(42)
Cash and cash equivalents at the end of the year	1,478	-	-	1,478

34: Post balance sheet events

On 28 March 2022, the Group agreed to amend and extend the bank facility with our lenders to July 2025, with key changes disclosed in Note 31.

There are no other post balance sheet events.

SHAREHOLDER INFORMATION

Financial calendar

Annual General Meeting	25 May 2023
Announcement of 2023 interim results	July 2023
Preliminary announcement of 2023 results	February 2024

Glossary

The use of Company refers to RM plc.

The use of Group refers to RM plc and its subsidiary undertakings covered by the consolidated accounts.

Investor information

Information for investors is available at www.rmplc.com. Enquiries can be directed to Howard Rubenstein, Company Secretary, at the Group head office address or at companysecretary@rm.com.

Registrars and shareholding information

Shareholders can access the details of their holdings in RM plc via the Shareholder Services option within the investor section of the corporate website at www.rmplc.com. Shareholders can also make changes to their address details and dividend mandates online. All enquiries about individual shareholder matters should be made to the Company's registrar, Link Asset Services, either via email at shareholderenquiries@linkgroup.co.uk or by telephone to 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.

To help shareholders, the Link Asset Services' Share Portal at www.signalshares.com contains a frequently asked questions section for shareholders.

Electronic communication

Shareholders are able to receive Company communication via email. By registering your email address, you will receive emails with a web link to information posted on our website. This can include our report and accounts, notice of meetings and other information we communicate to our shareholders.

Electronic communication brings numerous benefits, which include helping us reduce our impact on the environment, increased security (your documents cannot be lost in the post or read by others) and faster notification of information and updates. To sign up to receive e-communications go to Link Asset Services' Share Portal at www.signalshares.com.
All you need to register is your investor code, which can be found on your share certificate or your dividend tax voucher. The Share Portal is a secure online site where you can manage your shareholding quickly and easily. You can check your shareholding and account transactions, change your name, address or dividend mandate details online at any time and vote online via the Share Portal.

Beneficial shareholders with 'information rights'

Please note that beneficial owners of shares who have been nominated by the registered holders of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to Link Asset Services, or to the Company directly.

Multiple accounts on the shareholder register

If you have received two or more copies of this document, it may be because there is more than one account in your name on the shareholder register. This may be due to either your name or address appearing on each account in a slightly different way. For security reasons, Link Asset Services will not amalgamate the accounts without your written consent. If you would like to amalgamate your multiple accounts into one account, please write to Link Asset Services.

Company Secretary

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Registered number

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Corporate Website

Information about the Group's activities is available from RM at www.rmplc.com.

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